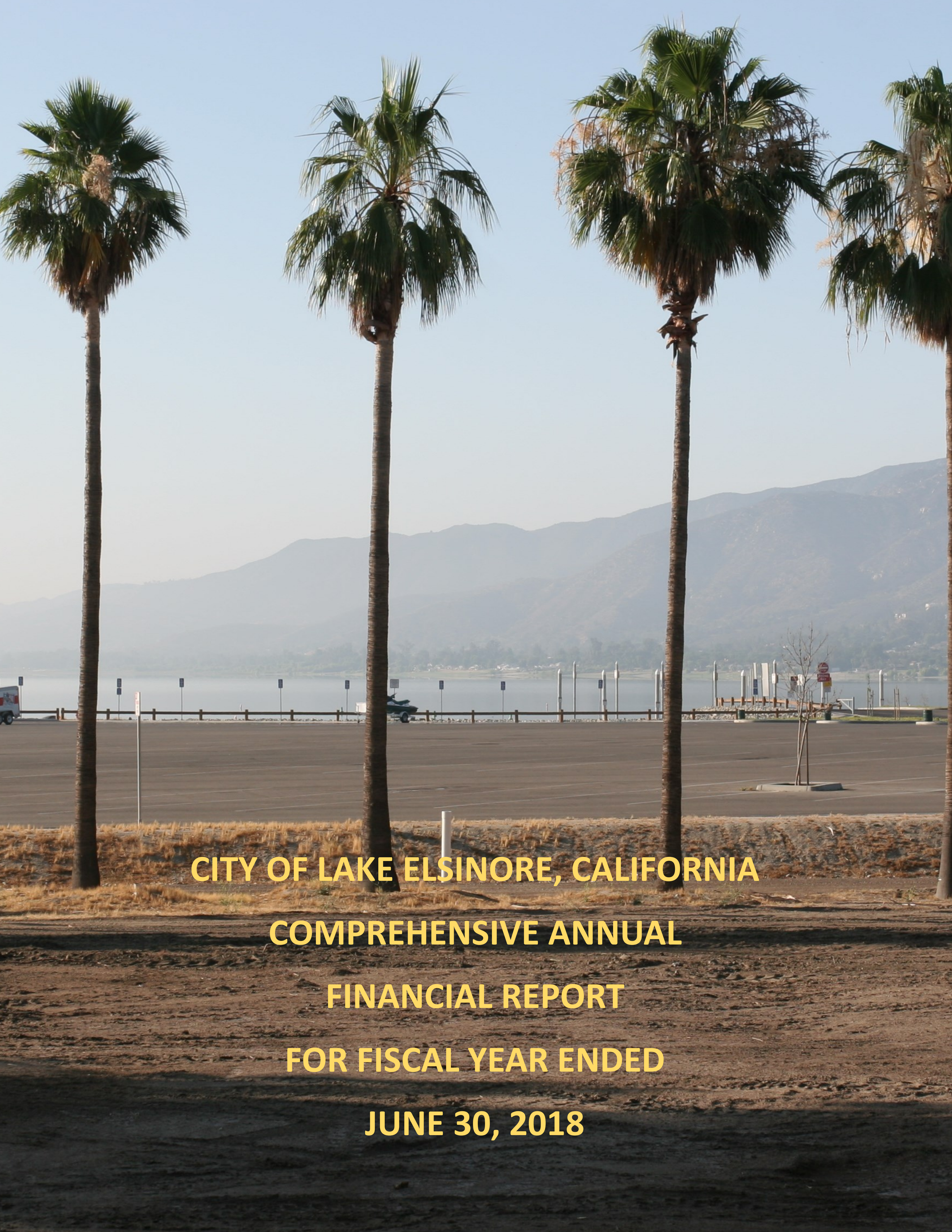


CITY OF LAKE ELSINORE, CALIFORNIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR FISCAL YEAR ENDED

JUNE 30, 2018

This page left intentionally blank.

CITY OF LAKE ELSINORE, CALIFORNIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED
JUNE 30, 2018

This page left intentionally blank.

CITY OF LAKE ELSINORE

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2018

TABLE OF CONTENTS

CITY OF LAKE ELSINORE

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2018

TABLE OF CONTENTS

Page(s)

CITY OF LAKE ELSINORE

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2018

TABLE OF CONTENTS

CITY OF LAKE ELSINORE

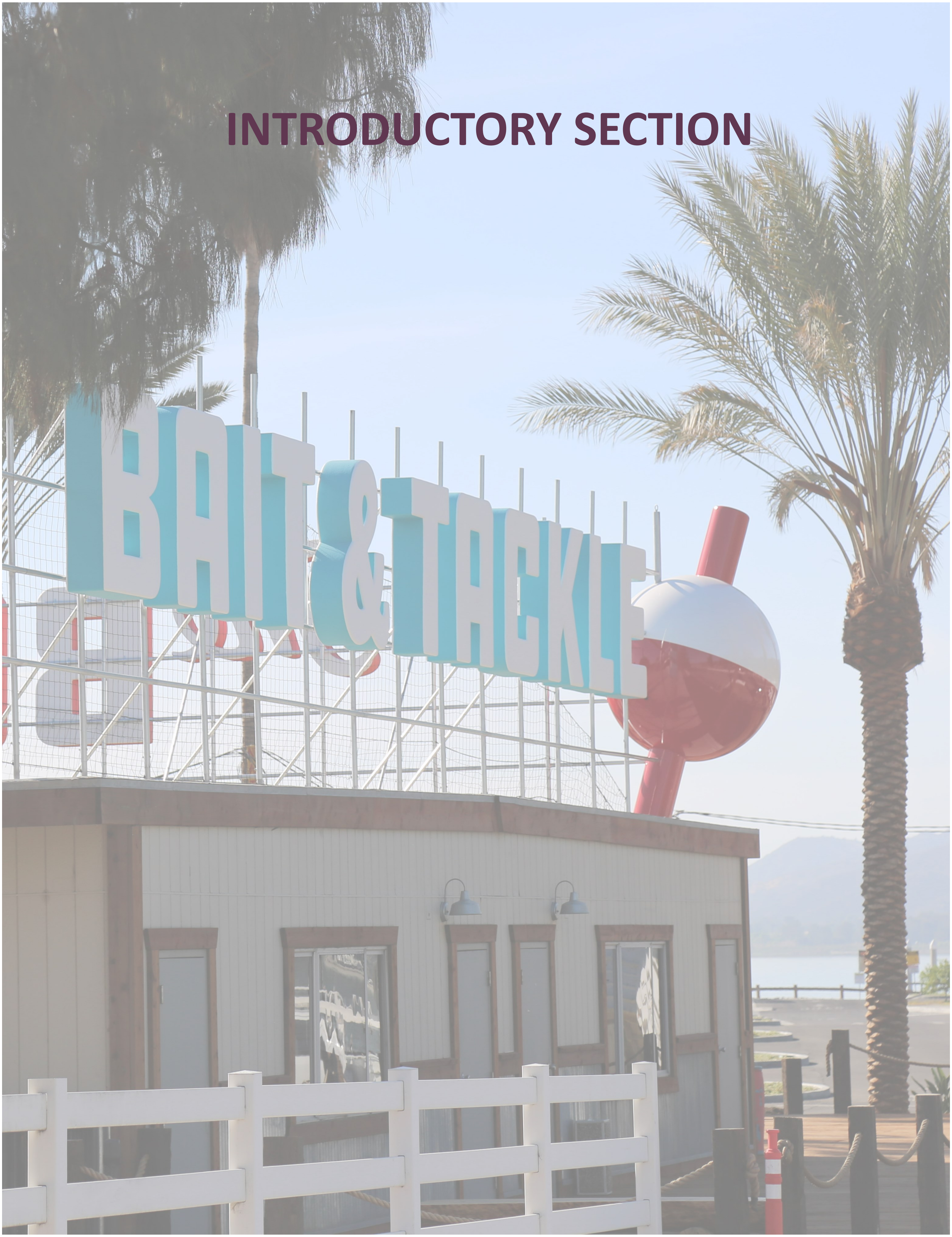
COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2018

TABLE OF CONTENTS

Page(s)

INTRODUCTORY SECTION



This page left intentionally blank.

December 20, 2018

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, 2018 Comprehensive Annual Financial Report (CAFR) 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 with 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. Lance, Soll, & Lunghard (LSL), LLP., a firm of licensed certified public accountants, has audited the City's financial statements. The goal of the independent audit was to provide reasonable assurance that the City's financial statements are free of material misstatement. The independent auditor 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, 2018, 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 (Note No. 17).

City Profile

The City of Lake Elsinore, incorporated in 1888 and is located in the Elsinore Valley, in Western Riverside County. The 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 63,365, 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. As of February 1, 2018, the City Transitioned from an At-Large to a By-District election system with five Districts. The mayor and mayor pro tem 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. It also is empowered by state statute to extend its corporate limits by annexation, which it has done from time to time.

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. Within the city limits, citizens and visitors can play at the: Lake Elsinore Motorsports Park, a motor-cross track for off-road riding and racing; Skylark Field Airport (CA89), an airport for skydiving and flying; and the Links at Summerly, an 18-hole golf course. Owned by the City, residents can visit our Diamond Stadium, a state-of-the-art baseball facility with the capacity of 14,000 spectators. Home base for the Storm Minor League Baseball Team, other events are held such as high school graduations, music concerts, and off-road vehicle races.

In November 2016, Lake Elsinore completed Rosetta Canyon Sports Park, a world-class multi-sport facility designed with a 5-tournament caliber color coded softball field. The park includes a football field, jogging pathways, two-story concession stand with observation deck, dog park, and community garden.

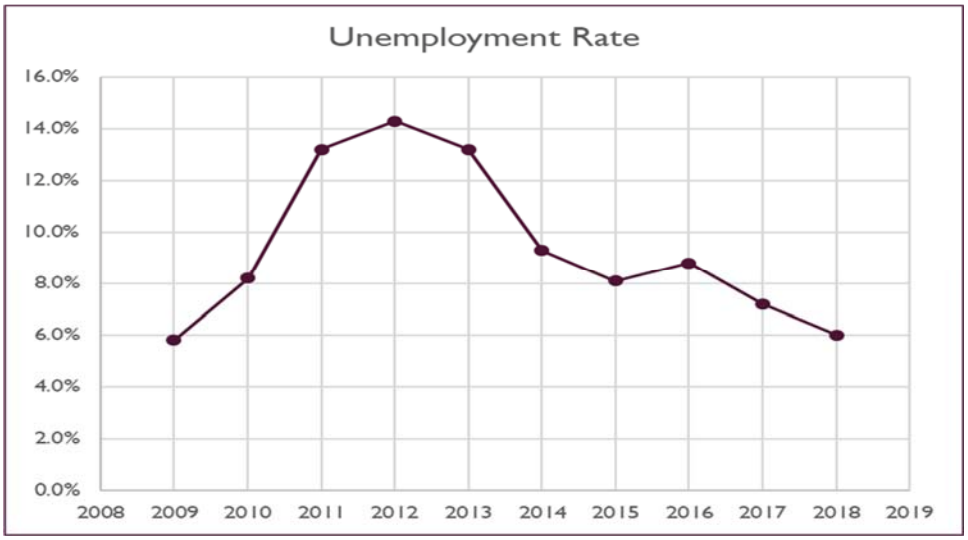
Lake Elsinore is home of the famous Elsinore Grand Prix; a dirt-bike race that takes place through the streets of Old Town Lake Elsinore and around the Lake Elsinore area. This event became popular in the 1960s and early 1970s, drawing the likes of dirt-bike greats such as Malcolm Smith and Steve McQueen, to name a few. The race has always been set as an open format in which anyone can ride. In 1971, the documentary movie *On Any Sunday* by Bruce Brown included scenes from the Elsinore Grand Prix. This epic race festival is typically held around mid-November over a three-day weekend.

The City provides a range of municipal services for citizens throughout the community that include maintenance of 19 parks, fire prevention, 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 23 schools for 21,565 students within the city limits and sphere of influence areas. Elsinore Valley Municipal Water District provides water and sewer services.

Local Economy

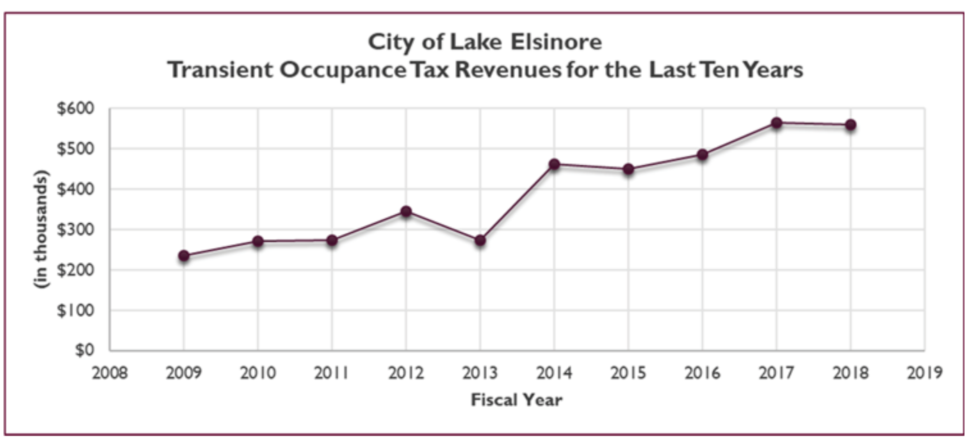
The City offers easy access to major freeways, available industrial and commercial land, quality labor force of both skilled and semi-skilled workers, and an economic philosophy of assisting local businesses for future growth. The region's geographic location, competitive cost structure and sophisticated logistics facilitates one of the fastest growing communities in the area. The City's median age is 30.2 with a per capital personal income of $20,142. As shown in the Chart 1, this is a slight increase from the prior year of $19,099 with the unemployment rate at 6.0%, which is down from the prior year of 6.5%. The median housing price in the City is approximately $370,000, which is a median increase of 4.52% from the prior year. The statewide median is in the $602,760 range, which is an 8.5% increase of $555,420 from the prior year.

Chart 1.



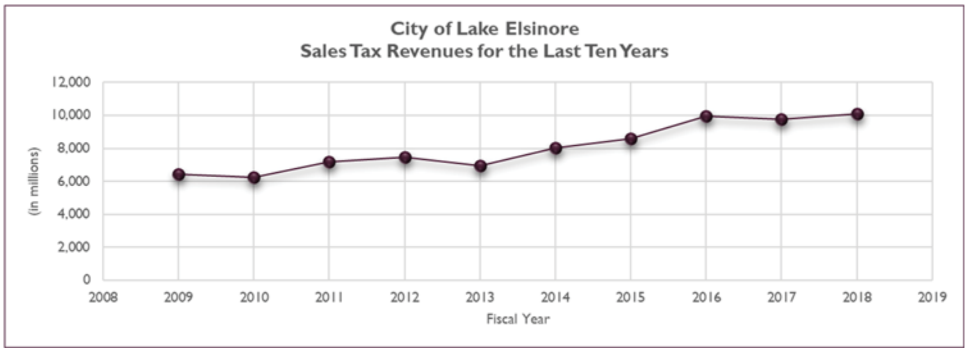
The City experienced a decrease of 0.99% in the transient occupancy tax (TOT) revenues for a total of $560,150 for the fiscal year from $565,961 of the prior year as shown in Chart 2 below. The TOT revenue is the City's 10% tax received for short-term rental properties such as (but not limited to) hotels, motels, RV parks and campgrounds.

Chart 2.



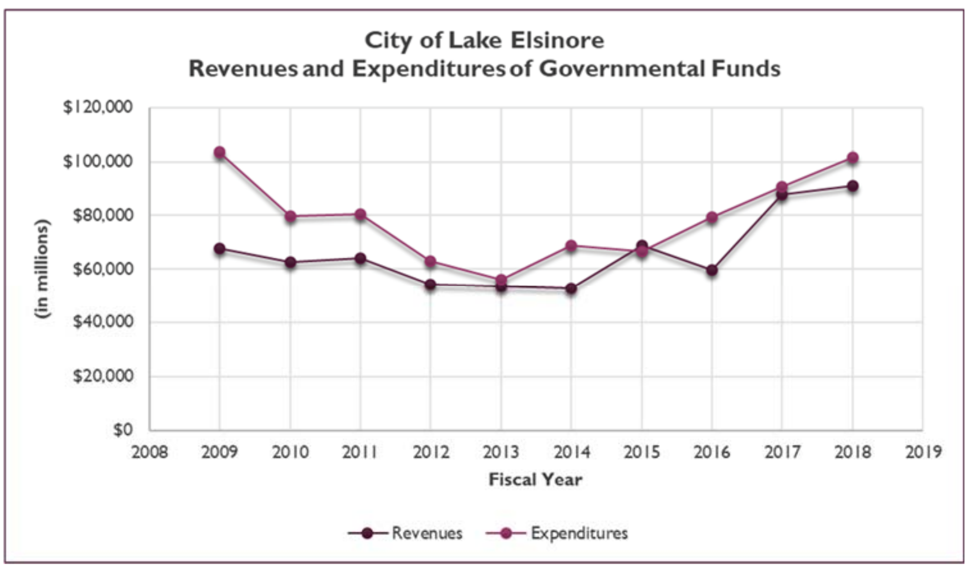
The City's Economic Development Department works with the Chamber of Commerce and the Visitor's Bureau in its effort to encourage the expansion and relocation of industries that generate local sales tax and employment opportunities. The City's sales tax revenue, the largest general fund revenue, experienced slight increase of sales overall of 1% for a total amount of $10,071,435 as shown in Chart 3 below. The seemingly level or flat trend is partly a result of the California Department of Taxes and Fees Administration new reporting software implementation, which created payment processing delays. The top producer industries that contributed to this revenue source were general consumer goods in the lead, auto sales second, and fuel and service stations third.

Chart 3.



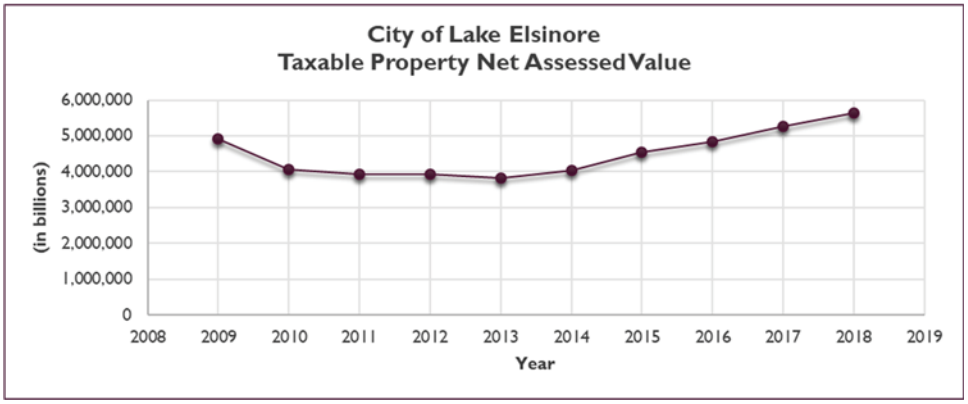
The City experienced a decrease in net position partly because of an increase in expenditures from Public services as reflected in the Chart 4 below. Even though revenue increased overall, the City experienced a decrease in revenues from licenses and permits.

Chart 4.



Taxable property net assessed values continue on the upswing with only a little more than 1/3 built-out. The 2/3 of vacant land includes open frontage along California's Interstate 15 Highway available for commercial development. Chart 5 below shows full recovery from the housing market drop of 2008 and constitutes a 7.38% increase from last year.

Chart 5.



Things to Come

The City continues to move forward on the capital improvement that transforms the existing City owned campground and boat launch to the Launch Pointe Recreation Destination & RV Park. Located on the North shore of the Lake, the resort includes the recently constructed boat launch. Once transformed, Launch Pointe will create new amenities for use by the community, residents, and visitors. Improvements will include picnic and shade structures, splash pad, playground, pool, new campsites, RV hookups, RV storage, laundry facilities, parking, concession stand, bait & tackle shop, new entryway, administrative building, and a large community hall. This year, the RV storage area opened with customers utilizing its services. This lovely resort also includes Vintage Village a vintage trailer area that can be rented by groups or individually. Yurt Village provides furnished yurts of various sizes that will also be available to rent. Now in the third phase of construction, Launch Pointe Resort is scheduled for completion in autumn of 2019. The City anticipates an increased draw of visitors and revenue because of Launch Pointe.

Launch Pointe's Vintage Village Fire Place

After the close of the 2018 fiscal year, the City of Lake Elsinore Council and Planning Commission have reviewed and approved developments that represent new economic investment and employment opportunities in the City. Scheduled for completion in spring of 2019, the new Central Plaza development will host Marshalls, ULTA Beauty, Sketchers, Five Below, Firehouse Subs, Pieology, and Panera Bread. Additionally, a new Jack-in-the-Box, two new Starbucks, a Popeyes Louisiana Kitchen, and a Chick-fill-a are beginning or in the construction phase. The construction of the approved development of a 520,000 square foot indoor commercial sports facility located adjacent to the Diamond Stadium will be pulling permits around spring of 2019.

Vision Statement and Major Initiatives

The City Council's visionary statement guides Council and Staff's focus with Council's budgetary initiatives:

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

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. Listed below are the Council's established strategic key initiatives.

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

Long-Term Financial Planning

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 in order 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 communications tool outlining the City Council's vision and key initiatives for the year that make the City the desirable place as our 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 17.5%.

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 and Capital Improvement Project Funds.

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 provided additional opportunities and access to the City and improve the overall quality of life. The level of budgetary control for CIP is maintained at the project level and the expenditure object level.

Internal Controls

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

Debt Administration

The City of Lake Elsinore, not including the component units, has no outstanding bond debt as of June 30, 2013. The City's Financing Authority, a joint powers authority between the City and Redevelopment Agency, was put in place to provide an economical and cost-effective pool of funds to acquire authorized local public obligations. Certain bonds issued and sold through the Financing Authority were authorized under the Marks-Roos Local Bond Pooling Act of 1985.

Fund Descriptions

The various fund types used by the City and included in this report are listed below and a description of them is included in the Note's to the Financial Statements.

CITY OF LAKE ELSINORE
FUND DESCRIPTION

GOVERNMENT FUNDS

General Fund
Special Revenue Funds
Debt Service Funds
Capital Project Fund
Permanent Fund

PROPRIETARY FUNDS

Internal Service Funds:
Insurance Services
Information Systems Services
Support Services
Fleet Services
Facilities Services

FIDUCIARY FUNDS

Private-purpose Trust Funds
Agency Funds

Awards and Acknowledgements

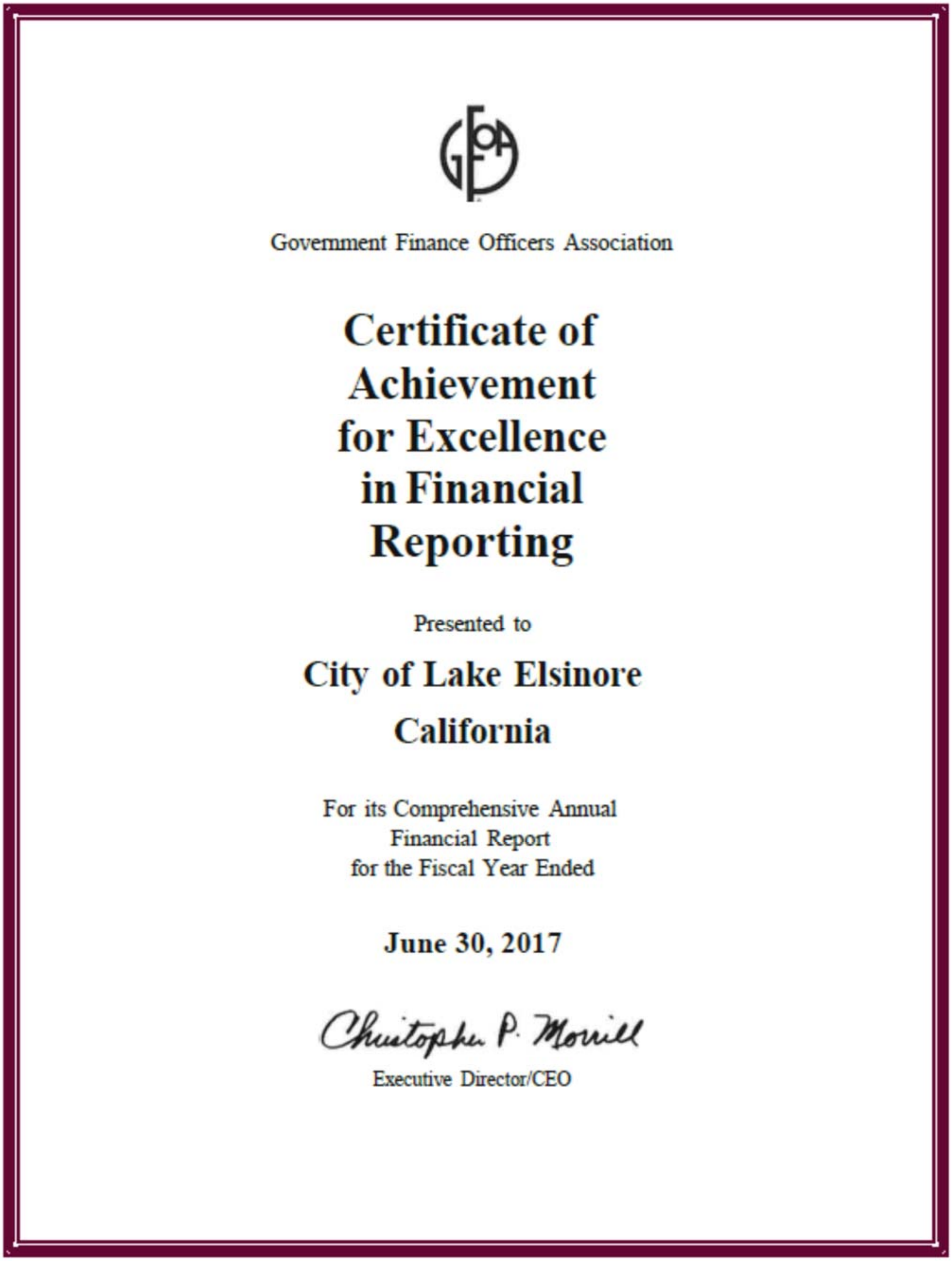
The Government Finance Officers Association (GFOA) of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Lake Elsinore for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2017. In order to be awarded a Certificate of Achievement, the City must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

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

Respectfully submitted,

Jason Simpson
Assistant City Manager



Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Lake Elsinore California

For its Comprehensive Annual Financial Report for the Fiscal Year Ended

June 30, 2017

Christopher P. Morrill

Executive Director/CEO

CITY OF LAKE ELSINORE
DIRECTORY

ELECTED OFFICIALS

Steve Manos, Mayor

Brian Tisdale, Mayor Pro Tem

Robert E. Magee, Councilmember

Natasha Johnson, Councilmember

Tim Sherridan, Councilmember

Allen Baldwin, Treasurer

(Elected to four-year staggered terms)

ADMINISTRATION

Grant Yates, City Manager

Jason Simpson, Assistant City Manager

Barbara Leibold, City Attorney

Susan Domen, City Clerk

Daniel Anne, Police Chief

Lonny Olson, Fire Chief

Vacant, City Engineer

Johnathan Skinner, Director of Community Services

Grant Taylor, Director of Community Development

CAFR TEAM

Jason Simpson, Assistant City Manager

Shannon Buckley, Assistant Administrative Services Director

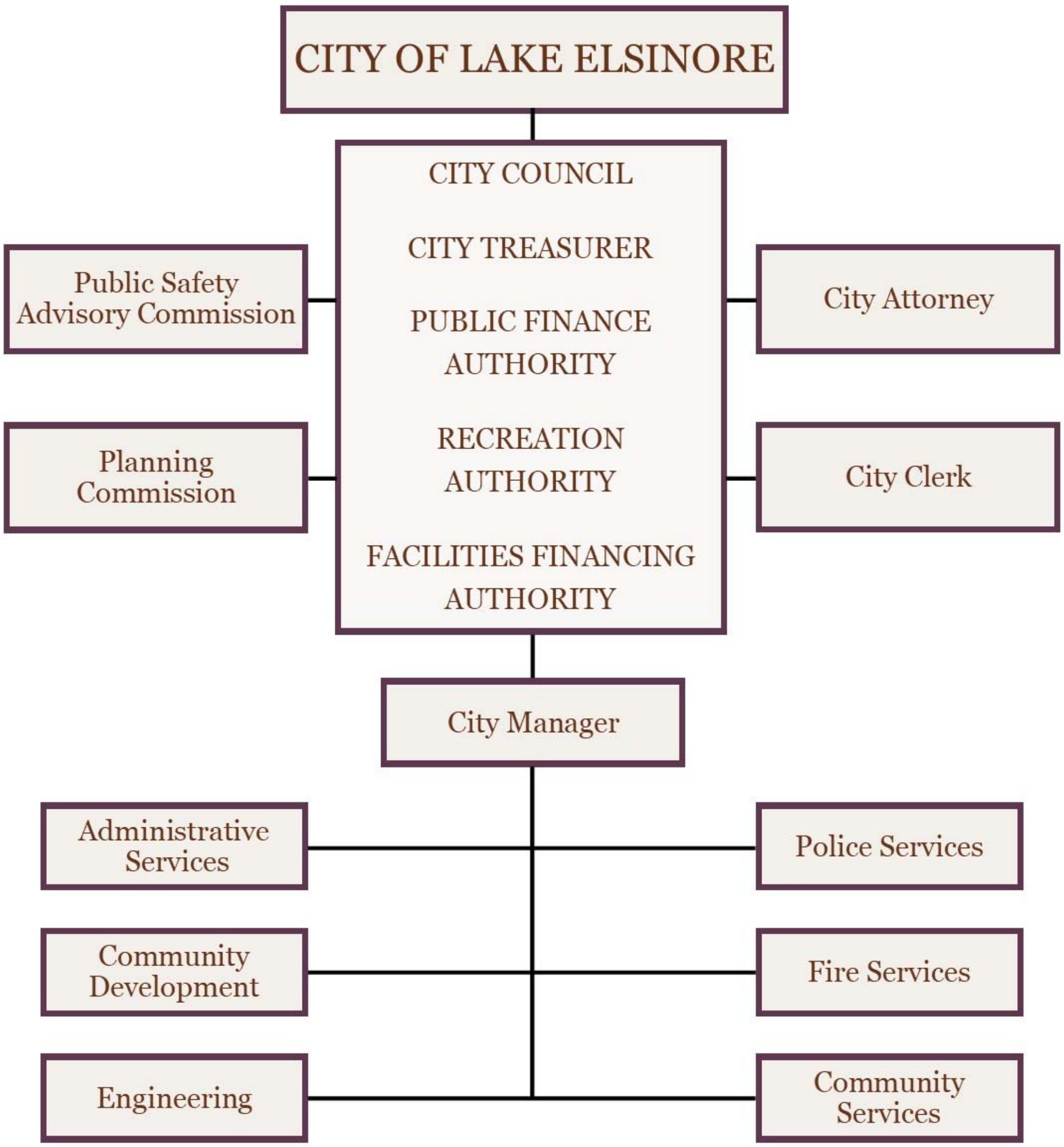
Nancy Lassey, Finance Administrator

Monica Fernandez, Accountant I

Andrew Zavala, Accountant I

*At December 20, 2018

CITY ORGANIZATION CHART



This page left intentionally blank.

FINANCIAL SECTION

This page left intentionally blank.

LSL
CPAs AND ADVISORS

INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of City of Lake Elsinore, California, (the City) as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

203 N. Brea Blvd., Suite 203 | Brea, CA 92821 | Phone: 714.672.0022

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Lake Elsinore, California, as of June 30, 2018, 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.

Change in Accounting Principle

As discussed in Note 1 to the financial statements, in 2018 the City adopted new accounting guidance, *GASBS No. 75, Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions*. Our opinion is not modified with respect to this matter.

Other Matters

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 and the Low and Moderate Income Housing Fund, the schedule of proportionate share in net pension liability – CalPERS pension plan, the schedule of contributions and the schedule of changes in total OPEB liability and related ratios be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate 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 auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

CPAs AND ADVISORS

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

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2018 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.

Lance, Soll & Lunghard, LLP

Brea, California
December 20, 2018

This page left intentionally blank.

City of Lake Elsinore, California
Management's Discussion and Analysis
June 30, 2018

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, 2018. 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 City's capital assets increased by $7.9 million resulting from increased road improvements, park improvements, and infrastructure improvements.

- Capital outlay of the Capital Improvement Plan increased by $3.0 million resulting from increased capital improvement projects with construction in progress. This 28.5% increase follows the City council's initiatives of transportation, economic development, image, and services. The Launch Pointe Recreation Destination & RV Park discussed in the introduction section is one of those projects.

- At the end of the current fiscal year, unassigned fund balance for the General Fund was $10.8 million or 27% of total General Fund expenditures. City Council has designated 17.6% or $1.9 million of the $10.8 million for future contingencies.

- The City of Lake Elsinore's total liabilities had a net increase of $9.5 million during the current fiscal year. The net increase includes bond issuance for capital improvement reimbursements.

- 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 $221,481,578, which is 1.6% reduction from the prior year.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

Government-wide Financial Statements

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

The *statement of net position* presents information on all of the City's assets, liabilities and deferred inflows/outflows of resources, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of Lake Elsinore is improving or deteriorating.

Government-wide Financial Statements - Continued

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave). The governmental activities of the City include general government, public safety, community development, public services and community services.

The government-wide financial statements include not only the City itself (known as the *primary government*), but also three legally separate entities, the Lake Elsinore Public Financing Authority and 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 19-21 of this report.

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of Lake Elsinore can be divided into 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 22-29 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 to be major funds: General Fund, Low and Moderate Income Housing Special Revenue, Public Financing Authority Debt Service, Recreation Authority Debt Service, Assessment Districts Capital Projects, and Capital Improvement Plan. 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.

Governmental Funds - Continued

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 for them to demonstrate compliance with the budget.

Proprietary funds. The City maintains various *internal service funds*. 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. The basic proprietary fund financial statements can be found on pages 31-33 of this report.

Because these services benefit governmental functions, they have been included within *governmental activities* in the government-wide financial statements. The internal services funds are combined in a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements on pages 167-172 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefits of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support the City of Lake Elsinore's own programs. The accounting used for the fiduciary fund is much like that used by the proprietary funds, accrual basis of accounting. The basic fiduciary fund financial statements can be found on pages 34-35 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 39-95 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 on pages 99-104 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 110-165 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. As shown in Table 1, City's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $221 million at the close of the most recent fiscal year. For the City, 64.5% of the net position reflects its investment in capital assets (e.g., land, buildings, machinery, equipment, and infrastructure); less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

An additional portion of the City's net position, 41.7%, represents resources that are subject to external restrictions on how they may be used. The deficit balance of $13.5 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 City's total net position decreased by $3.5 million primarily a result from new bond issues related to capital improvement reimbursements. The decrease in current and other assets is a result of increased costs for public services and capital improvement projects.

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

	Fiscal Year		
	2017	**2018**	**% Change**
Assets:			
Current and other assets	$373,936	$373,350	(0.2)
Capital assets	165,788	173,647	4.7
Total Assets	539,724	546,997	1.3
Deferred Outflows of Resources	6,689	7,358	10.0
Liabilities:			
Long-term liabilities	275,014	296,419	7.8
Other liabilities	45,972	34,141	(25.7)
Total Liabilities	320,986	330,560	3.0
Deferred Inflows of Resources	391	2,313	491.0
Net Position:			
Net investment in capital assets	146,735	142,754	(2.7)
Restricted	90,363	92,281	2.1
Unrestricted	(12,062)	(13,554)	12.4
Total Net Position	**$225,036**	**$221,481**	**(1.6)**

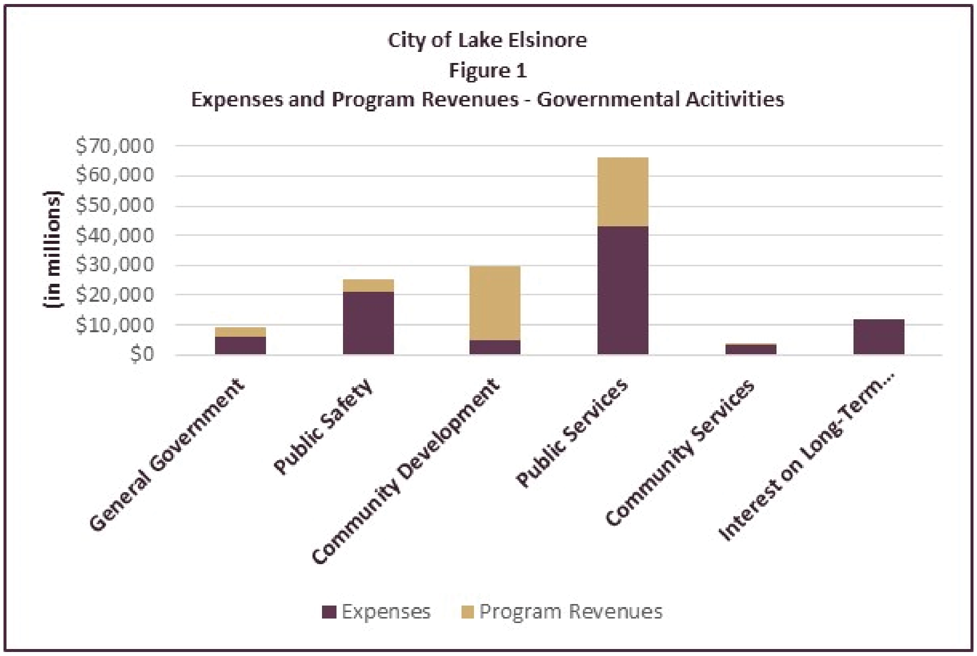
GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

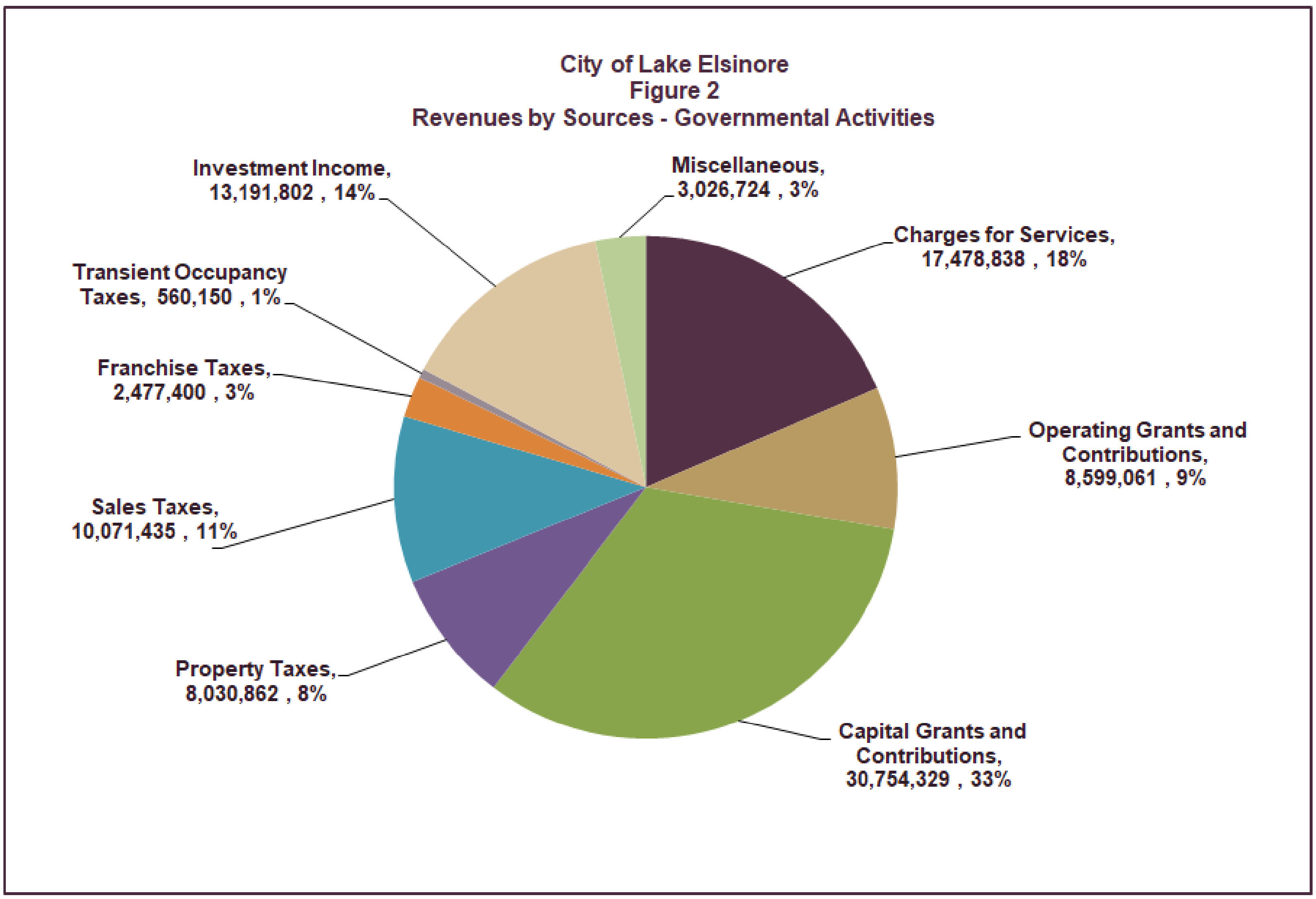
Table 2 below, Statement of Activities, provides details of how the City's net position changed from the prior year from governmental activities. Generally, it indicates whether the financial health of the City as a whole is better or worse from the prior year. The cost of all governmental activities in fiscal year 2018 was $89.8 million, which was recovered through program revenues, taxes, and investment earnings. Figure 1 shows expenses in relation to program revenues while Figure 2 shows the makeup of the revenues. Revenue increased by $4.8 million overall with a significant increase of $3.1 million in funding from capital grants and contributions and $1.9 from investment earnings. Property, sales, and franchise tax revenue increased by $1.2 million, which verifies an upward trend in the economy. Although, revenue increased overall, the City received less fees for charges for services from the prior year. Less fees resulted from less building permits issued resulting from developments that completed their projects. Expenses in public services increased significantly resulting from increased road improvement, capital project improvements, and capital improvement reimbursements.

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

	Fiscal Year		
	2017	**2018**	**% Change**
Revenues:			
Program revenues:			
Charges for services	$19,483	$17,479	(10.3)
Operating contributions and grants	5,496	8,599	56.5
Capital contributions and grants	30,389	30,755	1.2
General revenues:			
Property taxes	7,381	8,031	8.8
Transient occupancy taxes	598	560	(6.3)
Sales taxes	9,746	10,071	3.3
Franchise taxes	2,297	2,477	7.8
Investment earnings	11,248	13,192	17.3
Miscellaneous	2,744	3,027	10.3
Total revenues	$89,382	$94,191	5.4
Expenses:			
General Government	8,904	5,857	(34.2)
Public safety	21,219	20,963	(1.2)
Community Development	4,808	5,001	4.0
Community Services	9,101	3,314	(63.6)
Public services	14,839	43,153	190.8
Interest on long-term debt	11,833	11,463	(3.1)
Total expenses	$70,704	$89,751	26.9
Changes in net position	18,678	4,440	(76.2)
Restatement of net position	(3,687)	(7,995)	90.7
Net position, beginning of year	210,045	225,036	6.7
Net position, end of year	**$225,036**	**$221,481**	**(1.6)**

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued





FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

Governmental Funds

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

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of $323.0 million, a decrease of $1.9 million in comparison with the prior year. Of the $323.0 million ending fund balance, a net $10.8 million, constitutes *unassigned fund balance,* which is available for spending at the government's discretion. The remainder of fund balance is *nonspendable of $1.2 million; restricted of $293.3 million; and assigned of $17.6 million* for particular purposes. For additional information see Note 11 for net position.

The General Fund is the chief operating fund of the City of Lake Elsinore. At the end of the current fiscal year, unassigned fund balance of the General Fund was $10.8 million, while total fund balance was $11.8 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 26.73% of total General Fund expenditures, while total fund balance represents 29.28% of that same amount. The fund balance, of the City's General Fund experienced a decreased by $769,914 during the current fiscal year. The primary factor for this overall 6% decrease is because of increased costs for public services.

For the major funds, the Public Financing Authority Debt Service Funds restricted fund balance decreased by $8.2 million as the result of the annual debt service retirements. The low and Moderate Income Housing Fund had a increase of $1.9 million in the restricted fund balance from less program spending in community development than investment earnings. The Recreation Authority increased by $12,829 in fund balance resulting from a near match of interest and lease revenue versus debt service retirements. For the major capital projects funds, the Assessment Districts Capital Project Fund had a decrease of fund balance by $302,241 resulting from capital improvement reimbursements. For the Capital Improvement Plan Capital Project Fund, the increased by $7.7 million was from increased contributions and charges for services.

GENERAL FUND BUDGETARY HIGHLIGHTS

Original - versus - Final: The difference between the original budget and the final amended budget of net of revenue and expenditures reflects a net increase in appropriations of $77,065. This reflects decreases in revenue of $140,887 and increases in expenditures of $63,822. Approved mid-year adjustments were completed as a means to match shortfalls in estimated revenue and increased costs.

Revenue Variances: Taxes fell short of the final budgeted amount by $92,011 because of decreases in sales. Licenses, permits, and fees, also fell short from budgeted by $735,227 resulting from less permits issued than anticipated.

Expenditure Variances: General government expenditures were lower than the ending budgeted by $15,139 resulting from an increase in costs for City Clerk services and document storage vault.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The City's investment in capital assets for its governmental activities as of June 30, 2018 amounts to $173.6 million (net of accumulated depreciation), which is an increase of $15.5 million (before depreciation) 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 5%. Major or notable capital asset events during the current fiscal year included the following:

- City-wide Street Improvements
- City-wide Curb & Gutter Improvements
- Serenity Park Fit Trails
- Launch Point Recreation Destination & RV Park
- Third Street Drainage Improvements
- Diamond Stadium Improvements
- Main Street Parking Lot
- Canyon Hills Park Upgrades

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

	Fiscal Year		
	2017	**2018**	**% Change**
Land	$2,914	$3,216	10.3
Construction in progress	16,876	18,804	11.4
Buildings and structures	13,268	13,835	4.3
Improvements other than buildings	10,427	10,099	(3.1)
Machinery and equipment	522	820	57.3
Furniture and fixtures	74	596	704.0
Automotive equipment	1,135	1,684	48.4
Technology Equipment	429	291	(32.2)
Infrastructure	120,145	124,302	3.5
Total Capital Assets	**$165,788**	**$173,647**	**4.7**

Additional information on the City of Lake Elsinore's capital assets can be found in Note 6 of the Notes to Basic Financial Statements section of this report.

Long-Term Debt

At year-end, the City has a number of debt issues outstanding. These issues include $182 million of local agency revenue bonds, $40 million of tax allocation revenue bonds, $21.6 million of lease revenue bonds, and $7 of certificate of participation bonds. Changes in long-term bonds resulted from the reduction of debt through principal and interest payments. Changes in long-term obligations resulted from the reduction of debt through principal and interest payments and increase in employment obligations. Additional information on the City of Lake Elsinore's long-term debt can be found in Note 7 of this report.

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

	Fiscal Year		
	2017	**2018**	**% Change**
Local agency revenue bonds	$180,030	$182,415	1.3
Tax allocation revenue bonds	42,490	40,225	(5.3)
Lease revenue bonds	22,480	21,620	(3.8)
Certificate of participation bonds	7,215	6,995	(3.0)
Net of bond discounts and premiums	10,594	9,843	(7.1)
Net pension liability	10,798	12,189	12.9
Other post-employment obligation	23,624	21,897	(7.3)
Compensated absences	1,038	1,235	19.0
Total Outstanding Debt	**$298,269**	**$296,419**	**(0.6)**

Of the bond issues listed, Standard and Poor (S&P) provides ratings for the Successor Agency issues. Table 5 shows the changes in ratings and reflects an improvement over the past year based on a stable outlook for the issues. Additional information regarding the Successor Agency Trust is presented in Note 17.

City of Lake Elsinore
Table 5
Changes in Credit Ratings
for the Successor Agency to the Lake Elsinore Redevelopment Agency

Debt Issue	Prior Year	02/13/18	12/14/18
Senior Lien Tax Allocation Revenue Bonds Series 2010 A,B,&C	A+	AA-	AA-
Subordinated Tax Allocation Refunding Bonds Series 2015	A-	A+	A+
Third-lien Tax Allocation Bonds Series 2018A & 2018B	N/A	A	A

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

- Property taxes are estimated to increase slightly for the next fiscal year due to an assumed increase of assessed valuations as well as increased building activity.

- Sales and Use tax is estimated to increase slightly for the next fiscal year due to more robust economy, City growth, increased visitors, and increased commercial development.

- Licenses, permits, and fees are estimated to decrease because of two development communities are built out as of the close of fiscal year 2018.

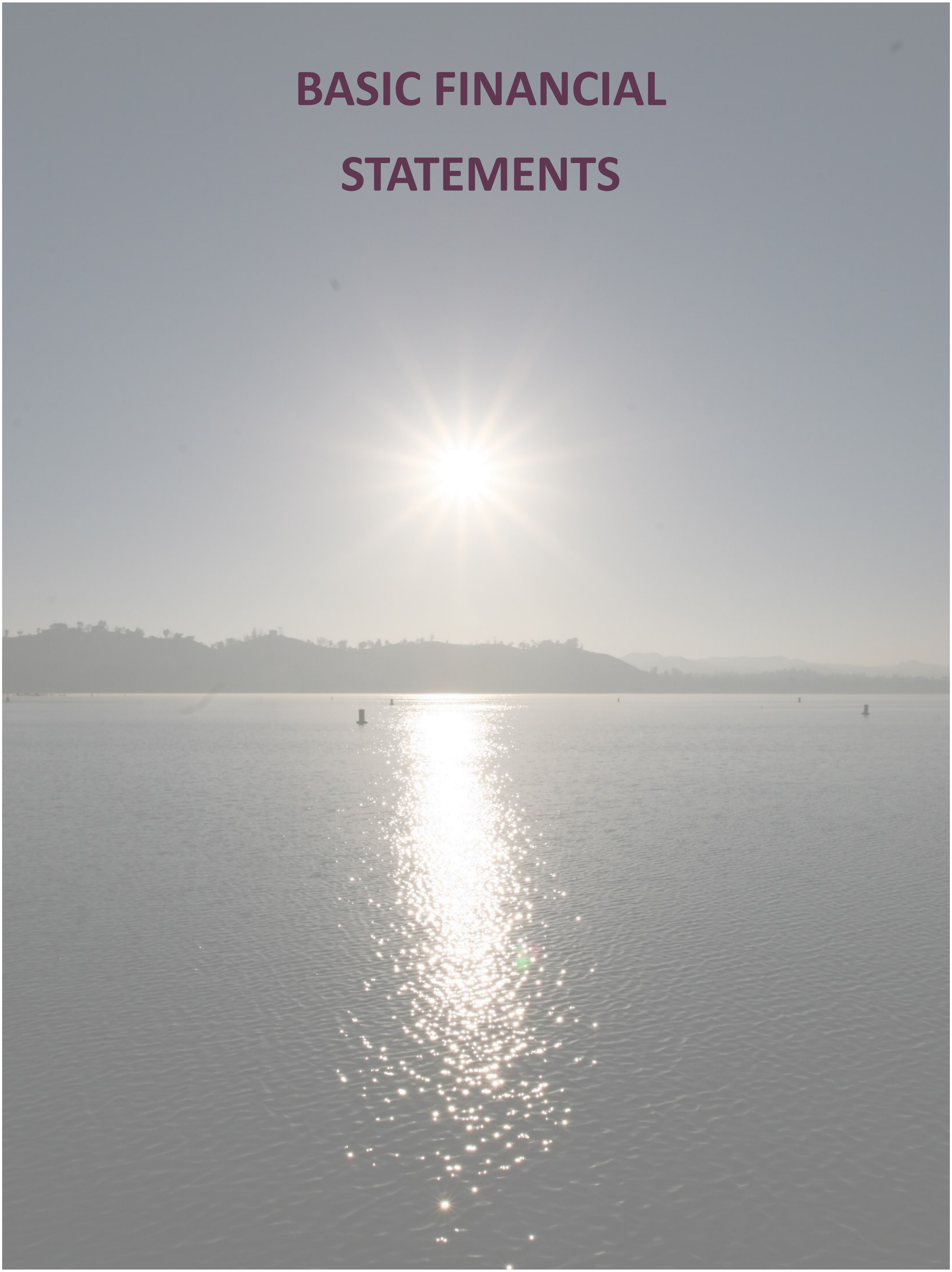
- Community facility district's (CFD) assessments are estimated to increase as a result of the increased annexations of developments. Some CFD revenues are earmarked for services such as law, fire, paramedic, and landscape maintenance that will offset the increased costs of those services. All new development must annex into these service type CFDs.

These factors were considered in preparing the City of Lake Elsinore's budget for fiscal year 2018-19.

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.

BASIC FINANCIAL STATEMENTS



This page left intentionally blank.

CITY OF LAKE ELSINORE

STATEMENT OF NET POSITION
JUNE 30, 2018

	Governmental Activities
Assets:	
Cash and investments	$ 50,057,278
Receivables:	
Accounts	1,955,138
Notes and loans	83,095,688
Accrued interest	15,360,575
Prepaid costs	911,207
Due from other governments	4,791,127
Land held for resale	768,369
Restricted assets:	
Cash with fiscal agent	28,500,913
Investment in bonds	187,909,909
Capital assets not being depreciated	22,019,552
Capital assets, net of depreciation	151,627,042
Total Assets	**546,996,798**
Deferred Outflows of Resources:	
Deferred charge on refunding	2,409,313
Pension related items	4,198,249
OPEB related items	750,879
Total Deferred Outflows of Resources	**7,358,441**
Liabilities:	
Accounts payable	5,597,622
Accrued liabilities	961,225
Accrued interest	3,743,414
Unearned revenue	54,285
Deposits payable	23,784,349
Noncurrent liabilities:	
Due within one year	9,658,484
Due in more than one year	252,674,730
Total OPEB liability	21,896,884
Net pension liability	12,189,277
Total Liabilities	**330,560,270**
Deferred Inflows of Resources:	
Pension related items	346,313
OPEB related items	1,967,078
Total Deferred Inflows of Resources	**2,313,391**
Net Position:	
Net investment in capital assets	142,754,254
Restricted for:	
Public works	7,308,883
Debt service	7,782,845
Low & moderate income housing	61,512,408
Public facilities & improvements	14,368,184
Lighting & landscape maintenance	1,158,097
Development	122,750
Other purposes	27,881
Unrestricted	(13,553,724)
Total Net Position	**$ 221,481,578**

This page left intentionally blank.

STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2018

	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Contributions and Grants	Program Revenues: Capital Contributions and Grants	Net (Expenses) Revenues and Changes in Net Position: Governmental Activities
Functions/Programs					
Primary Government:					
Governmental Activities:					
General government	$ 5,856,845	$ 2,666,057	$ 679,667	$ -	$ (2,511,121)
Public safety	20,963,229	1,716,350	2,894,693	-	(16,352,186)
Community development	5,000,426	9,727,246	1,956,602	13,202,795	19,886,217
Community services	3,313,875	759,254	4,964	-	(2,549,657)
Public services	43,153,162	2,609,931	3,063,135	17,551,534	(19,928,562)
Interest on long-term debt	11,463,403	-	-	-	(11,463,403)
Total Governmental Activities	**89,750,940**	**17,478,838**	**8,599,061**	**30,754,329**	**(32,918,712)**
Total Primary Government	**$ 89,750,940**	**$ 17,478,838**	**$ 8,599,061**	**$ 30,754,329**	**(32,918,712)**
General Revenues:					
Taxes:					
Property taxes, levied for general purpose					8,030,862
Transient occupancy taxes					560,150
Sales taxes					10,071,435
Franchise taxes					2,477,400
Use of money and property					13,191,802
Miscellaneous					3,026,724
Total General Revenues					**37,358,373**
Change in Net Position					4,439,661
Net Position, Beginning of Year, as restated					217,041,917
Net Position at End of Year					**$ 221,481,578**

CITY OF LAKE ELSINORE

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2018

		Special Revenue Funds	Capital Projects Funds	
	General	Low and Moderate Income Housing	Assessment Districts	Capital Improvement Plan
Assets:				
Pooled cash and investments	$ 11,898,140	$ 4,635,471	$ 126,253	$ 16,407,802
Receivables:				
Accounts	988,532	-	-	753,861
Notes and loans	1,000,000	39,175,438	-	-
Accrued interest	297,363	11,531,042	-	58,638
Prepaid costs	31,385	-	-	-
Due from other governments	1,947,356	2,074,276	-	32,665
Due from other funds	230,606	-	-	-
Land held for resale	-	768,369	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	2,315	-
Investment in bonds	-	-	-	-
Total Assets	**$ 16,393,382**	**$ 58,184,596**	**$ 128,568**	**$ 17,252,966**
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	$ 3,216,488	$ 782,698	$ -	$ 1,225,738
Accrued liabilities	947,204	-	-	-
Unearned revenues	15,645	-	-	-
Deposits payable	-	-	-	-
Due to other funds	-	-	-	-
Total Liabilities	**4,179,337**	**782,698**	**-**	**1,225,738**
Deferred Inflows of Resources:				
Unavailable revenues	374,806	13,601,058	-	-
Total Deferred Inflows of Resources	**374,806**	**13,601,058**	**-**	**-**
Fund Balances:				
Nonspendable	1,031,385	-	-	-
Restricted	-	43,800,840	128,568	-
Assigned	-	-	-	16,027,228
Unassigned	10,807,854	-	-	-
Total Fund Balances	**11,839,239**	**43,800,840**	**128,568**	**16,027,228**
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	**$ 16,393,382**	**$ 58,184,596**	**$ 128,568**	**$ 17,252,966**

CITY OF LAKE ELSINORE

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2018

	Debt Service Funds			
	Public Financing Authority	Recreation Authority	Other Governmental Funds	Total Governmental Funds
Assets:				
Pooled cash and investments	$ -	$ -	$ 15,095,547	$ 48,163,213
Receivables:				
Accounts	-	-	212,745	1,955,138
Notes and loans	40,225,000	-	2,695,250	83,095,688
Accrued interest	21,094	2,115	84,258	11,994,510
Prepaid costs	9,394	79,062	73,562	193,403
Due from other governments	-	-	736,830	4,791,127
Due from other funds	-	-	-	230,606
Land held for resale	-	-	-	768,369
Restricted assets:				
Cash and investments with fiscal agents	22,099,383	1,744,457	4,654,758	28,500,913
Investment in bonds	180,335,976	-	7,573,933	187,909,909
Total Assets	**$ 242,690,847**	**$ 1,825,634**	**$ 31,126,883**	**$ 367,602,876**
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	$ -	$ -	$ 273,827	$ 5,498,751
Accrued liabilities	-	-	-	947,204
Unearned revenues	-	-	38,640	54,285
Deposits payable	21,985,150	-	1,799,199	23,784,349
Due to other funds	-	-	230,606	230,606
Total Liabilities	**21,985,150**	**-**	**2,342,272**	**30,515,195**
Deferred Inflows of Resources:				
Unavailable revenues	-	-	117,349	14,093,213
Total Deferred Inflows of Resources	**-**	**-**	**117,349**	**14,093,213**
Fund Balances:				
Nonspendable	9,394	79,062	93,562	1,213,403
Restricted	220,696,303	1,746,572	26,972,707	293,344,990
Assigned	-	-	1,600,993	17,628,221
Unassigned	-	-	-	10,807,854
Total Fund Balances	**220,705,697**	**1,825,634**	**28,667,262**	**322,994,468**
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	**$ 242,690,847**	**$ 1,825,634**	**$ 31,126,883**	**$ 367,602,876**

This page left intentionally blank.

CITY OF LAKE ELSINORE

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
JUNE 30, 2018

Fund balances of governmental funds		$ 322,994,468
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets net of depreciation have not been included as financial resources in governmental fund activity.		172,289,681
Long-term debt, compensated absences, total OPEB liability and total net pension liability are not included in the governmental fund activity:		
Bonds payable	$ (251,255,000)	
Unamortized bond premiums/discounts	(9,843,378)	
Deferred charges on refunding	2,409,313	
Total OPEB liability	(20,364,102)	
Net pension liability	(11,172,399)	
Compensated Absences	(1,234,836)	(291,460,402)
Deferred outflows and inflows of resources related to pensions and OPEB that are required to be recognized over a defined closed period:		
Pension related deferred outflows of resources		3,790,795
Pension related deferred inflows of resources		(319,060)
OPEB related deferred outflows of resources		698,317
OPEB related deferred inflows of resources		(1,829,383)
Other long-term assets are not available to pay for current period expenditures and, therefore, are not reported in the funds.		3,356,476
Accrued interest payable for the current portion of interest due on Bonds has not been reported in the governmental funds.		(3,743,414)
Revenues reported as unavailable revenue in the governmental funds and recognized in the statement of activities. These are included in the intergovernmental revenues in the governmental fund activity.		14,093,213
Internal service funds are used by management to charge the costs of certain activities, such as equipment management and self-insurance, to individual funds. The assets and liabilities of the internal service funds must be added to the statement of net position.		1,610,887
Net Position of Governmental Activities		**$ 221,481,578**

**STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2018**

		Special Revenue Funds	Capital Projects Funds	
	General	Low and Moderate Income Housing	Assessment Districts	Capital Improvement Plan
Revenues:				
Taxes	$ 21,139,847	$ -	$ -	$ -
Special assessments	11,512	479,632	-	-
Licenses and permits	3,086,486	-	-	-
Intergovernmental	5,374,408	-	-	-
Charges for services	3,818,856	-	-	1,583,379
Investment earnings	46,916	149	4,454	46,342
Fines and forfeitures	577,441	-	-	-
Contributions	96,956	-	13,202,795	15,553,743
Miscellaneous	6,172,991	-	-	1,618
Total Revenues	**40,325,413**	**479,781**	**13,207,249**	**17,185,082**
Expenditures:				
Current:				
General government	5,188,725	-	-	-
Public safety	19,989,432	-	-	-
Community development	4,647,633	58,059	-	-
Community services	2,526,651	-	-	-
Public services	8,198,259	-	13,509,490	-
Capital outlay	-	-	-	13,008,692
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	**40,550,700**	**58,059**	**13,509,490**	**13,008,692**
Excess (Deficiency) of Revenues Over (Under) Expenditures	(225,287)	421,722	(302,241)	4,176,390
Other Financing Sources (Uses):				
Transfers in	1,523,125	-	-	5,566,225
Transfers out	(2,082,254)	-	-	(2,008,185)
Debt issued	-	-	-	-
Proceeds from sale of capital asset	14,502	-	-	-
Total Other Financing Sources (Uses)	**(544,627)**	**-**	**-**	**3,558,040**
Net Change in Fund Balances	(769,914)	421,722	(302,241)	7,734,430
Fund Balances, Beginning of Year, as previously reported	12,609,153	41,812,585	430,809	8,292,798
Restatements	-	1,566,533	-	-
Fund Balances, Beginning of Year, as restated	12,609,153	43,379,118	430,809	8,292,798
Fund Balances, End of Year	**$ 11,839,239**	**$ 43,800,840**	**$ 128,568**	**$ 16,027,228**

CITY OF LAKE ELSINORE

STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2018

	Debt Service Funds			
	Public Financing Authority	Recreation Authority	Other Governmental Funds	Total Governmental Funds
Revenues:				
Taxes	$ -	$ -	$ -	$ 21,139,847
Special assessments	-	-	1,916,122	2,407,266
Licenses and permits	-	-	1,437,842	4,524,328
Intergovernmental	-	-	4,211,198	9,585,606
Charges for services	-	-	-	5,402,235
Investment earnings	10,001,549	15,992	248,889	10,364,291
Fines and forfeitures	-	-	336,217	913,658
Contributions	-	-	-	28,853,494
Miscellaneous	-	-	1,927,441	8,102,050
Total Revenues	**10,001,549**	**15,992**	**10,077,709**	**91,292,775**
Expenditures:				
Current:				
General government	4,774	3,163	36,369	5,233,031
Public safety	-	-	518,438	20,507,870
Community development	-	-	25,000	4,730,692
Community services	-	-	50,640	2,577,291
Public services	-	-	12,870,284	34,578,033
Capital outlay	-	-	355,909	13,364,601
Debt service:				
Principal retirement	7,855,000	620,000	460,000	8,935,000
Interest and fiscal charges	10,328,873	511,700	1,041,749	11,882,322
Total Expenditures	**18,188,647**	**1,134,863**	**15,358,389**	**101,808,840**
Excess (Deficiency) of Revenues Over (Under) Expenditures	(8,187,098)	(1,118,871)	(5,280,680)	(10,516,065)
Other Financing Sources (Uses):				
Transfers in	-	1,131,700	3,302,881	11,523,931
Transfers out	-	-	(7,433,492)	(11,523,931)
Debt issued	-	-	7,975,000	7,975,000
Proceeds from sale of capital asset	-	-	-	14,502
Total Other Financing Sources (Uses)	**-**	**1,131,700**	**3,844,389**	**7,989,502**
Net Change in Fund Balances	(8,187,098)	12,829	(1,436,291)	(2,526,563)
Fund Balances, Beginning of Year, as previously reported	228,892,795	1,812,805	30,103,553	323,954,498
Restatements	-	-	-	1,566,533
Fund Balances, Beginning of Year, as restated	228,892,795	1,812,805	30,103,553	325,521,031
Fund Balances, End of Year	**$ 220,705,697**	**$ 1,825,634**	**$ 28,667,262**	**$ 322,994,468**

This page left intentionally blank.

CITY OF LAKE ELSINORE

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES YEAR ENDED JUNE 30, 2018

Net change in fund balances - total governmental funds		$ (2,526,563)
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 costs of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.		
Capital outlay	$ 11,206,539	
Depreciation	(7,513,647)	
Contributed capital assets	262,107	
Gain/(loss) on sale of capital assets	(5,548)	3,949,451
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		
Principal repayments	8,935,000	
Bond proceeds	(7,975,000)	
Amortization of bond premiums/discounts	494,922	1,454,922
Accrued interest for long-term liabilities. This is the net change in accrued interest for the current period.		2,072
Compensated absences expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		(197,306)
OPEB liability expenses is an expenditure in the governmental funds, but reduce the Total OPEB Liability in the statement of net position.		(165,976)
Pension obligation expenses is an expenditure in the governmental funds, but reduce the Net Pension Liability in the statement of net position.		(1,037,927)
Revenues reported as unavailable revenue in the governmental funds and recognized in the statement of activities. These are included in the intergovernmental revenues in the governmental fund activity.		2,537,552
Internal service funds are used by management to charge the costs of certain activities, such as equipment management and self-insurance, to individual funds. The net revenues (expenses) of the internal service funds is reported with governmental activities.		423,436
Change in Net Position of Governmental Activities		**$ 4,439,661**

This page left intentionally blank.

CITY OF LAKE ELSINORE

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2018

	Governmental Activities- Internal Service Funds
Assets:	
Current:	
Cash and cash equivalents	$ 1,894,065
Receivables:	
Accrued interest	9,589
Prepaid costs	717,804
Due from other funds	143,366
Total Current Assets	**2,764,824**
Noncurrent:	
Capital assets - net of accumulated depreciation	1,356,913
Total Noncurrent Assets	**1,356,913**
Total Assets	**4,121,737**
Deferred Outflows of Resources:	
Pension Related Items	407,454
OPEB Related Items	52,562
Total Deferred Outflows of Resources	**460,016**
Liabilities:	
Current:	
Accounts payable	98,871
Accrued liabilities	14,021
Due to other funds	143,366
Total Current Liabilities	**256,258**
Noncurrent:	
Total OPEB liability	1,532,782
Net pension liability	1,016,878
Total Noncurrent Liabilities	**2,549,660**
Total Liabilities	**2,805,918**
Deferred Inflows of Resources:	
Pension Related Items	27,253
OPEB Related Items	137,695
Total Deferred Inflows of Resources	**164,948**
Net Position:	
Net investment in capital assets	1,356,913
Unrestricted	253,974
Total Net Position	**$ 1,610,887**

CITY OF LAKE ELSINORE

STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2018

	Governmental Activities- Internal Service Funds
Operating Revenues:	
Charges for Services	$ 3,739,056
Miscellaneous	97,737
Total Operating Revenues	**3,836,793**
Operating Expenses:	
Personnel Services	1,106,223
Contractural Services	318,738
Utilities	206,098
Maintenance and Operation	817,947
Depreciation expense	231,647
Insurance	733,692
Total Operating Expenses	**3,414,345**
Operating Income (Loss)	422,448
Nonoperating Revenues (Expenses):	
Interest revenue	988
Total Nonoperating Revenues (Expenses)	**988**
Changes in Net Position	423,436
Net Position:	
Beginning of Year, as originally reported	2,792,874
Restatements	(1,605,423)
Beginning of Fiscal Year, as restated	1,187,451
End of Fiscal Year	**$ 1,610,887**

CITY OF LAKE ELSINORE

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2018

	Governmental Activities- Internal Service Funds
Cash Flows from Operating Activities:	
Cash received from customers and users	$ 3,837,793
Cash paid to suppliers for goods and services	(2,166,421)
Cash paid to employees for services	(959,553)
Net Cash Provided (Used) by Operating Activities	**711,819**
Cash Flows from Non-Capital Financing Activities:	
Cash paid - due from other funds	143,366
Cash received - due to other funds	(143,366)
Net Cash Provided (Used) by Non-Capital Financing Activities	**-**
Cash Flows from Capital and Related Financing Activities:	
Acquisition and construction of capital assets	(971,208)
Net Cash Provided (Used) by Capital and Related Financing Activities	**(971,208)**
Cash Flows from Investing Activities:	
Interest received	(2,069)
Net Cash Provided (Used) by Investing Activities	**(2,069)**
Net Increase (Decrease) in Cash and Cash Equivalents	**(261,458)**
Cash and Cash Equivalents at Beginning of Year	2,155,523
Cash and Cash Equivalents at End of Year	**$ 1,894,065**
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:	
Operating income (loss)	$ 422,448
Adjustments to reconcile operating income (loss) net cash provided (used) by operating activities:	
Depreciation	231,647
(Increase) decrease in accounts receivable	1,000
(Increase) decrease in deferred outflows from pensions	(14,786)
(Increase) decrease in deferred outflows OPEB	(4,312)
(Increase) decrease in prepaid expense	82,140
Increase (decrease) in accounts payable	(168,818)
Increase (decrease) in accured liabilities	(3,268)
Increase (decrease) in net pension liability	153,028
Increase (decrease) in Total OPEB liability	(120,891)
Increase (decrease) in deferred inflows from OPEB	137,695
Increase (decrease) in deferred inflows from pensions	(4,064)
Total Adjustments	**289,371**
Net Cash Provided (Used) by Operating Activities	**$ 711,819**
Non-Cash Investing, Capital, and Financing Activities:	
Contribution of Capital Assets	$ -

See Notes to Financial Statements

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2018

	Agency Funds	Private-Purpose Trust Funds
Assets:		
Pooled cash and investments	$ 19,927,184	$ 11,913,012
Receivables:		
Accounts	31,968	217
Accrued interest	84,249	67,414
Prepaid costs	-	183,365
Due from other governments	322,803	-
Land held for resale	-	6,039,994
Deferred charges	-	917,426
Restricted assets:		
Cash and investments with fiscal agents	6,683,560	6,010
Capital assets:		
Capital assets, not being depreciated	-	2,004,419
Capital assets, net of accumulated depreciation	-	14,299,747
Deposits with Other Agencies	17,754,116	4,705,610
		-
Total Assets	**$ 44,803,880**	**$ 40,137,214**
Liabilities:		
Accounts payable	$ 19,160	$ 2,369,123
Accrued interest	-	778,351
Deposits payable	3,755,709	-
Long-term liabilities:		
Due in one year	-	3,530,000
Due in more than one year	-	83,957,012
Due to Bondholders	41,029,011	-
Total Liabilities	**$ 44,803,880**	**$ 90,634,486**
Net Position:		
Held in trust for other purposes		$ (50,497,272)
		-
Total Net Position		**$ (50,497,272)**

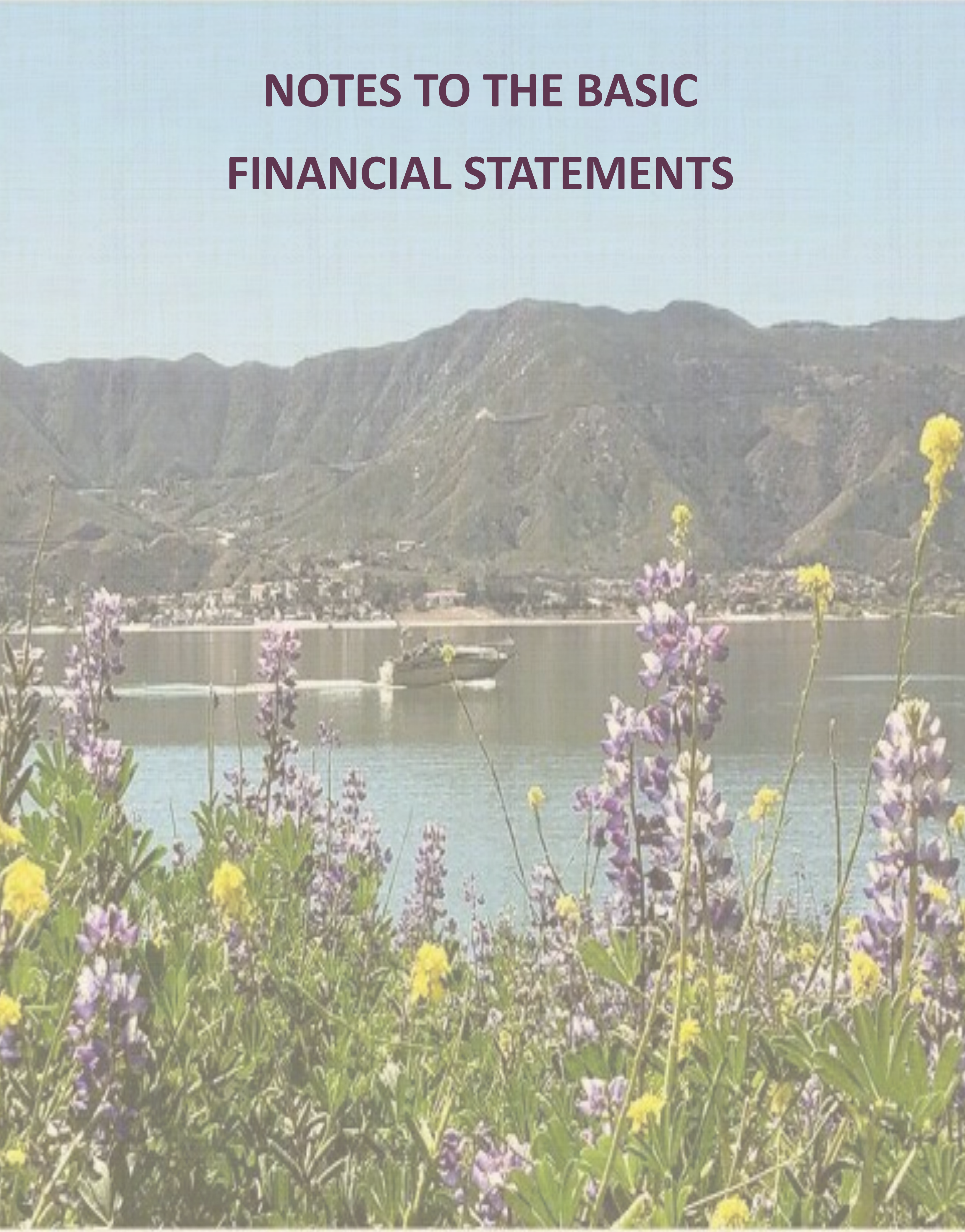
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
YEAR ENDED JUNE 30, 2018

	Private-Purpose Trust Funds
Additions:	
Contributions:	
Trust Contributions	$ 52,641
Taxes	11,002,014
Investment earnings	34,321
Total Additions	**11,088,976**
Deductions:	
Contractual services	13,771,801
Interest expense	2,603,431
Depreciation expense	946,382
Costs of issuance	468,000
Total Deductions	**17,789,614**
Beginning of Fiscal Year, as restated	(43,796,634)
Net Position - End of the Year	**$ (50,497,272)**

See Notes to Financial Statements

This page left intentionally blank.

NOTES TO THE BASIC FINANCIAL STATEMENTS



This page left intentionally blank.

Note 1: Summary of Significant Accounting Policies

a. Financial Reporting Entity

The City of Lake Elsinore (“City”) was incorporated April 23, 1888 under the General Laws of the State of California. The City operates under a Council-Member form of government and by the laws, provides the following services: public safety, highways and streets, cultural recreation, public improvements, community development, and general administrative services.

The financial statements of the City of Lake Elsinore include the financial activities of the City, the Successor Agency to the Lake Elsinore Redevelopment Agency (Note 17), 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, 2018 year end. All the component units are blended in these financial statements. The governing bodies of these component units are comprised of the City Council and the services they provide almost exclusively benefits the City of Lake Elsinore. The following is a brief review of each component unit included in the primary government's reporting entity.

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

Note 1: Summary of Significant Accounting Policies (Continued)

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 City Council formed the Lake Elsinore 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. The Government Accounting Standards Board is the acknowledged standard setting body for establishing accounting and financial reporting standards followed by governmental entities in the United States of America.

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

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

Note 1: Summary of Significant Accounting Policies (Continued)

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 agency 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.

Note 1: Summary of Significant Accounting Policies (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 consist of private purpose trust funds which are reported using the economic resources measurement focus and the agency funds which have no measurement focus, but utilizes the accrual basis for reporting its assets, 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 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 Assessment Districts Capital Project Fund is used to account for transactions related to proceeds from assessment bonds and other resources used to acquire and construct certain capital facilities.

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

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.

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.

The Agency Funds are used to account for special assessments and taxes received by the City as an agent for individuals, other governments and other entities used to pay interest, principal, and services on community facilities and assessment district bonds.

Note 1: Summary of Significant Accounting Policies (Continued)

d. Encumbrances

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

Encumbrances as of June 30, 2018 are as follows:

Major Funds:		
General Fund	$	283,151
Low and Moderate-Income Housing Special Revenue F		55,135
Capital Improvement Plan Capital Project Fund		2,260,180
Other Governmental Funds		9,788
Total	$	2,608,254

e. Investments

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

f. Employee Compensated Absences

In accordance with GASB Statement No. 16, a liability is recorded for unused vacation, sick, holiday benefits and compensatory leave balances since the employees' entitlement to these balances are attributable to services already rendered and it is probable that virtually all of these balances will be liquidated by either paid time off or payment upon termination or retirement. The amount recorded in accordance with GASB No. Statement 16 at June 30, 2018, was $1,234,836.

g. Inter-fund Activity

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

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

h. 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").

Note 1: Summary of Significant Accounting Policies (Continued)

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. Property Tax Revenue

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

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

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

k. Miscellaneous Revenues

Included in miscellaneous revenues for the governmental funds is $2,729,279 of fire service tax credits, $3,355,157 reimbursed revenues, $199,587 other revenues, and $1,818,077 gain on sale land for resale. Miscellaneous revenues for the Statement of Activities include $2,688,921 reimbursed revenues and $337,803 other revenues.

Note 1: Summary of Significant Accounting Policies (Continued)

l. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City only has 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 (see Note 12), 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 position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has 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 (see Note 12) 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.

m. 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, 2017
Measurement Date	June 30, 2017
Measurement Period	July 1, 2016 to June 30, 2017

Note 1: Summary of Significant Accounting Policies (Continued)

Recognition of Deferred Outflows and Deferred Inflows of Resources

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.

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

Net difference between projected and actual earnings on pension plan investments	5 years
All other amounts	Expected average remaining service lifetime (EARL) (6.83 years at June 30, 2017)

n. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, 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.

o. Stewardship, Compliance, and Accountability

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

Fund	Expenditures	Appropriations	Excess
Non-Major Funds:			
Gas Tax			
Public Safety	1,232,253	575,000	(657,253)
Traffic Safety			
Public Safety	337,230	-	(337,230)

Note 1: Summary of Significant Accounting Policies (Continued)

p. New Accounting Pronouncement – GASB 75

In June 2015, the GASB issued Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. The Statement establishes new accounting and financial reporting for OPEB provided to the employees of state and local governments. Statement No. 75 replaces the requirements of Statements No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions, as amended, and No. 57, OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans, for OPEB.

GASB Statement No. 75 is effective for periods beginning after June 15, 2017 and was implemented by the City for the fiscal year ending June 30, 2018.

Note 2: Cash and Investments

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

	Fair Value 2018
Statement of Net Position:	
Cash and investments	$ 50,057,278
Restricted Cash with fiscal agent	216,410,822
Statement of Fiduciary Net Position	
Cash and investments	31,840,196
Restricted Cash and Investments with Fiscal Agent	6,689,570
Total Cash and Investments	$ 304,997,866

Cash and investments consist of the following:

Petty Cash	$ 1,300
Deposits in Financial Institution	68,387
Investments	304,928,179
Total Cash and Investments	$ 304,997,866

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

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

Note 2: Cash and Investments (Continued)

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 Deposit	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	$65,000,000
California Asset Management Program (CAMP)	N/A	None	5%
Money Market Fund	N/A	20%	5%
Supranational	5 years	30%	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.

Note 2: Cash and Investments (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 Maturities (in Years)			
Investment Type	Total	12 Months or Less	13 to 24 Months	25 to 60 Months	More Than 60 Months
Local Agency Investment Fund	$ 43,149,251	$ 43,149,251	$ -	$ -	$ -
Corporate Notes	10,891,786	1,219,314	4,379,967	5,292,505	-
Federal Agency Securities	3,163,534	35,262	1,230,406	1,897,866	-
U.S. Treasury Notes	14,366,328	-	-	14,366,328	-
Supra - National Agency Bonds	2,653,042	-	-	2,653,042	
Municipal Bonds	223,472	223,472	-	-	-
Certificates of Deposits	7,278,652	2,840,212	2,247,106	2,191,334	-
California Asset Management Program Pool (CAMP)	101,737	101,737	-	-	-
Investments with Fiscal Agents:					
Money Market Funds	35,182,971	35,182,971	-	-	-
Local Obligation Bonds	187,917,406	187,917,406	-	-	-
Total	$ 304,928,179	$ 270,669,625	$ 7,857,479	$ 26,401,075	$ -

Disclosures Relating to Credit Risk

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

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

Note 2: Cash and Investments (Continued)

		Minimum Legal Rating	AAA	AA+	Other	Not Rated	Not Required to be Rated
Local Agency Investment Fund	$ 43,149,251	N/A	$ -	$ -	$ -	$ 43,149,251	$ -
Corporate Notes	10,891,786	AA	394,889	392,646	10,104,251	-	-
Federal Agency Securities	3,163,533	N/A	-	3,163,533	-	-	-
US Treasury Notes	14,366,329	N/A	-	-	-	-	14,366,329
Super-National Agency Bonds	2,653,043	N/A	2,653,043	-	-	-	-
Municipal Bonds	223,472		-	-	223,472	-	-
Certificate of Deposit	7,278,652		-	-	7,278,652	-	-
California Asset Management Program Pool (CAMP)	101,737	N/A	101,737	-	-	-	-
Held by Bond Trustee:							
Money Market Mutual Funds	35,182,971		35,182,971	-	-	-	-
Local Obligation Bonds	187,917,406		-	-	-	187,917,406	-
Total	$ 304,928,179		$ 38,332,640	$ 3,556,179	$ 17,606,375	$ 231,066,657	$ 14,366,329

The ratings for the other above are as follows:

Other:	
AA	$ 367,401
AA-	4,172,742
A-1	1,191,215
A-1+	1,370,023
A+	4,226,049
A	2,639,373
A-	2,302,397
BBB+	1,337,175
	$ 17,606,375

Concentration of Credit Risk

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

Issuer	Investment Type	Reported Amount
CFD 2003-2 Special Tax Bonds, 2014 Series B (Improvement Area A and C)	Local Obligation Bonds	$17,485,257
CFD 2003-2 Special Tax Bonds, 2015 Series (Improvement Area B)	Local Obligation Bonds	26,862,547
CFD 2004-3-1 Special Tax Bonds, 2015 Series (Improvement Area 1)	Local Obligation Bonds	21,327,777
CFD 2004-3-2 Special Tax Bonds, 2015 Series (Improvement Area 2)	Local Obligation Bonds	23,950,228
CFD 2005-2 Special Tax Bonds, 2015 Series (Improvement Area 2)	Local Obligation Bonds	21,574,216

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.

Note 2: Cash and Investments (Continued)

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, 2018, $294,733 of the City's deposits with financial institutions in excess of federal depository insurance limits were held in collateralized accounts.

Local Agency Investment Fund

The LAIF is a special fund of the California State Treasury through which local governments may pool investments. The Authority may invest up to $65,000,000 in the fund. Investments in LAIF are highly liquid, as deposits can be converted to cash within twenty-four hours without loss of interest. Investments with LAIF are secured by the full faith and credit of the State of California. The yield of LAIF during the quarter ended June 30, 2018 was 0.98%. The carrying value and estimated fair value of the LAIF Pool at June 30, 2018 was $88,813,999,646 and $88,798,232,977, respectively. The City's share of the Pool at June 30, 2018 was approximately 0.0485 percent.

The market value of the City's investment in this pool is reported in the accompanying financial statements at amounts based upon the City's pro-rata share of the market value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. Included in LAIF's investment portfolio are certain derivative securities or similar products in the form of structured notes totaling $845,802,033 and asset-backed securities totaling $7,521,009,486. LAIF's and the Authority's exposure to risk (credit, market or legal) is not currently available.

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

Investment in California Asset Management Program

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

Note 2: Cash and Investments (Continued)

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

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
AD 93-1 Refunding Improvement Bonds, 2012 Series B	$ 12,315,965
CFD 2005-5 Special Tax Bonds, 2012 Series A	2,902,378
CFD 2003-2 Special Tax Bonds, 2012 Series (Improvement Area C)	5,188,553
CFD 2006-1 Special Tax Bonds, 2013 Series (Improvement Area A)	3,338,556
CFD 88-3 Special Tax Bonds, 2013 Series B	1,465,737
CFD 98-1 Special Tax Bonds, 2013 Series C	11,121,212
CFD 2003-2 Special Tax Bonds, 2014 Series A (Improvement Area D)	7,185,541
CFD 2003-2 Special Tax Bonds, 2014 Series B (Improvement Area A and C)	17,485,257
CFD 95-1 Special Tax Bonds, 2015 Series	911,505
CFD 2003-2 Special Tax Bonds, 2015 Series (Improvement Area B)	26,862,547
CFD 2004-3-1 Special Tax Bonds, 2015 Series (Improvement Area 1)	21,327,777
CFD 2004-3-2 Special Tax Bonds, 2015 Series (Improvement Area 2)	23,950,228
CFD 2005-1 Special Tax Bonds, 2015 Series	8,099,155
CFD 2005-2 Special Tax Bonds, 2015 Series (Improvement Area 2)	21,574,216
CFD 2005-6 Special Tax Bonds, 2015 Series	2,876,396
CFD 2006-2 Special Tax Bonds, 2015 Series	5,976,742
CFD 2006-1 Special Tax Bonds, 2015 A Series (Improvement Area B)	2,844,213
CFD 88-3 Special Tax Bonds, 2015 B Series	4,910,000
	$ 180,335,978

Note 2: Cash and Investments (Continued)

The Lake Elsinore Facilities Financing Authority has purchased 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 Lease Revenue Bonds, Series 2017 Canyon Hills (Improvement Area B)	$ 7,573,933
	$ 7,573,933

Cash and Investment by Entity

Cash and investments held by entity at June 30, 2018, are as follows:

	City of Lake Elsinore	Successor Agency	Public Financing Authority	Recreation Authority	Facilities Financing Authority	Totals
Petty Cash and Change Drawer	$ 1,300	$ -	$ -	$ -	$ -	$ 1,300
Deposits at Carrying Amount (1)	68,387	-	-	-	-	68,387
Local Agency Investment Fund	35,646,630	7,502,621	-	-	-	43,149,251
Corporate Notes	10,891,786	-	-	-	-	10,891,786
Federal Agency Securities	3,163,534	-	-	-	-	3,163,534
US Treasury Notes	14,366,328	-	-	-	-	14,366,328
Municipal Bonds	223,472	-	-	-	-	223,472
Super-National Agency Bonds	2,653,042	-	-	-	-	2,653,042
Certificate of Deposits	7,278,652	-	-	-	-	7,278,652
California Asset Management Program Pool (CAMP)	101,737	-	-	-	-	101,737
Held by Bond Trustee:						
Money Market Mutual Bonds	10,848,516	6,010	14,525,479	1,744,457	492,073	27,616,535
Local Obligations Bonds	-	-	180,335,976	-	7,573,933	187,909,909
Total	$ 85,243,384	$ 7,508,631	$ 194,861,455	$ 1,744,457	$ 8,066,006	$ 297,423,933

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

Note 3: Fair Value Measurements

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

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

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

Note 3: Fair Value Measurements (Continued)

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, 2018, are as follows:

	Fair Value	Significant Other Observable Inputs (Level 2)	Uncategorized
Local Agency Investment Fund	$ 43,149,251	$ 43,149,251	$ -
Corporate Notes	10,891,786	10,891,786	-
Federal Agency Securities	3,163,534	3,163,534	-
US Treasury Notes	14,366,328	14,366,328	-
Municipal Bonds	223,472	223,472	-
Certificate of Deposits	7,278,652	7,278,652	-
Super-National Agency Bonds	2,653,042	2,653,042	-
California Asset Management Program Pool (CAMP)	101,737	-	101,737
Held by Bond Trustee:			
Money Market Mutual Bonds	35,182,971	-	35,182,971
Local Obligations Bonds	187,917,406	187,917,406	-
Total	$ 304,928,179	$ 269,643,471	$ 35,284,708

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

Note 4: Loans Receivable from Successor Agency

Management believes, in consultation with legal counsel, that the obligations of the dissolved Redevelopment Agency due to the City are valid enforceable obligations payable by the Successor Agency under the requirements of the Dissolution Act and AB 1484. Accordingly, the City has not recorded an allowance for uncollectible advances. The State of California Department of Finance (DOF) has audited the 1995 Loan from 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. However, it is reasonably possible that a legal determination or a determination by DOF may be made at a later date that would be unfavorable to the City.

Note 4: Loans Receivable from Successor Agency (Continued)

1995 Loan from Housing Fund

As of June 30, 2018, the Successor Agency owed the City, in its capacity as housing successor agency, $27,641,173. The loans were made from the Low and Moderate-Income Housing Special Revenue Fund from the 1995 Series A and 1999 Series C bond proceeds pursuant to that certain Housing Fund Loan Agreement dated December 1, 1995. The loan proceeds were deposited into the Rancho Laguna Special Revenue Fund, and then subsequently loaned to each of the three project areas as interfund loans in accordance with the loan agreement. The 1995 Series A and 1999 Series C bonds were refunded in fiscal year 2010 with the issuance of the 2010 Series A and 2010 Series B bonds. The loans payable includes an original amount of $18,040,440 and accrued interest of $9,600,733. During the fiscal year, accrued interest of $458,419 was earned on the outstanding loans. The loans from the Low and Moderate-Income Housing Special Revenue Fund are repayable from all available revenues of the Successor Agency after payment of senior indebtedness in accordance with the governing loan agreement.

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

SERAF Advances from Housing Fund

Advances due to the City, in its capacity as housing successor agency, include a loan of $3,750,000 as a result of the suspension of a portion of the 20% set aside requirement to assist in the payment of the SERAF obligation for fiscal year 2010. This advance is to be repaid by the Successor Agency in installments beginning fiscal year 2014-2015. Repayment of the SERAF advances are limited by a formula set forth in AB 1484, have a priority over repayment of certain other advances, and shall not be made prior to the 2013-2014 fiscal year. The balance of the loan as of June 30, 2018, is $2,063,788.

Public Finance Authority Loan Agreements

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

Note 4: Loans Receivable from Successor Agency (Continued)

The following table represents the outstanding balance of loans receivable from the Successor Agency at June 30, 2018:

Tax Allocation Revenue Bonds	Loans Receivable Balance
2010 Series A Issue	$ 12,475,000
2010 Series B Issue	6,185,000
2010 Series C Issue	21,565,000
Total Due to/from Other Funds	$ 40,225,000

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, 2018, the total outstanding balance of $1,240,000 includes accrued interest of $240,000.

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, 2018, the total outstanding balance of $11,585,575 includes interest of $1,848,575.

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 $1,100,000 from LMV II Affordable, LP dated October 12, 2010. The proceeds of the loan assisted with the rehabilitation of 64 units of affordable housing for families of the Lakeview II Affordable Housing Project. The loan is to be repaid with interest in arrears in annual installments on July 1, commencing July 1 in the calendar year immediately following the calendar year in which the deed of trust securing the second permanent loan is recorded in the official records of Riverside County. Absent prepayment or acceleration, the Borrower agrees to pay the loan in annual payments equal to 30 percent of the residual receipts as defined in the loan agreement. Notwithstanding any other provision, unless the loan is paid earlier, the outstanding principal and accrued unpaid interest is payable 55 years from the date of recording of the release of construction covenants evidencing completion of the rehabilitation. The release of construction covenants was recorded on August 8, 2012. At June 30, 2018, the total outstanding balance of $1,162,857 includes interest of $62,857.

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 City Fund 106 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 City Fund 106 Loan until the City Fund 106 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, 2018, the total outstanding balance of $695,602 includes accrued interest of $352.

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 City Fund 106 Loan until the City Fund 106 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, 2018, the total outstanding balance of $2,001,014 includes accrued interest of $1,014.

The City's Low and Moderate-Income Housing Asset Special Revenue Fund has a note receivable in the amount of $7,520,000 from Mission Trail LE. LP dated May 1, 2018. The loan was given for the purpose of providing construction and permanent financing for the development of the Mission Trail Apartments Affordable Housing Project. The City LMIHAF Loan shall be repayable from 50 percent of the residual receipts paid annually after completion of the Development. All residual receipts payments to the City shall be paid toward the City Fund 106 Loan until the City Fund 106 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. After the City Land Loan is completely repaid, all residual payments shall be applied to the City LMIHAF Loan. At June 30, 2018, the total outstanding balance of $7,523,812 includes accrued interest of $3,812.

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 $771,500 or such lessor amount as disbursed by the City to Civic Partners-Elsinore, LLC. The proceeds of the loan shall be used for the purpose of predevelopment eligible costs for the Cottages at Mission Trail Affordable Housing Project. It is anticipated that all principal and interest outstanding under the Predevelopment Promissory Note shall be repaid in full at Construction Closing with proceeds of the Accrued Funds Loan. At June 30, 2018, the total outstanding balance of $725,015 includes accrued interest of $10,805.

Note 6: Capital Assets

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

	Beginning Balance	Adjustments *	Beginning Balance	Additions	Deletions	Transfers	Ending Balance
Governmental Activities:							
Capital assets, not being depreciated:							
Land	$ 2,914,048	$ -	$ 2,914,048	$ 271,852	$ -	$ 29,478	$ 3,215,378
Construction-in-progress	16,875,588	3,169,125	20,044,713	10,914,033	-	(12,154,572)	18,804,174
Total Capital Assets, Not Being Depreciated	19,789,636	3,169,125	22,958,761	11,185,885	-	(12,125,094)	22,019,552
Capital assets, being depreciated:							
Building and Structures	19,086,034	-	19,086,034	-	-	1,005,761	20,091,795
Improvement other than buildings	17,753,781	-	17,753,781	-	-	322,543	18,076,324
Machinery and Equipment	2,807,344	-	2,807,344	329,323	(34,542)	116,274	3,218,399
Furniture and Fixtures	365,680	-	365,680	529,874	-	109,000	1,004,554
Automotive Equipment	2,829,590	-	2,829,590	377,362	(115,401)	425,011	3,516,562
Technology Equipment and Software	653,189	-	653,189	17,410	-	-	670,599
Infrastructure	214,963,398	-	214,963,398	-	-	10,146,505	225,109,903
Total Capital Assets, Being Depreciated	258,459,016	-	258,459,016	1,253,969	(149,943)	12,125,094	271,688,136
Less accumulated depreciation:							
Building and Structures	(5,817,724)	-	(5,817,724)	(438,667)	-	-	(6,256,391)
Improvement other than buildings	(7,327,165)	-	(7,327,165)	(650,104)	-	-	(7,977,269)
Machinery and Equipment	(2,285,768)		(2,285,768)	(146,898)	34,542	-	(2,398,124)
Furniture and Fixtures	(291,567)	-	(291,567)	(117,099)	-	-	(408,666)
Automotive Equipment	(1,695,016)	-	(1,695,016)	(247,782)	109,853	-	(1,832,945)
Technology Equipment and Software	(224,644)		(224,644)	(155,280)	-	-	(379,924)
Infrastructure	(94,818,311)	-	(94,818,311)	(5,989,464)	-	-	(100,807,775)
Total Accumulated Depreciation	(112,460,195)	-	(112,460,195)	(7,745,294)	144,395	-	(120,061,094)
Total Capital Assets, Being Depreciated, Net	145,998,821	-	145,998,821	(6,491,325)	(5,548)	12,125,094	151,627,042
Governmental Activities Capital Assets, Net	$ 165,788,457	$ 3,169,125	$ 168,957,582	$ 4,694,560	$ (5,548)	$ -	$ 173,646,594

*Refer to Note 19 for details

Note 6: Capital Assets (Continued)

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

Governmental Activities	
General Government	$ 309,423
Public Safety	455,359
Public Services	6,205,849
Community Services	543,016
Internal Service Funds	231,647
Total depreciation expense - governmental activities	$ 7,745,294

Note 7: Long-Term Liabilities

	Date of Issue	Years of Maturity	Rate of Interest	Amount Authorized
Local Agency Revenue Bonds:				
2012 Series A	7/12	2014-2039	1.50 - 5.25%	$ 3,450,000
2012 Series B	11/12	2015-2031	2.00 - 5.125%	15,345,000
2012 Series C	12/12	2016-2043	2.00 - 5.00%	5,345,000
2013 Series A	5/13	2016-2044	1.75 - 5.00%	3,620,000
2013 Series B	7/13	2015-2021	2.00 - 3.25%	4,215,000
2013 Series C	7/13	2014-2034	2.00 - 5.25%	13,615,000
2014 Series A	1/14	2017-2045	2.25 - 5.75%	7,505,000
2014 Series B	7/14	2016-2041	3.00 - 5.00%	18,210,000
2015 Series	2/15	2016-2041	2.00 - 5.00%	108,845,000
2015 Series A	2/15	2017-2045	2.00 - 3.65%	3,200,000
2015 Series B	5/15	2017-2021	2.00 - 5.00%	7,590,000
2017 Series	12/17	2019-2045	2.00 - 4.00%	7,975,000
Lease Revenue Bonds:				
2013 Series A	9/13	2014-2032	3.00 - 5.00%	14,460,000
2016 Series A	11/16	2017-2046	1.25 - 3.75%	10,410,000
Tax Allocation Revenue Bonds:				
2010 Series A	2/10	2011-2034	2.00 - 5.25%	15,435,000
2010 Series B	5/10	2011-2026	2.00 - 4.75%	10,855,000
2010 Series C	10/10	2012-2031	2.00 - 5.00%	29,435,000
Certificate of Participation				
2014 Series A	10/4	2015-2039	2.00 - 5.00%	7,965,000

Note 7: Long-Term Liabilities (Continued)

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

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Public Financing Authority:					
Local Agency Revenue Bonds:					
2012 Series A	$ 3,225,000	$ -	$ (60,000)	$ 3,165,000	$ 65,000
2012 Series B	13,445,000	-	(675,000)	12,770,000	705,000
2012 Series C	5,335,000	-	(15,000)	5,320,000	20,000
2013 Series A	3,585,000	-	(25,000)	3,560,000	30,000
2013 Series B	2,175,000	-	(620,000)	1,555,000	580,000
2013 Series C	12,160,000	-	(505,000)	11,655,000	525,000
2014 Series A	7,495,000	-	(20,000)	7,475,000	30,000
2014 Series B	17,580,000	-	(400,000)	17,180,000	435,000
2015 Series	105,540,000	-	(1,825,000)	103,715,000	2,040,000
2015 Series A	3,170,000	-	(35,000)	3,135,000	40,000
2015 Series B	6,320,000	-	(1,410,000)	4,910,000	1,500,000
Tax Allocation Revenue Bonds:					
2010 Series A	12,825,000	-	(350,000)	12,475,000	365,000
2010 Series B	6,830,000	-	(645,000)	6,185,000	670,000
2010 Series C	22,835,000	-	(1,270,000)	21,565,000	1,310,000
Recreation Financing Authority:					
2013 Series A	12,150,000	-	(620,000)	11,530,000	635,000
Facilities Financing Authority:					
Lease Revenue Bonds:					
2017 Series	-	7,975,000	-	7,975,000	105,000
2016 Series A	10,330,000	-	(240,000)	10,090,000	245,000
Subtotal	245,000,000	7,975,000	(8,715,000)	244,260,000	9,300,000
Add (Less) Deferred Amounts:					
Bond Premiums	10,846,511		(572,786)	10,273,725	-
Bond Discounts	(458,052)	(216,329)	47,786	(626,595)	-
Subtotal	10,388,459	(216,329)	(525,000)	9,647,130	-
Certificates of Participation :					
2014 Series A	7,215,000	-	(220,000)	6,995,000	235,000
Premiums	205,593	-	(9,345)	196,248	-
Net Pension Liability (Note 12)	10,798,127	5,415,495	(4,024,345)	12,189,277	-
Other Post Employement					
Benefit Obligation (Note 13)	23,623,894 *	1,541,542	(3,268,552)	21,896,884	-
Compensated Absences	1,037,530	394,612	(197,306)	1,234,836	123,484
Total	$ 298,268,603	$ 15,110,320	$ (16,959,548)	$ 296,419,375	$ 9,658,484

* As restated

The City historically allocates costs to liquidate liabilities pension liability based on the allocation of the employees earning, the respective benefits, and their respective payroll expense to various funds across the City.

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

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

Note 7: Long-Term Liabilities (Continued)

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.

2012 Series A

In July 2012, $3,450,000 principal amount of 2012 Local Agency Revenue Bonds, Series A, was issued in accordance with the indenture described above. The bonds are due in annual installments of $25,000 to $255,000 from September 1, 2013 through September 1, 2038. Interest payments ranging from 1.5% to 5.25% are due from March 1, 2013 through September 1, 2038. The bonds are subject to call and redemption prior to their stated maturity commencing September 1, 2012 at specified redemption prices. At June 30, 2018, the Authority has a cash reserve balance for debt service of $306,232, which is sufficient to cover the Bond Indenture Reserve Requirement of $303,974.

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

	2012A Local Agency Revenue Bonds		
Year Ending June 30	Principal	Interest	Total
2019	$ 65,000	$ 157,719	$ 222,719
2020	75,000	155,478	230,478
2021	80,000	152,763	232,763
2022	85,000	149,666	234,666
2023	95,000	146,119	241,119
2024 - 2028	615,000	643,847	1,258,847
2029 - 2033	830,000	460,162	1,290,162
2034 - 2038	1,070,000	211,837	1,281,837
2039	250,000	6,694	256,694
Totals	$ 3,165,000	$ 2,084,285	$ 5,249,285

Note 7: Long-Term Liabilities (Continued)

2012 Series B

In November 2012, $15,345,000 principal amount of 2012 Local Agency Revenue Bonds, Series B, was issued in accordance with the indenture described above. The bonds are due in annual installments of $615,000 to $1,360,000 from September 2, 2014 through September 2, 2030. Interest payments ranging from 2.0% to 5.125% are due from March 2, 2013 through September 2, 2030. The bonds are subject to call and redemption prior to their stated maturity commencing March 2, 2013 at specified redemption prices. At June 30, 2018, the Authority has a cash reserve balance for debt service of $1,650,626, which is sufficient to cover the Bond Indenture Reserve Requirement of $1,644,155.

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

	2012B Local Agency Revenue Refunding Bonds		
Year Ending June 30	Principal	Interest	Total
2019	$ 705,000	$ 597,166	$ 1,302,166
2020	735,000	571,947	1,306,947
2021	770,000	543,706	1,313,706
2022	805,000	511,178	1,316,178
2023	850,000	474,975	1,324,975
2024 - 2028	5,060,000	1,664,344	6,724,344
2029 - 2031	3,845,000	303,528	4,148,528
Totals	$ 12,770,000	$ 4,666,844	$ 17,436,844

2012 Series C

In December 2012, $5,345,000 principal amount of 2012 Local Agency Revenue Bonds, Series C, was issued in accordance with the indenture described above. The bonds are due in annual installments of $5,000 to $1,200,000 from September 1, 2015 through September 1, 2042. Interest payments ranging from 2.0% to 5.0% are due from March 1, 2013 through September 1, 2042. The bonds are subject to call and redemption prior to their stated maturity commencing March 1, 2013 at specified redemption prices. At June 30, 2018, the Authority has a cash reserve balance for debt service of $729,221, which is sufficient to cover the Bond Indenture Reserve Requirement of $717,469.

Note 7: Long-Term Liabilities (Continued)

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

	2012C Local Agency Revenue Bonds		
Year Ending June 30	Principal	Interest	Total
2019	$ 20,000	$ 260,281	$ 280,281
2020	25,000	259,588	284,588
2021	30,000	258,656	288,656
2022	35,000	257,475	292,475
2023	45,000	255,919	300,919
2024 - 2028	360,000	1,241,759	1,601,759
2029 - 2033	630,000	1,128,750	1,758,750
2034 - 2038	1,015,000	925,625	1,940,625
2039 - 2043	3,160,000	531,000	3,691,000
Totals	$ 5,320,000	$ 5,119,053	$ 10,439,053

2013 Series A

In May 2013, $3,620,000 principal amount of 2013 Local Agency Revenue Bonds, Series A, was issued in accordance with the indenture described above. The bonds are due in annual installments of $15,000 to $310,000 from September 1, 2015 through September 1, 2043. Interest payments ranging from 1.75% to 5.0% are due from March 1, 2014 through September 1, 2043. The bonds are subject to call and redemption prior to their stated maturity commencing September 1, 2014 at specified redemption prices. At June 30, 2018, the Authority has a cash reserve balance for debt service of $376,933, which is sufficient to cover the Bond Indenture Reserve Requirement of $370,149.

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

	2013A Local Agency Revenue Bonds		
Year Ending June 30	Principal	Interest	Total
2019	$ 30,000	$ 168,000	$ 198,000
2020	35,000	167,100	202,100
2021	40,000	165,925	205,925
2022	45,000	164,516	209,516
2023	50,000	162,881	212,881
2024 - 2028	355,000	776,738	1,131,738
2029 - 2033	575,000	675,713	1,250,713
2034 - 2038	860,000	506,478	1,366,478
2039 - 2043	1,260,000	244,250	1,504,250
2044	310,000	7,750	317,750
Totals	$ 3,560,000	$ 3,039,351	$ 6,599,351

Note 7: Long-Term Liabilities (Continued)

2013 Series B

In July 2013, $4,215,000 principal amount of 2013 Local Agency Revenue Bonds, Series B, was issued in accordance with the indenture described above. The bonds are due in annual installments of $425,000 to $705,000 from September 1, 2014 through September 1, 2020. Interest payments ranging from 2.00% to 3.25% are due from September 1, 2013 through September 1, 2020. The bonds are subject to call and redemption prior to their stated maturity commencing September 1, 2013 at specified redemption prices. At June 30, 2018, the Authority has a cash reserve balance for debt service of $534,297, which is sufficient to cover the Bond Indenture Reserve Requirement of $523,704.

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

	2013B Local Agency Revenue Bonds		
Year Ending June 30	Principal	Interest	Total
2019	$ 580,000	$ 38,288	$ 618,288
2020	550,000	22,063	572,063
2021	425,000	6,906	431,906
Totals	$ 1,555,000	$ 67,257	$ 1,622,257

2013 Series C

In July 2013, $13,615,000 principal amount of 2013 Local Agency Revenue Bonds, Series C, was issued in accordance with the indenture described above. The bonds are due in annual installments of $475,000 to $1,025,000 from September 1, 2014 through September 1, 2033. Interest payments ranging from 2.00% to 5.25% are due from September 1, 2013 through September 1, 2033. The bonds are subject to call and redemption prior to their stated maturity commencing September 1, 2033 at specified redemption prices. At June 30, 2018, the Authority has a cash reserve balance for debt service of $1,254,534, which is sufficient to cover the Bond Indenture Reserve Requirement of $1,245,285.

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

	2013C Local Agency Revenue Bonds		
Year Ending June 30	Principal	Interest	Total
2019	$ 525,000	$ 549,981	$ 1,074,981
2020	540,000	532,994	1,072,994
2021	555,000	514,169	1,069,169
2022	575,000	493,316	1,068,316
2023	600,000	470,175	1,070,175
2024 - 2028	3,425,000	1,890,581	5,315,581
2029 - 2033	4,410,000	871,500	5,281,500
2034	1,025,000	26,906	1,051,906
Totals	$ 11,655,000	$ 5,349,622	$ 17,004,622

Note 7: Long-Term Liabilities (Continued)

2014 Series A

In January 2014, $7,505,000 principal amount of 2014 Local Agency Revenue Bonds, Series A, was issued in accordance with the indenture described above. The bonds are due in annual installments of $10,000 to $705,000 from September 1, 2016 through September 1, 2044. Interest payments ranging from 2.25% to 5.75% are due from September 1, 2014 through September 1, 2044. The bonds are subject to call and redemption prior to their stated maturity commencing September 1, 2023 at specified redemption prices. At June 30, 2018, the Authority has a cash reserve balance for debt service of $823,043, which is sufficient to cover the Bond Indenture Reserve Requirement of $816,841.

Future debt requirements for the 2014 Series A Local Agency Revenue Bonds are as follows:

	2014A Local Agency Revenue Bonds		
Year Ending June 30	Principal	Interest	Total
2019	$ 30,000	$ 414,856	$ 444,856
2020	40,000	413,669	453,669
2021	50,000	411,969	461,969
2022	60,000	409,694	469,694
2023	70,000	406,888	476,888
2024 - 2028	575,000	1,967,634	2,542,634
2029 - 2033	1,030,000	1,765,075	2,795,075
2034 - 2038	1,680,000	1,391,731	3,071,731
2039 - 2043	2,585,000	785,306	3,370,306
2044 - 2045	1,355,000	79,494	1,434,494
Totals	$ 7,475,000	$ 8,046,316	$ 15,521,316

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 $660,000 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, 2018, the Authority has a cash reserve balance for debt service of $1,702,017, which is sufficient to cover the Bond Indenture Reserve Requirement of $1,689,291.

Note 7: Long-Term Liabilities (Continued)

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
2019	$ 435,000	$ 771,075	$ 1,206,075
2020	480,000	753,863	1,233,863
2021	530,000	733,663	1,263,663
2022	575,000	708,688	1,283,688
2023	630,000	678,563	1,308,563
2024 - 2028	3,805,000	2,915,188	6,720,188
2029 - 2033	4,985,000	2,031,100	7,016,100
2034- 2038	3,905,000	821,731	4,726,731
2039 - 2041	1,835,000	142,375	1,977,375
Totals	$ 17,180,000	$ 9,556,246	$ 26,736,246

2015 Series

In February 2015, $108,845,000 principal amount of 2015 Series Local Agency Revenue Bonds, was issued in accordance with the indenture described above. 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. At June 30, 2018, the Authority has a cash reserve balance for debt service of $9,339,702, which is sufficient to cover the Bond Indenture Reserve Requirement of $9,289,008.

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
2019	$ 2,040,000	$ 5,034,250	$ 7,074,250
2020	2,250,000	4,948,450	7,198,450
2021	2,500,000	4,841,975	7,341,975
2022	2,755,000	4,712,725	7,467,725
2023	3,030,000	4,570,425	7,600,425
2024 - 2028	19,820,000	20,193,625	40,013,625
2029 - 2033	29,380,000	14,208,900	43,588,900
2034 - 2038	34,280,000	5,754,376	40,034,376
2039 - 2041	7,660,000	400,500	8,060,500
Totals	$ 103,715,000	$ 64,665,226	$ 168,380,226

Note 7: Long-Term Liabilities (Continued)

2015 Series A

In February 2015, $3,200,000 principal amount of 2015 Local Agency Revenue Bonds, Series A, was issued in accordance with the indenture described above. The bonds are due in annual installments of $30,000 to $235,000 from September 1, 2016 through September 1, 2044. Interest payments ranging from 2.0% to 3.625% are due from September 1, 2015 through September 1, 2044. The bonds are subject to call and redemption prior to their stated maturity commencing September 1, 2023 at specified redemption prices. At June 30, 2018, the Authority has a cash reserve balance for debt service of $270,321, which is sufficient to cover the Bond Indenture Reserve Requirement of $266,677.

Future debt requirements for the 2015 Series A Local Agency Revenue Bonds are as follows:

	2015A Local Agency Revenue Bonds		
Year Ending June 30	Principal	Interest	Total
2019	$ 40,000	$ 105,169	$ 145,169
2020	40,000	104,369	144,369
2021	45,000	103,519	148,519
2022	50,000	102,538	152,538
2023	55,000	101,388	156,388
2024 - 2028	350,000	480,394	830,394
2029 - 2033	490,000	414,856	904,856
2034 - 2038	680,000	315,188	995,188
2039 - 2043	930,000	170,738	1,100,738
2044 - 2045	455,000	16,766	471,766
Totals	$ 3,135,000	$ 1,914,925	$ 5,049,925

2015 Series B

In May 2015, $7,590,000 principal amount of 2015 Local Agency Revenue Bonds, Series B, was issued in accordance with the indenture described above. The bonds are due in annual installments of $1,270,000 to $1,810,000 from September 1, 2016 through September 1, 2020. Interest payments ranging from 2.0% to 5.0% are due from March 1, 2016 through September 1, 2020. The bonds are not subject to call and redemption prior to their stated maturity. At June 30, 2018, the Authority has a cash reserve balance of $292,614, which is sufficient to cover the Reserve Requirement of $285,075.

Future debt requirements for the 2015 Series B Local Agency Revenue Bonds are as follows:

	2015B Local Agency Revenue Bonds		
Year Ending June 30	Principal	Interest	Total
2019	$ 1,500,000	$ 200,500	$ 1,700,500
2020	1,600,000	130,500	1,730,500
2021	1,810,000	45,250	1,855,250
Totals	$ 4,910,000	$ 376,250	$ 5,286,250

Note 7: Long-Term Liabilities (Continued)

2017 Series

On December 21, 2017 $7,975,000 principal amount of Lease Revenue Bonds, Series 2017, was issued by the Lake Elsinore Facilities Financing Authority to finance the acquisition, construction and installation of certain capital improvements owned by the City for Community Facilities District 2003-2 (Canyon Hills) Improvement Area B. The bonds are due in annual installments of $105,000 to $450,000 from September 1, 2018 through September 1, 2044. Interest payments ranging from 2.00% to 4.00% are due from March 1, 2018 through March 1, 2044. The bonds are subject to call and redemption prior to their stated maturity commencing March 1, 2038 at specified redemption prices. At June 30, 2018, the cash reserve balance of $474,577 is sufficient to cover the Reserve Requirement of $472,200.

	2017 Local Agency Revenue Bonds		
Year Ending June 30	Principal	Interest	Total
2019	$ 105,000	$ 259,731	$ 364,731
2020	210,000	256,581	466,581
2021	215,000	252,331	467,331
2022	220,000	247,981	467,981
2023	225,000	243,531	468,531
2024 - 2028	1,200,000	1,135,500	2,335,500
2029 - 2033	1,375,000	953,078	2,328,078
2034 - 3038	1,610,000	707,131	2,317,131
2039 - 2043	1,930,000	376,400	2,306,400
2044	885,000	35,700	920,700
Totals	$ 7,975,000	$ 4,467,964	$ 12,442,964

2010 Series A

In February 2010, $15,435,000 principal amount of Tax Allocation Revenue Bonds, Series A, was issued in accordance with the indenture described in Note 7A. The term bonds are due in annual installments of $305,000 to $2,910,000 from September 1, 2010 through September 1, 2033; interest at 2.00% to 5.25%. The bonds are subject to call and redemption prior to their stated maturity commencing September 1, 2019, at specified redemption prices. At June 30, 2018, the Authority has a cash reserve balance for debt service of $1,510,045, which is sufficient to cover the Bond Indenture Reserve Requirement of $1,471,914.

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

	2010A Tax Allocation Revenue Bonds		
Year Ending June 30	Principal	Interest	Total
2019	$ 365,000	$ 618,869	$ 983,869
2020	380,000	605,356	985,356
2021	395,000	590,331	985,331
2022	405,000	574,078	979,078
2023	425,000	556,694	981,694
2024 - 2028	2,445,000	2,447,594	4,892,594
2029 - 2033	6,360,000	1,518,825	7,878,825
2034	1,700,000	44,625	1,744,625
Totals	$ 12,475,000	$ 6,956,372	$ 19,431,372

Note 7: Long-Term Liabilities (Continued)

2010 Series B

In May 2010, $10,855,000 principal amount of Tax Allocation Revenue Bonds, Series B, was issued in accordance with the indenture described in Note 7A. The term bonds are due in annual installments of $515,000 to $895,000 from September 1, 2010 through September 1, 2025; interest at 2.00% to 4.75%. The bonds are subject to call and redemption prior to their stated maturity commencing September 1, 2019, at specified redemption prices. At June 30, 2018, the Authority has a cash reserve balance for debt service of $949,531, which is sufficient to cover the Bond Indenture Reserve Requirement of $939,538.

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

	2010B Tax Allocation Revenue Bonds		
Year Ending June 30	Principal	Interest	Total
2019	$ 670,000	$ 257,394	$ 927,394
2020	690,000	231,450	921,450
2021	720,000	202,350	922,350
2022	750,000	170,175	920,175
2023	785,000	136,128	921,128
2024 - 2026	2,570,000	184,047	2,754,047
Totals	$ 6,185,000	$ 1,181,544	$ 7,366,544

2010 Series C

In October 2010, $29,435,000 principal amount of Tax Allocation Revenue Bonds, Series C, was issued in accordance with the indenture described in Note 7A. The term bonds are due in annual installments of $650,000 to $2,115,000 from September 1, 2011 through September 1, 2030; interest at 2.00% to 5.00%. The bonds are subject to call and redemption on or after their stated maturity commencing September 1, 2020, at specified redemption prices. At June 30, 2018, the Authority has a cash reserve balance for debt service of $2,246,035, which is sufficient to cover the Bond Indenture Reserve Requirement of $2,222,395.

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

	2010C Tax Allocation Revenue Bonds		
Year Ending June 30	Principal	Interest	Total
2019	$ 1,310,000	$ 891,926	$ 2,201,926
2020	1,350,000	848,676	2,198,676
2021	1,395,000	800,611	2,195,611
2022	1,445,000	746,426	2,191,426
2023	1,500,000	687,526	2,187,526
2024 - 2028	8,500,000	2,410,747	10,910,747
2029 - 2031	6,065,000	449,144	6,514,144
Totals	$ 21,565,000	$ 6,835,056	$ 28,400,056

Note 7: Long-Term Liabilities (Continued)

Lease Revenue Bonds

2013 Series A

In September 2013, $14,460,000 principal amount of 2013 Revenue Refunding Bonds, Series A, was issued in accordance with the indenture to provide funds to advance refund the 2000 Revenue Refunding Bonds, Series A. The original purpose of the prior bonds was to finance the Authority's lease of certain City recreation facilities from the City for lease back to the City. The term bonds are due in annual installments of $565,000 to $1,075,000 from February 1, 2014 through February 1, 2032; interest rates varying from 3.00% to 5.00%. The bonds are subject to call and redemption prior to their stated maturity commencing February 1, 2024, at specified redemption prices. At June 30, 2018, the Authority has a cash reserve balance for debt service of $1,131,700, which is sufficient to cover the Bond Indenture Reserve Requirement of $1,131,700.

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

	2013A Lease Revenue Refunding Bonds		
Year Ending June 30	Principal	Interest	Total
2019	$ 635,000	$ 493,100	$ 1,128,100
2020	655,000	474,050	1,129,050
2021	675,000	454,400	1,129,400
2022	700,000	427,400	1,127,400
2023	730,000	399,400	1,129,400
2024 - 2028	4,120,000	1,524,531	5,644,531
2029 - 2032	4,015,000	502,419	4,517,419
Totals	$ 11,530,000	$ 4,275,300	$ 15,805,300

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 requirement is covered by an insurance policy.

	2016A Lease Revenue Bonds		
Year Ending June 30	Principal	Interest	Total
2019	$ 245,000	$ 314,238	$ 559,238
2020	250,000	309,338	559,338
2021	255,000	306,213	561,213
2022	255,000	302,388	557,388
2023	260,000	298,563	558,563
2024 - 2028	1,395,000	1,399,263	2,794,263
2029 - 2033	1,655,000	1,135,713	2,790,713
2034 - 2038	1,935,000	859,319	2,794,319
2039 - 2043	2,275,000	514,663	2,789,663
2044 - 2046	1,565,000	110,775	1,675,775
Totals	$ 10,090,000	$ 5,550,473	$ 15,640,473

Note 7: Long-Term Liabilities (Continued)

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 requirement is covered by an insurance policy.

Future debt requirements for the Certificates of Participation, Series 2014A, are as follows:

	2014A Certificate of Participation		
Year Ending June 30	Principal	Interest	Total
2019	$ 235,000	$ 264,938	$ 499,938
2020	240,000	255,538	495,538
2021	250,000	245,938	495,938
2022	255,000	240,938	495,938
2023	260,000	235,838	495,838
2024 - 2028	1,410,000	1,075,250	2,485,250
2029 - 2033	1,735,000	756,900	2,491,900
2034 - 2038	2,130,000	358,000	2,488,000
2039	480,000	19,200	499,200
Totals	$ 6,995,000	$ 3,452,540	$ 10,447,540

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 is payable solely from the Measure A revenues. Total principal and interest remaining on the certificates of participation is $10,447,540, payable through fiscal year 2039. For the current year, principal and interest paid by Measure A revenues were $220,000 and $275,937, respectively.

Note 8: Special Assessment District Bonds

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

	Original Issue	Outstanding at June 30, 2018
Assessment District NO. 93-1 Refunding Improvement Bonds, 2012 Series B	$ 15,345,000	$ 12,270,000
Total Assessment District Bonds		$ 12,270,000

Note 9: Community Facilities District Bonds

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

	Original Issue	Outstanding Amount at June 30, 2018
Community Facilities District 90-2 Tuscany Hills (2007 Series A)	$ 7,340,000	$ 6,560,000
Community Facilities District 2005-5 Wasson Canyon (2012A Series)	3,450,000	3,165,000
Community Facilities District 2006-1 Summerly (2013 Series)	3,620,000	3,560,000
Community Facilities District 2003-2 Canyon Hills IA-C (2012 Series C)	5,345,000	5,320,000
Community Facilities District 88-3 West Lake Elsinore (2013B Series)	4,215,000	1,555,000
Community Facilities District 98-1 Summerhill (2013C Series)	13,615,000	11,655,000
Community Facilities District 2003-2 Canyon Hills IA-D (2014A Series)	7,505,000	7,475,000
Community Facilities District 2003-2 IA-D Canyon Hills (2016 Series A)	16,495,000	16,405,000
Community Facilities District 2003-2 IA-A Canyon Hills (2014 Series)	10,895,000	10,010,000
Community Facilities District 2003-2 IA-C Canyon Hills (2014 Series)	7,315,000	7,170,000
Community Facilities District 95-1 Lake Elsinore City Center (2015 Series)	1,030,000	850,000
Community Facilities District 2003-2 IA-B Canyon Hills (2015 Series)	25,795,000	24,965,000
Community Facilities District 2004-3-1 IA-1 Rosetta Canyon (2015 Series)	21,005,000	19,825,000
Community Facilities District 2004-3-1 IA-2 Rosetta Canyon (2015 Series)	23,115,000	22,260,000
Community Facilities District 2005-1 Serenity (2015 Series)	8,165,000	7,515,000
Community Facilities District 2005-2 IA-A Alberhill Ranch (2015 Series)	21,095,000	20,065,000
Community Facilities District 2005-6 City Center Townhomes (2015 Series)	2,815,000	2,675,000
Community Facilities District 2006-2 Viscaya (2015 Series)	5,825,000	5,560,000
Community Facilities District 2006-1 IA-B Summerly (2015 Series)	3,200,000	3,135,000
Community Facilities District 88-3 West Lake Elsinore (2015 Series B)	7,590,000	4,910,000
Community Facilities District 2006-1 IA-CC (2016 Series A)	3,000,000	2,955,000
Community Facilites District 2006-1 IA-EE Summerly (2017 Series A)	5,070,000	5,070,000
Community Facilities District 2006-1 IA-FF Summerly (2016 Series B)	3,785,000	3,785,000
Community Facilities District 2003-2 IA-B Canyon Hills (2017 Series)	7,975,000	7,975,000
Community Facilities District 2015-5 Trieste (2017 Series)	2,240,000	2,240,000
Community Facilities District 2003-2 IA-E Canyon Hills (2018 Series)	2,655,000	2,655,000
Community Facilities District 2007-5 Red Kite (2018 Series)	1,740,000	1,740,000
Total Community Facilities District Bonds	$ 225,895,000	$ 211,055,000

Note 10: Inter-fund Receivables, Payables and Transfers

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

Due To/From

Due to and from other funds are as follows:

Receivable Fund	Payable Fund	Amount
Internal Service Funds	Internal Service Funds	$ 143,366
Other Governmental Funds	General Fund	230,606
	Total	$ 373,972

The outstanding balances above between funds are to provide cash flows for expenditures.

Transfers In/Out

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

Transfers In	Transfers Out	Amount
General Fund	Other Governmental Funds	$ 1,171,933
General Fund	Capital Improvement Plan Capital Project Fund	351,192
Other Governmental Funds	General Fund	950,554
Other Governmental Funds	Other Governmental Funds	695,334
Other Governmental Funds	Capital Improvement Plan Capital Project Fund	1,656,993
Capital Improvement Plan Capital Project Fund	Other Governmental Funds	5,566,225
Recreation Authority Debt Service Fund	General Fund	1,131,700
	Total	$ 11,523,931

The transfers between the General 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 for reimbursement for capital related projects. The transfers between the Capital Improvement Plan Capital Project Fund and the Other Government Funds were made to provide reimbursement for construction costs. The transfers between the Recreation Authority Debt Service Fund and the General Fund were made to provide lease payments on long-term debt.

Note 11: Fund Balance and Net Position

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

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

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

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.

Note 11: Fund Balance and Net Position (Continued)

The details of the fund balances as of June 30, 2018, are presented below:

	General Fund	Low and Moderate Income Housing Special Revenue Fund	Public Financing Authority Debt Service Fund	Recreation Authority Debt Service Fund
Fund balances:				
Nonspendable:				
Prepaid items	$ 31,385	$ -	$ 9,394	$ 79,062
Notes Receivable	1,000,000	-	-	-
Endowment Principal	-	-	-	-
Restricted for:				
Debt Service	-	-	220,696,303	1,746,572
Low & Moderate Income Housing	-	43,800,840	-	-
Transportation & Public Works	-	-	-	-
Development	-	-	-	-
Lighting & Landscape Maintenance	-	-	-	-
Public Facilities and Improvements	-	-	-	-
Other purposes	-	-	-	-
Assigned for:				
Construction	-	-	-	-
Scholarships	-	-	-	-
Unassigned	10,807,854	-	-	-
Total fund balances	$ 11,839,239	$ 43,800,840	$ 220,705,697	$ 1,825,634

	Assessment Districts Capital Projects Fund	Capital Improvement Plan Capital Projects Fund	Non - Major Governmental Funds	Total Governmental Funds
Fund balances:				
Nonspendable:				
Prepaid items	$ -	$ -	$ 73,562	$ 193,403
Notes Receivable	-	-	-	1,000,000
Endowment Principal	-	-	20,000	20,000
Restricted for:				
Debt Service	-	-	4,970	222,447,845
Low & Moderate Income Housing	-	-	4,110,510	47,911,350
Transportation & Public Works	-	-	7,308,883	7,308,883
Development	-	-	122,750	122,750
Lighting & Landscape Maintenance	-	-	1,158,097	1,158,097
Public Facilities and Improvements	128,568	-	14,239,616	14,368,184
Other purposes	-	-	27,881	27,881
Assigned for:				
Construction	-	16,027,228	1,589,466	17,616,694
Scholarships	-	-	11,527	11,527
Unassigned	-	-	-	10,807,854
Total fund balances	$ 128,568	$ 16,027,228	$ 28,667,262	$ 322,994,468

Note 11: Fund Balance and Net Position (Continued)

The details of other restricted purposes in the Statement of Net Position as of June 30, 2018 are presented below:

Geothermal	$	20,421
Education		7,460
Total net Position - Other Restricted Purposes	$	27,881

Note 12: Pension Plan

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.

Note 12: Pension Plan (Continued)

The rate plan provisions and benefits in effect at June 30, 2018, are summarized as follows:

City Miscellaneous Plan

	Tier 1 *	Tier 2*	PEPRA
Hire date	Prior to January 1, 2013	Prior to January 1, 2013	On or after January 1, 2013
Benefit formula	2.0% 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	8.000%	1.500%	6.250%
Required employer contribution rates	38.076%	7.276%	6.551%

Safety Plan (1)

Hire date	Prior to January 1, 2013	On or After January 1, 2013
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.

For the year ended June 30, 2018, the employer contributions recognized as a reduction to the net position liability for all the Plans was $1,313,558.

Note 12: Pension Plan (Continued)

As of June 30, 2018, the City reported a net pension liability for its proportionate share of the net pension liability of the Plan of $12,189,277.

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, 2015, 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, 2014 rolled forward to June 30, 2015 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.

The City's proportionate share of the net pension liability for the Plan measured as of June 30, 2016 and 2017, were as follows:

Proportion		Change
June 30,2017	June 30,2016	Increase (Decrease)
0.30896%	0.31058%	-0.00162%

For the year ended June 30, 2018, the City recognized pension expense (credit) of $2,494,713. At June 30, 2018, 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
Current year contributions that occurred after the measurement date of June 30, 2017	$ 1,397,703	$ -
Change of Assumption	1,800,239	-
Difference between Expected and Actual Experiences	14,622	207,687
Net Difference between Projected and Actual Earnings on Pension Plan Investments	407,124	137,271
Adjustment due to differences in proportions	106,922	240
Difference in proportionate share	471,639	1,115
Total	**$ 4,198,249**	**$ 346,313**

Note 12: Pension Plan (Continued)

The $1,397,703 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, 2019. 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	
2018	$ 840,612
2019	1,157,043
2020	698,294
2021	(241,716)

For the measurement period ended June 30, 2017, the total pension liability was determined by rolling forward the June 30, 2016 total pension liability. The June 30, 2016 and the June 30, 2017 total pension liabilities were based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal in accordance with the requirements of GASB Statement No. 68
Actuarial Assumptions	
Discount Rate	7.15%
Inflation	2.75%
Salary Increases	Varies by Entry Age and Service
Investment Rate of Return	7.00% Net of Pension Plan Investment and Administrative Expenses; includes Inflation
Mortality Rate Table (1)	Derived using CalPERS' Membership Data for all Funds
Post Retirement Benefit Increase	Contract COLA up to 2.75% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.75% thereafter

(1) The mortality table used was developed based on CalPERS' specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. For more details on this table, please refer to the 2014 experience study report.

All other actuarial assumptions used in the June 30, 2016, valuation use the results of an actuarial experience study for the period from 1997 to 2011, including updates to salary increases, mortality, and retirement rates, as a basis. The experience study report is available on the CalPERS website under Forms and Publications.

Changes of Assumptions

The accounting discount rate decreased from 7.65 percent to 7.15 percent.

Note 12: Pension Plan (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.15 percent. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing of the plans, the tests revealed the assets would not run out. Therefore, the current 7.15 percent discount rate is appropriate, and the use of the municipal bond rate calculation is not deemed necessary. The long-term expected discount rate of 7.15 percent is applied to all plans in the Public Employees Retirement Fund. The stress test results are presented in a detailed report called “GASB Crossover Testing Report” that can be obtained at CalPERS’ website under the GASB 68 section.

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

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund (Public Employees’ Retirement Fund) cash flows. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the funds’ asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 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 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 equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. The target allocation shown was adopted by CalPERS effective on July 1, 2015.

Asset Class	New Strategic Allocation	Real Return Years 1-10*	Real Return Years 11+**
Global Equity	47.00%	4.90%	5.38%
Fixed Income	19.00%	80.00%	2.27%
Inflation Assets	6.00%	60.00%	1.39%
Private Equity	12.00%	6.60%	6.63%
Real Estate	11.00%	2.80%	5.21%
Infrastructure and Forestland	3.00%	3.90%	5.36%
Liquidity	2.00%	-0.40%	-0.90%

* An expected inflation of 2.5% used for this period.

**An expected inflation of 3.0% used for this period.

Note 12: Pension Plan (Continued)

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 7.65 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.65 percent) or 1 percentage-point higher (8.65 percent) than the current rate:

	Discount Rate - 1% 6.15%	Current Discount 7.15%	Discount Rate +1% 8.15%
Net Pension Liability	$ 18,123,393	$ 12,189,277	$ 7,274,602

Note 13: Other Post-Employment Benefits

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.

Employees Covered

As of the June 30, 2017 actuarial valuation, the following current and former employees were covered by the benefit terms under the Plan:

Active	54
Inactive employees or beneficiaries currently receiving benefits	75
Inactive employees entitled to, but not yet receiving beneifts	3
	132

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, 2017, the City's cash contributions were $750,878 in total payments, which were recognized as a reduction to the OPEB liability.

Note 13: Other Post-Employment Benefits (Continued)

Total OPEB Liability

The City's Total OPEB liability was measured as of June 30, 2017 and the total OPEB liability used to calculate the total OPEB liability was determined by an actuarial valuation dated June 30, 2017, based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions	
Discount Rate	3.56%
Inflation	2.50%
Salary Increases	3.00% per annum, in aggregate
Investment Rate of Return	N/A
Mortality Rate	Based on assumptions for Public Agency Miscellaneous members published in the December 2017 CalPERS Experience Study.
Pre-Retirement Turnover	Derived using CalPERS' Membership Data for all funds
Healthcare Trend Rate	6.80% for FY2018, gradually decreasing over several decades to an ultimate rate of 4.10% in FY2075 and later years. In addition, the medical trend rates above were increased to reflect the projected effect of the Affordable Care Act's Excise Tax on high-cost health insurance plans. The additional trend rate adjustments vary by year, but average 0.38% beginning calendar year 2030 for plans other than Medicare plans.

Discount Rate

The discount rate used to measure the Total OPEB liability was 3.56 percent. 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 2.92% to 3.56% based on updated 20-year municipal bond rates.

Note 13: Other Post-Employment Benefits (Continued)

Changes in the OPEB Liability

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

	Increase (Decrease) Total OPEB Liability
Balance at June 30, 2016 (Measurement Date)	$ 23,623,894
Changes recognized for the measurement period:	
Service Cost	841,236
Interest	700,306
Changes in Assumptions	(2,304,484)
Employer contributions	-
Benefit payments	(964,068)
Net Changes	(1,727,010)
Balance at June 30, 2017 (Measurement Date)	$ 21,896,884

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, 2017:

	1% Decrease (2.56%)	Current Discount Rate (3.56%)	1% Increase (4.56%)
Total OPEB Liability	$ 25,663,475	$ 21,896,884	$ 18,921,446

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, 2017:

	1% Decrease	Current Healthcare Cost Trent Rates	1% Increase
Total OPEB Liability	$ 18,690,647	$ 21,896,884	$ 26,020,704

Note 13: Other Post-Employment Benefits (Continued)

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

For the fiscal year ended June 30, 2018, the City recognized OPEB expense of $178,468. As of fiscal year ended June 30, 2018, the City reported deferred outflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions subequent to the measurement date	$ 750,879	$ -
Changes of assumptions	-	1,967,078
Total	$ 750,879	$ 1,967,078

The $750,878 reported as deferred outflows of resources related to contributions subsequent to the June 30, 2017 measurement date will be recognized as a reduction of the Total OPEB liability during the fiscal year ending June 30, 2019.

Year Ending June 30	
2019	$ (337,406)
2020	(337,406)
2021	(337,406)
2022	(337,406)
2023	(337,406)
Thereafter	(1,967,078)

Note 14: 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 15: Liability, Property and Protection

The City of Lake Elsinore is a member of the CALIFORNIA JOINT POWERS INSURANCE AUTHORITY (Authority). The Authority is composed of 116 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.

Note 15: Liability, Property and Protection (Continued)

Self-insurance Programs of the Insurance 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 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 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 $30,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the first layer. (3) The second layer of losses includes incurred costs from $30,000 to $750,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the second layer. (4) Incurred costs from $750,000 to $50 million.

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 $50,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the first layer. (3) The second layer of losses includes incurred costs from $50,000 to $100,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the second layer. (4) Incurred costs from $100,000 to statutory limits are distributed based on the outcome of cost allocation within the first and second loss layers.

For 2017-18 the Authority's pooled retention is $2 million per occurrence, with reinsurance to statutory limits under California Workers' Compensation Law. Employer's Liability losses are pooled among members to $2 million. Coverage from $2 million to $5 million is purchased as part of a reinsurance policy, and Employer's Liability losses from $5 million to $10 million are pooled among members.

Note 15: Liability, Property and Protection (Continued)

Property Insurance

The City of Lake Elsinore participates in the all-risk property protection program of the Authority. This insurance protection is underwritten by several insurance companies. City of Lake Elsinore property is currently insured according to a schedule of covered property submitted by the City of Lake Elsinore to the Authority. City of Lake Elsinore property currently has all-risk property insurance protection in the amount of $71,919,345. There is a $10,000 deductible per occurrence except for non-emergency vehicle insurance which has a $2 ,500 deductible.

Crime Insurance

The City of Lake Elsinore 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 of Lake Elsinore 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 of Lake Elsinore. Coverage is on a claims-made basis. There is a $50,000 deductible. The Authority has an aggregate limit of $50 million for the 3-year period from July 1, 2017 through July 1, 2020. Each member of the Authority has a $10 million sub-limit during the 3-year policy term.

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 2017-18.

Note 16: 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.

Note 17: Successor Agency Trust Disclosures

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

Note 17: Successor Agency Trust Disclosures (Continued)

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

Successor Agency Capital Assets

Capital assets activity was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets, not being depreciated:				
Land	$ 2,004,419	$ -	$ -	$ 2,004,419
Total Capital Assets, Not Being Depreciated	2,004,419	-	-	2,004,419
Capital assets, being depreciated:				
Building improvements	19,208,119	3,347,414	(399,056)	22,156,477
Improvement other than buildings	568,927	-	-	568,927
Machinery and Equipment	1,328,944	65,723	-	1,394,667
Total Capital Assets, Being Depreciated	21,105,990	3,413,137	(399,056)	24,120,071
Less accumulated depreciation:				
Building improvements	(7,845,157)	(867,706)	399,056	(8,313,807)
Improvement other than buildings	(347,475)	(35,924)	-	(383,399)
Machinery and Equipment	(1,080,366)	(42,752)	-	(1,123,118)
Total Accumulated Depreciation	(9,272,998)	(946,382)	399,056	(9,820,324)
Total Capital Assets, Being Depreciated, Net	11,832,992	2,466,755	-	14,299,747
Capital Assets, Net	$ 13,837,411	$ 2,466,755	$ -	$ 16,304,166

Successor Agency Long – Term Liabilities

	Date of Issue	Years of Maturity	Rate of Interest	Amount Authorized
Loans payable				
City of Lake Elsinore	Various	Various	Various	Various
Lake Elsinore Financing Authority	Various	Various	Various	$61,275,000
Subordinate Tax Allocation Revenue Bonds:				
2015 Series	8/15	2017 - 2039	2.00 - 5.00%	8,065,000
Developer Agreements:				
McMillin Summerly, LLC	12/02	N/A	N/A	19,000,000

Note 17: Successor Agency Trust Disclosures (Continued)

Long term activity was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Loans Payable :					
City of Lake Elsinore (Note 4)	$ 29,578,501	$ 458,418 [1]	$ (331,958)	$ 29,704,961	$ -
Lake Elsinore Public Financing Authority	42,490,000	-	(2,265,000)	40,225,000	2,345,000
Discounts	(409,528)	-	32,872	(376,656)	-
Subtotal	71,658,973	458,418	(2,564,086)	69,553,305	2,345,000
Subordinate Tax Allocation Bonds :					
2015 Series	7,335,000	-	(730,000)	6,605,000	740,000
Premiums	252,162	-	(11,913)	240,249	-
Subtotal	7,587,162	-	(741,913)	6,845,249	740,000
Third Lien Tax Allocation Bonds :					
2018 Series A&B	-	10,320,000	-	10,320,000	445,000
Discount	-	(175,544)	2,194	(173,350)	-
Subtotal	-	10,144,456	2,194	10,146,650	445,000
Developer Agreements:					
McMillin Summerly, LLC	1,402,140	836,081	(1,296,413)	941,808	-
Subtotal	1,402,140	836,081	(1,296,413)	941,808	-
Total	$ 80,648,275	$ 11,438,955	$ (4,600,218)	$ 87,487,012	$ 3,530,000

[1] Additions to loans payable to the City of Lake Elsinore reflect accrued interest on the loans during the fiscal year.

a. Loans Payable

Public Financing Authority

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

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

Note 17: Successor Agency Trust Disclosures (Continued)

At June 30, 2018, outstanding principal under loan agreements between the Successor Agency and the Authority totaled $40,225,000 based on 2010 Series A, Series B and Series C Tax Allocation Revenue Bonds.

2010 Series A

In February 2010, $15,435,000 principal amount of Tax Allocation Revenue Bonds, Series A, was issued by the Authority. Concurrently with this issuance of the bonds, the principal amount was loaned to the Agency. The proceeds were used to advance refund $13,170,000 of outstanding 1995 Series C Tax Allocation Revenue Bonds. The loan is payable in annual installments of $305,000 to $2,910,000 from September 1, 2010 through September 1, 2033; interest at 2.00% to 5.25%. The loan balance at June 30, 2018 is $12,475,000. At June 30, 2018, the Authority has a cash reserve balance for debt service of $1,510,045, which is sufficient to cover the Bond Indenture Reserve Requirement.

2010 Series B

In May 2010, $10,855,000 principal amount of Tax Allocation Revenue Bonds, Series B, was issued by the Authority. Concurrently with this issuance of the bonds, the principal amount was loaned to the Agency. The proceeds were used to advance refund $10,065,000 of outstanding 1995 Series A Tax Allocation Revenue Bonds. The advance refunding resulted in an economic gain of $757,319 and a decrease in cash flow expenditures of $893,956. Proceeds from the 2010 Series B bonds were invested in an escrow fund with a trustee, which together with earnings, will pay interest and principal on the bonds until fully retired. The 1995 Series A bonds are legally defeased and are no longer a liability of the Agency. The Series B loan is payable in annual installments of $515,000 to $895,000 from September 1, 2010 through September 1, 2025; and bears interest at 2.00% to 4.75%. The loan balance at June 30, 2018 is $6,185,000. At June 30, 2018, the Authority has a cash reserve balance for debt service of $949,538, which is sufficient to cover the Bond Indenture Reserve Requirement.

2010 Series C

In November 2010, $29,435,000 principal amount of Tax Allocation Revenue Bonds, Series C, was issued by the Authority. Concurrently with the bond issuance, the principal amount was loaned to the Agency. The proceeds were used to advance refund $27,495,000 of outstanding 1999 Series A Tax Allocation Revenue Bonds. Tax revenues from Project Areas 1 and 2 are pledged for the repayment of the loan. In the event that tax revenues are not sufficient from Project Areas 1 and 2, the Agency covenanted to make interfund loans from Project Area 3 and the Low and Moderate Income Housing Fund to make the loan payment. The loan is payable in annual installments of $650,000 to $2,115,000 from September 1, 2011 through September 1, 2030; and bears interest at 2.00% to 5.00%. The loan balance at June 30, 2018 is $21,565,000. At June 30, 2018, the Authority has a cash reserve balance for debt service of $2,246,035, which is sufficient to cover the Bond Indenture Reserve Requirement.

Note 17: Successor Agency Trust Disclosures (Continued)

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

Year Ending June 30	Principal	Interest	Total
2019	$ 2,345,000	$ 1,768,189	$ 4,113,189
2020	2,420,000	1,685,482	4,105,482
2021	2,510,000	1,593,292	4,103,292
2022	2,600,000	1,490,679	4,090,679
2023	2,710,000	1,380,348	4,090,348
2024 - 2028	13,515,000	5,042,388	18,557,388
2029 - 2033	12,425,000	1,967,969	14,392,969
2034	1,700,000	44,625	1,744,625
Totals	$ 40,225,000	$ 14,972,972	$ 55,197,972

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, 2018 is $6,605,000.

b. Subordinate Tax Allocation Revenue Bonds

Future debt requirements for the Subordinate Tax Allocation Refunding Bonds Series 2015 are as follows:

Year Ending June 30	Principal	Interest	Total
2019	$ 740,000	$ 212,394	$ 952,394
2020	760,000	189,794	949,794
2021	790,000	168,175	958,175
2022	805,000	145,656	950,656
2023	220,000	125,156	345,156
2024 - 2028	1,250,000	482,206	1,732,206
2029 - 2033	1,505,000	224,169	1,729,169
2034 - 2038	490,000	31,875	521,875
2039	45,000	816	45,816
Totals	$ 6,605,000	$ 1,580,241	$ 8,185,241

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, 2018 is $2,350,000.

Note 17: Successor Agency Trust Disclosures (Continued)

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, 2018 is $7,970,000.

Year Ending June 30	Principal	Interest	Total
2019	$ 445,000	$ 326,248	$ 771,248
2020	500,000	334,650	834,650
2021	520,000	322,600	842,600
2022	530,000	309,013	839,013
2023	455,000	294,606	749,606
2024 - 2028	2,470,000	1,260,761	3,730,761
2029 - 2033	2,935,000	803,407	3,738,407
2034 - 2038	2,465,000	229,344	2,694,344
Totals	$ 10,320,000	$ 3,880,629	$ 14,200,629

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.

Note 17: Successor Agency Trust Disclosures (Continued)

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 $8,065,00 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, 2018, is $941,808, which is payable to the developer and master developer upon satisfaction of the terms of the Amended and Restated DDA and includes debt service amounts on the outstanding bonds described above. In addition, property tax increment accrued as of June 30, 2018 for assistance to an affordable housing project to be developed by the master developer is $2,074,276.

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.

Note 17: Successor Agency Trust Disclosures (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 the Lake Elsinore Storm of certain maintenance, upkeep, and operations of Diamond Stadium. The Management Agreement provides that the Successor Agency pay an aggregate management and maintenance fee to the Lake Elsinore Storm in the amount of $694,692 for the 2017 fiscal year and $356,030 for the 2018 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 expires on June 30, 2018.

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 $11,002,014 and the debt service obligation on the bonds was $5,064,502.

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.

Note 18: Joint Powers Agreements (Continued)

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

Note 19: Restatement of Beginning Fund Balance and Net Position

The various restatements of beginning net position and the reasons for each are as follows:

	Governmental Activities (1)
Beginning Net Position, as previously reported	$ 225,036,484
Restatement	(7,031,503)
Beginning Net Position, as restated	$ 218,004,981

(1) Beginning net position of Governmental Activities, prior period adjustment to net position of $3,169,125 that was required for construction in progress to correct historical balances of capital assets. An additional amount of $1,566,533 restatement was required move the housing portion of the Summerly DDA Obligation to Successor Agency. This is an obligation of the Successor Agency, not the Low Moderate Income Housing Fund but rather funds owed to the Low Moderate Income Housing Fund. Originally the obligation was held in RDA funds under the Low Moderate Income Housing Fund of the RDA. When the housing fund was later designated as City funds, the obligation was moved but should have remained with Successor Agency. In addition, a restatement to begin to record OPEB reporting requirements under GASB Statement No. 75 of $(11,767,161) which includes $(1,605,423) for internal service funds.

Construction in progress	$ 3,169,125
Summerly DDA obligation	1,566,333
GASB 75 - OPEB	(11,767,161)
Total	$ (7,031,703)

The restatement in the governmental fund level statements was the result of the housing portion of the Summerly DDA Obligation being moved to the Successor Agency, which resulted in a restatement of $1,566,533.

During the current year, the Carl Graves Trust Fund was also moved from the governmental activities to be presented as a private-purpose trust fund in the fiduciary activities.

Note 20: Subsequent Events

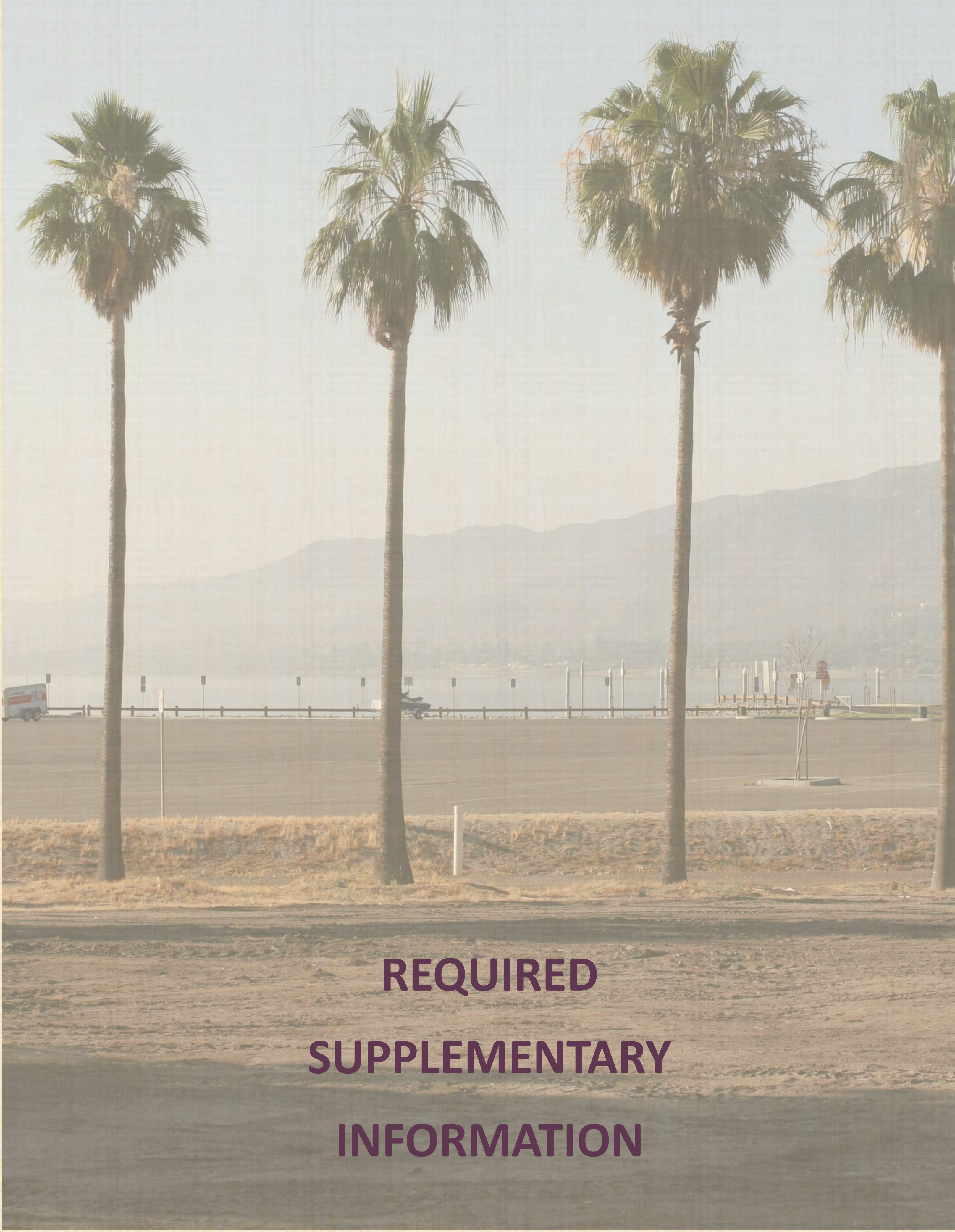
On May 30, 2017 the City entered into a Purchase and Sale Agreement with Southern California Edison with the intent to purchase 3,186 LS-1 electric streetlight facilities located within the City of Lake Elsinore. On November 1, 2018, the City entered into an Equipment Lease/Purchase Agreement with Banc of America Leasing & Capital, LLC to finance the acquisition, installation, and retrofitting of these street lights. The acquisition amount is $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 July 18, 2018 $19,745,000 principal amount of Community Facilities District No. 2016-2 (Canyon Hills) Special Tax Bonds, Series 2018 was issued to finance certain public improvements within the District to be owned by the City and water and sewer facilities to be owned and operated by the Elsinore Valley Municipal Water District. Additionally, the bonds will be used to prepay the special tax obligation of Improvement Area B of Community Facilities District No. 2003-2. The bonds are due in annual installments of $55,000 to $1,675,000 from September 1, 2019 through September 1, 2048. Interest payments ranging from 3.000% to 5.000% are due from March 1, 2019 through March 1, 2048. The bonds are subject to call and redemption prior to their stated maturity commencing September 1, 2048 at specified redemption prices.

On November 7, 2018 $2,645,000 principal amount of Community Facilities District No. 2007-4 (Makenna Court) Special Tax Bonds, Series 2018 was issued to finance certain public improvements within the District to be owned by the City and water and sewer facilities to be owned and operated by the Elsinore Valley Municipal Water District. The bonds are due in annual installments of $10,000 to $210,000 from September 1, 2019 through September 1, 2048. Interest payments ranging from 2.000% to 4.125% are due from March 1, 2019 through March 1, 2048. The bonds are subject to call and redemption prior to their stated maturity commencing September 1, 2048 at specified redemption prices.

On December 20, 2018, $5,370,000 principal amount of Community Facilities District No. 2006-1 (Summerly) Special Tax Bonds, Series 2018 (Improvement Area JJ) was issued to finance certain public improvements within the District to be owned by the City, water and sewer facilities to be owned and operated by the Elsinore Valley Water District. The bonds are due in annual installments of $30,000 to $435,000 from September 1, 2020 through September 1, 2048. Interest payments ranging from 2.625% to 5.555% are due from March 1,2019 through September 1, 2048 at specified redemption prices.

This page left intentionally blank.



REQUIRED SUPPLEMENTARY INFORMATION

This page left intentionally blank.

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED JUNE 30, 2018

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Budgetary Fund Balance, July 1	$ 12,609,153	$ 12,609,153	$ 12,609,153	$ -
Resources (Inflows):				
Taxes	21,461,119	21,231,858	21,139,847	(92,011)
Assessments	-	-	11,512	11,512
Licenses and permits	4,409,681	3,821,713	3,086,486	(735,227)
Intergovernmental	4,427,006	4,943,033	5,374,408	431,375
Charges for services	4,434,524	4,824,675	3,818,856	(1,005,819)
Use of money and property	108,150	108,150	46,916	(61,234)
Fines and forfeitures	773,598	651,598	577,441	(74,157)
Contributions	-	-	96,956	96,956
Miscellaneous	6,973,245	7,282,148	6,172,991	(1,109,157)
Transfers in	1,140,610	723,871	1,523,125	799,254
Proceeds from sale of capital asset	-	-	14,502	14,502
Amounts Available for Appropriations	**56,337,086**	**56,196,199**	**54,472,193**	**(1,724,006)**
Charges to Appropriation (Outflow):				
General government				
City Council	227,299	227,299	252,740	(25,441)
Community Support	92,900	92,900	42,101	50,799
City Clerk	577,810	653,590	631,756	21,834
City Attorney	500,000	500,000	628,749	(128,749)
City Manager	901,293	901,293	838,004	63,289
Administrative Services	1,965,520	1,965,520	1,932,113	33,407
Public safety				
Police Services - Contracted	13,010,246	13,010,246	12,612,042	398,204
Suppression - Contracted	7,900,281	7,900,281	6,690,502	1,209,779
Animal Services - Contracted	836,640	836,640	686,888	149,752
Community development				
Planning & Zoning	1,214,828	1,122,113	1,145,268	(23,155)
Building & Safety	1,847,551	1,940,266	1,741,399	198,867
Code Enforcement/Graffiti	962,062	962,062	960,810	1,252
Economic Development	277,773	278,043	353,426	(75,383)
Fire Prevention	754,949	754,949	446,730	308,219
Community services				
Administration	674,866	674,866	665,895	8,971
Recreation	1,134,387	1,134,387	1,059,054	75,333
Senior Center	264,079	264,079	260,792	3,287
Campground	527,777	527,777	540,910	(13,133)
Public services				
Engineering	2,062,723	2,062,938	1,963,037	99,901
Administration	2,186,487	2,186,272	2,437,808	(251,536)
Park Maintenance	2,395,377	2,395,377	2,402,380	(7,003)
Lake Services	1,554,841	1,554,840	1,395,034	159,806
Non-Departmental	956,700	967,900	863,262	104,638
Capital outlay	11,200	-	-	-
Transfers out	2,223,236	2,211,009	2,082,254	128,755
Total Charges to Appropriations	**45,060,825**	**45,124,647**	**42,632,954**	**2,491,693**
Budgetary Fund Balance, June 30	**$ 11,276,261**	**$ 11,071,552**	**$ 11,839,239**	**$ 767,687**

BUDGETARY COMPARISON SCHEDULE
LOW AND MODERATE INCOME HOUSING
YEAR ENDED JUNE 30, 2018

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Budgetary Fund Balance, July 1, as restated	$ 43,379,118	$ 43,379,118	$ 43,379,118	$ -
Resources (Inflows):				
Assessments	-	-	479,632	479,632
Use of money and property	130,000	130,000	149	(129,851)
Amounts Available for Appropriations	**43,509,118**	**43,509,118**	**43,858,899**	**349,781**
Charges to Appropriation (Outflow):				
Community development	480,000	480,000	58,059	421,941
Total Charges to Appropriations	**480,000**	**480,000**	**58,059**	**421,941**
Budgetary Fund Balance, June 30	**$ 43,029,118**	**$ 43,029,118**	**$ 43,800,840**	**$ 771,722**

CITY OF LAKE ELSINORE

CALPERS PENSION PLAN
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)

	2015	2016	2017	2018
Proportion of the Net Pension Liability	0.29477%	0.32568%	0.31058%	0.30896%
Proportionate Share of the Net Pension Liability	$ 7,292,642	$ 8,943,640	$ 10,798,127	$ 12,189,277
Covered Payroll	$ 4,537,860	$ 4,751,199	$ 3,804,985	$ 5,605,231
Proportionate Share of the Net Pension Liability as Percentage of Covered Payroll	160.71%	188.24%	283.79%	217.46%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	78.40%	79.82%	75.87%	73.31%

Notes to Schedule:

Benefit Changes:

There were no changes to benefit terms that applied to all members of the Public Agency Pool. However, individual employers in the Plan may have provided a benefit improvement to their employees by granting Two Years Additional Service Credit to members retiring during a specified time period (a.k.a. Golden Handshakes). Employers that have done so may need to report this information as a separate liability in their financial statement as CalPERS considers such amounts to be separately financed employer-specific liabilities. These employers should consult with their auditors.

Changes of Assumptions:

Changes of Assumptions: In 2017, the accounting discount rate 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 adminstrative expense) to 7.65 percent (without a reduction for pension plan adminstrative expense.) In 2014, amount reported were based on the 7.5 percent discount rate.

(1) Historical information is required only for measurement years for which GASB 68 is applicable. Fiscal Year 2015 was the first year of implementation, therefore only four years are shown.

CALPERS PENSION PLAN
SCHEDULE OF PLAN CONTRIBUTIONS
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)

	2015	2016	2017	2018
Actuarially Determined Contribution	$ 890,999	$ 1,049,049	$ 1,313,558	$ 1,397,703
Contribution in Relation to the Actuarially Determined Contribution	(890,999)	(1,049,049)	(1,313,558)	(1,397,703)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -
Covered Payroll	$ 4,751,199	$ 3,804,985	$ 5,605,231	$ 5,975,932
Contributions as a Percentage of Covered Payroll	18.75%	27.57%	23.43%	23.39%

(1) Historical information is required only for measurement years for which GASB 68 is applicable. Fiscal Year 2015 was the first year of implementation, therefore only four years are shown.

Note to Schedule:

Valuation Date:	June 30, 2015
Methods and assumptions used to determine contribution rates:	
Actuarial Cost Method	Entry Age Normal Cost Method
Amortization method	Level percentage of payroll, closed
Assets valuation method	Market Value
Discount Rate	7.15% (net of administrative expenses)
Projected Salary Increases	3.30% to 14.20% depending on Age,. Service, and type of employment.
Inflation	2.75%
Payroll Growth	3.00%
Individual Salary Growth	A merit scale varying by duration of employment coupled with an assumed annual inflation of 2.75% and an annual production growth of 0.25%.

CITY OF LAKE ELSINORE

SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)

		2018
Total OPEB Liability		
Service cost	$	841,236
Interest on the total OPEB liability		700,306
Changes in assumptions		(2,304,484)
Benefit payments (2)		(964,068)
Net change in total OPEB liability		**(1,727,010)**
Total OPEB liability - beginning		**23,623,894**
Total OPEB liability - ending		**21,896,884**
Plan fiduciary net position as a percentage of the total OPEB liability		0.00%
Covered-employee payroll	$	1,397,701
Total OPEB liability as a percentage of covered-employee payroll		1566.64%

(1) Historical information is required only for the measurement periods for which GASB 75 is applicable. Fiscal Year 2018 was the first year of implementation. Future years' information will be displayed up to 10 years as information becomes available.
(2) Benefit payments are equal to $683,261 direct subsidy payments to retirees and $280,807 implicit subsidy costs incurred during measurement period ending 6/30/2017.

Notes to Schedule: None.

Changes in assumptions: The discount rate was changed from 2.92% to 3.56% based on updated 20-year municipal bond rates.

BUDGETS AND BUDGETARY DATA

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

1. In May, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing July 1. The operating budget includes proposed expenditures and estimated revenues and other means of financing.

2. Public hearings are conducted at City Council meetings to obtain public input.

3. Prior to July 1, the budget is adopted by Council action.

4. The City Manager is authorized to transfer funds appropriated with respect to those classifications designed as other services and material and supplies within the same department. The City Manager may transfer appropriated funds from any classification within other expenditure categories to the capital outlay classification within the same department only. For budgeting purposes, the General Fund is composed of several departments while all other budgeted funds are considered a single department. Revenues are budgeted on a line item basis.

5. The legal level of budgetary control is maintained at the departmental level. Formal budgetary integration is employed as a management control devise during the year for the General and Special Revenue Fund types to assist in controlling expenditures and enforcing revenue provisions. Capital Projects Fund types are budgeted on a project by project basis. All appropriations lapse at the end of the fiscal year, except for capital projects which are carried forward until the project is completed or terminated.

6. Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. Budgeted amounts are as originally adopted and as further amended by the City Council for all governmental funds except for certain special revenue funds and capital projects funds, which adopt project length budgets and debt service funds that are not budgeted as effective budgetary control is achieved through debt indenture provisions.

   Excess of expenditures over appropriations are as follows:

Fund	Expenditures	Appropriations	Excess
Major Governmental Funds:			
General Fund:			
General Government			
City Council	$ 252,740	$ 227,299	$ (25,441)
City Attorney	628,749	500,000	(128,749)
Community Development			
Planning and zoning	1,145,268	1,122,113	(23,155)
Economic Development	353,426	278,043	(75,383)
Community Services			
Campground	538,051	522,777	(15,274)
Public works			
Administration	2,437,658	2,186,272	(251,386)
Park Maintenance	2,402,380	2,395,377	(7,003)

SUPPLEMENTARY SCHEDULES

This page left intentionally blank.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Pedestrian Sidewalk - to account for expenditures finances by the Local Transportation Commission grant program and use on bicycle and pedestrian facility projects.

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

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

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

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

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

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

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

Road Improvement Program - to account for projects related to road improvements, financed by debt proceeds.

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

Street Lighting – to account for construction projects related to street lighting improvements

Facilities Construction - to account for improvements to City facilities financed by debt issuances

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

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

This page left intentionally blank.

CITY OF LAKE ELSINORE

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2018

	Special Revenue Funds			
	Supplemental Law Enforcement Service	Traffic Offender	Gas Tax	Transportation Measure A
Assets:				
Cash and investments	$ -	$ -	$ 619,784	$ 1,414,467
Receivables:				
Accounts	-	-	-	-
Notes and loans	-	-	-	-
Accrued interest	-	-	3,292	9,264
Prepaid costs	-	-	-	-
Due from other governments	73,747	-	131,603	322,272
Cash and investments with fiscal agents	-	-	-	-
Investment in bonds	-	-	-	-
Total Assets	**$ 73,747**	**$ -**	**$ 754,679**	**$ 1,746,003**
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	$ -	$ -	$ 42,312	$ -
Unearned revenues	-	-	-	-
Deposits payable	-	-	-	-
Due to other funds	25,000	-	-	-
Total Liabilities	**25,000**	**-**	**42,312**	**-**
Deferred Inflows of Resources:				
Unavailable revenues	48,747	-	-	-
Total Deferred Inflows of Resources	**48,747**	**-**	**-**	**-**
Fund Balances:				
Nonspendable	-	-	-	-
Restricted	-	-	712,367	1,746,003
Assigned	-	-	-	-
Total Fund Balances	**-**	**-**	**712,367**	**1,746,003**
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	**$ 73,747**	**$ -**	**$ 754,679**	**$ 1,746,003**

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2018 **(CONTINUED)**

	Special Revenue Funds			
	SB1186 CAS Education	**Traffic Safety**	**City-wide Lighting and Landscaping**	**L.L.M.D No. 1**
Assets:				
Cash and investments	$ 7,688	$ -	$ 68,347	$ 1,061,615
Receivables:				
Accounts	-	-	-	-
Notes and loans	-	-	-	-
Accrued interest	51	654	-	5,625
Prepaid costs	-	-	-	-
Due from other governments	-	53,605	88,547	16,765
Cash and investments with fiscal agents	-	-	-	-
Investment in bonds	-	-	-	-
Total Assets	**$ 7,739**	**$ 54,259**	**$ 156,894**	**$ 1,084,005**
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	$ 279	$ -	$ 90,960	$ 27,614
Unearned revenues	-	-	-	-
Deposits payable	-	-	-	-
Due to other funds	-	54,259	-	-
Total Liabilities	**279**	**54,259**	**90,960**	**27,614**
Deferred Inflows of Resources:				
Unavailable revenues	-	-	65,934	-
Total Deferred Inflows of Resources	**-**	**-**	**65,934**	**-**
Fund Balances:				
Nonspendable	-	-	-	-
Restricted	7,460	-	-	1,056,391
Assigned	-	-	-	-
Total Fund Balances	**7,460**	**-**	**-**	**1,056,391**
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	**$ 7,739**	**$ 54,259**	**$ 156,894**	**$ 1,084,005**

CITY OF LAKE ELSINORE

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2018

	Special Revenue Funds			
	Geothermal	AB2766 Air Pollution	C.D.B.G	Cost Recovery System
Assets:				
Cash and investments	$ 22,012	$ 215,139	$ 13,494	$ 1,274,743
Receivables:				
Accounts	-	-	87,115	116,597
Notes and loans	-	-	-	-
Accrued interest	109	1,124	-	-
Prepaid costs	-	-	-	-
Due from other governments	-	20,442	-	-
Cash and investments with fiscal agents	-	-	-	-
Investment in bonds	-	-	-	-
Total Assets	**$ 22,121**	**$ 236,705**	**$ 100,609**	**$ 1,391,340**
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	$ -	$ -	$ -	$ 68,418
Unearned revenues	-	-	-	-
Deposits payable	1,700	-	-	1,322,922
Due to other funds	-	-	100,609	-
Total Liabilities	**1,700**	**-**	**100,609**	**1,391,340**
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	**-**	**-**	**-**	**-**
Fund Balances:				
Nonspendable	-	-	-	-
Restricted	20,421	236,705	-	-
Assigned	-	-	-	-
Total Fund Balances	**20,421**	**236,705**	**-**	**-**
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	**$ 22,121**	**$ 236,705**	**$ 100,609**	**$ 1,391,340**

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2018 **(CONTINUED)**

	Special Revenue Funds			
	Developer Agreement Revenue/Trust	**Affordable Housing In-Lieu**	**City Hall / Public Works**	**Community Center**
Assets:				
Cash and investments	$ 122,251	$ 1,445,764	$ 558,988	$ -
Receivables:				
Accounts	-	-	-	-
Notes and loans	-	2,695,250	-	-
Accrued interest	499	11,493	5,511	-
Prepaid costs	-	-	-	-
Due from other governments	-	-	-	-
Cash and investments with fiscal agents	-	-	-	-
Investment in bonds	-	-	-	-
Total Assets	**$ 122,750**	**$ 4,152,507**	**$ 564,499**	**$ -**
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	$ -	$ 39,329	$ -	$ -
Unearned revenues	-	-	-	-
Deposits payable	-	-	-	-
Due to other funds	-	-	-	-
Total Liabilities	**-**	**39,329**	**-**	**-**
Deferred Inflows of Resources:				
Unavailable revenues	-	2,668	-	-
Total Deferred Inflows of Resources	**-**	**2,668**	**-**	**-**
Fund Balances:				
Nonspendable	-	-	-	-
Restricted	122,750	4,110,510	564,499	-
Assigned	-	-	-	-
Total Fund Balances	**122,750**	**4,110,510**	**564,499**	**-**
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	**$ 122,750**	**$ 4,152,507**	**$ 564,499**	**$ -**

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2018

	Special Revenue Funds			
	Lakeside Facilities	Animal Shelter	N.P.D.E.S.	PEG Grant
Assets:				
Cash and investments	$ -	$ -	$ -	$ -
Receivables:				
Accounts	-	-	-	5,633
Notes and loans	-	-	-	-
Accrued interest	-	400	-	24
Prepaid costs	-	-	-	-
Due from other governments	-	-	29,849	-
Cash and investments with fiscal agents	-	-	-	-
Investment in bonds	-	-	-	-
Total Assets	**$ -**	**$ 400**	**$ 29,849**	**$ 5,657**
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	$ -	$ -	$ 4,915	$ -
Unearned revenues	-	-	-	-
Deposits payable	-	-	-	-
Due to other funds	-	-	-	5,657
Total Liabilities	**-**	**-**	**4,915**	**5,657**
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	**-**	**-**	**-**	**-**
Fund Balances:				
Nonspendable	-	-	-	-
Restricted	-	400	24,934	-
Assigned	-	-	-	-
Total Fund Balances	**-**	**400**	**24,934**	**-**
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	**$ -**	**$ 400**	**$ 29,849**	**$ 5,657**

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2018 **(CONTINUED)**

	Special Revenue Funds	Capital Projects Funds		
	Pedestrian Sidewalk	Miscellaneous General Project	Park Improvement and Development	Storm Drains
Assets:				
Cash and investments	$ -	$ 1,628,106	$ 55,233	$ 323,155
Receivables:				
Accounts	-	-	-	-
Notes and loans	-	-	-	-
Accrued interest	-	-	293	5,177
Prepaid costs	-	-	-	-
Due from other governments	-	-	-	-
Cash and investments with fiscal agents	-	-	-	-
Investment in bonds	-	-	-	-
Total Assets	**$ -**	**$ 1,628,106**	**$ 55,526**	**$ 328,332**
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	$ -	$ -	$ -	$ -
Unearned revenues	-	38,640	-	-
Deposits payable	-	-	-	-
Due to other funds	-	-	-	-
Total Liabilities	**-**	**38,640**	**-**	**-**
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	**-**	**-**	**-**	**-**
Fund Balances:				
Nonspendable	-	-	-	-
Restricted	-	-	55,526	328,332
Assigned	-	1,589,466	-	-
Total Fund Balances	**-**	**1,589,466**	**55,526**	**328,332**
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	**$ -**	**$ 1,628,106**	**$ 55,526**	**$ 328,332**

CITY OF LAKE ELSINORE

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2018

	Capital Projects Funds			
	Library Capital Improvement	Traffic Impact	City Fire Protection	Public Improvement In-Lieu
Assets:				
Cash and investments	$ 1,794,980	$ 4,245,576	$ 934	$ 48,946
Receivables:				
Accounts	-	-	-	-
Notes and loans	-	-	-	-
Accrued interest	9,795	23,710	80	308
Prepaid costs	-	-	-	-
Due from other governments	-	-	-	-
Cash and investments with fiscal agents	-	-	-	-
Investment in bonds	-	-	-	-
Total Assets	**$ 1,804,775**	**$ 4,269,286**	**$ 1,014**	**$ 49,254**
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	$ -	$ -	$ -	$ -
Unearned revenues	-	-	-	-
Deposits payable	-	-	-	-
Due to other funds	-	-	-	-
Total Liabilities	**-**	**-**	**-**	**-**
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	**-**	**-**	**-**	**-**
Fund Balances:				
Nonspendable	-	-	-	-
Restricted	1,804,775	4,269,286	1,014	49,254
Assigned	-	-	-	-
Total Fund Balances	**1,804,775**	**4,269,286**	**1,014**	**49,254**
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	**$ 1,804,775**	**$ 4,269,286**	**$ 1,014**	**$ 49,254**

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2018 **(CONTINUED)**

	Capital Projects Funds			
	Road Improvement Program Fund	**TUMF**	**Street Lighting**	**Facilities Construction**
Assets:				
Cash and investments	$ 128	$ 41,681	$ 101,159	$ -
Receivables:				
Accounts	-	3,400	-	-
Notes and loans	-	-	-	-
Accrued interest	11	-	547	5,539
Prepaid costs	-	-	-	-
Due from other governments	-	-	-	-
Cash and investments with fiscal agents	16,051	-	-	4,146,634
Investment in bonds	-	-	-	-
Total Assets	**$ 16,190**	**$ 45,081**	**$ 101,706**	**$ 4,152,173**
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	$ -	$ -	$ -	$ -
Unearned revenues	-	-	-	-
Deposits payable	-	-	-	-
Due to other funds	-	45,081	-	-
Total Liabilities	**-**	**45,081**	**-**	**-**
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	**-**	**-**	**-**	**-**
Fund Balances:				
Nonspendable	-	-	-	-
Restricted	16,190	-	101,706	4,152,173
Assigned	-	-	-	-
Total Fund Balances	**16,190**	**-**	**101,706**	**4,152,173**
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	**$ 16,190**	**$ 45,081**	**$ 101,706**	**$ 4,152,173**

CITY OF LAKE ELSINORE

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2018

	Debt Service Fund	Permanent Fund	
	Facilities Financing Authority	Endowment Trust - Adolph Korn	Total Governmental Funds
Assets:			
Cash and investments	$ -	$ 31,357	$ 15,095,547
Receivables:			
Accounts	-	-	212,745
Notes and loans	-	-	2,695,250
Accrued interest	582	170	84,258
Prepaid costs	73,562	-	73,562
Due from other governments	-	-	736,830
Cash and investments with fiscal agents	492,073	-	4,654,758
Investment in bonds	7,573,933	-	7,573,933
Total Assets	**$ 8,140,150**	**$ 31,527**	**$ 31,126,883**
Liabilities, Deferred Inflows of Resources, and Fund Balances:			
Liabilities:			
Accounts payable	$ -	$ -	$ 273,827
Unearned revenues	-	-	38,640
Deposits payable	474,577	-	1,799,199
Due to other funds	-	-	230,606
Total Liabilities	**474,577**	**-**	**2,342,272**
Deferred Inflows of Resources:			
Unavailable revenues	-	-	117,349
Total Deferred Inflows of Resources	**-**	**-**	**117,349**
Fund Balances:			
Nonspendable	73,562	20,000	93,562
Restricted	7,592,011	-	26,972,707
Assigned	-	11,527	1,600,993
Total Fund Balances	**7,665,573**	**31,527**	**28,667,262**
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	**$ 8,140,150**	**$ 31,527**	**$ 31,126,883**

This page left intentionally blank.

CITY OF LAKE ELSINORE

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2018

	Special Revenue Funds			
	Supplemental Law Enforcement Service	Traffic Offender	Gas Tax	Transportation Measure A
Revenues:				
Special assessments	$ -	$ -	$ -	$ -
Licenses and permits	-	25,125	-	-
Intergovernmental	156,083	-	1,674,336	1,351,409
Investment earnings	-	-	5,390	8,336
Fines and forfeitures	-	-	-	-
Contributions	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	**156,083**	**25,125**	**1,679,726**	**1,359,745**
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	156,083	25,125	-	-
Community development	-	-	-	-
Community services	-	-	-	-
Public Services	-	-	1,232,253	-
Capital outlay	-	-	104,612	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	**156,083**	**25,125**	**1,336,865**	**-**
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	342,861	1,359,745
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	-	(191,377)	(1,159,113)
Debt issued	-	-	-	-
Total Other Financing Sources (Uses)	**-**	**-**	**(191,377)**	**(1,159,113)**
Net Change in Fund Balances	-	-	151,484	200,632
Fund Balances, Beginning of Year	-	-	560,883	1,545,371
Fund Balances, End of Year	**$ -**	**$ -**	**$ 712,367**	**$ 1,746,003**

**COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2018** **(CONTINUED)**

	Special Revenue Funds			
	SB1186 CAS Education	Traffic Safety	City-wide Lighting and Landscaping	L.L.M.D No. 1
Revenues:				
Special assessments	$ -	$ -	$ 1,396,208	$ 519,914
Licenses and permits	-	-	-	-
Intergovernmental	5,212	-	-	-
Investment earnings	48	1,013	-	5,003
Fines and forfeitures	-	336,217	-	-
Contributions	-	-	-	-
Miscellaneous	-	-	7,310	-
Total Revenues	**5,260**	**337,230**	**1,403,518**	**524,917**
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	337,230	-	-
Community development	-	-	-	-
Community services	-	-	-	-
Public Services	6,439	-	1,717,950	183,490
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	**6,439**	**337,230**	**1,717,950**	**183,490**
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,179)	-	(314,432)	341,427
Other Financing Sources (Uses):				
Transfers in	-	-	314,432	-
Transfers out	-	-	-	-
Debt issued	-	-	-	-
Total Other Financing Sources (Uses)	**-**	**-**	**314,432**	**-**
Net Change in Fund Balances	(1,179)	-	-	341,427
Fund Balances, Beginning of Year	8,639	-	-	714,964
Fund Balances, End of Year	**$ 7,460**	**$ -**	**$ -**	**$ 1,056,391**

CITY OF LAKE ELSINORE

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS YEAR ENDED JUNE 30, 2018

	Special Revenue Funds			
	Geothermal	AB2766 Air Pollution	C.D.B.G	Cost Recovery System
Revenues:				
Special assessments	$ -	$ -	$ -	$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	79,482	138,525	-
Investment earnings	86	1,197	-	-
Fines and forfeitures	-	-	-	-
Contributions	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	**86**	**80,679**	**138,525**	**-**
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Community development	-	-	25,000	-
Community services	-	-	-	-
Public Services	-	6,000	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	**-**	**6,000**	**25,000**	**-**
Excess (Deficiency) of Revenues Over (Under) Expenditures	86	74,679	113,525	-
Other Financing Sources (Uses):				
Transfers in	-	-	13,494	-
Transfers out	-	(68,516)	(127,019)	-
Debt issued	-	-	-	-
Total Other Financing Sources (Uses)	**-**	**(68,516)**	**(113,525)**	**-**
Net Change in Fund Balances	86	6,163	-	-
Fund Balances, Beginning of Year	20,335	230,542	-	-
Fund Balances, End of Year	**$ 20,421**	**$ 236,705**	**$ -**	**$ -**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS YEAR ENDED JUNE 30, 2018

(CONTINUED)

	Special Revenue Funds			
	Developer Agreement Revenue/Trust	**Affordable Housing In-Lieu**	**City Hall / Public Works**	**Community Center**
Revenues:				
Special assessments	$ -	$ -	$ -	$ -
Licenses and permits	149,000	-	79,934	49,050
Intergovernmental	-	806,151	-	-
Investment earnings	(66)	8,066	3,281	958
Fines and forfeitures	-	-	-	-
Contributions	-	-	-	-
Miscellaneous	-	1,819,077	-	-
Total Revenues	**148,934**	**2,633,294**	**83,215**	**50,008**
Expenditures:				
Current:				
General government	-	33,742	-	-
Public safety	-	-	-	-
Community development	-	-	-	-
Community services	-	-	-	-
Public Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	**-**	**33,742**	**-**	**-**
Excess (Deficiency) of Revenues Over (Under) Expenditures	148,934	2,599,552	83,215	50,008
Other Financing Sources (Uses):				
Transfers in	75,204	-	-	-
Transfers out	(414,930)	(124,739)	(772,059)	(515,732)
Debt issued	-	-	-	-
Total Other Financing Sources (Uses)	**(339,726)**	**(124,739)**	**(772,059)**	**(515,732)**
Net Change in Fund Balances	(190,792)	2,474,813	(688,844)	(465,724)
Fund Balances, Beginning of Year	313,542	1,635,697	1,253,343	465,724
Fund Balances, End of Year	**$ 122,750**	**$ 4,110,510**	**$ 564,499**	**$ -**

CITY OF LAKE ELSINORE

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS YEAR ENDED JUNE 30, 2018

	Special Revenue Funds			
	Lakeside Facilities	**Animal Shelter**	**N.P.D.E.S.**	**PEG Grant**
Revenues:				
Special assessments	$ -	$ -	$ -	$ -
Licenses and permits	70,110	31,320	179,114	23,155
Intergovernmental	-	-	-	-
Investment earnings	1,702	1,404	991	53
Fines and forfeitures	-	-	-	-
Contributions	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	**71,812**	**32,724**	**180,105**	**23,208**
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Community development	-	-	-	-
Community services	-	-	-	10,641
Public Services	-	-	56,636	-
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	**-**	**-**	**56,636**	**10,641**
Excess (Deficiency) of Revenues Over (Under) Expenditures	71,812	32,724	123,469	12,567
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	(787,113)	(75,204)	(181,195)	(12,567)
Debt issued	-	-	-	-
Total Other Financing Sources (Uses)	**(787,113)**	**(75,204)**	**(181,195)**	**(12,567)**
Net Change in Fund Balances	(715,301)	(42,480)	(57,726)	-
Fund Balances, Beginning of Year	715,301	42,880	82,660	-
Fund Balances, End of Year	**$ -**	**$ 400**	**$ 24,934**	**$ -**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS YEAR ENDED JUNE 30, 2018

(CONTINUED)

	Special Revenue Funds	Capital Projects Funds		
	Pedestrian Sidewalk	Miscellaneous General Project	Park Improvement and Development	Storm Drains
Revenues:				
Special assessments	$ -	$ -	$ -	$ -
Licenses and permits	-	-	55,296	97,686
Intergovernmental	-	-	-	-
Investment earnings	-	4,247	230	4,652
Fines and forfeitures	-	-	-	-
Contributions	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	**-**	**4,247**	**55,526**	**102,338**
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Community development	-	-	-	-
Community services	-	-	-	-
Public Services	-	-	-	208,565
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	**-**	**-**	**-**	**208,565**
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	4,247	55,526	(106,227)
Other Financing Sources (Uses):				
Transfers in	21,910	1,777,526	-	-
Transfers out	(21,910)	(1,197,465)	-	(771,475)
Debt issued	-	-	-	-
Total Other Financing Sources (Uses)	**-**	**580,061**	**-**	**(771,475)**
Net Change in Fund Balances	-	584,308	55,526	(877,702)
Fund Balances, Beginning of Year	-	1,005,158	-	1,206,034
Fund Balances, End of Year	**$ -**	**$ 1,589,466**	**$ 55,526**	**$ 328,332**

CITY OF LAKE ELSINORE

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS YEAR ENDED JUNE 30, 2018

	Capital Projects Funds			
	Library Capital Improvement	Traffic Impact	City Fire Protection	Public Improvement In-Lieu
Revenues:				
Special assessments	$ -	$ -	$ -	$ -
Licenses and permits	80,850	467,040	82,162	-
Intergovernmental	-	-	-	-
Investment earnings	7,891	19,603	618	41
Fines and forfeitures	-	-	-	-
Contributions	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	**88,741**	**486,643**	**82,780**	**41**
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Community development	-	-	-	-
Community services	39,999	-	-	-
Public Services	-	-	-	-
Capital outlay	-	251,297	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	**39,999**	**251,297**	**-**	**-**
Excess (Deficiency) of Revenues Over (Under) Expenditures	48,742	235,346	82,780	41
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	(211,997)	(94,533)	(658,749)
Debt issued	-	-	-	-
Total Other Financing Sources (Uses)	**-**	**(211,997)**	**(94,533)**	**(658,749)**
Net Change in Fund Balances	48,742	23,349	(11,753)	(658,708)
Fund Balances, Beginning of Year	1,756,033	4,245,937	12,767	707,962
Fund Balances, End of Year	**$ 1,804,775**	**$ 4,269,286**	**$ 1,014**	**$ 49,254**

**COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2018** **(CONTINUED)**

	Capital Projects Funds			
	Road Improvement Program Fund	TUMF	Street Lighting	Facilities Construction
Revenues:				
Special assessments	$ -	$ -	$ -	$ -
Licenses and permits	-	-	48,000	-
Intergovernmental	-	-	-	-
Investment earnings	29,249	-	614	85,287
Fines and forfeitures	-	-	-	-
Contributions	-	-	-	-
Miscellaneous	-	101,054	-	-
Total Revenues	**29,249**	**101,054**	**48,614**	**85,287**
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Community development	-	-	-	-
Community services	-	-	-	-
Public Services	3,935,846	-	-	5,523,105
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	220,000	-	-	-
Interest and fiscal charges	275,937	-	-	-
Total Expenditures	**4,431,783**	**-**	**-**	**5,523,105**
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,402,534)	101,054	48,614	(5,437,818)
Other Financing Sources (Uses):				
Transfers in	499,596	41,681	-	-
Transfers out	-	(47,799)	-	-
Debt issued	-	-	-	-
Total Other Financing Sources (Uses)	**499,596**	**(6,118)**	**-**	**-**
Net Change in Fund Balances	(3,902,938)	94,936	48,614	(5,437,818)
Fund Balances, Beginning of Year	3,919,128	(94,936)	53,092	9,589,991
Fund Balances, End of Year	**$ 16,190**	**$ -**	**$ 101,706**	**$ 4,152,173**

CITY OF LAKE ELSINORE

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS YEAR ENDED JUNE 30, 2018

	Debt Service Fund	Permanent Fund	
	Facilities Financing Authority	Endowment Trust - Adolph Korn	Total Governmental Funds
Revenues:			
Special assessments	$ -	$ -	$ 1,916,122
Licenses and permits	-	-	1,437,842
Intergovernmental	-	-	4,211,198
Investment earnings	58,860	135	248,889
Fines and forfeitures	-	-	336,217
Contributions	-	-	-
Miscellaneous	-	-	1,927,441
Total Revenues	**58,860**	**135**	**10,077,709**
Expenditures:			
Current:			
General government	2,627	-	36,369
Public safety	-	-	518,438
Community development	-	-	25,000
Community services	-	-	50,640
Public Services	-	-	12,870,284
Capital outlay	-	-	355,909
Debt service:			
Principal retirement	240,000	-	460,000
Interest and fiscal charges	765,812	-	1,041,749
Total Expenditures	**1,008,439**	**-**	**15,358,389**
Excess (Deficiency) of Revenues Over (Under) Expenditures	(949,579)	135	(5,280,680)
Other Financing Sources (Uses):			
Transfers in	559,038	-	3,302,881
Transfers out	-	-	(7,433,492)
Debt issued	7,975,000	-	7,975,000
Total Other Financing Sources (Uses)	**8,534,038**	**-**	**3,844,389**
Net Change in Fund Balances	7,584,459	135	(1,436,291)
Fund Balances, Beginning of Year	81,114	31,392	30,103,553
Fund Balances, End of Year	**$ 7,665,573**	**$ 31,527**	**$ 28,667,262**

CITY OF LAKE ELSINORE

BUDGETARY COMPARISON SCHEDULE
SUPPLEMENTAL LAW ENFORCEMENT SERVICE
YEAR ENDED JUNE 30, 2018

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Budgetary Fund Balance, July 1	$ -	$ -	$ -	$ -
Resources (Inflows):				
Intergovernmental	100,000	100,000	156,083	56,083
Amounts Available for Appropriations	**100,000**	**100,000**	**156,083**	**56,083**
Charges to Appropriation (Outflow):				
Public safety	-	-	156,083	(156,083)
Transfers out	100,000	100,000	-	100,000
Total Charges to Appropriations	**100,000**	**100,000**	**156,083**	**(56,083)**
Budgetary Fund Balance, June 30	**$ -**	**$ -**	**$ -**	**$ -**

CITY OF LAKE ELSINORE

BUDGETARY COMPARISON SCHEDULE
TRAFFIC OFFENDER
YEAR ENDED JUNE 30, 2018

	Budget Amounts Original	Budget Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Budgetary Fund Balance, July 1	$ -	$ -	$ -	$ -
Resources (Inflows):				
Licenses and permits	124,630	124,630	25,125	(99,505)
Use of money and property	206	206	-	(206)
Amounts Available for Appropriations	**124,836**	**124,836**	**25,125**	**(99,711)**
Charges to Appropriation (Outflow):				
Public safety	-	-	25,125	(25,125)
Transfers out	124,836	124,836	-	124,836
Total Charges to Appropriations	**124,836**	**124,836**	**25,125**	**99,711**
Budgetary Fund Balance, June 30	**$ -**	**$ -**	**$ -**	**$ -**

CITY OF LAKE ELSINORE

BUDGETARY COMPARISON SCHEDULE
GAS TAX
YEAR ENDED JUNE 30, 2018

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Budgetary Fund Balance, July 1	$ 560,883	$ 560,883	$ 560,883	$ -
Resources (Inflows):				
Intergovernmental	-	1,702,233	1,674,336	(27,897)
Use of money and property	-	28,249	5,390	(22,859)
Amounts Available for Appropriations	**560,883**	**2,291,365**	**2,240,609**	**(50,756)**
Charges to Appropriation (Outflow):				
Public services	-	575,000	1,232,253	(657,253)
Capital outlay	-	-	104,612	(104,612)
Transfers out	-	917,865	191,377	726,488
Total Charges to Appropriations	**-**	**1,492,865**	**1,528,242**	**(35,377)**
Budgetary Fund Balance, June 30	**$ 560,883**	**$ 798,500**	**$ 712,367**	**$ (86,133)**

CITY OF LAKE ELSINORE

BUDGETARY COMPARISON SCHEDULE
TRANSPORTATION MEASURE A
YEAR ENDED JUNE 30, 2018

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	**Final**	**Amounts**	**(Negative)**
Budgetary Fund Balance, July 1	$ 1,545,371	$ 1,545,371	$ 1,545,371	$ -
Resources (Inflows):				
Intergovernmental	-	1,280,000	1,351,409	71,409
Use of money and property	-	11,300	8,336	(2,964)
Amounts Available for Appropriations	**1,545,371**	**2,836,671**	**2,905,116**	**68,445**
Charges to Appropriation (Outflow):				
Transfers out	-	2,592,319	1,159,113	1,433,206
Total Charges to Appropriations	**-**	**2,592,319**	**1,159,113**	**1,433,206**
Budgetary Fund Balance, June 30	**$ 1,545,371**	**$ 244,352**	**$ 1,746,003**	**$ 1,501,651**

CITY OF LAKE ELSINORE

BUDGETARY COMPARISON SCHEDULE
SB1186 CAS EDUCATION
YEAR ENDED JUNE 30, 2018

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Budgetary Fund Balance, July 1	$ 8,639	$ 8,639	$ 8,639	$ -
Resources (Inflows):				
Intergovernmental	-	2,400	5,212	2,812
Use of money and property	-	100	48	(52)
Amounts Available for Appropriations	**8,639**	**11,139**	**13,899**	**2,760**
Charges to Appropriation (Outflow):				
Public services	-	8,198	6,439	1,759
Total Charges to Appropriations	**-**	**8,198**	**6,439**	**1,759**
Budgetary Fund Balance, June 30	**$ 8,639**	**$ 2,941**	**$ 7,460**	**$ 4,519**

CITY OF LAKE ELSINORE

BUDGETARY COMPARISON SCHEDULE
TRAFFIC SAFETY
YEAR ENDED JUNE 30, 2018

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Budgetary Fund Balance, July 1	$ -	$ -	$ -	$ -
Resources (Inflows):				
Use of money and property	773	773	1,013	240
Fines and forfeitures	498,262	498,263	336,217	(162,046)
Amounts Available for Appropriations	**499,035**	**499,036**	**337,230**	**(161,806)**
Charges to Appropriation (Outflow):				
Public safety	-	-	337,230	(337,230)
Transfers out	499,035	499,035	-	499,035
Total Charges to Appropriations	**499,035**	**499,035**	**337,230**	**161,805**
Budgetary Fund Balance, June 30	**$ -**	**$ 1**	**$ -**	**$ (1)**

CITY OF LAKE ELSINORE

BUDGETARY COMPARISON SCHEDULE
CITY-WIDE LIGHTING AND LANDSCAPING
YEAR ENDED JUNE 30, 2018

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	**Final**	**Amounts**	**(Negative)**
Budgetary Fund Balance, July 1	$ -	$ -	$ -	$ -
Resources (Inflows):				
Assessments	-	1,478,226	1,396,208	(82,018)
Miscellaneous	-	7,100	7,310	210
Transfers in	-	-	314,432	314,432
Amounts Available for Appropriations	**-**	**1,485,326**	**1,717,950**	**232,624**
Charges to Appropriation (Outflow):				
Public services	-	1,942,641	1,717,950	224,691
Total Charges to Appropriations	**-**	**1,942,641**	**1,717,950**	**224,691**
Budgetary Fund Balance, June 30	**$ -**	**$ (457,315)**	**$ -**	**$ 457,315**

CITY OF LAKE ELSINORE

BUDGETARY COMPARISON SCHEDULE
L.L.M.D NO. 1
YEAR ENDED JUNE 30, 2018

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Budgetary Fund Balance, July 1	$ 714,964	$ 714,964	$ 714,964	$ -
Resources (Inflows):				
Assessments	-	523,055	519,914	(3,141)
Use of money and property	-	4,400	5,003	603
Amounts Available for Appropriations	**714,964**	**1,242,419**	**1,239,881**	**(2,538)**
Charges to Appropriation (Outflow):				
Public services	-	543,088	183,490	359,598
Total Charges to Appropriations	**-**	**543,088**	**183,490**	**359,598**
Budgetary Fund Balance, June 30	**$ 714,964**	**$ 699,331**	**$ 1,056,391**	**$ 357,060**

CITY OF LAKE ELSINORE

BUDGETARY COMPARISON SCHEDULE
GEOTHERMAL
YEAR ENDED JUNE 30, 2018

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Budgetary Fund Balance, July 1	$ 20,335	$ 20,335	$ 20,335	$ -
Resources (Inflows):				
Use of money and property	-	140	86	54
Amounts Available for Appropriations	**20,335**	**20,475**	**20,421**	**54**
Budgetary Fund Balance, June 30	**$ 20,335**	**$ 20,475**	**$ 20,421**	**$ 54**

CITY OF LAKE ELSINORE

BUDGETARY COMPARISON SCHEDULE
AB2766 AIR POLLUTION
YEAR ENDED JUNE 30, 2018

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Budgetary Fund Balance, July 1	$ 230,542	$ 230,542	$ 230,542	$ -
Resources (Inflows):				
Intergovernmental	-	77,550	79,482	1,932
Use of money and property	-	3,400	1,197	(2,203)
Amounts Available for Appropriations	**230,542**	**311,492**	**311,221**	**(271)**
Charges to Appropriation (Outflow):				
Public services	-	6,000	6,000	-
Transfers out	-	305,492	68,516	236,976
Total Charges to Appropriations	**-**	**311,492**	**74,516**	**236,976**
Budgetary Fund Balance, June 30	**$ 230,542**	**$ -**	**$ 236,705**	**$ 236,705**

CITY OF LAKE ELSINORE

BUDGETARY COMPARISON SCHEDULE
C.D.B.G
YEAR ENDED JUNE 30, 2018

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Budgetary Fund Balance, July 1	$ -	$ -	$ -	$ -
Resources (Inflows):				
Intergovernmental	-	330,357	138,525	(191,832)
Transfers in	-	-	13,494	13,494
Amounts Available for Appropriations	**-**	**330,357**	**152,019**	**(178,338)**
Charges to Appropriation (Outflow):				
Community development	-	25,000	25,000	-
Transfers out	-	305,357	127,019	178,338
Total Charges to Appropriations	**-**	**330,357**	**152,019**	**178,338**
Budgetary Fund Balance, June 30	**$ -**	**$ -**	**$ -**	**$ -**

BUDGETARY COMPARISON SCHEDULE
DEVELOPER AGREEMENT REVENUE/TRUST
YEAR ENDED JUNE 30, 2018

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Budgetary Fund Balance, July 1	$ 313,542	$ 313,542	$ 313,542	$ -
Resources (Inflows):				
Licenses and permits	-	276,490	149,000	(127,490)
Use of money and property	-	13,000	(66)	(13,066)
Transfers in	-	-	75,204	75,204
Amounts Available for Appropriations	**313,542**	**603,032**	**537,680**	**(65,352)**
Charges to Appropriation (Outflow):				
Transfers out	-	648,979	414,930	234,049
Total Charges to Appropriations	**-**	**648,979**	**414,930**	**234,049**
Budgetary Fund Balance, June 30	**$ 313,542**	**$ (45,947)**	**$ 122,750**	**$ 168,697**

BUDGETARY COMPARISON SCHEDULE
AFFORDABLE HOUSING IN-LIEU
YEAR ENDED JUNE 30, 2018

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Budgetary Fund Balance, July 1	$ 1,635,697	$ 1,635,697	$ 1,635,697	$ -
Resources (Inflows):				
Intergovernmental	-	412,640	806,151	393,511
Use of money and property	-	23,100	8,066	(15,034)
Miscellaneous	-	-	1,819,077	1,819,077
Amounts Available for Appropriations	**1,635,697**	**2,071,437**	**4,268,991**	**2,197,554**
Charges to Appropriation (Outflow):				
General government	-	12,800	33,742	(20,942)
Transfers out	-	24,739	124,739	(100,000)
Total Charges to Appropriations	**-**	**37,539**	**158,481**	**(120,942)**
Budgetary Fund Balance, June 30	**$ 1,635,697**	**$ 2,033,898**	**$ 4,110,510**	**$ 2,076,612**

CITY OF LAKE ELSINORE

BUDGETARY COMPARISON SCHEDULE
CITY HALL / PUBLIC WORKS
YEAR ENDED JUNE 30, 2018

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Budgetary Fund Balance, July 1	$ 1,253,343	$ 1,253,343	$ 1,253,343	$ -
Resources (Inflows):				
Licenses and permits	-	179,000	79,934	(99,066)
Use of money and property	-	11,000	3,281	(7,719)
Amounts Available for Appropriations	**1,253,343**	**1,443,343**	**1,336,558**	**(106,785)**
Charges to Appropriation (Outflow):				
Transfers out	-	1,500,000	772,059	727,941
Total Charges to Appropriations	**-**	**1,500,000**	**772,059**	**727,941**
Budgetary Fund Balance, June 30	**$ 1,253,343**	**$ (56,657)**	**$ 564,499**	**$ 621,156**

CITY OF LAKE ELSINORE

BUDGETARY COMPARISON SCHEDULE
COMMUNITY CENTER
YEAR ENDED JUNE 30, 2018

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	**Final**	**Amounts**	**(Negative)**
Budgetary Fund Balance, July 1	$ 465,724	$ 465,724	$ 465,724	$ -
Resources (Inflows):				
Licenses and permits	-	109,950	49,050	(60,900)
Use of money and property	-	4,660	958	(3,702)
Amounts Available for Appropriations	**465,724**	**580,334**	**515,732**	**(64,602)**
Charges to Appropriation (Outflow):				
Transfers out	-	639,516	515,732	123,784
Total Charges to Appropriations	**-**	**639,516**	**515,732**	**123,784**
Budgetary Fund Balance, June 30	**$ 465,724**	**$ (59,182)**	**$ -**	**$ 59,182**

CITY OF LAKE ELSINORE

BUDGETARY COMPARISON SCHEDULE
LAKESIDE FACILITIES
YEAR ENDED JUNE 30, 2018

	Budget Amounts Original	Budget Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Budgetary Fund Balance, July 1	$ 715,301	$ 715,301	$ 715,301	$ -
Resources (Inflows):				
Licenses and permits	-	154,341	70,110	(84,231)
Use of money and property	-	6,900	1,702	(5,198)
Amounts Available for Appropriations	**715,301**	**876,542**	**787,113**	**(89,429)**
Charges to Appropriation (Outflow):				
Public works	-	16,300	-	16,300
Transfers out	-	824,267	787,113	37,154
Total Charges to Appropriations	**-**	**840,567**	**787,113**	**53,454**
Budgetary Fund Balance, June 30	**$ 715,301**	**$ 35,975**	**$ -**	**$ (35,975)**

CITY OF LAKE ELSINORE

BUDGETARY COMPARISON SCHEDULE
ANIMAL SHELTER
YEAR ENDED JUNE 30, 2018

	Budget Amounts Original	Budget Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Budgetary Fund Balance, July 1	$ 42,880	$ 42,880	$ 42,880	$ -
Resources (Inflows):				
Licenses and permits	-	68,510	31,320	(37,190)
Use of money and property	-	100	1,404	1,304
Amounts Available for Appropriations	**42,880**	**111,490**	**75,604**	**(35,886)**
Charges to Appropriation (Outflow):				
Transfers out	-	-	75,204	(75,204)
Total Charges to Appropriations	**-**	**-**	**75,204**	**(75,204)**
Budgetary Fund Balance, June 30	**$ 42,880**	**$ 111,490**	**$ 400**	**$ (111,090)**

CITY OF LAKE ELSINORE

BUDGETARY COMPARISON SCHEDULE
N.P.D.E.S.
YEAR ENDED JUNE 30, 2018

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Budgetary Fund Balance, July 1	$ 82,660	$ 82,660	$ 82,660	$ -
Resources (Inflows):				
Licenses and permits	-	364,000	179,114	(184,886)
Use of money and property	-	580	991	411
Amounts Available for Appropriations	**82,660**	**447,240**	**262,765**	**(184,475)**
Charges to Appropriation (Outflow):				
Public services	-	288,503	56,636	231,867
Transfers out	-	191,528	181,195	10,333
Total Charges to Appropriations	**-**	**480,031**	**237,831**	**242,200**
Budgetary Fund Balance, June 30	**$ 82,660**	**$ (32,791)**	**$ 24,934**	**$ 57,725**

CITY OF LAKE ELSINORE

BUDGETARY COMPARISON SCHEDULE
PEG GRANT
YEAR ENDED JUNE 30, 2018

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Budgetary Fund Balance, July 1	$ -	$ -	$ -	$ -
Resources (Inflows):				
Licenses and permits	-	43,600	23,155	(20,445)
Use of money and property	-	290	53	(237)
Amounts Available for Appropriations	**-**	**43,890**	**23,208**	**(20,682)**
Charges to Appropriation (Outflow):				
Community services	-	2,500	10,641	(8,141)
Transfers out	-	3,548	12,567	(9,019)
Total Charges to Appropriations	**-**	**6,048**	**23,208**	**(17,160)**
Budgetary Fund Balance, June 30	**$ -**	**$ 37,842**	**$ -**	**$ (37,842)**

CITY OF LAKE ELSINORE

BUDGETARY COMPARISON SCHEDULE
PEDESTRIAN SIDEWALK
YEAR ENDED JUNE 30, 2018

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Budgetary Fund Balance, July 1	$ -	$ -	$ -	$ -
Resources (Inflows):				
Intergovernmental	-	749,015	-	(749,015)
Transfers in	-	-	21,910	21,910
Amounts Available for Appropriation	**-**	**749,015**	**21,910**	**(727,105)**
Charges to Appropriation (Outflow):				
Transfers out	-	749,015	21,910	727,105
Total Charges to Appropriations	**-**	**749,015**	**21,910**	**727,105**
Budgetary Fund Balance, June 30	**$ -**	**$ -**	**$ -**	**$ -**

CITY OF LAKE ELSINORE

BUDGETARY COMPARISON SCHEDULE
MISCELLANEOUS GENERAL PROJECT
YEAR ENDED JUNE 30, 2018

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Budgetary Fund Balance, July 1	$ 1,005,158	$ 1,005,158	$ 1,005,158	$ -
Resources (Inflows):				
Use of money and property	-	18,363	4,247	(14,116)
Transfers in	-	2,551,638	1,777,526	(774,112)
Proceeds from sale of capital asset	-	38,640	-	(38,640)
Amounts Available for Appropriations	**1,005,158**	**3,613,799**	**2,786,931**	**(826,868)**
Charges to Appropriation (Outflow):				
General government	-	579,450	-	579,450
Transfers out	-	2,010,090	1,197,465	812,625
Total Charges to Appropriations	**-**	**2,589,540**	**1,197,465**	**1,392,075**
Budgetary Fund Balance, June 30	**$ 1,005,158**	**$ 1,024,259**	**$ 1,589,466**	**$ 565,207**

CITY OF LAKE ELSINORE

BUDGETARY COMPARISON SCHEDULE
PARK IMPROVEMENT AND DEVELOPMENT
YEAR ENDED JUNE 30, 2018

	Budget Amounts Original	Budget Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Budgetary Fund Balance, July 1	$ -	$ -	$ -	$ -
Resources (Inflows):				
Licenses and permits	-	81,440	55,296	(26,144)
Use of money and property	-	1,400	230	(1,170)
Transfers in	-	109,171	-	(109,171)
Amounts Available for Appropriations	**-**	**192,011**	**55,526**	**(136,485)**
Budgetary Fund Balance, June 30	**$ -**	**$ 192,011**	**$ 55,526**	**$ (136,485)**

CITY OF LAKE ELSINORE

BUDGETARY COMPARISON SCHEDULE
STORM DRAINS
YEAR ENDED JUNE 30, 2018

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Budgetary Fund Balance, July 1	$ 1,206,034	$ 1,206,034	$ 1,206,034	$ -
Resources (Inflows):				
Licenses and permits	-	468,400	97,686	(370,714)
Use of money and property	-	35,340	4,652	(30,688)
Amounts Available for Appropriations	**1,206,034**	**1,709,774**	**1,308,372**	**(401,402)**
Charges to Appropriation (Outflow):				
Public works	-	-	208,565	(208,565)
Transfers out	-	1,262,080	771,475	490,605
Total Charges to Appropriations	**-**	**1,262,080**	**980,040**	**282,040**
Budgetary Fund Balance, June 30	**$ 1,206,034**	**$ 447,694**	**$ 328,332**	**$ (119,362)**

CITY OF LAKE ELSINORE

BUDGETARY COMPARISON SCHEDULE
LIBRARY CAPITAL IMPROVEMENT
YEAR ENDED JUNE 30, 2018

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Budgetary Fund Balance, July 1	$ 1,756,033	$ 1,756,033	$ 1,756,033	$ -
Resources (Inflows):				
Licenses and permits	-	85,360	80,850	(4,510)
Use of money and property	-	17,500	7,891	(9,609)
Amounts Available for Appropriations	**1,756,033**	**1,858,893**	**1,844,774**	**(14,119)**
Charges to Appropriation (Outflow):				
Community services	-	160,000	39,999	120,001
Transfers out	-	1,662,608	-	1,662,608
Total Charges to Appropriations	**-**	**1,822,608**	**39,999**	**1,782,609**
Budgetary Fund Balance, June 30	**$ 1,756,033**	**$ 36,285**	**$ 1,804,775**	**$ 1,768,490**

CITY OF LAKE ELSINORE

BUDGETARY COMPARISON SCHEDULE
TRAFFIC IMPACT
YEAR ENDED JUNE 30, 2018

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Budgetary Fund Balance, July 1	$ 4,245,937	$ 4,245,937	$ 4,245,937	$ -
Resources (Inflows):				
Licenses and permits	-	468,000	467,040	(960)
Use of money and property	-	36,400	19,603	(16,797)
Amounts Available for Appropriations	**4,245,937**	**4,750,337**	**4,732,580**	**(17,757)**
Charges to Appropriation (Outflow):				
Public works	-	9,700	-	9,700
Capital outlay	-	251,535	251,297	238
Transfers out	-	4,143,758	211,997	3,931,761
Total Charges to Appropriations	**-**	**4,404,993**	**463,294**	**3,941,699**
Budgetary Fund Balance, June 30	**$ 4,245,937**	**$ 345,344**	**$ 4,269,286**	**$ 3,923,942**

CITY OF LAKE ELSINORE

BUDGETARY COMPARISON SCHEDULE
CITY FIRE PROTECTION
YEAR ENDED JUNE 30, 2018

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Budgetary Fund Balance, July 1	$ 12,767	$ 12,767	$ 12,767	$ -
Resources (Inflows):				
Licenses and permits	-	149,580	82,162	(67,418)
Use of money and property	-	540	618	78
Amounts Available for Appropriations	**12,767**	**162,887**	**95,547**	**(67,340)**
Charges to Appropriation (Outflow):				
Transfers out	-	162,887	94,533	68,354
Total Charges to Appropriations	**-**	**162,887**	**94,533**	**68,354**
Budgetary Fund Balance, June 30	**$ 12,767**	**$ -**	**$ 1,014**	**$ 1,014**

BUDGETARY COMPARISON SCHEDULE
PUBLIC IMPROVEMENT IN-LIEU
YEAR ENDED JUNE 30, 2018

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Budgetary Fund Balance, July 1	$ 707,962	$ 707,962	$ 707,962	$ -
Resources (Inflows):				
Licenses and permits	-	2,400	-	(2,400)
Use of money and property	-	8,900	41	(8,859)
Amounts Available for Appropriations	**707,962**	**719,262**	**708,003**	**(11,259)**
Charges to Appropriation (Outflow):				
Transfers out	-	719,262	658,749	60,513
Total Charges to Appropriations	**-**	**719,262**	**658,749**	**60,513**
Budgetary Fund Balance, June 30	**$ 707,962**	**$ -**	**$ 49,254**	**$ 49,254**

CITY OF LAKE ELSINORE

BUDGETARY COMPARISON SCHEDULE
ROAD IMPROVEMENT PROGRAM FUND
YEAR ENDED JUNE 30, 2018

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Budgetary Fund Balance, July 1	$3,919,128	$ 3,919,128	$ 3,919,128	$ -
Resources (Inflows):				
Use of money and property	-	1,140	29,249	28,109
Transfers in	-	495,938	499,596	3,658
Amounts Available for Appropriations	**3,919,128**	**4,416,206**	**4,447,973**	**31,767**
Charges to Appropriation (Outflow):				
Public services	-	3,918,307	3,935,846	(17,539)
Debt service:				
Principal retirement	-	220,000	220,000	-
Interest and fiscal charges	-	275,937	275,937	-
Total Charges to Appropriations	**-**	**4,414,244**	**4,431,783**	**(17,539)**
Budgetary Fund Balance, June 30	**$3,919,128**	**$ 1,962**	**$ 16,190**	**$ 14,228**

CITY OF LAKE ELSINORE

BUDGETARY COMPARISON SCHEDULE
TUMF
YEAR ENDED JUNE 30, 2018

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Budgetary Fund Balance, July 1	$ (94,936)	$ (94,936)	$ (94,936)	$ -
Resources (Inflows):				
Miscellaneous	-	8,933,613	101,054	(8,832,559)
Transfers in	-	-	41,681	41,681
Amounts Available for Appropriation	**(94,936)**	**8,838,677**	**47,799**	**(8,790,878)**
Charges to Appropriation (Outflow):				
Transfers out	-	8,933,613	47,799	8,885,814
Total Charges to Appropriations	**-**	**8,933,613**	**47,799**	**8,885,814**
Budgetary Fund Balance, June 30	**$ (94,936)**	**$ (94,936)**	**$ -**	**$ 94,936**

CITY OF LAKE ELSINORE

BUDGETARY COMPARISON SCHEDULE
STREET LIGHTING
YEAR ENDED JUNE 30, 2018

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Budgetary Fund Balance, July 1	$ 53,092	$ 53,092	$ 53,092	$ -
Resources (Inflows):				
Licenses and permits	-	120,000	48,000	(72,000)
Use of money and property	-	-	614	614
Amounts Available for Appropriation	**53,092**	**173,092**	**101,706**	**(71,386)**
Budgetary Fund Balance, June 30	**$ 53,092**	**$ 173,092**	**$ 101,706**	**$ (71,386)**

CITY OF LAKE ELSINORE

BUDGETARY COMPARISON SCHEDULE
FACILITIES CONSTRUCTION
YEAR ENDED JUNE 30, 2018

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Budgetary Fund Balance, July 1	$9,589,991	$ 9,589,991	$ 9,589,991	$ -
Resources (Inflows):				
Use of money and property	-	26,600	85,287	58,687
Amounts Available for Appropriation	**9,589,991**	**9,616,591**	**9,675,278**	**58,687**
Charges to Appropriation (Outflow):				
Public works	-	9,632,020	5,523,105	4,108,915
Total Charges to Appropriations	**-**	**9,632,020**	**5,523,105**	**4,108,915**
Budgetary Fund Balance, June 30	**$9,589,991**	**$ (15,429)**	**$ 4,152,173**	**$ 4,167,602**

CITY OF LAKE ELSINORE

BUDGETARY COMPARISON SCHEDULE
ASSESSMENT DISTRICTS
YEAR ENDED JUNE 30, 2018

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Budgetary Fund Balance, July 1	$ 430,809	$ 430,809	$ 430,809	$ -
Resources (Inflows):				
Use of money and property	-	565	4,454	3,889
Contributions	-	15,002,732	13,202,795	(1,799,937)
Amounts Available for Appropriation	**430,809**	**15,434,106**	**13,638,058**	**(1,796,048)**
Charges to Appropriation (Outflow):				
Public services	-	15,002,732	13,509,490	1,493,242
Transfers out	-	304,080	-	304,080
Total Charges to Appropriations	**-**	**15,306,812**	**13,509,490**	**1,797,322**
Budgetary Fund Balance, June 30	**$ 430,809**	**$ 127,294**	**$ 128,568**	**$ 1,274**

CITY OF LAKE ELSINORE

BUDGETARY COMPARISON SCHEDULE
CAPITAL IMPROVEMENT PLAN
YEAR ENDED JUNE 30, 2018

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Budgetary Fund Balance, July 1	$ 8,292,798	$ 8,292,798	$ 8,292,798	$ -
Resources (Inflows):				
Charges for services	-	-	1,583,379	1,583,379
Use of money and property	-	28,600	46,342	17,742
Contributions	-	4,950,981	15,553,743	10,602,762
Miscellaneous	-	500	1,618	1,118
Transfers in	-	28,728,733	5,566,225	(23,162,508)
Amounts Available for Appropriations	**8,292,798**	**42,001,612**	**31,044,105**	**(10,957,507)**
Charges to Appropriation (Outflow):				
Capital outlay	-	56,817,676	13,008,692	43,808,984
Transfers out	-	3,862,751	2,008,185	1,854,566
Total Charges to Appropriations	**-**	**60,680,427**	**15,016,877**	**45,663,550**
Budgetary Fund Balance, June 30	**$ 8,292,798**	**$ (18,678,815)**	**$ 16,027,228**	**$ 34,706,043**

BUDGETARY COMPARISON SCHEDULE
PUBLIC FINANCING AUTHORITY
YEAR ENDED JUNE 30, 2018

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Budgetary Fund Balance, July 1	$ 228,892,795	$ 228,892,795	$ 228,892,795	$ -
Resources (Inflows):				
Use of money and property	-	10,604,500	10,001,549	(602,951)
Amounts Available for Appropriations	**228,892,795**	**239,497,295**	**238,894,344**	**(602,951)**
Charges to Appropriation (Outflow):				
General government	-	1,000	4,774	(3,774)
Debt service:				
Principal retirement	-	6,999,019	7,855,000	(855,981)
Interest and fiscal charges	-	10,693,764	10,328,873	364,891
Total Charges to Appropriations	**-**	**17,693,783**	**18,188,647**	**(494,864)**
Budgetary Fund Balance, June 30	**$ 228,892,795**	**$ 221,803,512**	**$ 220,705,697**	**$ (1,097,815)**

CITY OF LAKE ELSINORE

BUDGETARY COMPARISON SCHEDULE
RECREATION AUTHORITY
YEAR ENDED JUNE 30, 2018

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Budgetary Fund Balance, July 1	$ 1,812,805	$ 1,812,805	$ 1,812,805	$ -
Resources (Inflows):				
Revenue from lease/rent	-	1,132,810	15,992	(1,116,818)
Transfers in	-	-	1,131,700	1,131,700
Amounts Available for Appropriations	**1,812,805**	**2,945,615**	**2,960,497**	**14,882**
Charges to Appropriation (Outflow):				
General government	-	-	3,163	(3,163)
Debt service:				
Principal retirement	-	620,000	620,000	-
Interest and fiscal charges	-	511,700	511,700	-
Total Charges to Appropriations	**-**	**1,131,700**	**1,134,863**	**(3,163)**
Budgetary Fund Balance, June 30	**$ 1,812,805**	**$ 1,813,915**	**$ 1,825,634**	**$ 11,719**

CITY OF LAKE ELSINORE

BUDGETARY COMPARISON SCHEDULE
FACILITIES FINANCING AUTHORITY
YEAR ENDED JUNE 30, 2018

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Budgetary Fund Balance, July 1	$ 81,114	$ 81,114	$ 81,114	$ -
Resources (Inflows):				
Use of money and property	-	560,138	58,860	(501,278)
Transfers in	-	-	559,038	559,038
Other debts issued	-	7,975,000	7,975,000	-
Amounts Available for Appropriations	**81,114**	**8,616,252**	**8,674,012**	**57,760**
Charges to Appropriation (Outflow):				
General government	-	1,000	2,627	(1,627)
Debt service:				
Principal retirement	-	240,000	240,000	-
Interest and fiscal charges	-	770,812	765,812	5,000
Total Charges to Appropriations	**-**	**1,011,812**	**1,008,439**	**3,373**
Budgetary Fund Balance, June 30	**$ 81,114**	**$ 7,604,440**	**$ 7,665,573**	**$ 61,133**

CITY OF LAKE ELSINORE

BUDGETARY COMPARISON SCHEDULE
ENDOWMENT TRUST - ADOLPH KORN
YEAR ENDED JUNE 30, 2018

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Budgetary Fund Balance, July 1	$ 31,392	$ 31,392	$ 31,392	$ -
Resources (Inflows):				
Use of money and property	-	200	135	(65)
Amounts Available for Appropriations	**31,392**	**31,592**	**31,527**	**(65)**
Budgetary Fund Balance, June 30	**$ 31,392**	**$ 31,592**	**$ 31,527**	**$ (65)**

This page left intentionally blank.

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 proving central mailing and reprographic services.

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

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

CITY OF LAKE ELSINORE

COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2018

	Insurance	Info Systems	Support Services
Assets:			
Current:			
Cash and cash equivalents	$ 703,684	$ 633,572	$ 26,899
Receivables:			
Accrued interest	4,654	1,863	-
Prepaid costs	696,135	18,016	-
Due from other funds	-	-	-
Total Current Assets	**1,404,473**	**653,451**	**26,899**
Noncurrent:			
Capital assets - net of accumulated depreciation	-	66,221	5,578
Total Noncurrent Assets	**-**	**66,221**	**5,578**
Total Assets	**1,404,473**	**719,672**	**32,477**
Deferred Outflows of Resources:			
Pension Related Items	9,574	157,380	-
OPEB related items	-	30,035	-
Total Deferred Outflows of Resources	**9,574**	**187,415**	**-**
Liabilities:			
Current:			
Accounts payable	44	2,924	2,623
Accrued liabilities	846	8,837	-
Due to other funds	-	-	-
Total Current Liabilities	**890**	**11,761**	**2,623**
Noncurrent:			
Net pension liability	13,912	407,413	-
Total OPEB liability	-	875,876	-
Total Noncurrent Liabilities	**13,912**	**1,283,289**	**-**
Total Liabilities	**14,802**	**1,295,050**	**2,623**
Deferred Inflows of Resources:			
Pension Related Items	452	9,035	-
OPEB Related Items	-	78,683	-
Total Deferred Inflows of Resources	**452**	**87,718**	**-**
Net Position:			
Net investment in capital assets	-	66,221	5,578
Unrestricted	1,398,793	(541,902)	24,276
Total Net Position	**$ 1,398,793**	**$ (475,681)**	**$ 29,854**

CITY OF LAKE ELSINORE

COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2018

	Fleet Services	Facilities	Totals
Assets:			
Current:			
Cash and cash equivalents	$ -	$ 529,910	$ 1,894,065
Receivables:			
Accrued interest	-	3,072	9,589
Prepaid costs	-	3,653	717,804
Due from other funds	-	143,366	143,366
Total Current Assets	**-**	**680,001**	**2,764,824**
Noncurrent:			
Capital assets - net of accumulated depreciation	991,840	293,274	1,356,913
Total Noncurrent Assets	**991,840**	**293,274**	**1,356,913**
Total Assets	**991,840**	**973,275**	**4,121,737**
Deferred Outflows of Resources:			
Pension Related Items	150,473	90,027	407,454
OPEB related items	15,018	7,509	52,562
Total Deferred Outflows of Resources	**165,491**	**97,536**	**460,016**
Liabilities:			
Current:			
Accounts payable	65,135	28,145	98,871
Accrued liabilities	3,360	978	14,021
Due to other funds	143,366	-	143,366
Total Current Liabilities	**211,861**	**29,123**	**256,258**
Noncurrent:			
Net pension liability	473,660	121,893	1,016,878
Total OPEB liability	437,937	218,969	1,532,782
Total Noncurrent Liabilities	**911,597**	**340,862**	**2,549,660**
Total Liabilities	**1,123,458**	**369,985**	**2,805,918**
Deferred Inflows of Resources:			
Pension Related Items	14,303	3,463	27,253
OPEB Related Items	39,342	19,670	137,695
Total Deferred Inflows of Resources	**53,645**	**23,133**	**164,948**
Net Position:			
Net investment in capital assets	991,840	293,274	1,356,913
Unrestricted	(1,011,612)	384,419	253,974
Total Net Position	**$ (19,772)**	**$ 677,693**	**$ 1,610,887**

CITY OF LAKE ELSINORE

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION INTERNAL SERVICE FUNDS YEAR ENDED JUNE 30, 2018

	Insurance	Info Systems	Support Services
Operating Revenues:			
Charges for Services	$ 1,070,090	$ 1,255,606	$ 89,813
Miscellaneous	13,146	-	-
Total Operating Revenues	**1,083,236**	**1,255,606**	**89,813**
Operating Expenses:			
Personnel Services	62,255	634,852	-
Contractural Services	-	62,392	25,836
Utilities	-	119,190	-
Maintenance and Operation	2,039	299,211	54,844
Depreciation expense	-	18,006	2,159
Insurance	733,692	-	-
Total Operating Expenses	**797,986**	**1,133,651**	**82,839**
Operating Income (Loss)	285,250	121,955	6,974
Nonoperating Revenues (Expenses):			
Interest revenue	152	(538)	97
Total Nonoperating Revenues (Expenses)	**152**	**(538)**	**97**
Changes in Net Position	285,402	121,417	7,071
Net Position:			
Beginning of Year, as originally reported	1,113,391	320,287	22,783
Restatements	-	(917,385)	-
Beginning of Fiscal Year, as restated	1,113,391	(597,098)	22,783
End of Fiscal Year	**$ 1,398,793**	**$ (475,681)**	**$ 29,854**

CITY OF LAKE ELSINORE

COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2018

	Fleet Services	Facilities	Totals
Operating Revenues:			
Charges for Services	$ 814,797	$ 508,750	$ 3,739,056
Miscellaneous	84,591	-	97,737
Total Operating Revenues	**899,388**	**508,750**	**3,836,793**
Operating Expenses:			
Personnel Services	320,254	88,862	1,106,223
Contractural Services	47,018	183,492	318,738
Utilities	-	86,908	206,098
Maintenance and Operation	346,896	114,957	817,947
Depreciation expense	180,927	30,555	231,647
Insurance	-	-	733,692
Total Operating Expenses	**895,095**	**504,774**	**3,414,345**
Operating Income (Loss)	4,293	3,976	422,448
Nonoperating Revenues (Expenses):			
Interest revenue	(130)	1,407	988
Total Nonoperating Revenues (Expenses)	**(130)**	**1,407**	**988**
Changes in Net Position	4,163	5,383	423,436
Net Position:			
Beginning of Year, as originally reported	434,757	901,656	2,792,874
Restatements	(458,692)	(229,346)	(1,605,423)
Beginning of Fiscal Year, as restated	(23,935)	672,310	1,187,451
End of Fiscal Year	**$ (19,772)**	**$ 677,693**	**$ 1,610,887**

CITY OF LAKE ELSINORE

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2018

	Insurance	Info Systems	Support Services
Cash Flows from Operating Activities:			
Cash received from customers and users	$ 1,083,236	$ 1,255,606	$ 89,813
Cash paid to suppliers for goods and services	(634,829)	(673,933)	(85,011)
Cash paid to employees for services	(57,465)	(551,215)	-
Net Cash Provided (Used) by Operating Activities	**390,942**	**30,458**	**4,802**
Cash Flows from Non-Capital Financing Activities:			
Cash paid - due from other funds	-	-	-
Cash received - due to other funds	-	-	-
Net Cash Provided (Used) by Non-Capital Financing Activities	**-**	**-**	**-**
Cash Flows from Capital and Related Financing Activities:			
Acquisition and construction of capital assets	-	-	-
Net Cash Provided (Used) by Capital and Related Financing Activities	**-**	**-**	**-**
Cash Flows from Investing Activities:			
Proceeds from the sales and maturities of investments			
Purchase of investments			
Interest received	(1,531)	(2,401)	97
Net Cash Provided (Used) by Investing Activities	**(1,531)**	**(2,401)**	**97**
Net Increase (Decrease) in Cash and Cash Equivalents	**389,411**	**28,057**	**4,899**
Cash and Cash Equivalents at Beginning of Year	314,273	605,515	22,000
Cash and Cash Equivalents at End of Year	**$ 703,684**	**$ 633,572**	**$ 26,899**
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:			
Operating income (loss)	$ 285,250	$ 121,955	$ 6,974
Adjustments to reconcile operating income (loss) net cash provided (used) by operating activities:			
Depreciation	-	18,006	2,159
(Increase) decrease in accounts receivable	-	-	-
(Increase) decrease in deferred outflows from pensions	(9,574)	(4,262)	-
(Increase) decrease in deferred outflows OPEB	-	(2,464)	-
(Increase) decrease in prepaid expense	100,239	(18,016)	-
Increase (decrease) in accounts payable	(183)	(170,838)	(4,331)
Increase (decrease) in accured liabilities	846	(4,286)	-
Increase (decrease) in net pension liability	13,912	83,469	-
Increase (decrease) in Total OPEB liability	-	(69,080)	-
Increase (decrease) in deferred inflows from OPEB	-	78,683	-
Increase (decrease) in deferred inflows from pensions	452	(2,709)	-
Total Adjustments	**105,692**	**(91,497)**	**(2,172)**
Net Cash Provided (Used) by Operating Activities	**$ 390,942**	**$ 30,458**	**$ 4,802**

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2018

	Fleet Services	Facilities	Totals
Cash Flows from Operating Activities:			
Cash received from customers and users	$ 900,388	$ 508,750	$ 3,837,793
Cash paid to suppliers for goods and services	(376,272)	(396,376)	(2,166,421)
Cash paid to employees for services	(281,155)	(69,718)	(959,553)
Net Cash Provided (Used) by Operating Activities	**242,961**	**42,656**	**711,819**
Cash Flows from Non-Capital Financing Activities:			
Cash paid - due from other funds	-	(143,366)	(143,366)
Cash received - due to other funds	143,366	-	143,366
Net Cash Provided (Used) by Non-Capital Financing Activities	**143,366**	**(143,366)**	**-**
Cash Flows from Capital and Related Financing Activities:			
Acquisition and construction of capital assets	(706,685)	(264,523)	(971,208)
Net Cash Provided (Used) by Capital and Related Financing Activities	**(706,685)**	**(264,523)**	**(971,208)**
Cash Flows from Investing Activities:			
Proceeds from the sales and maturities of investments			-
Purchase of investments			-
Interest received	962	804	(2,069)
Net Cash Provided (Used) by Investing Activities	**962**	**804**	**(2,069)**
Net Increase (Decrease) in Cash and Cash Equivalents	**(319,396)**	**(364,429)**	**(261,458)**
Cash and Cash Equivalents at Beginning of Year	319,396	894,339	2,155,523
Cash and Cash Equivalents at End of Year	**$ -**	**$ 529,910**	**$ 1,894,065**
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:			
Operating income (loss)	$ 4,293	$ 3,976	$ 422,448
Adjustments to reconcile operating income (loss) net cash provided (used) by operating activities:			
Depreciation	180,927	30,555	231,647
(Increase) decrease in accounts receivable	1,000	-	1,000
(Increase) decrease in deferred outflows from pensions	(4,850)	3,900	(14,786)
(Increase) decrease in deferred outflows OPEB	(1,232)	(616)	(4,312)
(Increase) decrease in prepaid expense	-	(83)	82,140
Increase (decrease) in accounts payable	17,406	(10,872)	(168,818)
Increase (decrease) in accured liabilities	236	(64)	(3,268)
Increase (decrease) in net pension liability	41,735	13,912	153,028
Increase (decrease) in Total OPEB liability	(34,541)	(17,270)	(120,891)
Increase (decrease) in deferred inflows from OPEB	39,342	19,670	137,695
Increase (decrease) in deferred inflows from pensions	(1,355)	(452)	(4,064)
Total Adjustments	**238,668**	**38,680**	**289,371**
Net Cash Provided (Used) by Operating Activities	**$ 242,961**	**$ 42,656**	**$ 711,819**

This page left intentionally blank.

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

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

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

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

CITY OF LAKE ELSINORE

COMBINING STATEMENT OF NET POSITION
ALL AGENCY FUNDS
JUNE 30, 2018

	Developer Deposit Trust	Assessment Districts	Lake Maintenance
Assets:			
Pooled cash and investments	$ 1,540,130	$ 18,047,185	$ -
Receivables:			
Accounts	-	31,968	-
Accrued interest	-	82,730	-
Due from other governments	-	274,614	-
Restricted assets:			
Cash and investments with fiscal agents	-	5,303,527	1,380,033
Deposits with other agencies	-	17,754,116	-
Total Assets	**$ 1,540,130**	**$ 41,494,140**	**$ 1,380,033**
Liabilities:			
Accounts payable	$ 1,000	$ 13,470	$ -
Deposits payable	1,539,130	451,659	1,380,033
Due to bondholders	-	41,029,011	-
Total Liabilities	**$ 1,540,130**	**$ 41,494,140**	**$ 1,380,033**

CITY OF LAKE ELSINORE

COMBINING STATEMENT OF NET POSITION
ALL AGENCY FUNDS
JUNE 30, 2018

	Destratification Equipment Replacement	Totals
Assets:		
Pooled cash and investments	$ 339,869	$ 19,927,184
Receivables:		
Accounts	-	31,968
Accrued interest	1,519	84,249
Due from other governments	48,189	322,803
Restricted assets:		
Cash and investments with fiscal agents	-	6,683,560
Deposits with other agencies	-	17,754,116
Total Assets	**$ 389,577**	**$ 44,803,880**
Liabilities:		
Accounts payable	$ 4,690	$ 19,160
Deposits payable	384,887	3,755,709
Due to bondholders	-	41,029,011
Total Liabilities	**$ 389,577**	**$ 44,803,880**

CITY OF LAKE ELSINORE

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
YEAR ENDED JUNE 30, 2018

	Balance July 1, 2017	Additions	Deductions	Balance June 30, 2018
Developer Deposit Trust				
Assets:				
Pooled cash and investments	$ 5,055,317	$ 744,119	$ 4,259,306	$ 1,540,130
Total Assets	**$ 5,055,317**	**$ 744,119**	**$ 4,259,306**	**$ 1,540,130**
Liabilities:				
Accounts payable	$ 83,468	$ 665,506	$ 747,974	$ 1,000
Deposits payable	1,460,517	1,800,493	1,721,880	1,539,130
Due to other governments	3,511,332	-	3,511,332	-
Total Liabilities	**$ 5,055,317**	**$ 2,465,999**	**$ 5,981,186**	**$ 1,540,130**
Assessment Districts				
Assets:				
Pooled cash and investments	$ 15,411,425	$ 22,289,286	$ 19,653,526	$ 18,047,185
Receivables:				
Accounts	-	458,431	426,463	31,968
Accrued interest	42,952	94,679	54,901	82,730
Due from other governments	329,923	249,926	305,235	274,614
Restricted assets:				
Cash and investments with fiscal agents	3,747,335	35,176,254	33,620,062	5,303,527
Deposits with other agencies	17,255,828	850,589	352,301	17,754,116
Total Assets	**$ 36,787,463**	**$ 59,119,165**	**$ 54,412,488**	**$ 41,494,140**
Liabilities:				
Accounts payable	$ 4,276	$ 17,018,535	$ 17,009,341	$ 13,470
Deposits payable	438,377	314,036	300,754	451,659
Due to bondholders	36,344,810	45,403,215	40,719,014	41,029,011
Total Liabilities	**$ 36,787,463**	**$ 62,735,786**	**$ 58,029,109**	**$ 41,494,140**
Lake Maintenance				
Assets:				
Restricted assets:				
Cash and investments with fiscal agents	$ 707,006	$ 1,519,129	$ 846,102	$ 1,380,033
Total Assets	**$ 707,006**	**$ 1,519,129**	**$ 846,102**	**$ 1,380,033**
Liabilities:				
Deposits payable	$ 707,006	$ 1,519,129	$ 846,102	$ 1,380,033
Total Liabilities	**$ 707,006**	**$ 1,519,129**	**$ 846,102**	**$ 1,380,033**

CITY OF LAKE ELSINORE

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
YEAR ENDED JUNE 30, 2018

	Balance July 1, 2017	Additions	Deductions	Balance June 30, 2018
Destratification Equipment Replacement				
Assets:				
Pooled cash and investments	$ 283,865	$ 127,610	$ 71,606	$ 339,869
Receivables:				
Accrued interest	904	1,779	1,164	1,519
Due from other governments	-	48,189	-	48,189
Total Assets	**$ 284,769**	**$ 177,578**	**$ 72,770**	**$ 389,577**
Liabilities:				
Accounts payable	$ -	$ 60,341	$ 55,651	$ 4,690
Deposits payable	284,769	174,356	74,238	384,887
Total Liabilities	**$ 284,769**	**$ 234,697**	**$ 129,889**	**$ 389,577**
Totals - All Agency Funds				
Assets:				
Pooled cash and investments	$ 20,750,607	$ 23,161,015	$ 23,984,438	$ 19,927,184
Receivables:				
Accounts	-	458,431	426,463	31,968
Accrued interest	43,856	96,458	56,065	84,249
Due from other governments	329,923	298,115	305,235	322,803
Restricted assets:				
Cash and investments with fiscal agents	4,454,341	36,695,383	34,466,164	6,683,560
Deposits with other agencies	17,255,828	850,589	352,301	17,754,116
Total Assets	**$ 42,834,555**	**$ 61,559,991**	**$ 59,590,666**	**$ 44,803,880**
Liabilities:				
Accounts payable	$ 87,744	$ 17,744,382	$ 17,812,966	$ 19,160
Deposits payable	2,890,669	3,808,014	2,942,974	3,755,709
Due to other governments	3,511,332	-	3,511,332	-
Due to bondholders	36,344,810	45,403,215	40,719,014	41,029,011
Total Liabilities	**$ 42,834,555**	**$ 66,955,611**	**$ 64,986,286**	**$ 44,803,880**

CITY OF LAKE ELSINORE

COMBINING STATEMENT OF FIDUCIARY NET POSITION
PRIVATE-PURPOSE TRUST FUNDS
JUNE 30, 2018

	Private-Purpose Trust Funds		
	Trust - Carl Graves	**Successor Agency Private-Purpose Trust Fund**	**Total**
Assets:			
Pooled cash and investments	$ 1,017,459	$ 10,895,553	$ 11,913,012
Receivables:			
Accounts	217	-	217
Accrued interest	5,299	62,115	67,414
Prepaid costs	-	183,365	183,365
Due from other governments	-	-	-
Land held for resale	-	6,039,994	6,039,994
Deferred charges	-	917,426	917,426
Restricted assets:			
Cash and investments with fiscal agents	-	6,010	6,010
Capital assets:			
Capital assets, not being depreciated	-	2,004,419	2,004,419
Capital assets, net of accumulated depreciation	-	14,299,747	14,299,747
Deposits with Other Agencies	-	4,705,610	4,705,610
			-
Total Assets	**$ 1,022,975**	**$ 39,114,239**	**$ 40,137,214**
Liabilities:			
Accounts payable	$ -	$ 2,369,123	$ 2,369,123
Accrued interest	-	778,351	778,351
Deposits payable	-	-	-
Long-term liabilities:			
Due in one year	-	3,530,000	3,530,000
Due in more than one year	-	83,957,012	83,957,012
Due to Bondholders	-	-	-
Total Liabilities	**-**	**$ 90,634,486**	**$ 90,634,486**
Net Position:			
Held in trust for other purposes	1,022,975	$ (51,520,247)	$ (50,497,272)
			-
Total Net Position	**$ 1,022,975**	**$ (51,520,247)**	**$ (50,497,272)**

CITY OF LAKE ELSINORE

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PRIVATE-PURPOSE TRUST FUNDS
YEAR ENDED JUNE 30, 2018

	Private-Purpose Trust Funds		
	Trust - Carl Graves	Successor Agency Private-Purpose Trust Fund	Total
Additions:			
Contributions:			
Trust Contributions	$ 52,641	$ -	$ 52,641
Taxes	-	11,002,014	11,002,014
Investment earnings	7,270	27,051	34,321
Total Additions	**59,911**	**11,029,065**	**11,088,976**
Deductions:			
Contractual services	-	13,771,801	13,771,801
Interest expense	-	2,603,431	2,603,431
Depreciation expense	-	946,382	946,382
Costs of issuance	-	468,000	468,000
Total Deductions	**-**	**17,789,614**	**17,789,614**
Beginning of Fiscal Year, as restated	963,064	(44,759,698)	(43,796,634)
Net Position - End of the Year	**$ 1,022,975**	**$ (51,520,247)**	**$ (50,497,272)**

This page left intentionally blank.

STATISTICAL SECTION

City of Lake Elsinore, California
Statistical Section Contents
June 30, 2018

The City of Lake Elsinore's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information say about the government's overall financial health. The statistical section offers operational, economic, and historical data that provide a context for assessing the City's economic condition.

CONTENTS **PAGES**

This page left intentionally blank.

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

	Fiscal Year			
	2009	2010	2011	2012
GOVERNMENTAL ACTIVITIES				
Net Investment in Capital Assets	$ 141,550,858	$ 142,968,348	$ 141,427,875	$ 134,976,102
Restricted	122,099,858	110,984,917	134,777,767	141,619,986
Unrestricted	(96,792,528)	(93,859,128)	(110,573,961)	(48,524,474)
Total Governmental Activities Net Position	$ 166,858,188	$ 160,094,137	$ 165,631,681	$ 228,071,614

Source: City Finance Department

Fiscal Year					
2013	2014	2015	2016	2017	2018
$ 147,176,443	$ 131,965,428	$ 137,914,627	$ 145,170,561	$ 146,735,654	$ 142,754,254
75,129,411	74,462,124	90,537,124	75,054,285	90,363,046	92,281,048
(2,804,065)	7,500,328	(12,503,489)	(10,180,146)	(12,062,216)	(13,553,724)
$ 219,501,789	$ 213,927,880	$ 215,948,262	$ 210,044,700	$ 225,036,484	$ 221,481,578

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

	Fiscal Year			
	2009	2010	2011	2012
EXPENSES				
Governmental Activities:				
General Government	$ 10,562,122	$ 10,252,727	$ 11,079,707	$ 11,944,507
Public Safety	13,139,389	11,022,531	11,212,605	11,911,363
Community Development	31,976,146	15,847,532	16,060,065	4,989,313
Community Services	4,737,856	4,295,719	4,704,242	7,010,026
Public Services	14,123,738	14,812,199	8,145,956	9,834,764
Interest on Long-term Debt	10,168,917	10,509,806	7,674,342	8,835,312
Total Governmental Activities Expenses	84,708,168	66,740,514	58,876,917	54,525,285
PROGRAM REVENUES				
Governmental Activities:				
Charges for Services:				
General Government	4,828,438	3,181,706	3,167,346	3,035,324
Public Safety	-	-	-	-
Community Development	1,064,036	924,493	1,508,526	1,247,117
Community Services	1,482,146	1,578,779	1,586,602	1,578,318
Public Services	-	-	-	-
Operating Grants and Contributions	6,482,888	4,561,669	3,292,972	3,306,452
Capital Grants and Contributions	-	-	6,573,426	4,539,293
Total Governmental Activities Program Revenues	13,857,508	10,246,647	16,128,872	13,706,504
NET REVENUES (EXPENSES)				
Governmental Activities	(70,850,660)	(56,493,867)	(42,748,045)	(40,818,781)
Total Net Revenues (Expenses)	$ (70,850,660)	$ (56,493,867)	$ (42,748,045)	$ (40,818,781)

Source: City Finance Department

Fiscal Year					
2013	2014	2015	2016	2017	2018
$ 8,833,983	$ 7,836,775	$ 8,617,841	$ 6,477,776	$ 8,904,130	$ 5,856,845
12,684,631	14,485,711	18,626,488	19,098,659	21,218,964	20,963,229
10,242,652	9,079,863	7,391,688	4,005,355	4,807,685	5,000,426
4,416,500	4,819,153	4,652,536	5,411,152	9,791,967	3,313,875
10,359,134	10,610,540	11,162,854	18,668,180	14,148,801	43,153,162
6,451,470	6,330,889	8,097,248	11,204,357	11,832,732	11,463,403
52,988,370	53,162,931	58,548,655	64,865,479	70,704,279	89,750,940
456,760	460,808	1,464,689	734,034	1,726,741	2,666,057
700,069	1,067,440	1,427,632	1,922,602	2,665,603	1,716,350
4,381,899	5,018,102	3,905,472	4,660,580	8,727,675	9,727,246
2,822,458	3,112,662	2,405,100	2,977,699	858,119	759,254
1,117,800	1,574,245	2,329,172	2,977,138	5,504,572	2,609,931
12,172,208	20,954,573	20,141,320	19,883,338	5,496,146	8,599,061
9,587,008	6,485,279	21,044,552	5,901,491	30,389,367	30,754,329
31,238,202	38,673,109	52,717,937	39,056,882	55,368,223	56,832,228
(21,750,168)	(14,489,822)	(5,830,718)	(25,808,597)	(15,336,056)	(32,918,712)
$ (21,750,168)	$ (14,489,822)	$ (5,830,718)	$ (25,808,597)	$ (15,336,056)	$ (32,918,712)

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			
	2009	2010	2011	2012
GENERAL REVENUES				
Governmental Activities				
Taxes				
Property Taxes	$ 31,590,868	$ 25,904,948	$ 24,237,023	$ 14,698,032
Sales Taxes	6,414,419	6,236,748	7,190,695	7,444,947
Franchise Taxes	1,824,890	1,792,699	1,913,807	2,002,550
Other Taxes	751,794	519,001	483,556	538,402
Fines, Forfeitures and Penalties	937,506	733,792	972,457	1,850,398
Investment Earnings	9,334,141	7,470,635	7,782,639	8,031,256
Miscellaneous	5,768,257	6,661,239	5,705,412	6,992,813
Special Item				
Loss on CFD and AD Investments	-	-	-	-
Extraordinary Item				
Gain on Dissolution of Redevelopment Agency	-	-	-	61,700,316
Total General Revenues, Special and Extraordinary Items	56,621,875	49,319,062	48,285,589	103,258,714
CHANGES IN NET POSITION				
Governmental Activities	(14,228,785)	(7,174,805)	5,537,544	62,439,933
Total Changes in Net Position	$ (14,228,785)	$ (7,174,805)	$ 5,537,544	$ 62,439,933

Source: City Finance Department

Fiscal Year					
2013	2014	2015	2016	2017	2018
$ 5,804,265	$ 5,487,743	$ 6,276,548	$ 6,537,540	$ 7,380,594	$ 8,030,862
6,935,215	8,031,486	8,572,066	9,939,637	9,745,714	10,071,435
2,097,081	2,275,619	2,389,413	2,423,707	2,297,401	2,477,400
567,560	760,203	767,058	838,364	598,126	560,150
592,185	507,265	683,573	-	-	-
689,149	574,477	966,365	925,517	11,247,531	13,191,802
688,105	1,054,958	1,022,472	706,094	2,745,222	3,026,724
-	(9,880,891)	(4,502,385)	-		
-	-	-	-		
17,373,560	8,810,860	16,175,110	21,370,859	34,014,588	37,358,373
(4,376,008)	(5,678,962)	10,344,392	(4,437,738)	18,678,532	4,439,661
$ (4,376,008)	$ (5,678,962)	$ 10,344,392	$ (4,437,738)	$ 18,678,532	$ 4,439,661

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

	Fiscal Year			
	2009	2010	2011	2012
GENERAL FUND				
Reserved	$ 8,580,684	$ 8,589,723	$ -	$ -
Unreserved	8,762,248	6,327,596	-	-
Total General Fund	$ 17,342,932	$ 14,917,319	$ -	$ -
ALL OTHER GOVERNMENTAL FUNDS				
Reserved	$ 163,768,859	$ 161,473,544	$ -	$ -
Unreserved, Reported In				
Special Revenue Funds	5,241,416	6,999,090	-	-
Debt Service Funds	(3,841,954)	(28,305,645)	-	-
Capital Projects Funds	2,966,273	5,497,137	-	-
Total All Other Governmental Funds	$ 168,134,594	$ 145,664,126	$ -	$ -
GENERAL FUND				
Nonspendable	$ -	$ -	$ 4,027,179	$ 2,505,503
Unassigned	-	-	10,788,602	11,826,885
Total General Fund	$ -	$ -	$ 14,815,781	$ 14,332,388
ALL OTHER GOVERNMENTAL FUNDS				
Nonspendable	$ -	$ -	$ 84,348,929	$ 76,688,811
Restricted	-	-	105,281,543	79,292,713
Assigned	-	-	11,255,852	12,548,403
Unassigned	-	-	(38,062,318)	(987,601)
Total All Other Governmental Funds	$ -	$ -	$ 162,824,006.00	$ 167,542,326

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

Source: City Finance Department

	Fiscal Year					
	2013	2014	2015	2016	2017	2018
	$ -	$ -	$ -	$ -	$ -	$ -
	-	-	-	-	-	-
	$ -	$ -	$ -	$ -	$ -	$ -
	$ -	$ -	$ -	$ -	$ -	$ -
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	$ -	$ -	$ -	$ -	$ -	$ -
	$ 1,821,906	$ 1,264,392	$ 1,016,468	$ 1,029,015	$ 1,096,846	$ 1,031,385
	12,017,317	10,488,843	10,954,475	11,365,894	11,512,307	10,807,854
	$ 13,839,223	$ 11,753,235	$ 11,970,943	$ 12,394,909	$ 12,609,153	$ 11,839,239
	$ 20,003	$ 20,003	$ 132,037	$ 124,177	$ 979,130	$ 182,018
	202,134,812	199,162,404	335,415,122	303,860,121	302,110,933	293,344,990
	1,034,681	1,232,105	1,929,497	1,548,764	9,313,282	17,628,221
	(905,426)	(1,014,226)	(1,316,398)	(891)	(94,936)	-
	$ 202,284,070	$ 199,400,286	$ 336,160,258	$ 305,532,171	$ 312,308,409	$ 311,155,229

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

	Fiscal Year			
	2009	2010	2011	2012
REVENUES				
Property Taxes	$ 31,590,868	$ 25,429,344	$ 24,443,046	$ 14,738,584
Other Taxes	9,071,246	8,517,826	9,557,873	9,911,400
Special Assessments	1,482,146	1,578,779	1,586,602	1,578,318
Licenses, Permits and Fees	2,267,568	2,587,918	3,291,938	2,908,091
Intergovernmental Revenues	3,630,144	7,322,908	4,680,095	6,193,777
Charges for Services	3,548,413	1,594,774	1,383,934	1,374,351
Fines, Forfeitures and Penalties	937,506	733,792	972,457	1,850,398
Investment Earnings	9,445,099	7,928,611	7,147,497	7,180,018
Contributions from Property Owners	-	-	5,352,614	1,221,184
Miscellaneous	5,768,257	6,910,516	5,608,837	7,384,749
Total Revenues	67,741,247	62,604,468	64,024,893	54,340,870
EXPENDITURES				
Current:				
General Government	6,479,795	6,797,320	8,904,165	7,467,755
Public Safety	13,139,389	11,022,531	11,212,605	11,911,364
Community Development	4,662,003	3,049,501	18,805,484	1,608,782
Community Services	3,750,267	3,313,082	3,714,646	5,963,873
Public Services	12,202,971	12,901,064	6,221,286	7,800,095
Pass-through Payments	9,647,322	7,782,513	7,655,170	3,542,473
Set Aside Suspension	-	3,750,000	-	-
SERAF Payments	-	6,976,853	1,436,411	-
Capital Outlay	38,113,875	4,394,834	2,931,038	10,268,753
Debt Service:				
Payment to Escrow Agent	-	1,987,745	1,832,080	-
Bond Issuance Costs	-	1,584,965	1,874,527	238,290
Principal Retirement	5,469,538	6,037,770	6,928,822	6,091,578
Interest and Fiscal Charges	10,066,977	10,318,720	9,046,095	7,951,971
Total Expenditures	103,532,137	79,916,898	80,562,329	62,844,934
Excess (Deficiency) of Revenues Over (Under) Expenditures	(35,790,890)	(17,312,430)	(16,537,436)	(8,504,064)
OTHER FINANCING SOURCES (USES)				
Transfers In	4,386,162	4,500,694	6,186,205	2,509,613
Transfers Out	(4,386,162)	(4,500,694)	(6,186,205)	(2,509,613)
Debt Issuance	-	-	-	-
Loans Issued	-	26,290,000	47,780,000	-
Loan Payments	-	(23,235,000)	(27,495,000)	-
Premiums	-	-	-	-
Discounts	-	(166,785)	(621,302)	(30,000)
Refunding Bonds Issued	-	26,290,000	29,435,000	1,405,000
Certificates of Participation Issued	-	-	-	-
Tax Allocation Bonds Issued	-	-	10,160,000	-
Sale of Capital Assets	-	-	-	-
Payment to Refunded Bond Escrow Agent	-	(22,082,648)	(25,662,920)	(1,345,000)
Total Other Financing Sources (Uses)	-	7,095,567	33,595,778	30,000
Net Change in Fund Balances before Special and Extraordinary Items	(35,790,890)	(10,216,863)	17,058,342	(8,474,064)
Extraordinary/Special Items	-	-	-	11,708,991
Net Change in Fund Balances	$ (35,790,890)	$ (10,216,863)	$ 17,058,342	$ 3,234,927
Debt Service as a Percentage of Noncapital Expenditures	24%	26%	25%	27%

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

Source: City Finance Department

Fiscal Year					
2013	2014	2015	2016	2017	2018
$ 5,844,498	$ 5,495,091	$ 6,249,786	$ 6,551,939	$ 20,077,953	$ 21,139,847
9,572,675	11,043,792	11,705,293	13,178,135	-	-
1,585,606	1,641,557	1,671,595	1,680,980	1,790,941	2,407,266
4,999,154	5,936,900	4,655,325	6,894,107	7,465,474	4,524,328
5,055,511	5,582,705	5,812,486	6,807,169	6,846,125	9,585,606
1,746,713	2,409,558	3,189,138	2,453,380	2,826,491	5,402,235
927,315	931,168	1,088,411	1,103,154	2,289,357	913,658
12,122,739	10,315,842	7,972,858	11,117,857	10,410,765	10,364,291
8,079,739	5,985,053	22,535,167	6,219,934	29,339,769	28,853,494
3,469,837	3,545,812	4,099,189	3,574,278	6,630,285	8,102,050
53,403,787	52,887,478	68,979,248	59,580,933	87,677,160	91,292,775
5,871,649	4,788,505	4,611,722	5,318,933	6,345,498	5,233,031
12,339,592	14,093,095	18,163,150	18,614,077	20,751,331	20,507,870
2,925,329	3,407,415	6,200,761	4,164,059	4,395,026	4,730,692
4,281,401	4,363,257	4,174,545	4,984,422	3,963,912	2,577,291
6,772,010	7,107,120	6,551,578	6,345,398	13,968,654	34,578,033
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
10,889,810	8,992,686	11,123,256	20,106,238	21,241,461	13,364,601
-	-	-	982,386	-	-
1,260,059	1,485,399	2,445,261	6,515	-	-
5,725,000	18,385,000	7,165,000	7,375,000	8,315,000	8,935,000
6,081,766	6,091,389	6,231,581	11,468,287	11,797,719	11,882,322
56,146,616	68,713,866	66,666,854	79,365,315	90,778,601	101,808,840
(2,742,829)	(15,826,388)	2,312,394	(19,784,382)	(3,101,441)	(10,516,065)
2,235,297	1,851,084	10,947,946	18,142,559	24,483,943	11,523,931
(2,235,297)	(1,851,084)	(10,947,946)	(19,791,262)	(24,802,020)	(11,523,931)
-	-	-	-	10,410,000	7,975,000
-	-	-	-	-	-
-	-	-	-	-	-
120,640	14,460,000	12,151,673	-	-	-
(23,125)	(149,044)	(96,307)	-	-	-
27,760,000	25,335,000	137,845,000	-	-	-
-	-	7,965,000	-	-	-
-	-	-	-	-	-
-	-	13,362	14,743	-	14,502
(3,244,386)	(19,013,502)	(18,542,280)	-	-	-
24,613,129	20,632,454	139,336,448	(1,633,960)	10,091,923	7,989,502
21,870,300	4,806,066	141,648,842	(21,418,342)	6,990,482	(2,526,563)
-	(9,880,891)	(4,502,385)	(7,319,955)	-	-
$ 21,870,300	$ (5,074,825)	$ 137,146,457	$ (28,738,297)	$ 6,990,482	$ (2,526,563)
29%	40%	24%	28%	29%	23%

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
2009	31,590,868	6,414,419	1,824,890	751,794	40,581,971
2010	25,904,948	6,236,748	1,792,699	519,001	34,453,396
2011	24,237,023	7,190,695	1,913,807	483,556	33,825,081
2012	14,698,032	7,444,947	2,002,550	538,402	24,683,931
2013	5,804,265	6,935,215	2,097,081	567,560	15,404,121
2014	5,487,743	8,031,486	2,275,619	760,203	16,555,051
2015	6,276,548	8,572,066	2,389,413	767,058	18,005,085
2016	6,537,540	9,939,637	2,423,707	838,364	19,739,248
2017	7,380,594	9,745,714	2,297,401	598,126	20,021,835
2018	8,030,862	10,071,435	2,477,400	560,150	21,139,847

Note: Property taxes significantly decreased in 2012 and in subsequent years due to the dissolution of the Lake Elsinore Redevelopment Agency on February 1, 2012.

Sources: City of Lake Elsinore Finance Department

This page left intentionally blank.

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
2009	2,221,776	895,720	253,028	682,798	644,591
2010	2,235,363	794,700	167,078	651,995	596,944
2011	2,361,769	890,865	175,895	641,608	602,028
2012	2,419,664	962,971	253,830	678,111	618,795
2013	2,528,412	1,014,135	213,857	711,110	650,148
2014	2,473,302	1,040,650	406,542	783,964	768,931
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

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

Fuel and Service Stations	Food and Drugs	Other and Transfers	Total
1,030,792	446,255	-	6,174,960
964,291	444,685	4,209	5,859,265
1,033,721	437,268	4,073	6,147,227
1,046,935	558,890	5,759	6,544,955
990,747	656,593	5,279	6,770,281
1,023,468	622,414	(138)	7,119,133
925,698	641,504	133	7,670,527
901,585	633,606	(3,586)	8,034,413
977,729	510,667	30	8,382,974
975,064	497,074	(1,388)	8,245,100

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

AGENCY	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
City Basic Levy[1]	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000
Lake Elsinore Unified	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.01900
Menifee School Dist.	0.02370	0.03254	0.03436	0.03486	0.03543	0.03421	0.03275	0.03010	0.03269	0.06080
Metro Water East	0.00430	0.00430	0.00370	0.00370	0.00350	0.00350	0.00350	0.00350	-	-
Metro Water West	0.00430	0.00430	0.00370	0.00370	0.00350	0.00350	0.00350	0.00350	-	-
Metro Water Original Area	-	-	-	-	-	-	-	-	0.00350	0.00350
Mt. San Jacinto Jr. College	-	-	-	-	-	-	-	0.01394	0.01320	0.01320
Perris School Dist.	0.02894	0.02485	0.01983	0.01983	0.01800	0.02524	0.05588	0.04699	0.05491	0.06000
Perris Union High School	0.02031	0.02686	0.03126	0.03429	0.03429	0.06970	0.06303	0.06236	0.06092	0.05675
Total Direct & Overlapping[2] Tax Rates	1.08155	1.09285	1.09285	1.09638	1.09472	1.13615	1.15866	1.16039	1.16522	1.21325
City's Share of 1% Levy Per Prop 13[3]	0.17415	0.17415	0.17415	0.17415	0.17415	0.17415	0.17415	0.17415	0.17415	0.07576
GENERAL OBLIGATION DEBT RATE										
RDA Basic Rate[4]	1.00430	1.00430	1.00370	1.00370	-	-	-	-	-	-
Total Direct Rate[5]	0.51775	0.53513	0.53306	0.52110	0.51923	0.08908	0.08528	0.08349	0.08181	0.08025

Notes:
[1]In 1978, the voters of the State of California passed Proposition 13 which set the property tax rate at a 1.00% fixed amount. This 1.00% is shared by all taxing agencies for which the subject property resides within. In addition to the 1.00% fixed amount, property owners are charged taxes as a percentage of assessed property values for the payment of any voter approved bonds.

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

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

[4]Redevelopment 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.

[5]Total 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.

Source: Riverside County Assessor 2008/09 - 2017/18 Tax Rate Table

City of Lake Elsinore, California
Principal Property Tax Payers
Current Year Compared to 2009

TAXPAYER	Fiscal Year 2018 Taxable Assessed Value	Rank	Fiscal Year 2018 Percent of Total City Taxable Assessed Value (1)	Fiscal Year 2009 Taxable Assessed Value	Rank	Fiscal Year 2009 Percent of Total City Taxable Assessed Value (2)
Plaza Apartments Investment	$ 50,013,534	1	0.89%	$ -		0.00%
Castle and Cooke Lake Elsinore West Inc.	25,998,660	2	0.46%	38,358,871	3	0.78%
Rivers Edge Apartments	25,458,351	3	0.45%	-		0.00%
Helf Canyon Hills Market Place I	24,367,002	4	0.43%	-		0.00%
Mohr Affinity, LLC	24,057,194	5	0.43%	-		0.00%
Lake Elsinore Marketplace	21,567,308	6	0.38%	-		0.00%
HGEF Holding Company LLC	18,655,783	7	0.33%	-		0.00%
Costco Wholesale Corporation	18,284,406	8	0.32%	-		0.00%
Walmart Stores Inc	18,213,726	9	0.32%			0.00%
Pacific Aggregates Inc	17,598,886	10	0.31%	-		0.00%
Castle and Cooke Lake Elsinore Outlet	-		0.00%	61,776,201	1	1.25%
Fairfield Ramsgate LP	-		0.00%	49,763,323	2	1.01%
WL Summerly Associates	-		0.00%	28,560,356	4	0.58%
Broadstone Rivers Edge Alliance	-		0.00%	27,558,012	5	0.56%
Harbor Grand Apartments Investment	-		0.00%	24,437,057	6	0.50%
Centex Homes	-		0.00%	24,326,246	7	0.49%
First National Bank of Arizona	-		0.00%	21,298,710	8	0.43%
Laing CP Lake Elsinore	-		0.00%	17,645,354	9	0.36%
Elsinore VETO	-		0.00%	17,025,807	10	0.35%
	$ 244,214,850		4.33%	$ 310,749,937		6.31%

(1) 2017-18 Total City Taxable Assessed Valuation: $ 5,644,172,790
(2) 2008-09 Local Secured Assessed Valuation: $ 4,927,408,004

Source: Riverside County Assessor 2017/18 and 2008/09 Combined Tax Rolls and the SBE Non Unitary Tax Roll

This page left intentionally blank.

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
2009	2,230,658	1,650,569	73.99%	250,474	1,901,043	85.22%
2010	1,894,552	1,643,583	86.75%	209,977	1,853,560	97.84%
2011	1,900,256	1,767,798	93.03%	121,988	1,889,786	99.45%
2012	1,874,319	1,770,492	94.46%	67,549	1,838,040	98.06%
2013	1,844,800	1,767,808	95.83%	64,528	1,832,336	99.32%
2014	1,935,629	1,822,844	94.17%	50,284	1,873,128	96.77%
2015	2,171,126	2,074,751	95.56%	43,741	2,118,492	97.58%
2016	2,308,803	2,300,196	99.63%	61,115	2,361,311	102.27%
2017	2,434,193	2,457,566	100.96%	66,383	2,523,949	103.69%
2018	2,553,532	2,665,332	104.38%	67,441	2,732,774	107.02%

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			
	Secured	Unsecured	Less: Exemptions	Taxable Assessed Value
2009	4,813,251,955	114,156,049	n/a	4,927,408,004
2010	3,957,216,079	104,903,811	n/a	4,062,119,890
2011	3,780,316,703	148,435,245	n/a	3,928,751,948
2012	3,777,595,058	145,931,118	n/a	3,923,526,176
2013	3,666,499,221	167,898,562	n/a	3,834,397,783
2014	3,888,934,354	142,565,053	n/a	4,031,499,407
2015	4,463,835,597	136,300,859	(105,231,318)	4,494,905,138
2016	4,768,722,323	129,261,454	(93,034,816)	4,804,948,961
2017	5,177,285,267	130,180,313	(95,434,240)	5,212,031,340
2018	5,573,186,823	125,275,157	(99,693,567)	5,598,768,413

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.

[1]In accordance with the timeline ser 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.

[2]Total 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 2017/18 Combined Tax Rolls

Successor Agency for the Redevelopment Agency				
Secured	Unsecured	Less: Exemptions	Taxable Assessed Value	Total Direct Tax Rate
2,411,198,603	91,268,375	n/a	2,502,466,978	0.51775%
2,077,411,999	83,367,167	n/a	2,160,779,166	0.53513%
1,998,889,644	79,994,003	n/a	2,078,883,647	0.53306%
1,955,649,172	78,927,893	n/a	2,034,577,065	0.52110%
1,880,967,030	110,109,381	n/a	1,991,076,411	0.51923%
1,938,704,040	89,830,332	n/a	2,028,534,372	0.08908%
2,135,333,435	83,968,122	(71,673,963)	2,147,627,594	0.08528%
n/a	n/a	n/a	n/a	0.08349%
n/a	n/a	n/a	n/a	0.08181%
n/a	n/a	n/a	n/a	8.02500%

`

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

	Governmental Activities				
Fiscal Year Ended June 30	Local Agency Revenue Bonds	Tax Allocation Bonds	Subordinate Tax Allocation Bonds	Revenue/ Revenue Refunding Bonds	Developer/ Owner Agreements
2009	56,745,000	52,785,000	-	14,095,000	3,441,041
2010	53,725,000	54,545,000	-	13,740,000	3,263,574
2011	64,220,000	60,080,000	4,610,000	13,365,000	3,070,763
2012	61,835,000	58,580,000	-	12,975,000	-
2013	83,470,000	56,125,000	-	12,565,000	-
2014	80,570,000	53,605,000	-	13,895,000	-
2015	205,598,458	50,450,128	-	13,295,152	-
2016	196,377,233	44,262,600	-	12,717,253	-
2017	190,449,105	42,490,000	-	22,449,354	-
2018	182,415,000	40,225,000	-	21,620,000	-

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

Governmental Activities (Continued)					
Certificates of Participation	Notes/ Loans Payable	Capitalized Lease	Total Governmental Activities	Percentage of Personal Income	Debt per Capita
-	307,542	20,316	127,393,899	11.76%	2,572
-	256,720	-	125,530,294	11.78%	2,494
-	204,046	-	145,549,809	14.79%	2,855
-	-	-	133,390,000	12.40%	2,516
-	-	-	152,160,000	13.95%	2,745
-	-	-	148,070,000	13.49%	2,611
7,859,283	-	-	277,203,022	25.55%	4,890
7,644,938	-	-	261,002,024	22.08%	4,278
7,420,593	-	-	262,809,052	22.16%	4,233
6,995,000	-	-	251,255,000	21.19%	4,046

This page left intentionally blank.

City of Lake Elsinore, California
Direct and Overlapping Bonded Debt
June 30, 2018

	Percentage Applicable **(1)**	Outstanding Debt 6/30/18	City's Share of Overlapping Debt 6/30/18
2017-18 Assessed Valuation	$ 5,598,768,413		
OVERLAPPING TAX AND ASSESSMENT DEBT:			
DIRECT OVERLAPPING TAX AND ASSESSMENT DEBT			
City of Lake Elsinore Community Facilities Districts	100%	28,640,000	28,640,000
Lake Elsinore Public Financing Authority 1915 Act Bonds	100%	12,770,000	12,770,000
Lake Elsinore Public Financing Authority Community Facilities Districts	100%	161,670,000	161,670,000
Lake Elsinore Public Financing Authority Tax Allocation Revenue Bonds	100%	40,225,000	40,225,000
Lake Elsinore Facilities Financing Authority Community Facilities Districts	100%	7,975,000	7,975,000
TOTAL DIRECT OVERLAPPING TAX AND ASSESSMENT DEBT			251,280,000
OTHER OVERLAPPING TAX AND ASSESSMENT DEBT			
Riverside County Flood Control District, Zone No. 4	0.939%	16,750,000	157,283
Metropolitan Water District	0.206%	60,600,000	124,836
Mount San Jacinto Community College District	6.624%	177,765,000	11,775,154
Perris Union High School District	3.084%	106,662,301	3,289,465
Menifee Union School District	5.059%	65,979,720	3,337,914
Perris School District	0.074%	29,211,242	21,616
Lake Elsinore Unified School District CFDs	43.718%	32,415,000	14,171,190
Lake Elsinore Unified School District Community Facilities Districts	100%	37,362,927	37,362,927
Perris Union High School District CFD No. 92-1	9.132%	34,620,000	3,161,498
Elsinore Valley Metropolitan Water District CFD No. 2003-1	100%	3,173,000	3,173,000
TOTAL OTHER OVERLAPPING TAX AND ASSESSMENT DEBT			$ 76,574,883
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT			$327,854,883
DIRECT AND OVERLAPPING GENERAL FUND DEBT:			
DIRECT GENERAL FUND DEBT			
City of Lake Elsinore General Fund Obligation	100%	$ 21,620,000	$ 21,620,000
City of Lake Elsinore Certificates of Participation	100%	6,995,000	6,995,000
TOTAL DIRECT GENERAL FUND DEBT			$ 28,615,000
OVERLAPPING GENERAL FUND DEBT			
Riverside County General Fund Obligations	2.142%	$ 812,829,106	$ 17,410,799
Riverside County Pension Obligations	2.142%	266,365,000	5,705,538
Lake Elsinore Unified School District Certificates of Participation	43.718%	32,269,521	14,107,589
Perris Union High School District General Fund Obligations	3.084%	7,411,654	228,575
Menifee and Perris School District Certificates of Participation	5.059 & 0.074%	35,218,007	1,435,470
Western Municipal Water District	4.63%	10,197,212	472,131
TOTAL OVERLAPPING GENERAL FUND DEBT			$ 39,360,102
TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND DEBT			$ 67,975,102
Less: Riverside County General Fund Self-supporting Obligations			71,828
TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT			$ 67,903,274
OVERLAPPING TAX INCREMENT DEBT (SUCCESSOR AGENCY):	100.000%	$ 57,150,000	$ 57,150,000
Total Direct General Fund Debt			$ 28,615,000
Total Gross Overlapping Debt			$424,364,985
Total Net Overlapping Debt			$424,293,157
Gross Combined Total Debt (2)			$452,979,985
Net Combined Total Debt			$452,908,157

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.

Ratios to 2017-18 Assessed Valuation:	
Total Direct Debt ($28,615,000)	0.51%
Gross Combined Total Debt	8.09%
Net Combined Total Debt	8.09%
Ratios to Redevelopment Incremental Valuation ($2,459,600,013):	
Total Overlapping Tax Increment Debt	2.32%

Source: California Municipal Statistics

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

	Fiscal Year			
	2009	2010	2011	2012
Assessed Valuation	$ 4,927,408,004	$ 4,062,119,890	$ 3,928,751,948	$ 3,923,526,176
Conversion Percentage	25%	25%	25%	25%
Adjusted Assessed Valuation	1,221,544,416	1,015,529,973	982,187,987	980,881,544
Debt Limit Percentage	15%	15%	15%	15%
Debt Limit	183,231,662	152,329,496	147,328,198	147,132,232
Total Net Debt Applicable to Limitation	-	-	-	-
Legal Debt Margin	$ 183,231,662	$ 152,329,496	$ 147,328,198	$ 147,132,232
Total Debt Applicable to the Limit as a Percentage of Debt Limit	0.0%	0.0%	0.0%	0.0%

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

Sources: HdL Companies and Riverside County Assessor Tax Roll

Fiscal Year					
2013	2014	2015	2016	2017	2018
$ 3,834,397,783	$ 4,031,499,407	$ 4,494,905,138	$ 4,804,948,961	$ 5,212,031,340	$ 5,598,768,413
25%	25%	25%	25%	25%	25%
958,599,446	1,007,874,852	1,123,726,285	1,201,237,240	1,303,007,835	1,399,692,103
15%	15%	15%	15%	15%	15%
143,789,917	151,181,228	168,558,943	180,185,586	195,451,175	209,953,815
-	-	-	-	-	-
$ 143,789,917	$ 151,181,228	$ 180,185,586	$ 180,185,586	$ 195,451,175	$ 209,953,815
0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

City of Lake Elsinore, California

Pledged-Revenue Coverage

Last Ten Fiscal Years

Tax Allocation Bonds

Fiscal Year Ended June 30	Successor Redevelopment Tax Increment Revenue	Debt Service		Coverage	Tax Allocation Bonds
		Principal	Interest		
2009	24,892,412	1,761,323	3,558,405	4.68	52,785,000
2010	19,877,054	1,295,000	3,304,802	4.32	54,545,000
2011	19,004,495	1,195,000	2,315,314	5.41	60,080,000
2012	9,451,004	1,500,000	1,071,681	3.68	58,580,000
2013	10,090,329	2,455,000	1,050,131	2.88	56,125,000
2014	10,864,084	2,520,000	2,333,745	2.24	53,605,000
2015	10,070,883	2,590,000	2,262,351	2.08	51,015,000
2016	12,245,321	2,760,000	2,361,749	2.39	52,770,000
2017	8,891,703	2,945,000	2,149,445	1.75	49,825,000
2018	10,063,122	2,995,000	2,069,501	1.99	57,150,000

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

Source: City Finance Department

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

Fiscal Year Ended June 30	Population (1)	Personal Income (In Thousands) (2)	Per Capita Personal Income (3)	Unemployment Rate (4)
2009	49,528	1,083,488	21,876	8.2%
2010	50,324	1,065,544	21,174	13.2%
2011	50,983	984,074	19,302	14.3%
2012	53,024	1,075,380	20,281	13.2%
2013	55,430	1,090,807	19,679	9.3%
2014	56,718	1,097,663	19,353	8.1%
2015	56,688	1,085,008	19,140	8.8%
2016	61,006	1,182,026	19,375	7.2%
2017	62,092	1,185,907	19,099	6.5%
2018	63,365	1,276,340	20,142	6.0%

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 2009

	2018			2009		
	Number of Employees		Percent of Total Employment*	Number of Employees		Percent of Total Employment*
EMPLOYMENT						
Estimated Total Employment	29,200	(1)		22,200	(1)	
EMPLOYER						
Lake Elsinore Unified School District	2,497		8.55%	1,060		4.77%
M & M Framing	500		1.71%	-	(2)	0.00%
Stater Bros (3 locations)	329		1.13%	165		0.74%
Lake Elsinore Hotel & Casino	275		0.94%	-	(2)	0.00%
Costco	265		0.91%	250		1.13%
Walmart Store	234		0.80%	225		1.01%
Riverside County - Department of Social Services	164		0.56%	-	(2)	0.00%
EVMWD (Elsinore Valley Mun Water Dist)	154		0.53%	-	(2)	0.00%
Target	140		0.48%	200		0.90%
Home Depot	130		0.45%	-	(2)	0.00%
Total Top 10 Employers	4,688		16.05%	1,900		8.56%

Notes:
(1) Total City Labor Force provided by EDD Labor Force Data.
(2) Data not available or Company not in business for 2009

Source:
MuniServices, LLC
Results based on direct correspondence with City's local businesses.

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

FUNCTION	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Government	20	20	17	24	22	24	20	20	21	22
Community Services (Includes Public Works)	41	42	47	42	43	47	45	51	61	53
Community Development	21	14	11	10	14	14	18	20	19	21
Total	82	76	75	76	79	85	83	91	101	96

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

Source: City Finance Department

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

FUNCTION	Fiscal Year 2009	2010	2011	2012
Police				
Lake Related Boating Enforcement Citations	n/a	444	244	384
Hazardous Traffic Violations	n/a	1,561	1,200	1,358
DUI Arrests	n/a	261	n/a	241
Fire				
Calls	3,876	4,007	3,950	3,944
Fire Suppression Equipment	3	3	3	3
Public Works				
Centerline Miles of Paved Surface Streets Maintained	174	173	173	174
Centerline Miles of Dirt Surface Streets Maintained	9	9	9	9
Weed Abatement-Lots Cleaned	390	365	470	452
Community Development				
Construction Permits Issued	505	771	829	760
Property Value Per Permits (Estimated in 000's)	$ 21,474	$ 42,848	$ 50,899	$ 43,381
New Home Building Permits Issued	43	211	223	210
Parks and Recreation				
Daily Lake Use Passes Sold	25,230	23,765	19,577	20,702

n/a=not available

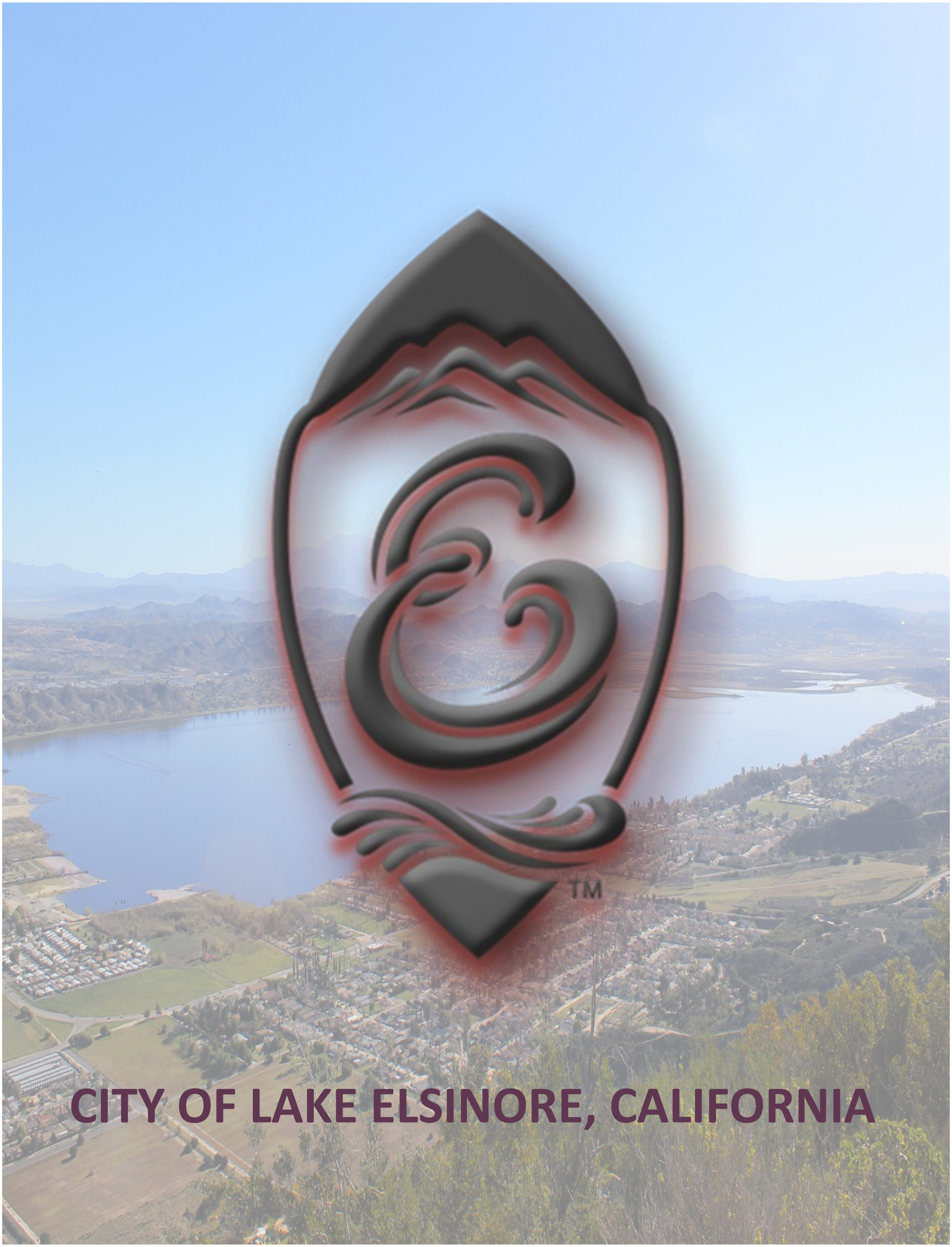
Source: City of Lake Elsinore, Various Departments

Fiscal Year					
2013	2014	2015	2016	2017	2018
204	425	419	597	134	51
2,155	2,848	3,338	3,711	4,141	2,821
216	197	179	137	140	111
4,554	4,484	4,456	5,110	5,249	5,249
4	4	4	4	3	3
189	189	189	254	254	254
9	9	9	9	9	9
360	414	227	204	116	116
909	972	735	2,022	2,933	2,933
$ 124,755	$ 121,773	$ 71,664	$ 104,923	$ 188,892	$ 188,892
660	626	346	410	449	449
21,413	20,183	14,996	11,427	11,278	11,278

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

	Fiscal Year									
FUNCTION	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Fire										
Fire Stations	3	3	3	3	3	4	4	4	4	4
Public Works										
Street Miles	157	157	157	157	157	157	157	157	254	254
Lake, Parks, & Recreation										
Parks and River Walk	16	16	17	17	17	17	17	17	18	18
Beaches and Recreation Facilities	8	8	10	10	10	10	10	10	10	10
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


CITY OF LAKE ELSINORE, CALIFORNIA