

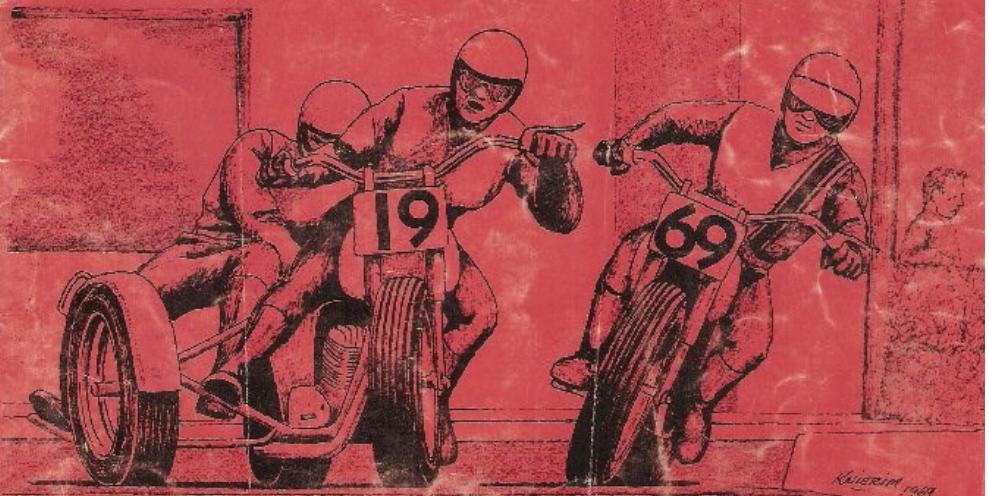
City of Lake Elsinore, California

Comprehensive Annual Financial Report

For Fiscal Year Ended June 30, 2019

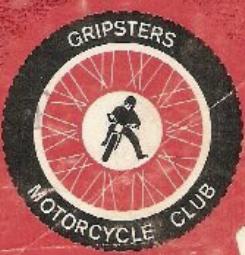


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PROGRAM
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CITY OF LAKE ELSINORE, CALIFORNIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED
JUNE 30, 2019

Prepared by:
Department of Administrative Services
Finance Division

CITY OF LAKE ELSINORE, CALIFORNIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED
JUNE 30, 2019

CITY OF LAKE ELSINORE
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2019

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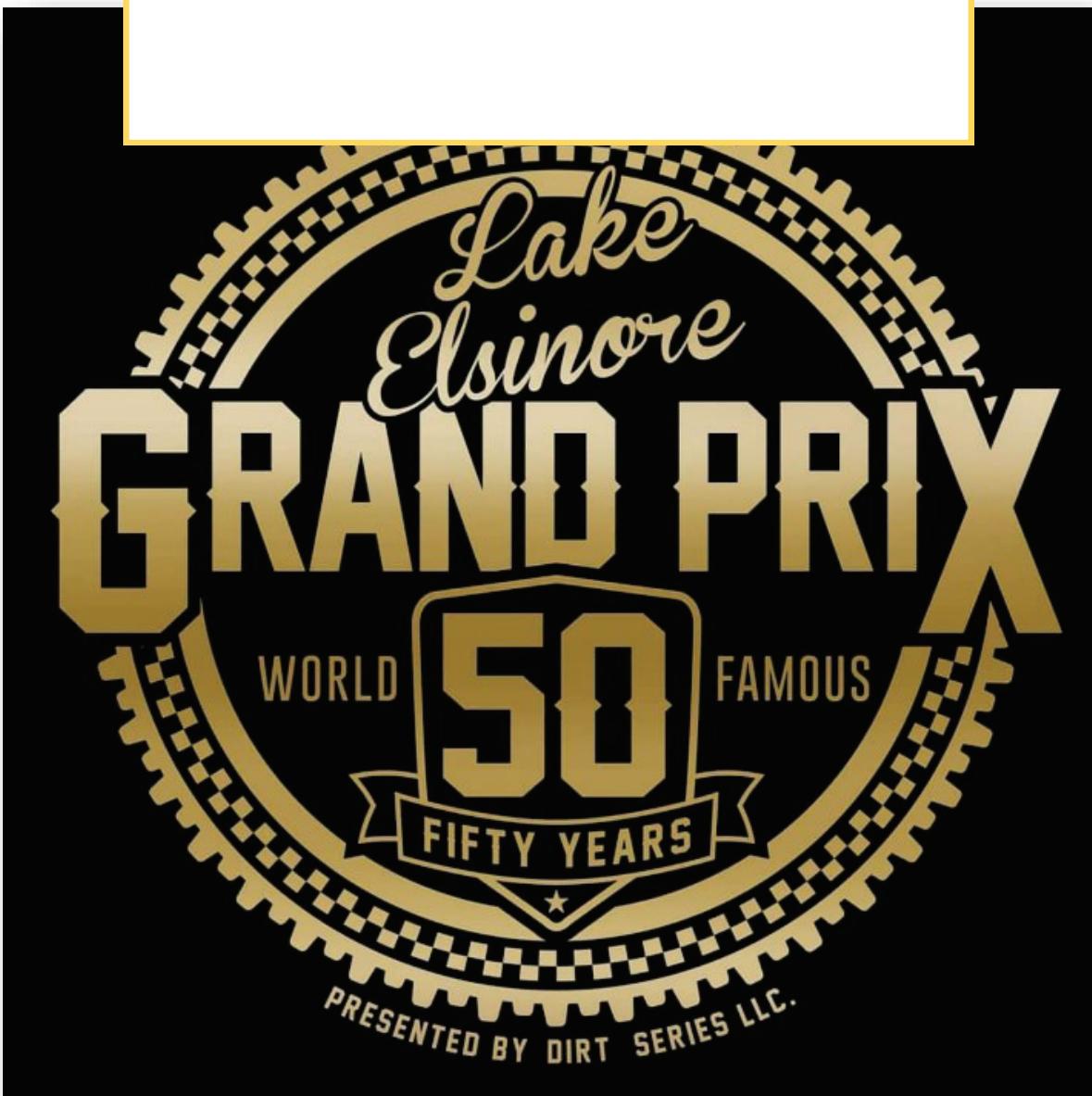
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INTRODUCTORY SECTION







December 18, 2019

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, 2019 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 to the recommendations of GASB.

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

Independent Audit

State statutes require an annual audit by independent certified public accountants. 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 is to provide reasonable assurance that the City's financial statements are free of material misstatement. The independent audit firm has concluded that there was a reasonable basis

for rendering an unmodified opinion that the City of Lake Elsinore's financial statements for the year ended June 30, 2019, 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

Incorporated in 1888, the City of Lake Elsinore is located in the Elsinore Valley of 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 62,949, 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.

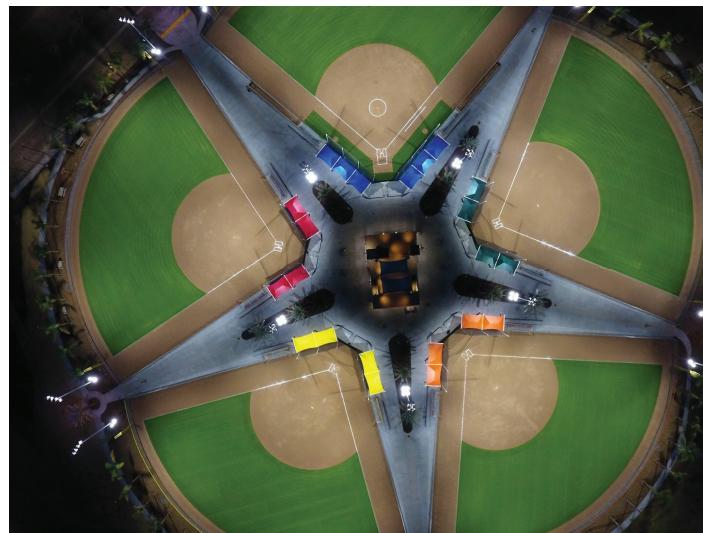
Termed the "*Action Sports Capital of the World*", management works to support sports on and around the lake. Centrally located within the city limits, lays our 3,000 surface acre recreational lake with campgrounds and boat launches where water sport players can play. Some events centered around the lake include fishing tournaments, kids fishing derby, National Water Ski races, jet skiing, kite surfing, and boat sailing.

Within the city limits, citizens and visitors can play at the: Skylark Field Airport (CA89), an airport for skydiving, airplane gliding, and airplane flying; Links at Summerly, an 18-hole golf course, dining, and celebration events such as weddings. 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

Honorable Mayor and City Council
December 18, 2019

League Baseball Team, other events are held such as high school graduations, music concerts, and off-road vehicle races.

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



After capital improvements to the City owned campground and boat launch, the transformed Launch Pointe Recreation Destination & RV Park opened at the tail end of the fiscal year end 2019. Located on the North shore of the Lake, the resort includes boat launch, picnic areas, shade structures, splash pad, playground, pool, RV hookups, RV storage, laundry facility, parking, concession stand, bait & tackles shop, new entryway, administrative building, and a large community hall. The community hall provides a viewing deck of the lake and is available to rent for events such as weddings or parties. This lovely resort also includes Vintage Village a vintage trailer area in which vintage trailers can be rented by groups or individually. Yurt Village provides rentable furnished yurts of various sizes. The City anticipates an increased draw of visitors and revenue because of Launch Pointe.



Launch Pointe's Yurt in Yurt Village

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.



Scene from the Elsinore Grand Prix

The City provides a range of municipal services for citizens throughout the community that include maintenance of 18 parks, 3 public beaches, 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

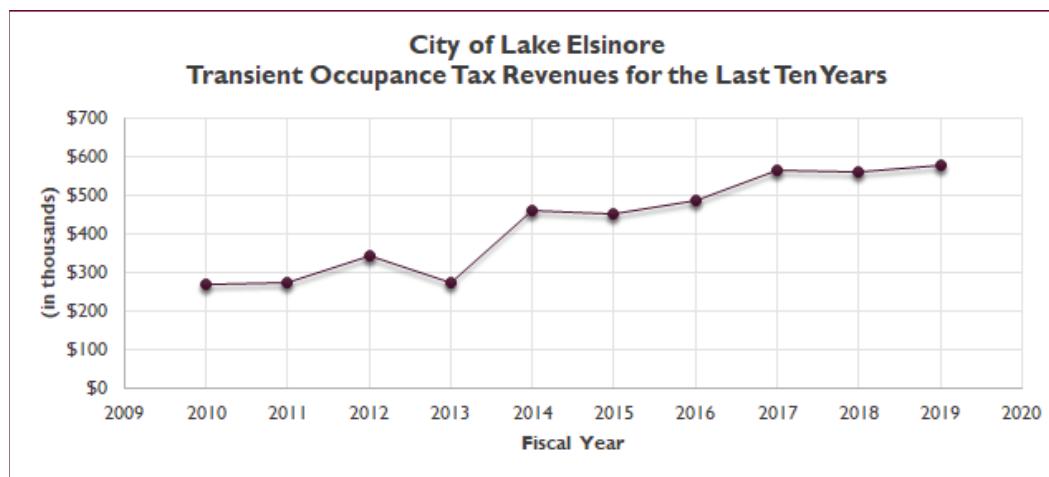
The City offers easy access to major freeways, available industrial and commercial land, quality labor force of both skilled and semi-skilled workers, and an economic philosophy of assisting local businesses for future growth. The region's geographic location, competitive cost structure and sophisticated logistics facilitates one of the fastest growing communities in the area. The City's median age is 30.3 with a per capita personal income of \$21,605. As shown in Chart 1, this is a slight increase from the prior year of \$20,142 with the unemployment rate at 4.0%, which is down from the prior year of 6.0%. The median housing price in the City is approximately \$370,000, which is a median decrease of 1.99% from the prior year. The median price paid for Southern California homes is in the \$541,250 range, which is a 1.2% increase from \$535,000 in June 2018.

Chart 1.



The City experienced an increase of 3.1% in the transient occupancy tax (TOT) revenues for a total of \$577,805 for the fiscal year from \$560,150 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

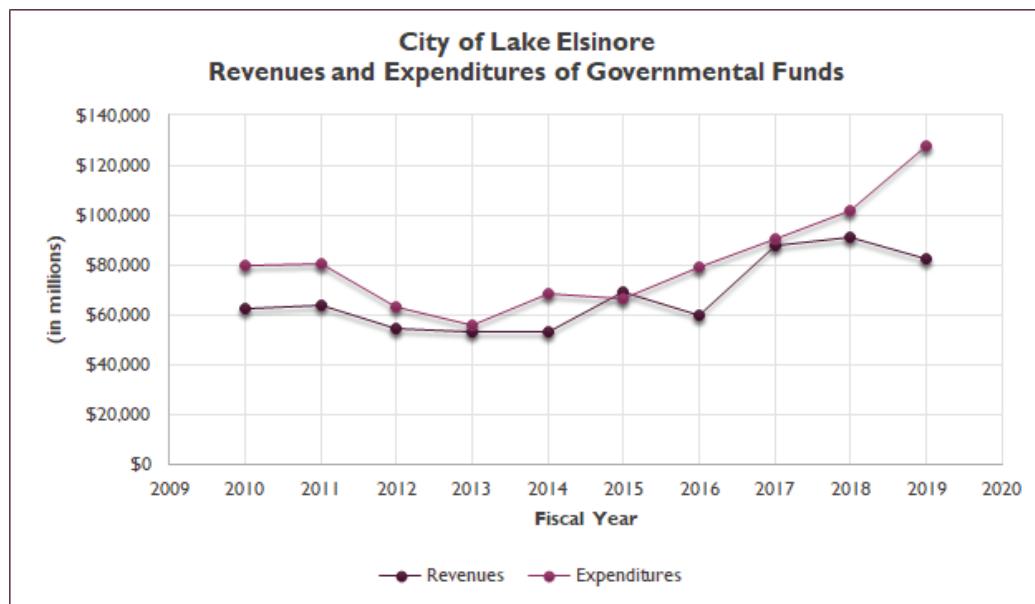
slight increase of sales overall of 9.8% for a total amount of \$11,057,497 as shown in Chart 3 below. Even though the California Department of Taxes and Fees Administration reporting software implementation issues have stabilized, 2 to 3 % allocation delays continue. With California's AB147, companies such as Amazon, eBay, and Wayfair are now required to collect and remit their clients sales and use tax, which should increase allocation to the City. 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.



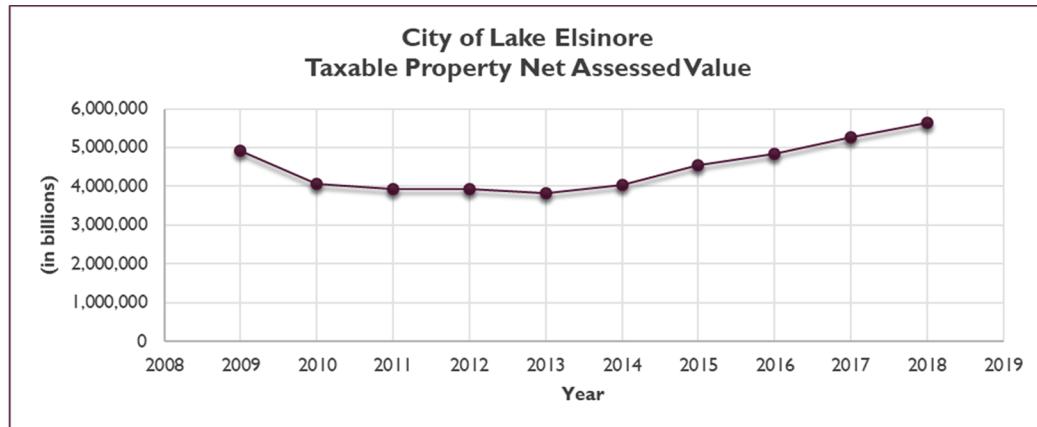
The City experienced a decrease in net position because of an increase in expenditures and a decrease in revenue overall as reflected in the Chart 4 below. The increase in expenditure resulted from capital improvement projects and debt service while the decrease in revenue resulted from decreases in licenses and permits and charges for services.

Chart 4.



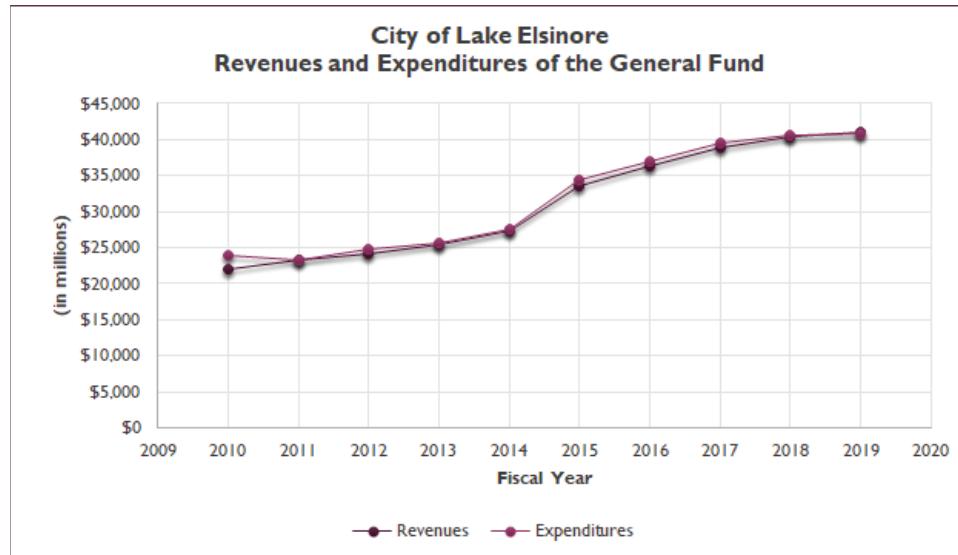
Taxable property net assessed values continue on a consistent upswing with only a little more than 1/3 built-out. The 2/3 of vacant land includes open frontage along California's Interstate 15 Highway available for commercial development. Chart 5 below shows full recovery from the housing market drop of 2008 and constitutes a 9.66% increase from last year.

Chart 5.



The City's General Fund, the main operating fund used to account and report financial resources not accounted for in another fund experienced a slight increase in revenues by 1.02% while the general fund expenditures increased by 1.01% for the fiscal year as shown by Chart 6 below. This chart reflects how Council's vision and goals permeate through the City Governance to the Citizens as the City experiences continued growth of the local economy. As the City grows the City's general fund increases and allows the City to provide improved level of services. The general fund chart not only shows the increased level of services but also demonstrates compliance with budgetary controls by "living within the means."

Chart 6.



This past fiscal year the City and Citizens experienced three unusual and natural events; the Holy Fire in September 2018 followed by flooding in October as a result of the fire. The rains that caused the flooding created a perfect environment for the California poppy flowers causing a super bloom in March and April 2019. This made National news and instigated visitors from around the world to see this super bloom in Lake Elsinore. Expenditures related to mitigating these natural events came from the general fund as well as some donations. Regardless of the costs, expenditures of \$40.8 million were less than the \$40.9 million revenue.



Things to Come

Through the Capital Improvement Plan, the City is currently working on construction of the Camino Del Norte missing link between Main Street and Canyon Estates Drive. This project consists of realignment and construction of new roadway; drainage culverts, sidewalks, curbs, gutters, and traffic signal to improve traffic flow through the city. The City has joined forces with the Riverside County Transportation Commission in facilitating the City's Ultimate Railroad Canyon and Interstate 15 Interchange project. This project, to be completed in phases, is also designed to improve traffic flow through the City. Scheduled to open soon, the new Neighborhood Center in which the City has taken and old Sheriff Station and performed extensive renovations and remodeling. This center is designed as an extension to the current downtown Community Center.

After the close of the 2019 fiscal year, the City of Lake Elsinore Council and Planning Commission have reviewed and approved developments that represent new single-family homes, economic investment, and employment opportunities in the City. The recently opened Central Plaza development will host Miguel Jr. as a nice addition to their plaza. Near the Central Plaza, the new Honda Dealership is under construction and hopeful for completion before the close of the 2020 fiscal year. A new Super Walmart and four out-pads is planning completion by December of 2020. Housing developments approved and process underway include: Rosetta View Estates with 27 single-family lots with 6 open space lots; Nichols Ranch with 168 single-family lots and 13 acres for commercial; Westlake with 163 detached single-family condominiums; and Woodside Homes within the Summerly development with 75 single-family lots.

Vision Statement and Major Initiatives

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

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

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

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

Internal Controls

Internal accounting controls are designed to provide reasonable assurance regarding the safeguarding of assets and the reliability of financial records and maintaining accountability of assets. To facilitate reporting, budgetary control is maintained through computer approval paths for all financial transactions of all funds as well as computer-generated reports. Capital Project expenditures are also controlled at the project level. Encumbrance accounting is utilized to ensure effective budgetary control; purchase orders and contracts are reviewed, and a determination is made that valid and sufficient appropriations exist for payment for ordered goods and services. Encumbrances outstanding at year-end do not constitute expenditures or liabilities. Unencumbered appropriations lapse at year-end, and encumbrances outstanding at that time are reported as a reserve of fund balance for subsequent year expenditures.

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

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



Fund Descriptions

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

Table 1.

CITY OF LAKE ELSINORE FUND DESCRIPTION
<u>GOVERNMENT FUNDS</u>
General Fund
Special Revenue Funds
Debt Service Funds
Capital Project Funds
Permanent Fund
<u>PROPRIETARY FUNDS</u>
Enterprise Fund:
Launch Pointe
Internal Service Funds:
Insurance Services
Information Systems Services
Support Services
Fleet Services
Facilities Services
<u>FIDUCIARY FUNDS</u>
Private-purpose Trust Funds
Agency Funds



Honorable Mayor and City Council
December 18, 2019

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, 2018. 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



Honorable Mayor and City Council
December 18, 2019



Government Finance Officers Association

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

Presented to

**City of Lake Elsinore
California**

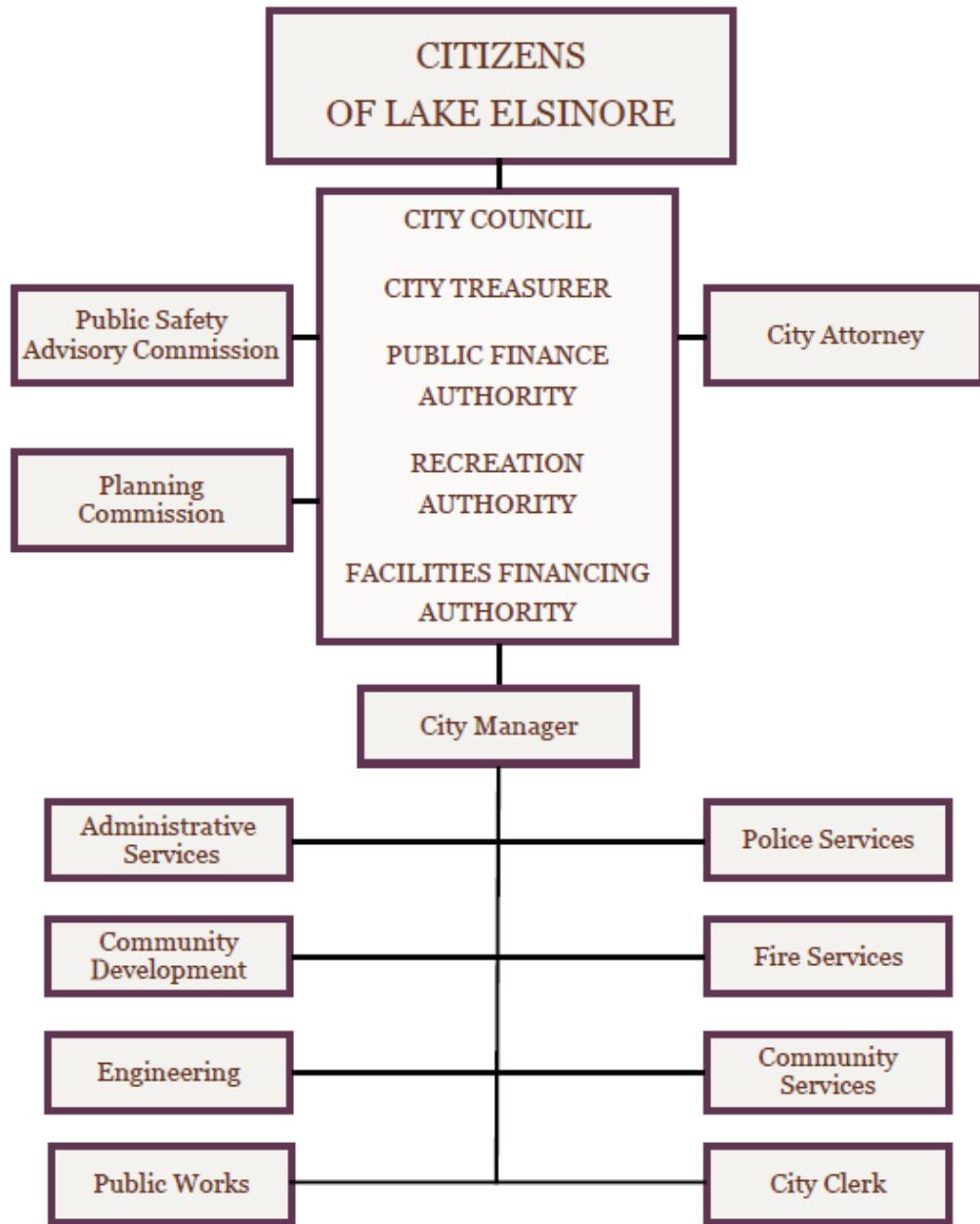
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2018

Christopher P. Morill

Executive Director/CEO

CITY ORGANIZATION CHART



**CITY OF LAKE ELSINORE
DIRECTORY**

ELECTED OFFICIALS

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

ADMINISTRATION

Grant Yates, City Manager
Jason Simpson, Assistant City Manager
Barbara Leibold, City Attorney
Candice Alvarez, City Clerk
Michael Lujan, Police Chief
Lonny Olson, Fire Chief
Remon Habib, City Engineer
Johnathan Skinner, Director of Community Services
Grant Taylor, Director of Community Development

CAFR TEAM

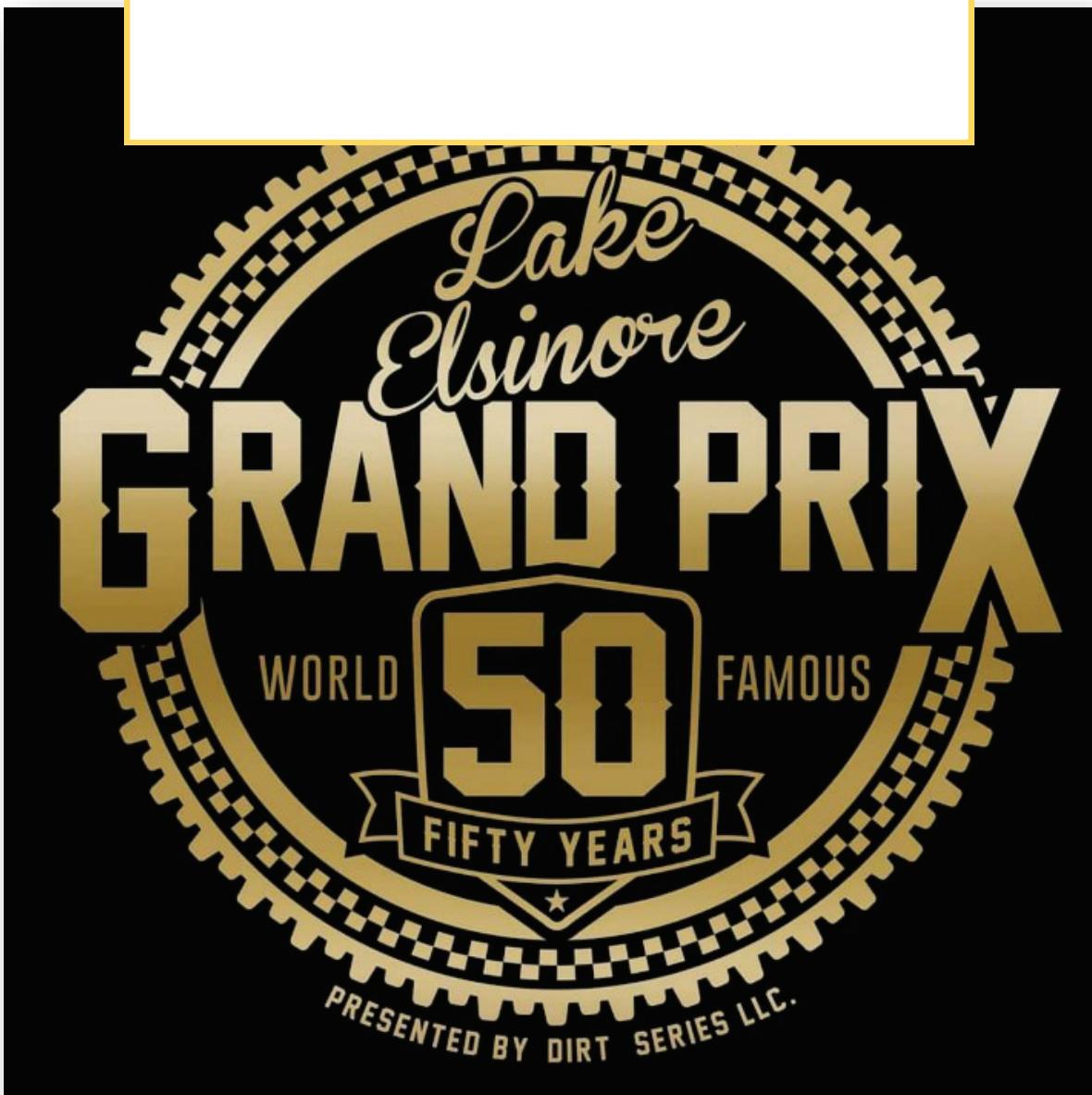
Jason Simpson, Assistant City Manager
Shannon Buckley, Assistant Administrative Services Director
Nancy Lassey, Finance Administrator
Monica Fernandez, Accountant I
Andrew Zavala, Accountant I

*At December 18, 2019

Location Map



FINANCIAL SECTION







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, the business-type 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, 2019, 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.





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, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Lake Elsinore, California, as of June 30, 2019, 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.

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 low moderate income housing, the schedule of proportionate share in net pension liability – CalPERS Pension Plan, the schedule of plan contributions CalPERS Pension Plan, and the schedule of changes in the 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, budgetary 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.

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.



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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2019 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Lance, Soll & Lungard, LLP". The signature is fluid and cursive, with "Lance" and "Soll" on the first line and "& Lungard, LLP" on the second line.

Brea, California
December 18, 2019



MANAGEMENT'S DISCUSSION AND
ANALYSIS





City of Lake Elsinore, California
Management's Discussion and Analysis
June 30, 2019

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, 2019. 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 asset, net of depreciation, increased by \$21.6 million resulting from increased road improvements, park improvements, city facility improvements, infrastructure improvements and the Launch Pointe Recreation & RV Park renovation.
- Capital expenditures in the Capital Improvement Plan increased 90.6% resulting from an increase in capital improvement projects construction in progress and infrastructure projects. There were 36 projects that began design, construction and/or were completed in fiscal year 2018-19.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$11.1 million or 27.1% of total General Fund expenditures. City Council has designated 17.2% or \$1.9 million of the \$11.1 million for future contingencies.
- The City of Lake Elsinore's total long-term debt had a net decrease of \$31.3 million during the current fiscal year. The net decrease is due to a full redemption and partial redemption of bonds.
- 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 \$231,942,466, which is 4.7% increase in net position.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis section is intended to serve as an introduction to the City's basic financial statement, designed to communicate the information in an easily readable form. The City's 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.

City of Lake Elsinore, California
Management's Discussion and Analysis
June 30, 2019

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.

City of Lake Elsinore, California
Management's Discussion and Analysis
June 30, 2019

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 two types of proprietary funds to report an enterprise fund and various internal service funds. The City uses an enterprise fund to account for the Launch Pointe Recreation Destination & RV Park in which fees are charged to external users for goods or services that are designed to cover costs of providing these goods and services. Enterprise funds are used to report business-type activities in the government-wide financial statements. The basic proprietary fund financial statements can be found on pages 30-32 of this report.

Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its self-insurance activities, information technology systems, support systems, fleet services, and facilities services. Because these proprietary funds benefit governmental functions, they have been included within governmental activities in the government-wide financial statements. The internal services funds and the enterprise fund are separated out into two columns in the proprietary fund financial statements on pages 30-32 of this report. Individual fund data for the internal service funds is provided in the form of combining statements on pages 167-173 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 33-34 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 37-96 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information*. Required supplementary information can be found starting on pages 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 \$231.9 million at the close of the most recent fiscal year. For the City, 70.8% of the net position reflects its investment in capital assets (e.g., land, buildings, machinery, equipment, and infrastructure), less any

City of Lake Elsinore, California
Management's Discussion and Analysis
June 30, 2019

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position, 40.9%, represents resources that are subject to external restrictions on how they may be used. The deficit balance of \$27.3 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 \$10.5 million primarily a result from capital improvement construction such as Launch Pointe. The decrease in current and other assets is a result of increased costs for public services, capital improvement projects, and unforeseen emergency events such as fire, flooding, and a poppy super bloom.

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

	Fiscal Year		% Change
	2018	2019	
Assets:			
Current and other assets	\$373,350	\$332,559	(10.9)
Capital assets	<u>173,647</u>	<u>195,308</u>	12.5
Total Assets	<u>546,997</u>	<u>527,867</u>	(3.5)
Deferred Outflows of Resources	<u>7,358</u>	<u>6,411</u>	(12.9)
Liabilities:			
Long-term liabilities	296,419	265,119	(10.5)
Other liabilities	<u>34,141</u>	<u>34,600</u>	1.3
Total Liabilities	<u>330,560</u>	<u>299,719</u>	(9.3)
Deferred Inflows of Resources	<u>2,313</u>	<u>2,617</u>	13.1
Net Position:			
Net investment in capital assets	142,754	164,256	15.1
Restricted	<u>92,281</u>	<u>94,960</u>	2.9
Unrestricted	<u>(13,554)</u>	<u>(27,274)</u>	101.2
Total Net Position	<u>\$221,481</u>	<u>\$231,942</u>	<u>4.7</u>

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 2019 was \$71.1 million, which was recovered through program revenues, taxes, and investment earnings of \$82.5 million. Figure 1 shows expenses in relation to program revenues while Figure 2 shows the makeup of the revenues. Revenue decreased by

City of Lake Elsinore, California
Management's Discussion and Analysis
June 30, 2019

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

\$11.6 million overall with a significant decrease in funding from capital grants and contributions and charges for services.

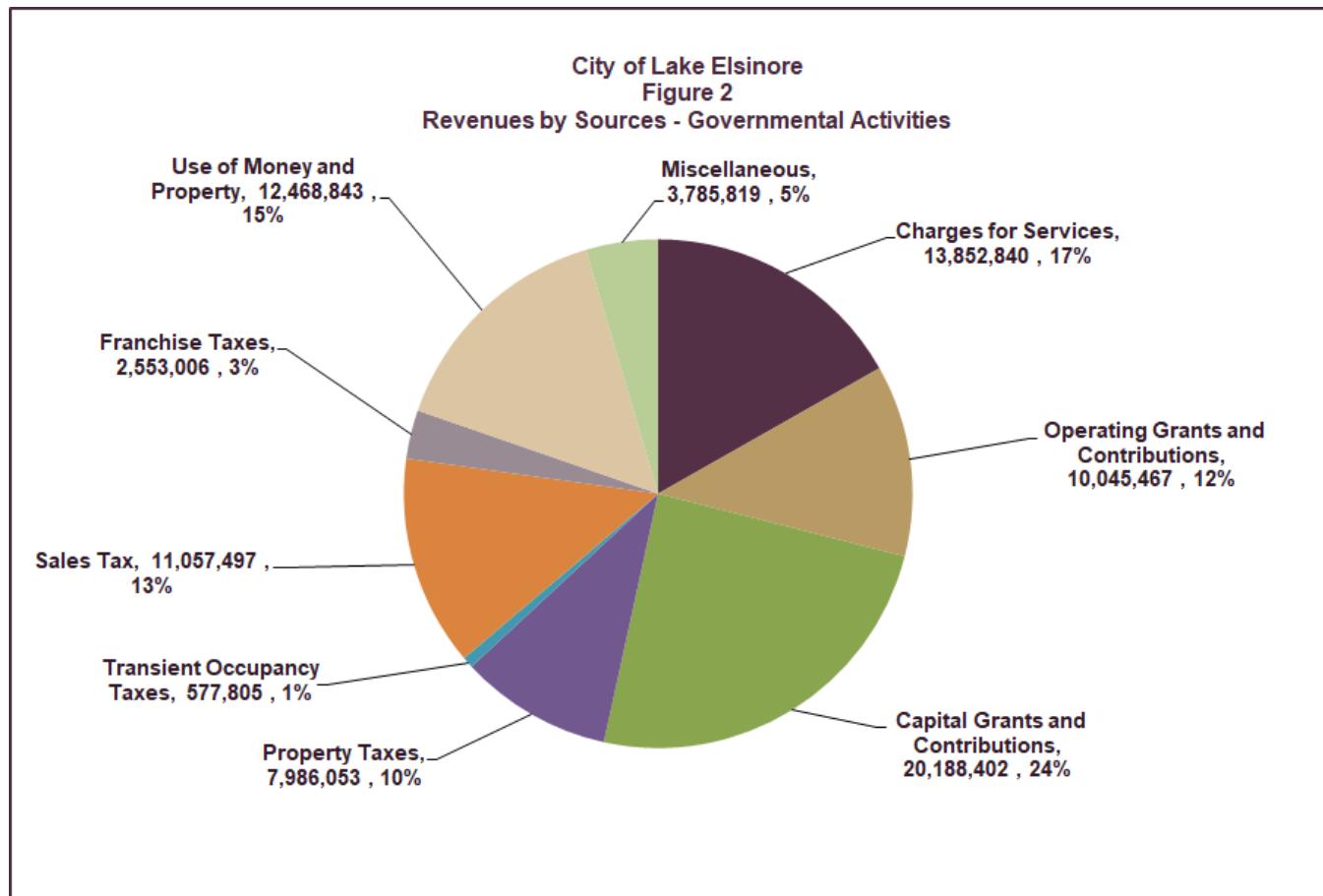
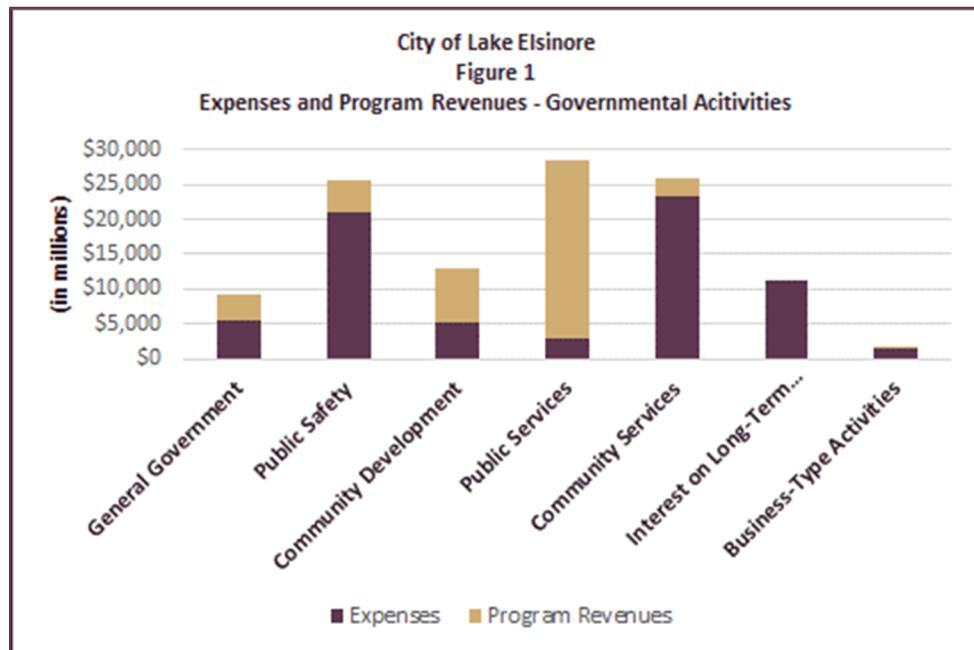
Property, sales, transient occupancy, and franchise tax revenue increased overall by \$1.0 million, which verifies a slight upward trend in the economy. Even though revenues decreased overall by 12.4%, expenses decreased overall by 20.7% facilitating the increase in net position by 4.7%.

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

	Fiscal Year		% Change
	2018	2019	
Revenues:			
Program revenues:			
Charges for services	\$17,479	\$13,604	(22.2)
Charges for services - Launch	0	249	100.0
Operating contributions and grants	8,599	10,045	16.8
Capital contributions and grants	30,755	20,188	(34.4)
General revenues:			
Property taxes	8,031	7,986	(0.6)
Transient occupancy taxes	560	578	3.2
Sales taxes	10,071	11,057	9.8
Franchise taxes	2,477	2,553	3.1
Investment earnings	13,192	12,469	(5.5)
Miscellaneous	3,027	3,786	25.1
Total revenues	<u>\$94,191</u>	<u>\$82,515</u>	<u>(12.4)</u>
Expenses:			
General Government	5,857	5,497	(6.1)
Public safety	20,963	21,143	0.9
Community Development	5,001	5,257	5.1
Community Services	3,314	3,004	(9.4)
Public services	43,153	23,304	(46.0)
Interest on long-term debt	11,463	11,340	(1.1)
Business-Type Activities	0	1,589	100
Total expenses	<u>\$89,751</u>	<u>\$71,134</u>	<u>(20.7)</u>
Changes in net position	4,440	11,381	156.4
Restatement of net position	(7,995)	(920)	(88.5)
Net position, beginning of year	<u>225,036</u>	<u>221,481</u>	<u>(1.6)</u>
Net position, end of year	<u>\$221,481</u>	<u>\$231,942</u>	<u>4.7</u>

City of Lake Elsinore, California
Management's Discussion and Analysis
June 30, 2019

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued



City of Lake Elsinore, California
Management's Discussion and Analysis
June 30, 2019

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 \$292 million, a decrease of \$31 million in comparison with the prior year. Of the \$292 million ending fund balance, a net \$10.3 million, constitutes *unassigned fund balance*, which is available for spending at the government's discretion. The remainder of fund balance is *nonspendable by \$1.2 million; restricted by \$267.5 million; and assigned by \$13.2 million* for particular purposes. For additional information, please 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 \$11.1 million, while total fund balance was \$12.1 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 27.1% of total General Fund expenditures, while total fund balance represents 29.8% of that same amount. The fund balance, of the City's General Fund experienced a decrease by \$305,670 during the current fiscal year. The primary factor for this overall 3% decrease is because of increased costs for public safety, public services and a reduction in general fund revenues of permits, fees, and charges for services.

For the major funds, the Public Financing Authority Debt Service Funds restricted fund balance decreased by \$30 million as the result of the annual debt service retirements and defeasance of bonds. The low and Moderate Income Housing Fund had an increase of \$812 thousand in the restricted fund balance from a new loan receivable for the new affordable housing development, Cottages on Mission Trail. The Recreation Authority experienced a decrease in fund balance by \$603 thousand resulting from annual debt service retirements. For the major capital projects funds, the Capital Improvement Plan Project Fund, the fund balance decreased by \$3.3 million from increased project costs of construction mostly from the Launch Pointe project.

GENERAL FUND BUDGETARY HIGHLIGHTS

Original - versus - Final: The original general fund budget versus the final budget reflects increases in revenue of \$472 thousand and increases in expenditures of \$274 thousand. Budget adjustments are completed as a means to match shortfalls in estimated revenue and increased costs. The final budgeted expenditures of \$45.9 million is \$870 thousand greater from the prior year; while the actual expenditures of \$41.0 million of this year is less than the prior year by \$1.6 million.

Revenue Variances: Licenses, permits, and fees ended less than estimated by \$334 thousand of the final budget resulting in less building permits issued. Intergovernmental revenues fell short of the final budgeted amount by \$1 million. Charges for services also fell short from budgeted by \$1.2 million resulting from fewer costs to recoup from the internal service funds.

City of Lake Elsinore, California
Management's Discussion and Analysis
June 30, 2019

GENERAL FUND BUDGETARY HIGHLIGHTS– Continued

Expenditure Variances: General fund actual expenditures ended less than the closing budgeted by \$4.9 million resulting from decreases in costs for Police services, Fire Suppression services, transfers out, Fire Prevention, Recreation, and Park Maintenance.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The City's investment in capital assets for its governmental activities as of June 30, 2019 amounts to \$195.3 million (net of accumulated depreciation), which is an increase of \$21.6 million from the prior year. This investment in capital assets includes land, construction in progress, buildings, improvements, machinery and equipment, and infrastructure. The total increase in the City of Lake Elsinore's investment in capital assets for the current fiscal year was 12.5%. Major or notable capital asset events during the current fiscal year included the following:

- Launch Point Recreation Destination & RV Park
- I-15 / Railroad Canyon Full Lane Addition
- Third Street Drainage Improvements
- Camino Del Norte Link to Main Street
- Diamond Stadium Improvements
- Canyon Hills Park Upgrades
- McVicker Canyon Sports Park Renovations
- City-wide Street Improvements
- City-wide Curb & Gutter Improvements

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

	Fiscal Year		
	2018	2019	% Change
Land	\$3,216	\$3,430	6.7
Construction in progress	18,804	36,117	92.1
Buildings and structures	13,835	13,748	(0.6)
Improvements other than buildings	10,099	9,449	(6.4)
Machinery and equipment	820	1,092	33.2
Furniture and fixtures	596	808	35.6
Automotive equipment	1,684	1,670	(0.8)
Technology Equipment	291	307	5.5
Infrastructure	<u>124,302</u>	<u>128,687</u>	3.5
Total Capital Assets	<u>\$173,647</u>	<u>\$195,308</u>	<u>12.5</u>

City of Lake Elsinore, California
Management's Discussion and Analysis
June 30, 2019

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 had total outstanding long-term liabilities of \$265 million as shown below in Table 4. Changes in long-term bonds resulted from the reduction of debt through principal and interest payments as well as a partial defeasance of certain tax allocation revenue bonds. Changes in long-term obligations resulted from the reduction of obligations due employees. Additional information on the City of Lake Elsinore's long-term debt can be found in Note 7 for bonds, Note 12 for pension and Note 13 for other post-employment benefits in this report.

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

	Fiscal Year		% Change
	2018	2019	
Local agency revenue bonds	\$182,415	\$163,920	(10.1)
Tax allocation revenue bonds	40,225	25,770	(35.9)
Lease revenue bonds	21,620	20,740	(4.1)
Certificate of participation bonds	6,995	6,760	(3.4)
Net of bond discounts and premiums	9,843	9,375	(4.8)
Capital Lease – Street Lights	0	3,459	100.0
Net pension liability	12,189	11,685	(4.1)
Other post-employment obligation	21,897	22,238	1.6
Compensated absences	1,235	1,172	(5.1)
Total Outstanding Debt	\$296,419	\$265,119	(10.6)

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 B&C	A+	AA-	AA-
Subordinated Tax Allocation Bonds Series 2015	A-	A+	A+
Subordinated Tax Allocation Bonds Series 2019	N/A	N/A	A+
Third-lien Tax Allocation Bonds Series 2018A	N/A	A	A
Third-lien Tax Allocation Bonds Series 2018B	N/A	A	A

City of Lake Elsinore, California
Management's Discussion and Analysis
June 30, 2019

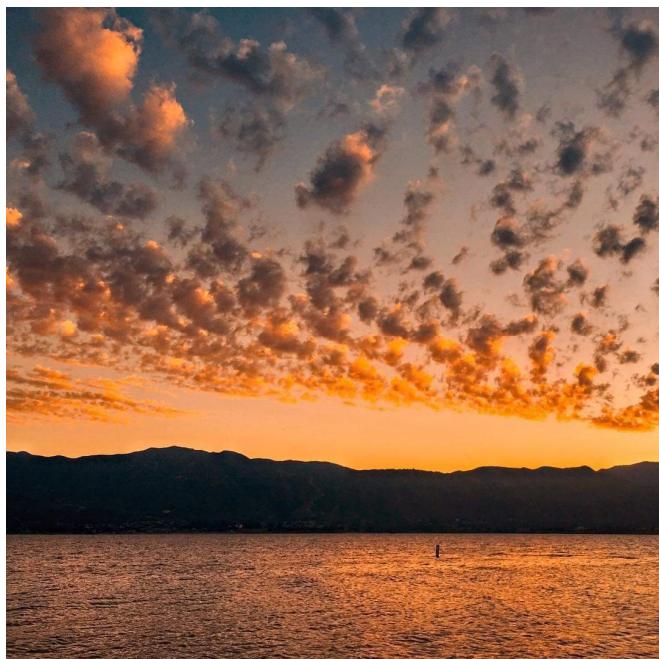
ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

- 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 development communities are nearly complete and have not begun pulling permits for new communities. Additionally, the Cannabis permits status and performance has been slow so that revenue from these permits has not been realized yet.
- Community facility district's (CFD) assessments are estimated to increase because of the increased annexations of developments. Some CFD revenues are earmarked for services such as law, fire, paramedic, and landscape maintenance that will offset the increased costs of those services. All new development must annex into these service type CFDs.
- The City's long-range financial forecast, beginning in the fiscal year 16-17, projects that the City will experience a structural deficit as expenditures increase at a faster rate than revenues. Anticipated increases in Public Safety costs are the main cause of rising expenditures. The City continues with expenditure reduction measures and/or revenue enhancement implementation.

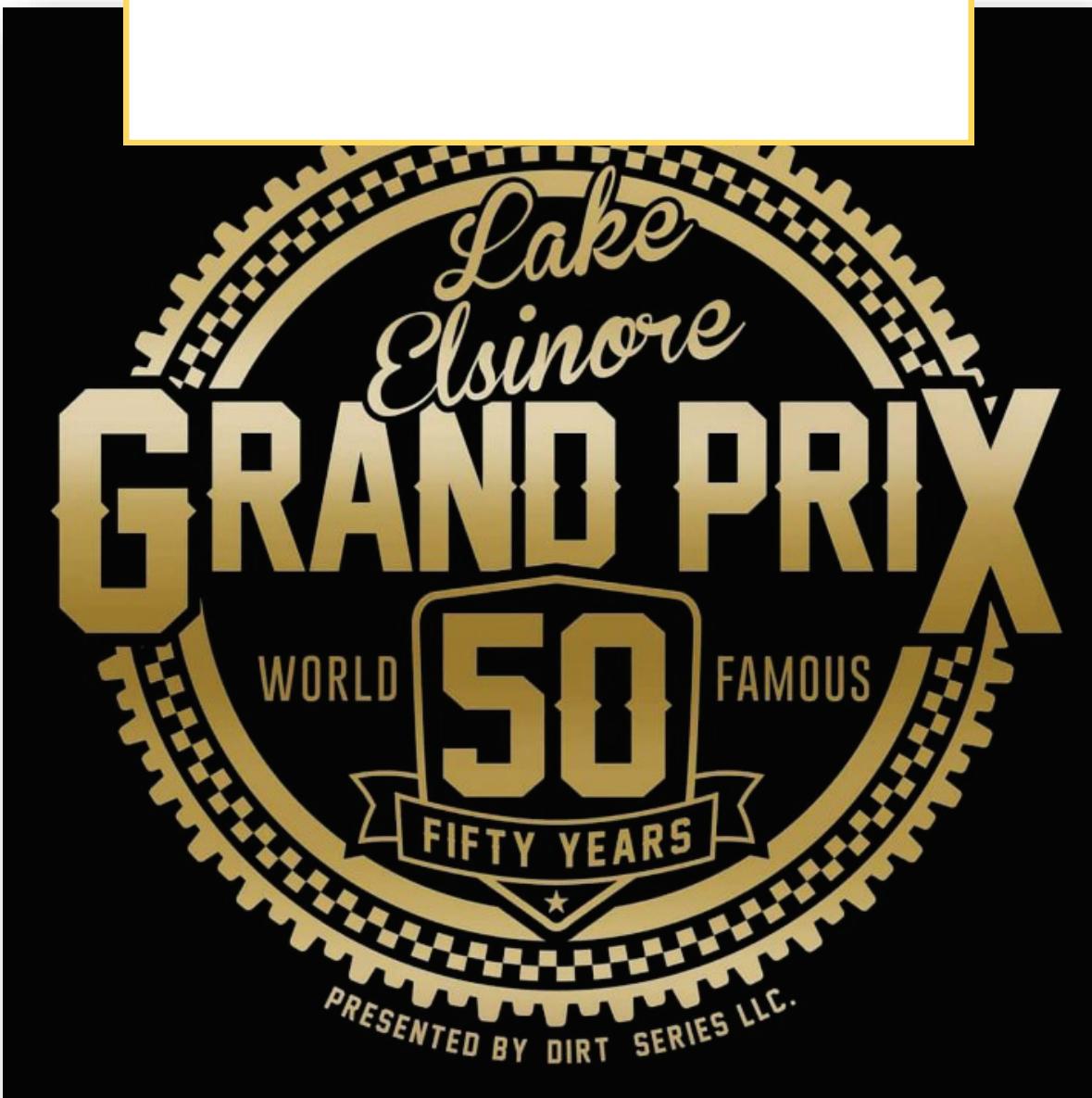
These factors were considered in preparing the City of Lake Elsinore's budget for fiscal year 2019-20.

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





CITY OF LAKE ELSINORE

STATEMENT OF NET POSITION
JUNE 30, 2019

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets:			
Cash and investments	\$ 45,907,931	\$ 250	\$ 45,908,181
Receivables:			
Accounts	1,547,796	127	1,547,923
Notes and loans	72,477,331	-	72,477,331
Accrued interest	15,965,295	-	15,965,295
Internal balances	9,845,208	(9,845,208)	-
Prepaid costs	838,676	3,981	842,657
Due from other governments	3,961,467	-	3,961,467
Inventories	-	52,173	52,173
Land held for resale	768,369	-	768,369
Restricted assets:			
Cash with fiscal agent	12,052,026	-	12,052,026
Investment in bonds	178,983,821	-	178,983,821
Capital assets not being depreciated	20,721,091	18,826,190	39,547,281
Capital assets, net of depreciation	147,486,826	8,274,554	155,761,380
Total Assets	510,555,837	17,312,067	527,867,904
Deferred Outflows of Resources:			
Deferred charge on refunding	2,153,561	-	2,153,561
Pension related items	3,641,489	-	3,641,489
OPEB related items	616,026	-	616,026
Total Deferred Outflows of Resources	6,411,076	-	6,411,076
Liabilities:			
Accounts payable	7,061,809	492,385	7,554,194
Accrued liabilities	1,036,836	-	1,036,836
Accrued interest	3,254,125	-	3,254,125
Unearned revenue	40,630	-	40,630
Deposits payable	22,644,686	70,086	22,714,772
Compensated absences due within one year	117,172	-	117,172
Capital lease due within one year	55,811	-	55,811
Bonds payable due within one year	9,545,000	-	9,545,000
Noncurrent liabilities:			
Compensated absences due more than one year	1,054,548	-	1,054,548
Capital lease due more than one year	3,403,569	-	3,403,569
Bonds payable due in more than one year	217,020,395	-	217,020,395
Total OPEB liability	22,237,850	-	22,237,850
Net pension liability	11,684,999	-	11,684,999
Total Liabilities	299,157,430	562,471	299,719,901
Deferred Inflows of Resources:			
Pension related items	813,174	-	813,174
OPEB related items	1,803,439	-	1,803,439
Total Deferred Inflows of Resources	2,616,613	-	2,616,613
Net Position:			
Net investment in capital assets	147,000,319	17,255,744	164,256,063
Restricted for:			
Public works	8,699,514	-	8,699,514
Debt service	6,940,331	-	6,940,331
Low & moderate income housing	62,124,394	-	62,124,394
Public facilities & improvements	16,428,791	-	16,428,791
Lighting & landscape maintenance	729,879	-	729,879
Development	520	-	520
Other purposes	37,347	-	37,347
Unrestricted	(26,768,225)	(506,148)	(27,274,373)
Total Net Position	\$ 215,192,870	\$ 16,749,596	\$ 231,942,466

CITY OF LAKE ELSINORE

STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2019

	Expenses	Program Revenues			
		Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants	
Functions/Programs					
Primary Government:					
Governmental Activities:					
General government	\$ 5,497,097	\$ 1,478,132	\$ 2,158,883	\$ -	
Public safety	21,143,285	1,605,806	2,967,721	-	
Community development	5,257,082	7,534,732	205,681	-	
Community services	3,003,809	490,827	11,926	-	
Public services	23,303,523	2,494,149	4,701,256	20,188,402	
Interest on long-term debt	11,340,371	-	-	-	
Total Governmental Activities	69,545,167	13,603,646	10,045,467	20,188,402	
Business-Type Activities:					
Launch Pointe	1,588,992	249,194	-	-	
Total Business-Type Activities	1,588,992	249,194	-	-	
Total Primary Government	\$ 71,134,159	\$ 13,852,840	\$ 10,045,467	\$ 20,188,402	
General Revenues:					
Taxes:					
Property taxes, levied for general purpose					
Transient occupancy taxes					
Sales taxes					
Franchise taxes					
Use of money and property					
Miscellaneous					
Transfers					
Total General Revenues and Transfers					
Change in Net Position					
Net Position at Beginning of Year					
Restatement of Net Position					
Net Position, Beginning of Year, as restated					
Net Position at End of Year					

**Net (Expenses) Revenues and Changes in
Net Position**
Primary Government

CITY OF LAKE ELSINORE

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2019

	General	Special Revenue Funds	Capital Projects Funds	Debt Service Funds
		Low and Moderate Income Housing	Capital Improvement Plan	Public Financing Authority
Assets:				
Pooled cash and investments	\$ 12,201,222	\$ 3,501,201	\$ 13,070,673	\$ -
Receivables:				
Accounts	822,143	-	592,238	-
Notes and loans	1,000,000	42,365,107	-	25,770,000
Accrued interest	329,771	12,336,663	62,619	34,324
Prepaid costs	77,168	-	-	4,697
Due from other governments	2,230,717	-	266,061	-
Due from other funds	813,599	-	-	-
Advances to other funds	-	-	-	-
Land held for resale	-	768,369	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	5,666,777
Investment in bonds	-	-	-	178,983,821
Total Assets	\$ 17,474,620	\$ 58,971,340	\$ 13,991,591	\$ 210,459,619
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ 3,931,128	\$ 1,064,494	\$ 1,232,885	\$ -
Accrued liabilities	1,021,960	-	-	-
Unearned revenues	1,990	-	-	-
Deposits payable	-	973,052	-	19,836,447
Due to other funds	-	-	-	-
Total Liabilities	4,955,078	2,037,546	1,232,885	19,836,447
Deferred Inflows of Resources:				
Unavailable revenues	374,633	12,321,004	50,252	-
Total Deferred Inflows of Resources	374,633	12,321,004	50,252	-
Fund Balances:				
Nonspendable	1,077,168	-	-	4,697
Restricted	-	44,612,790	-	190,618,475
Assigned	-	-	12,708,454	-
Unassigned	11,067,741	-	-	-
Total Fund Balances	12,144,909	44,612,790	12,708,454	190,623,172
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 17,474,620	\$ 58,971,340	\$ 13,991,591	\$ 210,459,619

CITY OF LAKE ELSINORE

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2019

	Debt Service Funds			Total Governmental Funds	
	Recreation Authority	Other Governmental Funds			
Assets:					
Pooled cash and investments	\$ -	\$ 14,955,345	\$ 43,728,441		
Receivables:					
Accounts	-	133,355	1,547,736		
Notes and loans	-	3,342,224	72,477,331		
Accrued interest	1,906	79,237	12,844,520		
Prepaid costs	75,899	70,935	228,699		
Due from other governments	-	1,464,689	3,961,467		
Due from other funds	-	450	814,049		
Advances to other funds	-	9,845,000	9,845,000		
Land held for resale	-	-	768,369		
Restricted assets:					
Cash and investments with fiscal agents	1,144,950	5,240,299	12,052,026		
Investment in bonds	-	-	178,983,821		
Total Assets	\$ 1,222,755	\$ 35,131,534	\$ 337,251,459		
Liabilities, Deferred Inflows of Resources, and Fund Balances:					
Liabilities:					
Accounts payable	\$ -	\$ 733,873	\$ 6,962,380		
Accrued liabilities	-	-	1,021,960		
Unearned revenues	-	38,640	40,630		
Deposits payable	-	1,835,187	22,644,686		
Due to other funds	-	813,841	813,841		
Total Liabilities	-	3,421,541	31,483,497		
Deferred Inflows of Resources:					
Unavailable revenues	-	822,511	13,568,400		
Total Deferred Inflows of Resources	-	822,511	13,568,400		
Fund Balances:					
Nonspendable	75,899	90,935	1,248,699		
Restricted	1,146,856	31,086,651	267,464,772		
Assigned	-	480,174	13,188,628		
Unassigned	-	(770,278)	10,297,463		
Total Fund Balances	1,222,755	30,887,482	292,199,562		
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 1,222,755	\$ 35,131,534	\$ 337,251,459		



CITY OF LAKE ELSINORE**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2019**

Fund balances of governmental funds \$ 292,199,562

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. 166,650,654

Long-term debt, compensated absences, total OPEB liability and total net pension liability are not included in the governmental fund activity:

Bonds payable	\$ (217,190,000)
Capital Equipment Lease	(3,459,380)
Unamortized bond premiums/discounts	(9,375,395)
Deferred charges on refunding	2,153,561
Total OPEB liability	(20,681,200)
Net pension liability	(10,705,276)
Compensated Absences	<u>(1,171,720)</u> (260,429,410)

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	3,296,492
Pension related deferred inflows of resources	(739,233)
OPEB related deferred outflows of resources	572,904
OPEB related deferred inflows of resources	(1,677,198)

Other long-term assets are not available to pay for current period expenditures and, therefore, are not reported in the funds. 3,110,888

Accrued interest payable for the current portion of interest due on Bonds has not been reported in the governmental funds. (3,254,125)

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. 13,568,400

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. 1,893,936

Net Position of Governmental Activities **\$ 215,192,870**

CITY OF LAKE ELSINORE

STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2019

	Special Revenue Funds		Capital Projects Funds	Debt Service Funds
	General	Low and Moderate Income Housing	Capital Improvement Plan	Public Financing Authority
Revenues:				
Taxes	\$ 22,174,361	\$ -	\$ -	\$ -
Special assessments	-	2,076,084	-	-
Licenses and permits	2,111,680	-	-	-
Intergovernmental	5,134,993	-	-	-
Charges for services	2,956,160	-	393,314	-
Investment earnings	538,375	183,315	621,433	10,558,589
Fines and forfeitures	552,426	-	-	-
Contributions	175,030	-	17,799,840	-
Miscellaneous	7,302,978	5,000	1,240	-
Total Revenues	40,946,003	2,264,399	18,815,827	10,558,589
Expenditures:				
Current:				
General government	4,916,561	-	-	287,224
Public safety	20,230,447	-	-	-
Community development	4,639,021	534,014	-	-
Community services	2,200,826	-	-	-
Public services	8,692,033	-	59,951	-
Capital outlay	104,400	3,530,928	24,798,629	-
Debt service:				
Principal retirement	-	-	-	29,840,000
Interest and fiscal charges	-	-	-	10,513,890
Total Expenditures	40,783,288	4,064,942	24,858,580	40,641,114
Excess (Deficiency) of Revenues Over (Under) Expenditures	162,715	(1,800,543)	(6,042,753)	(30,082,525)
Other Financing Sources (Uses):				
Transfers in	390,321	-	4,831,952	-
Transfers out	(271,567)	-	(2,107,973)	-
Capital leases	-	-	-	-
Proceeds from sale of capital asset	24,201	3,533,178	-	-
Total Other Financing Sources (Uses)	142,955	3,533,178	2,723,979	-
Net Change in Fund Balances	305,670	1,732,635	(3,318,774)	(30,082,525)
Fund Balances, Beginning of Year, as previously reported	11,839,239	43,800,840	16,027,228	220,705,697
Restatements	-	(920,685)	-	-
Fund Balances, Beginning of Year, as restated	11,839,239	42,880,155	16,027,228	220,705,697
Fund Balances, End of Year	\$ 12,144,909	\$ 44,612,790	\$ 12,708,454	\$ 190,623,172

CITY OF LAKE ELSINORE

STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2019

	Debt Service Funds		
	Recreation Authority	Other Governmental Funds	Total Governmental Funds
Revenues:			
Taxes	\$ -	\$ -	\$ 22,174,361
Special assessments	-	2,064,458	4,140,542
Licenses and permits	-	1,470,677	3,582,357
Intergovernmental	-	4,492,093	9,627,086
Charges for services	-	-	3,349,474
Investment earnings	528,383	1,214,753	13,644,848
Fines and forfeitures	-	322,339	874,765
Contributions	-	-	17,974,870
Miscellaneous	-	7,689	7,316,907
Total Revenues	528,383	9,572,009	82,685,210
Expenditures:			
Current:			
General government	3,162	116,533	5,323,480
Public safety	-	493,821	20,724,268
Community development	-	25,000	5,198,035
Community services	-	41,310	2,242,136
Public services	-	8,097,031	16,849,015
Capital outlay	-	3,285,021	31,718,978
Debt service:			
Principal retirement	635,000	3,590,000	34,065,000
Interest and fiscal charges	493,100	789,313	11,796,303
Total Expenditures	1,131,262	16,438,029	127,917,215
Excess (Deficiency) of Revenues Over (Under) Expenditures	(602,879)	(6,866,020)	(45,232,005)
Other Financing Sources (Uses):			
Transfers in	-	11,629,542	16,851,815
Transfers out	-	(6,131,250)	(8,510,790)
Capital leases	-	3,459,380	3,459,380
Proceeds from sale of capital asset	-	-	3,557,379
Total Other Financing Sources (Uses)	-	8,957,672	15,357,784
Net Change in Fund Balances	(602,879)	2,091,652	(29,874,221)
Fund Balances, Beginning of Year, as previously reported	1,825,634	28,795,830	322,994,468
Restatements	-	-	(920,685)
Fund Balances, Beginning of Year, as restated	1,825,634	28,795,830	322,073,783
Fund Balances, End of Year	\$ 1,222,755	\$ 30,887,482	\$ 292,199,562



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, 2019**

Net change in fund balances - total governmental funds \$ (29,874,221)

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	\$ 32,099,507
Depreciation	(7,767,183)
Contributed capital assets	(26,416,227)
Gain/(loss) on sale of capital assets	<u>(3,555,124)</u>
	(5,639,027)

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	34,065,000
Capital leases	(3,459,380)
Amortization of bond premiums/discounts	<u>212,231</u>

30,817,851

Accrued interest for long-term liabilities. This is the net change in accrued interest for the current period.

489,289

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.

63,116

OPEB liability expenses is an expenditure in the governmental funds, but reduce the Total OPEB Liability in the statement of net position.

(290,326)

Pension obligation expenses is an expenditure in the governmental funds, but reduce the Net Pension Liability in the statement of net position.

(447,353)

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.

(770,401)

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.

283,049

Change in Net Position of Governmental Activities

\$ (5,368,023)

CITY OF LAKE ELSINORE

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2019

	Business-Type Activities		Governmental Activities	
	Enterprise Fund		Internal Service Funds	
	Launch Pointe			
Assets:				
Current:				
Cash and investments	\$	250	\$	2,179,490
Receivables:				
Accounts		127		60
Accrued interest		-		9,887
Prepaid costs		3,981		609,977
Inventories		52,173		-
Total Current Assets		56,531		2,799,414
Noncurrent:				
Capital assets - net of accumulated depreciation			27,100,744	1,557,263
Total Noncurrent Assets		27,100,744		1,557,263
Total Assets		27,157,275		4,356,677
Deferred Outflows of Resources:				
Pension related items			-	344,997
OPEB related items			-	43,122
Total Deferred Outflows of Resources		-		388,119
Total Assets and Deferred Outflows of Resources		\$ 27,157,275		\$ 4,744,796
Liabilities, Deferred Inflows of Resources, and Net Position:				
Liabilities:				
Current:				
Accounts payable	\$	492,385	\$	99,429
Accrued liabilities		-		14,876
Deposits payable		70,086		-
Due to other funds		208		-
Total Current Liabilities		562,679		114,305
Noncurrent:				
Advances from other funds		9,845,000		-
Net pension liability		-		979,723
Total OPEB liability		-		1,556,650
Total Noncurrent Liabilities		9,845,000		2,536,373
Total Liabilities		10,407,679		2,650,678
Deferred Inflows of Resources:				
Pension related items			-	73,941
OPEB related items			-	126,241
Total Deferred Inflows of Resources		-		200,182
Net Position:				
Net investment in capital assets		17,255,744		1,557,263
Unrestricted		(506,148)		336,673
Total Net Position		16,749,596		1,893,936
Total Liabilities, Deferred Inflows of Resources, and Net Position		\$ 27,157,275		\$ 4,744,796

CITY OF LAKE ELSINORE

STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2019

	Business-Type Activities Enterprise Fund	Governmental Activities
	Internal Launch Pointe	Service Funds
Operating Revenues:		
Sales and service charges	\$ 249,194	\$ 3,659,780
Miscellaneous	636	83,214
Total Operating Revenues	249,830	3,742,994
Operating Expenses:		
Personnel services	-	1,112,723
Contractual Services	684,713	343,562
Utilities	135,319	227,416
Maintenance and Operation	293,739	824,693
Cost of sales and services	152,731	20
Depreciation expense	8,252	345,968
Insurance	-	673,768
Total Operating Expenses	1,274,754	3,528,150
Operating Income (Loss)	(1,024,924)	214,844
Nonoperating Revenues (Expenses):		
Interest revenue	160	89,694
Interest expense	(314,238)	-
Gain (loss) on disposal of capital assets	-	(21,489)
Total Nonoperating Revenues (Expenses)	(314,078)	68,205
Income (Loss) Before Transfers	(1,339,002)	283,049
Transfers in	28,178,598	140,263
Transfers out	(10,090,000)	(140,263)
Changes in Net Position	16,749,596	283,049
Net Position:		
Beginning of Year	-	1,610,887
End of Fiscal Year	\$ 16,749,596	\$ 1,893,936

CITY OF LAKE ELSINORE

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2019

	Business-Type Activities Enterprise Fund	Governmental Activities
	Internal Launch Pointe Service Funds	
Cash Flows from Operating Activities:		
Cash received from customers and users	\$ 319,789	\$ 3,742,934
Cash paid to suppliers for goods and services	(536,532)	(2,249,104)
Cash paid to employees for services	(293,739)	(729,994)
Net Cash Provided (Used) by Operating Activities	(510,482)	763,836
Cash Flows from Non-Capital Financing Activities:		
Cash transfers out	-	(140,263)
Cash transfers in	1,748,975	140,263
Repayment made to other funds	-	143,366
Advance from other funds	208	(143,366)
Net Cash Provided (Used) by Non-Capital Financing Activities	1,749,183	-
Cash Flows from Capital and Related Financing Activities:		
Acquisition and construction of capital assets	(679,373)	(567,807)
Repayment of advance from other funds	(245,000)	-
Interest paid on capital debt	(314,238)	-
Net Cash Provided (Used) by Capital and Related Financing Activities	(1,238,611)	(567,807)
Cash Flows from Investing Activities:		
Interest received	160	89,396
Net Cash Provided (Used) by Investing Activities	160	89,396
Net Increase (Decrease) in Cash and Cash Equivalents	250	285,425
Cash and Cash Equivalents at Beginning of Year	-	1,894,065
Cash and Cash Equivalents at End of Year	\$ 250	\$ 2,179,490
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:		
Operating income (loss)	\$ (1,024,924)	\$ 214,844
Adjustments to Reconcile Operating Income (loss)		
Net Cash Provided (used) by Operating Activities:		
Depreciation	8,252	345,968
(Increase) decrease in accounts receivable	(127)	(60)
(Increase) decrease in deposits receivable	-	62,457
(Increase) decrease in prepaid expense	(3,981)	9,440
(Increase) decrease in inventory	(52,173)	-
Increase (decrease) in accounts payable	492,385	107,827
Increase (decrease) in due to other governments	-	558
Increase (decrease) in deposits payable	70,086	-
Increase (decrease) in claims and judgments	-	855
Increase (decrease) in net pension liability	-	(37,155)
Increase (decrease) in Total OPEB liability	-	23,868
Increase (decrease) in deferred inflows from OPEB	-	(11,454)
Increase (decrease) in deferred inflows from pensions	-	46,688
Total Adjustments	514,442	548,992
Net Cash Provided (Used) by Operating Activities	\$ (510,482)	\$ 763,836
Non-Cash Investing, Capital, and Financing Activities:		
Transfer of Capital assets	\$ (26,429,623)	\$ -

CITY OF LAKE ELSINORE

STATEMENT OF FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 JUNE 30, 2019

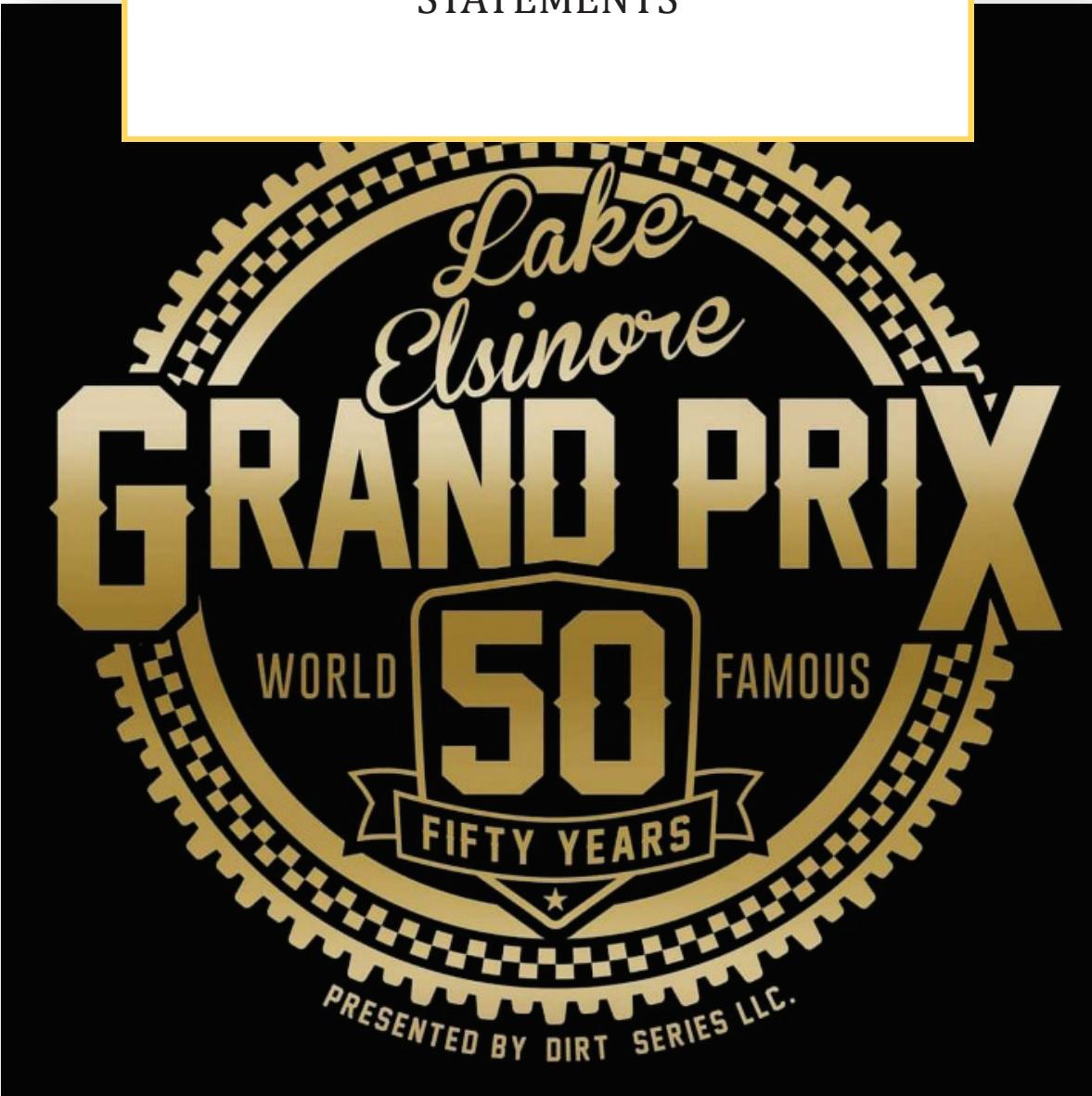
	<u>Agency Funds</u>	<u>Private-Purpose Trust Funds</u>
Assets:		
Pooled cash and investments	\$ 17,009,372	\$ 10,748,288
Receivables:		
Accounts	-	433
Accrued interest	52,642	33,318
Prepaid costs	-	283,602
Due from other governments	406,689	-
Land held for resale	-	6,081,994
Deferred charges	-	1,160,189
Restricted assets:		
Cash and investments with fiscal agents	8,831,186	20,765
Capital assets:		
Capital assets, not being depreciated	-	2,004,419
Capital assets, net of accumulated depreciation	-	14,480,810
Deposits with Other Agencies	<u>16,865,352</u>	<u>3,271,124</u>
Total Assets	<u>\$ 43,165,241</u>	<u>\$ 38,084,942</u>
Liabilities:		
Accounts payable	\$ 131,991	\$ 346,029
Accrued interest	-	756,277
Deposits payable	5,447,696	-
Bonds and loans payable due in one year	-	3,470,000
Long-term liabilities:		
Bonds and loans payable due in more than one year	-	77,933,859
Due to Bondholders	<u>37,585,554</u>	<u>-</u>
Total Liabilities	<u>\$ 43,165,241</u>	<u>\$ 82,506,165</u>
Net Position:		
Held in trust for other purposes		<u>\$ (44,421,223)</u>
Total Net Position		<u>\$ (44,421,223)</u>

CITY OF LAKE ELSINORE

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 YEAR ENDED JUNE 30, 2019

	Private-Purpose Trust Funds
Additions:	
Contributions:	
Trust Contributions	\$ 2,817
Taxes	12,653,427
Investment earnings	288,598
Miscellaneous	26,114
Total Additions	<u>12,970,956</u>
Deductions:	
Contractual services	3,496,509
Interest expense	2,715,400
Depreciation expense	1,292,903
Costs of issuance	310,780
Total Deductions	<u>7,815,592</u>
Changes in Net Position	<u>5,155,364</u>
Net Position - Beginning of the Year	<u>(50,497,272)</u>
Restatements	<u>920,685</u>
Beginning of Fiscal Year, as restated	<u>(49,576,587)</u>
Net Position - End of the Year	<u>\$ (44,421,223)</u>

NOTES TO BASIC FINANCIAL
STATEMENTS





CITY OF LAKE ELSINORE

NOTES TO BASIC FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2019

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, 2019 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.

CITY OF LAKE ELSINORE

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED) YEAR ENDED JUNE 30, 2019

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 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.

CITY OF LAKE ELSINORE

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED) YEAR ENDED JUNE 30, 2019

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.

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.

CITY OF LAKE ELSINORE

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED) YEAR ENDED JUNE 30, 2019

Note 1: Summary of Significant Accounting Policies (Continued)

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 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.

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

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

Additionally, the City reports the following fund types:

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

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.

CITY OF LAKE ELSINORE

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED) YEAR ENDED JUNE 30, 2019

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, 2019 are as follows:

Major Fund	Encumbrances
General Fund	\$ 10,511
Capital Improvement Plan	5,228,916
Non-Major Funds	497,914

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 No. 16 at June 30, 2019, was \$1,171,720.

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 non-spendable 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").

CITY OF LAKE ELSINORE

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED) YEAR ENDED JUNE 30, 2019

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.

CITY OF LAKE ELSINORE

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED) YEAR ENDED JUNE 30, 2019

Note 1: Summary of Significant Accounting Policies (Continued)

k. Miscellaneous Revenues

Included in miscellaneous revenues for the governmental funds is \$2,800,308 of fire service tax credits, \$3,957,768 reimbursed revenues, \$112,526 in donations and, \$446,305 in other revenues. Miscellaneous revenues for the Statement of Activities include \$3,268,983 reimbursed revenues and \$516,836 other revenues.

I. 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.

CITY OF LAKE ELSINORE

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED) YEAR ENDED JUNE 30, 2019

Note 1: Summary of Significant Accounting Policies (Continued)

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, 2018
Measurement Period	July 1, 2017 to June 30, 2018

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:

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

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

I. Deficit Fund Balances or Net Position

At June 30, 2019, the CDBG Special Revenue Fund had deficit fund balance of $-(13,199)$, the TUMF Capital Project Fund had deficit fund balance of $-(757,079)$, and the Successor Agency of the Former RDA had a deficit net position amount of $-(44,421,223)$.

CITY OF LAKE ELSINORE**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**
YEAR ENDED JUNE 30, 2019**Note 1: Summary of Significant Accounting Policies (Continued)****II. Excess of Expenditures Over Appropriations**

At June 30, 2019 expenditures exceeded appropriations in the following funds:

Fund	Expenditures	Appropriations	Excess
Major Funds:			
Public Financing Authority			
Principal retirement	\$ 29,840,000	\$ 17,730,000	\$ (12,110,000)
Interest and fiscal charges	10,513,890	10,062,370	(451,520)
Non-Major Funds:			
L.L.M.D NO. 1			
Public services	\$ 991,872	\$ 583,640	\$ (408,232)
Gas Tax			
Public services	1,284,537	606,500	(678,037)
Facilities Construction			
Public services	4,181,363	-	(4,181,363)
Facilities Financing Authority			
Principal retirement	3,355,000	3,250,000	(105,000)
Interest and fiscal charges	524,375	314,240	(210,135)

p. New Accounting Pronouncement – GASB 88

During the year ended June 30, 2019, the City adopted the following Governmental Accounting Standards Board (GASB) Statements:

GASB Statement No. 88, Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements, improves the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. This statement defines debt for purposes of disclosure in notes to financial statements as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. This statement requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses. For notes to financial statements related to debt, this statement also requires that existing and additional information be provided for direct borrowings and direct placements of debt separately from other debt. The requirements of this statement are effective for reporting periods beginning after June 15, 2018.

CITY OF LAKE ELSINORE**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**
YEAR ENDED JUNE 30, 2019**Note 2: Cash and Investments**

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

	Fair Value 2019
Statement of Net Position:	
Cash and investments	\$ 45,908,181
Restricted Cash with fiscal agent	191,035,847
Statement of Fiduciary Net Position	
Cash and investments	27,757,660
Restricted Cash and Investments with Fiscal Agent	8,851,951
Total Cash and Investments	<u>\$ 273,553,639</u>

Cash and investments consist of the following:

Petty Cash	\$ 1,300
Deposits in Financial Institution	1,598,968
Investments	271,953,371
Total Cash and Investments	<u>\$ 273,553,639</u>

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

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

Investment Type	Maximum Maturity	Maximum Percentage of Portfolio*	Maximum Investment In One Issuer
US Treasury Obligations	5 years	None	None
US Government Sponsored Agency Securities	5 years	None	40%
State and Local Agency Obligations	5 years	None	None
Banker's Acceptances	180 days	40%	30%
Insured or Collateralized Time Certificate of 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%
Asset Backed Securities	5 years	20%	5%

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

CITY OF LAKE ELSINORE

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED) YEAR ENDED JUNE 30, 2019

Note 2: Cash and Investments (Continued)

Investments Authorized by Debt Agreements

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

Disclosures Relating to Interest Rate Risk

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

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

Investment Type	Total	Investment Maturities (in Years)			
		12 Months or Less	13 to 24 Months	25 to 60 Months	More Than 60 Months
Local Agency Investment Fund	\$ 31,509,204	\$ 31,509,204	\$ -	\$ -	\$ -
Corporate Notes	9,568,933	2,864,307	4,504,627	2,199,999	-
Asset Backed Securities	2,591,069	-	-	2,591,069	-
Federal Agency Securities	1,843,167	163	-	1,843,004	-
U.S. Treasury Notes	20,242,178	-	74,690	20,167,488	-
Supra - National Agency Bonds	1,609,703	-	1,202,310	407,393	-
Certificates of Deposits	4,641,579	1,741,972	2,899,607	-	-
California Asset Management Program Pool (CAMP)	59,744	59,744	-	-	-
Investments with Fiscal Agents:					
Money Market Funds	30,748,973	30,748,973	-	-	-
Local Obligation Bonds	169,138,821	169,138,821	-	-	-
Total	\$ 271,953,371	\$ 236,063,184	\$ 8,681,234	\$ 27,208,953	\$ -

Disclosures Relating to Credit Risk

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

CITY OF LAKE ELSINORE

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED) YEAR ENDED JUNE 30, 2019

Note 2: Cash and Investments (Continued)

The City's investment in local obligation bonds are secured by property taxes on the subordinate tax allocation bonds and special assessment taxes on property owned within the Community Facilities Districts or Special Assessment Districts. 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.

		Minimum Legal Rating	AAA	AA+	Other	Not Rated	Not Required to be Rated
Local Agency Investment Fund	\$ 31,509,204	N/A	\$ -	\$ -	\$ -	\$ 31,509,204	\$ -
Corporate Notes	9,568,933	AA	399,143	199,893	8,969,897	-	-
Asset Backed Securities	2,591,069	N/A	2,316,894	-	-	274,175	-
Federal Agency Securities	1,843,167	N/A	-	1,843,167	-	-	-
US Treasury Notes	20,242,178	N/A	-	20,242,178	-	-	-
Super-National Agency Bonds	1,609,703	N/A	1,609,703	-	-	-	-
Certificate of Deposit	4,641,579	N/A	-	-	4,641,579	-	-
California Asset Management Program Pool (CAMP)	59,744	N/A	-	-	-	-	59,744
Held by Bond Trustee:							
Money Market Mutual Funds	30,748,973		-	-	-	30,748,973	-
Local Obligation Bonds	169,138,821		-	-	-	169,138,821	-
Total	\$ 271,953,371		\$ 4,325,740	\$ 22,285,238	\$ 13,611,476	\$ 231,671,173	\$ 59,744

The ratings for the other above are as follows:

Other:	
AA	\$ 374,326
AA-	2,774,961
A-1	684,515
A-1+	777,785
A+	1,879,488
A	3,290,791
A-	2,775,242
BBB+	1,054,368
	\$ 13,611,476

Concentration of Credit Risk

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

Issuer	Investment Type	Amount
CFD 2003-2 Special Tax Bonds, 2014 Series B (Improvement Area A and C)	Local Obligation Bonds	\$ 17,036,538
CFD 2003-2 Special Tax Bonds, 2015 Series (Improvement Area B)	Local Obligation Bonds	17,033,946
CFD 2004-3-1 Special Tax Bonds, 2015 Series (Improvement Area 1)	Local Obligation Bonds	20,771,493
CFD 2004-3-2 Special Tax Bonds, 2015 Series (Improvement Area 2)	Local Obligation Bonds	23,532,441
CFD 2005-2 Special Tax Bonds, 2015 Series (Improvement Area 2)	Local Obligation Bonds	21,077,562

CITY OF LAKE ELSINORE

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED) YEAR ENDED JUNE 30, 2019

Note 2: Cash and Investments (Continued)

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party.

The California Government Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local government units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The 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, 2019, \$1,348,968 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 City 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, 2019 was 2.43%. The carrying value and estimated fair value of the LAIF Pool at June 30, 2019 was \$105,325,060,682 and \$105,814,483,092, respectively. The City's share of the Pool at June 30, 2019 was approximately 0.0297 percent.

The fair 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 fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. Included in LAIF's investment portfolio are certain derivative securities or similar products in the form of structured notes totaling \$679,019,402 and asset-backed securities totaling \$676,140,361. LAIF's and the City'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,

CITY OF LAKE ELSINORE**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**
YEAR ENDED JUNE 30, 2019

Note 2: Cash and Investments (Continued)

professionally managed investment accounts (Individual Portfolios) by separate agreement with the Investment Advisor. The City has a separate account in the Investment Advisor to manage part of the CAMP portfolio.

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

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

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	\$ 11,631,761
CFD 2005-5 Special Tax Bonds, 2012 Series A	2,849,934
CFD 2003-2 Special Tax Bonds, 2012 Series (Improvement Area C)	5,173,973
CFD 2006-1 Special Tax Bonds, 2013 Series (Improvement Area A)	3,317,326
CFD 88-3 Special Tax Bonds, 2013 Series B	925,409
CFD 98-1 Special Tax Bonds, 2013 Series C	10,631,215
CFD 2003-2 Special Tax Bonds, 2014 Series A (Improvement Area D)	7,166,639
CFD 2003-2 Special Tax Bonds, 2014 Series B (Improvement Area A and C)	17,036,538
CFD 95-1 Special Tax Bonds, 2015 Series	808,212
CFD 2003-2 Special Tax Bonds, 2015 Series (Improvement Area B)	17,033,946
CFD 2004-3-1 Special Tax Bonds, 2015 Series (Improvement Area 1)	20,771,493
CFD 2004-3-2 Special Tax Bonds, 2015 Series (Improvement Area 2)	23,532,441
CFD 2005-1 Special Tax Bonds, 2015 Series	7,815,615
CFD 2005-2 Special Tax Bonds, 2015 Series (Improvement Area 2)	21,077,562
CFD 2005-6 Special Tax Bonds, 2015 Series	2,809,832
CFD 2006-2 Special Tax Bonds, 2015 Series	5,852,815
CFD 2006-1 Special Tax Bonds, 2015 A Series (Improvement Area B)	2,815,186
CFD 88-3 Special Tax Bonds, 2015 B Series	3,410,000
	\$ 164,659,895

CITY OF LAKE ELSINORE

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED) YEAR ENDED JUNE 30, 2019

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)	\$ 4,478,926
Lake Elsinore Facilities Financing Authority Lease Revenue Bonds, Series 2016A	9,845,000
	\$ 14,323,926

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.

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

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

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

CITY OF LAKE ELSINORE**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**
YEAR ENDED JUNE 30, 2019**Note 3: Fair Value Measurements (Continued)**

Fair value of assets measured on a recurring basis at June 30, 2019, are as follows:

	Fair Value	Significant Other Observable Inputs (Level 2)	Uncategorized
Local Agency Investment Fund	\$ 31,509,204	\$ -	\$ 31,509,204
Corporate Notes	9,568,933	9,568,933	-
Asset Backed Securities	2,591,069	2,591,069	-
Federal Agency Securities	1,843,167	1,843,167	-
US Treasury Notes	20,242,178	20,242,178	-
Certificate of Deposits	4,641,579	4,641,579	-
Super-National Agency Bonds	1,609,703	1,609,703	-
California Asset Management Program Pool (CAMP)	59,744	-	59,744
Held by Bond Trustee:			
Money Market Mutual Bonds	30,748,973	30,748,973	-
Local Obligations Bonds	169,138,821	178,623,821	-
Total	<u>\$ 271,953,371</u>	<u>\$ 249,869,423</u>	<u>\$ 31,568,948</u>

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

Note 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.

1995 Loan from Housing Fund

As of June 30, 2019, the Successor Agency owed the City, in its capacity as housing successor agency, \$28,071,816. 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 \$10,031,376. During the fiscal year, accrued interest of \$430,643 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

CITY OF LAKE ELSINORE

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED) YEAR ENDED JUNE 30, 2019

Note 4: Loans Receivable from Successor Agency (Continued)

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, 2019, is \$828,391.

Public Finance Authority Loan Agreements

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

The following table represents the outstanding balance of loans receivable from the Successor Agency at June 30, 2019:

Tax Allocation Revenue Bonds	Loans Receivable
	Balance
2010 Series B Issue	\$ 5,515,000
2010 Series C Issue	20,255,000
Total	<u>\$ 25,770,000</u>

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

CITY OF LAKE ELSINORE

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED) YEAR ENDED JUNE 30, 2019

Note 5: Notes Receivable (Continued)

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, 2019, the total outstanding balance of \$1,270,000 includes accrued interest of \$270,000.

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, 2019, the total outstanding balance of \$11,877,685 includes interest of \$2,140,685.

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, 2019, the total outstanding balance of \$1,173,857 includes interest of \$73,857.

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, 2019, the total outstanding balance of \$699,079 includes accrued interest of \$3,829.

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

CITY OF LAKE ELSINORE

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED) YEAR ENDED JUNE 30, 2019

Note 5: Notes Receivable (Continued)

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, 2019, the total outstanding balance of \$2,011,014 includes accrued interest of \$11,014.

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, 2019, the total outstanding balance of \$7,561,412 includes accrued interest of \$41,412.

The City's low and Moderate-Income Housing Asset Special Revenue Fund has a note receivable in the amount of \$771,500 or such lesser 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, 2019, the total outstanding balance was \$0.

The City's Low and Moderate-Income Housing Asset Special Revenue Fund has a note receivable in the amount of \$5,074,276 due from Mission Cottages LP dated April 1, 2019. The loan was given for the purpose of repaying the Predevelopment Loan, to pay for property and for the payment of project costs for the Cottages at Mission Trail Affordable Housing Project. The City's LMIHAF Loan shall be repayable from fifty percent (50%) of the residual receipts paid annually on or before June 30 each year following completion of the Development. All residual receipts payments to the City shall be paid toward the City Fund 106 Loan until the City Fund 106 Loan is completely repaid, all residual receipt payments to the City shall be paid to the LMIHAF Loan. Payments on the City's LMIHAF Loan shall be credited toward accrued interest first and then outstanding principal. The term of this loan shall commence on April 1, 2019 and shall continue until the fifty-fifth (55th) anniversary of the date of recording the Notice of Completion for the Development. At June 30, 2019 the total outstanding balance of \$5,080,532 includes accrued interest of \$6,256.

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

CITY OF LAKE ELSINORE

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED) YEAR ENDED JUNE 30, 2019

Note 5: Notes Receivable (Continued)

At June 30, 2019, the total outstanding balance of \$647,772 includes accrued interest of \$798.

The City's Low and Moderate-Income Housing Asset Special Revenue Fund has a note receivable in the amount of \$65,000 due from Habitat for Humanity dated August 31, 2018. The proceeds of the loan shall be used for payment of the purchase price for the property and development costs of the affordable housing project. There are no payments of principal or interest due on this note provided that no event of default has occurred. The City Loan shall be deemed repaid with the proceeds of the City Second Mortgage Assistance upon execution of a Deed of Trust by the Qualified Buyer in favor of the City Second Mortgage Assistance constituting a credit against the outstanding City Loan Amount. At June 30, 2019, the total outstanding balance is \$65,000.

Note 6: Capital Assets

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

	Beginning Balance	Transfer to Business Type	Additions	Deletions	Transfers	Ending Balance
Governmental Activities:						
Capital assets, not being depreciated:						
Land	\$ 3,215,378	\$ -	\$ 3,756,430	\$ (3,541,728)	\$ -	\$ 3,430,080
Construction-in-progress	18,804,174	(18,826,190)	22,945,101	-	(5,632,074)	17,291,011
Total Capital Assets, Not Being Depreciated	22,019,552	(18,826,190)	26,701,531	(3,541,728)	(5,632,074)	20,721,091
Capital assets, being depreciated:						
Building and Structures	20,091,795	(380,594)	534,650	-	-	20,245,851
Improvement other than buildings	18,076,324	(8,822,847)	-	-	-	9,253,477
Machinery and Equipment	3,218,399	(80,243)	96,515	-	-	3,234,671
Furniture and Fixtures	1,004,554	(100,438)	18,296	-	-	922,412
Automotive Equipment	3,516,562	(425,011)	262,722	(26,860)	-	3,327,413
Technology Equipment and Software	670,599	-	179,423	-	-	850,022
Infrastructure	225,109,903	-	4,874,176	-	5,632,074	235,616,153
Total Capital Assets, Being Depreciated	271,688,136	(9,809,133)	5,965,782	(26,860)	5,632,074	273,449,999
Less accumulated depreciation:						
Building and Structures	(6,256,391)	35,007	(630,234)	-	-	(6,851,618)
Improvement other than buildings	(7,977,269)	2,116,512	(650,213)	-	-	(6,510,970)
Machinery and Equipment	(2,398,124)	18,513	(168,334)	-	-	(2,547,945)
Furniture and Fixtures	(408,666)	9,257	(125,251)	-	-	(524,660)
Automotive Equipment	(1,832,945)	26,411	(255,145)	5,372	-	(2,056,307)
Technology Equipment and Software	(379,924)	-	(162,816)	-	-	(542,740)
Infrastructure	(100,807,775)	-	(6,121,158)	-	-	(106,928,933)
Total Accumulated Depreciation	(120,061,094)	2,205,700	(8,113,151)	5,372	-	(125,963,173)
Total Capital Assets, Being Depreciated, Net	151,627,042	(7,603,433)	(2,147,369)	(21,488)	5,632,074	147,486,826
Governmental Activities Capital Assets, Net	\$ 173,646,594	\$ (26,429,623)	\$ 24,554,162	\$ (3,563,216)	\$ -	\$ 168,207,917

CITY OF LAKE ELSINORE

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2019

Note 6: Capital Assets (Continued)

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

Governmental Activities				
General Government	\$ 312,191			
Public Safety	419,017			
Public Services	6,301,754			
Community Services	734,221			
Internal Service Fund	345,968			
	<hr/>			
	\$ 8,113,151			

The following is a summary of changes in the Business-type Activities Capital Assets:

	Beginning Balance	Transfer from Governmental Activities	Additions	Deletions	Ending Balance
<u>Business-type Activities:</u>					
Capital assets, not being depreciated:					
Construction-in-progress	\$ -	\$ 18,826,190	\$ -	\$ -	\$ 18,826,190
Total Capital Assets, Not Being Depreciated	<hr/>	18,826,190	<hr/>	<hr/>	18,826,190
Capital assets, being depreciated:					
Building and Structures	-	380,594	9,000	-	389,594
Improvement other than buildings	-	8,822,847	-	-	8,822,847
Machinery and Equipment	-	80,243	351,712	-	431,955
Furniture and Fixtures	-	100,438	318,661	-	419,099
Automotive Equipment	<hr/>	425,011	<hr/>	<hr/>	425,011
Total Capital Assets, Being Depreciated	<hr/>	9,809,133	679,373	<hr/>	10,488,506
Less accumulated depreciation:					
Building and Structures	-	(35,007)	(376)	-	(35,383)
Improvement other than buildings	-	(2,116,512)	-	-	(2,116,512)
Machinery and Equipment	-	(18,513)	(7,876)	-	(26,389)
Furniture and Fixtures	-	(9,257)	-	-	(9,257)
Automotive Equipment	<hr/>	(26,411)	<hr/>	<hr/>	(26,411)
Total Accumulated Depreciation	<hr/>	(2,205,700)	(8,252)	<hr/>	(2,213,952)
Total Capital Assets, Being Depreciated, Net	<hr/>	7,603,433	671,121	<hr/>	8,274,554
Governmental Activities Capital Assets, Net	\$ -	\$ 26,429,623	\$ 671,121	\$ -	\$ 27,100,744

Business-type activities depreciation expense for capital assets for year ended June 30, 2019, is \$8,252.

CITY OF LAKE ELSINORE

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2019

Note 7: Long-Term Liabilities

	<u>Date of Issue</u>	<u>Years of Maturity</u>	<u>Rate of Interest</u>	<u>Amount Authorized</u>
Local Agency Revenue Bonds:				
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

CITY OF LAKE ELSINORE

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED) YEAR ENDED JUNE 30, 2019

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
Bonds Payable:					
Public Financing Authority:					
Local Agency Revenue Bonds:					
2012 Series A	\$ 3,165,000	\$ -	\$ (65,000)	\$ 3,100,000	\$ 75,000
2012 Series B	12,770,000	-	(705,000)	12,065,000	735,000
2012 Series C	5,320,000	-	(20,000)	5,300,000	25,000
2013 Series A	3,560,000	-	(30,000)	3,530,000	35,000
2013 Series B	1,555,000	-	(580,000)	975,000	550,000
2013 Series C	11,655,000	-	(525,000)	11,130,000	540,000
2014 Series A	7,475,000	-	(30,000)	7,445,000	40,000
2014 Series B	17,180,000	-	(435,000)	16,745,000	480,000
2015 Series	103,715,000	-	(11,455,000)	92,260,000	2,110,000
2015 Series A	3,135,000	-	(40,000)	3,095,000	40,000
2015 Series B	4,910,000	-	(1,500,000)	3,410,000	1,600,000
Tax Allocation Revenue Bonds:					
2010 Series A	12,475,000	-	(12,475,000)	-	-
2010 Series B	6,185,000	-	(670,000)	5,515,000	690,000
2010 Series C	21,565,000	-	(1,310,000)	20,255,000	1,350,000
Recreation Financing Authority:					
Lease Revenue Bonds:					
2013 Series A	11,530,000	-	(635,000)	10,895,000	655,000
Facilities Financing Authority:					
Local Agency Revenue Bonds:					
2017 Series	7,975,000	-	(3,110,000)	4,865,000	130,000
Lease Revenue Bonds:					
2016 Series A	10,090,000	-	(245,000)	9,845,000	250,000
Certificates of Participation :					
2014 Series A	6,995,000	-	(235,000)	6,760,000	240,000
Subtotal	251,255,000	-	(34,065,000)	217,190,000	9,545,000
Add (Less) Deferred Amounts:					
Bond Premiums	10,442,021	27,952	(582,131)	9,887,842	-
Bond Discounts	(598,641)	-	86,194	(512,447)	-
Subtotal	9,843,380	27,952	(495,937)	9,375,395	-
Total Bonds	\$ 261,098,380	\$ 27,952	\$ (34,560,937)	\$ 226,565,395	\$ 9,545,000
Capital Leases Payable (Direct borrowings):					
Capital Lease - Street Lights	-	3,459,380	-	3,459,380	55,811
Total Capital Leases	\$ -	\$ 3,459,380	\$ -	\$ 3,459,380	\$ 55,811

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.

CITY OF LAKE ELSINORE

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED) YEAR ENDED JUNE 30, 2019

Note 7: Long-Term Liabilities (Continued)

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.

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. On March 1, 2014, \$60,000 in bonds were redeemed at 103%. At June 30, 2019, the Authority has a cash reserve balance for debt service of \$266,124, which is sufficient to cover the Bond Indenture Reserve Requirement of \$264,325.

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

Year Ending June 30	2012A Local Agency Revenue Bonds		
	Principal	Interest	Total
2020	\$ 75,000	\$ 152,328	\$ 227,328
2021	80,000	149,613	229,613
2022	85,000	146,516	231,516
2023	95,000	142,969	237,969
2024	105,000	138,969	243,969
2025 - 2029	660,000	613,816	1,273,816
2030 - 2034	870,000	415,538	1,285,538
2035 - 2039	1,130,000	154,088	1,284,088
Totals	\$ 3,100,000	\$ 1,913,837	\$ 5,013,837

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

CITY OF LAKE ELSINORE

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2019

Note 7: Long-Term Liabilities (Continued)

June 30, 2019, the Authority has a cash reserve balance for debt service of \$1,439,433, which is sufficient to cover the Bond Indenture Reserve Requirement of \$1,429,700. 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
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	895,000	433,447	1,328,447
2025 - 2029	5,370,000	1,397,075	6,767,075
2030 - 2031	2,640,000	137,350	2,777,350
Totals	\$ 12,065,000	\$ 4,069,678	\$ 16,134,678

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, 2019, the Authority has a cash reserve balance for debt service of \$538,138, which is sufficient to cover the Bond Indenture Reserve Requirement of \$534,500.

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

2012C Local Agency Revenue Bonds			
Year Ending June 30	Principal	Interest	Total
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	55,000	253,884	308,884
2025 - 2029	405,000	1,225,625	1,630,625
2030 - 2034	700,000	1,095,500	1,795,500
2035 - 2039	1,105,000	872,625	1,977,625
2040 - 2043	2,900,000	379,500	3,279,500
Totals	\$ 5,300,000	\$ 4,858,772	\$ 10,158,772

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

CITY OF LAKE ELSINORE**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**
YEAR ENDED JUNE 30, 2019**Note 7: Long-Term Liabilities (Continued)**

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, 2019, the Authority has a cash reserve balance for debt service of \$326,467, which is sufficient to cover the Bond Indenture Reserve Requirement of \$324,258.

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

Year Ending June 30	2013A Local Agency Revenue Bonds		
	Principal	Interest	Total
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	55,000	160,975	215,975
2025 - 2029	395,000	760,938	1,155,938
2030 - 2034	625,000	648,141	1,273,141
2035 - 2039	930,000	462,000	1,392,000
2040 - 2044	1,355,000	178,875	1,533,875
Totals	<u>\$ 3,530,000</u>	<u>\$ 2,871,351</u>	<u>\$ 6,401,351</u>

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, 2019, the Authority has a cash reserve balance for debt service of \$424,369, which is sufficient to cover the Bond Indenture Reserve Requirement of \$421,500.

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

Year Ending June 30	2013B Local Agency Revenue Bonds		
	Principal	Interest	Total
2020	\$ 550,000	\$ 22,063	\$ 572,063
2021	425,000	6,906	431,906
Totals	<u>\$ 975,000</u>	<u>\$ 28,969</u>	<u>\$ 1,003,969</u>

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, 2019, the Authority has a cash reserve balance for debt service of \$1,090,144, which is sufficient to cover the

CITY OF LAKE ELSINORE**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**
YEAR ENDED JUNE 30, 2019**Note 7: Long-Term Liabilities (Continued)**

Bond Indenture Reserve Requirement of \$1,082,856.

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

Year Ending June 30	2013C Local Agency Revenue Bonds		
	Principal	Interest	Total
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	620,000	445,388	1,065,388
2025 - 2029	3,600,000	1,709,663	5,309,663
2030 - 2034	4,640,000	633,938	5,273,938
Totals	<u>\$ 11,130,000</u>	<u>\$ 4,799,643</u>	<u>\$ 15,929,643</u>

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, 2019, the Authority has a cash reserve balance for debt service of \$709,809, which is sufficient to cover the Bond Indenture Reserve Requirement of \$705,011.

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

Year Ending June 30	2014A Local Agency Revenue Bonds		
	Principal	Interest	Total
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	85,000	403,444	488,444
2025 - 2029	655,000	1,938,353	2,593,353
2030 - 2034	1,140,000	1,705,813	2,845,813
2035 - 2039	1,840,000	1,290,875	3,130,875
2040 - 2044	2,800,000	630,488	3,430,488
2045	<u>705,000</u>	<u>20,269</u>	<u>725,269</u>
Totals	<u>\$ 7,445,000</u>	<u>\$ 7,631,462</u>	<u>\$ 15,076,462</u>

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

CITY OF LAKE ELSINORE**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**
YEAR ENDED JUNE 30, 2019**Note 7: Long-Term Liabilities (Continued)**

installments of \$260,000 to \$1,255,000 from September 1, 2015 through September 1, 2040. Interest payments ranging from 3.00% to 5.00% are due from March 1, 2015 through September 1, 2040. The bonds are subject to call and redemption prior to their stated maturity commencing September 1, 2024 at specified redemption prices. At June 30, 2019, the Authority has a cash reserve balance for debt service of \$1,477,895, which is sufficient to cover the Bond Indenture Reserve Requirement of \$1,467,905.

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
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	670,000	646,063	1,316,063
2025 - 2029	4,025,000	2,761,125	6,786,125
2030 - 2034	5,275,000	1,789,513	7,064,513
2035 - 2039	3,290,000	648,944	3,938,944
2040 - 2041	1,270,000	64,750	1,334,750
Totals	<u>\$ 16,745,000</u>	<u>\$ 8,785,172</u>	<u>\$ 25,530,172</u>

2015 Series

In February 2015, \$108,845,000 principal amount of 2015 Series Local Agency Revenue Bonds, was issued in accordance with the indenture. The bonds are due in annual installments of \$655,000 to \$8,405,000 from September 1, 2015 through September 1, 2040. Interest payments ranging from 2.0% to 5.0% are due from September 1, 2015 through September 1, 2040. The bonds are subject to call and redemption prior to their stated maturity commencing September 1, 2025 at specified redemption prices. On September 1, 2018, the bonds were partially redeemed in the amount of \$9,415,000. At June 30, 2019, the Authority has a cash reserve balance for debt service of \$8,532,733, which is sufficient to cover the Bond Indenture Reserve Requirement of \$8,391,511.

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
2020	\$ 2,110,000	\$ 4,481,900	\$ 6,591,900
2021	2,345,000	4,382,100	6,727,100
2022	2,580,000	4,261,100	6,841,100
2023	2,830,000	4,128,175	6,958,175
2024	3,110,000	3,982,200	7,092,200
2025 - 2029	19,960,000	17,223,450	37,183,450
2030 - 2034	29,335,000	11,232,350	40,567,350
2035 - 2039	27,585,000	3,397,150	30,982,150
2040 - 2041	2,405,000	80,125	2,485,125
Totals	<u>\$ 92,260,000</u>	<u>\$ 53,168,550</u>	<u>\$ 145,428,550</u>

CITY OF LAKE ELSINORE**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**
YEAR ENDED JUNE 30, 2019**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, 2019, the Authority has a cash reserve balance for debt service of \$231,714, which is sufficient to cover the Bond Indenture Reserve Requirement of \$230,148.

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

Year Ending June 30	2015A Local Agency Revenue Bonds		
	Principal	Interest	Total
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	60,000	100,019	160,019
2025 - 2029	375,000	469,516	844,516
2030 - 2034	525,000	397,997	922,997
2035 - 2039	725,000	290,122	1,015,122
2040 - 2044	985,000	136,028	1,121,028
2045	235,000	4,259	239,259
Totals	\$ 3,095,000	\$ 1,809,755	\$ 4,904,755

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, 2019, the Reserve Fund is fully funded by the deposit of the Reserve Surety Policy.

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

Year Ending June 30	2015B Local Agency Revenue Bonds		
	Principal	Interest	Total
2020	\$ 1,600,000	\$ 130,500	\$ 1,730,500
2021	1,810,000	45,250	1,855,250
Totals	\$ 3,410,000	\$ 175,750	\$ 3,585,750

CITY OF LAKE ELSINORE**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**
YEAR ENDED JUNE 30, 2019**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. On September 1, 2018, the bonds were partially redeemed in the amount of \$3,005,000. At June 30, 2019, the cash reserve balance of \$300,029 is sufficient to cover the Reserve Requirement of \$295,331.

Future debt requirements for the 2017 Series Local Agency Revenue Bonds are as follows:

Year Ending June 30	2017 Local Agency Revenue Bonds		
	Principal	Interest	Total
2020	\$ 130,000	\$ 158,194	\$ 288,194
2021	135,000	155,544	290,544
2022	140,000	152,794	292,794
2023	140,000	149,994	289,994
2024	145,000	146,963	291,963
2025 - 2029	775,000	678,459	1,453,459
2030 - 2034	885,000	556,213	1,441,213
2035 - 2039	1,015,000	395,806	1,410,806
2040 - 2044	1,225,000	181,500	1,406,500
2045	275,000	5,500	280,500
Totals	<u>\$ 4,865,000</u>	<u>\$ 2,580,967</u>	<u>\$ 7,445,967</u>

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, 2019, the Authority has a cash reserve balance for debt service of \$1,530,444, which is sufficient to cover the Bond Indenture Reserve Requirement of \$1,471,914. The bond was fully refunded at June 30, 2019.

CITY OF LAKE ELSINORE**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**
YEAR ENDED JUNE 30, 2019**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, 2019, the Authority has a cash reserve balance for debt service of \$967,370, which is sufficient to cover the Bond Indenture Reserve Requirement of \$938,956.

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
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	820,000	100,506	920,506
2025 - 2026	1,750,000	83,541	1,833,541
Totals	\$ 5,515,000	\$ 924,150	\$ 6,439,150

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, 2019, the Authority has a cash reserve balance for debt service of \$2,288,231, which is sufficient to cover the Bond Indenture Reserve Requirement of \$2,221,688.

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
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	1,560,000	625,156	2,185,156
2025 - 2029	8,870,000	2,029,397	10,899,397
2030 - 2031	4,135,000	205,338	4,340,338
Totals	\$ 20,255,000	\$ 5,943,130	\$ 26,198,130

CITY OF LAKE ELSINORE**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**
YEAR ENDED JUNE 30, 2019

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, 2019, the Authority has a cash reserve balance for debt service of \$1,131,968, 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
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	760,000	370,200	1,130,200
2025 - 2029	4,295,000	1,349,013	5,644,013
2030 - 2032	3,080,000	307,738	3,387,738
Totals	\$ 10,895,000	\$ 3,782,201	\$ 14,677,201

CITY OF LAKE ELSINORE**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**
YEAR ENDED JUNE 30, 2019

Note 7: Long-Term Liabilities (Continued)**2016 Series A**

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

2016A Lease Revenue Bonds			
Year Ending June 30	Principal	Interest	Total
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	265,000	294,013	559,013
2025 - 2029	1,440,000	1,354,163	2,794,163
2030 - 2034	1,710,000	1,082,525	2,792,525
2035 - 2039	1,995,000	796,344	2,791,344
2040 - 2044	2,355,000	436,688	2,791,688
2045	1,060,000	56,000	1,116,000
Totals	<u>\$ 9,845,000</u>	<u>\$ 5,236,235</u>	<u>\$ 15,081,235</u>

Certificates of Participation

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

CITY OF LAKE ELSINORE**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**
YEAR ENDED JUNE 30, 2019**Note 7: Long-Term Liabilities (Continued)**

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

Year Ending June 30	2014 Certificates of Participation		
	Principal	Interest	Total
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	265,000	229,988	494,988
2025 - 2029	1,460,000	1,028,963	2,488,963
2030 - 2034	1,815,000	677,600	2,492,600
2035 - 2039	2,215,000	272,800	2,487,800
Totals	\$ 6,760,000	\$ 3,187,603	\$ 9,947,603

Revenues Pledged

The City has pledged a portion of future Measure A revenues to repay the Certificates of Participation 2014 Series A. The City's certificates of participation are payable solely from the Measure A revenues. Total principal and interest remaining on the certificates of participation is \$9,947,603, payable through fiscal year 2039. For the current year, principal and interest paid by Measure A revenues were \$235,000 and \$264,938, respectively.

Capital Lease

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 streetlights. 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. The balance on the lease payable at June 30, 2019, was \$3,459,380.

CITY OF LAKE ELSINORE

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED) YEAR ENDED JUNE 30, 2019

Note 7: Long-Term Liabilities (Continued)

The total leased assets by major asset class consisted of the following:

	June 30, 2019
Equipment under capitalized lease, at cost	\$ 3,459,380
Accumulated depreciation	<u>4,107</u>
Equipment under capitalized lease, net	<u><u>\$ 3,463,487</u></u>

Compensated Absences

The following is a summary of changes in compensated absences for the year ended June 30, 2019:

	Balance at July 1, 2018	Additions	Deletions	Balance at June 30, 2019	Due Within One Year
Governmental Activities	<u>\$ 1,234,836</u>	<u>\$ 58,784</u>	<u>\$ 121,900</u>	<u>\$ 1,171,720</u>	<u>\$ 117,172</u>
Total	<u><u>\$ 1,234,836</u></u>	<u><u>\$ 58,784</u></u>	<u><u>\$ 121,900</u></u>	<u><u>\$ 1,171,720</u></u>	<u><u>\$ 117,172</u></u>

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

Note 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, 2019
Assessment District NO. 93-1 Refunding Improvement Bonds, 2012 Series B	\$ 15,345,000	\$ 12,065,000
Total Assessment District Bonds		<u><u>\$ 12,065,000</u></u>

CITY OF LAKE ELSINORE**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**
YEAR ENDED JUNE 30, 2019**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, 2019
Community Facilities District 90-2 Tuscany Hills (2007 Series A)	\$ 7,340,000	\$ 5,745,000
Community Facilities District 2005-5 Wasson Canyon (2012A Series)	3,450,000	3,100,000
Community Facilities District 2006-1 Summerly (2013 Series)	3,620,000	3,530,000
Community Facilities District 2003-2 Canyon Hills IA-C (2012 Series C)	5,345,000	5,300,000
Community Facilities District 88-3 West Lake Elsinore (2013B Series)	4,215,000	975,000
Community Facilities District 98-1 Summerhill (2013C Series)	13,615,000	11,130,000
Community Facilities District 2003-2 Canyon Hills IA-D (2014A Series)	7,505,000	7,445,000
Community Facilities District 2003-2 IA-D Canyon Hills (2016 Series A)	16,495,000	16,280,000
Community Facilities District 2003-2 IA-A Canyon Hills (2014 Series)	10,895,000	9,655,000
Community Facilities District 2003-2 IA-C Canyon Hills (2014 Series)	7,315,000	7,090,000
Community Facilities District 95-1 Lake Elsinore City Center (2015 Series)	1,030,000	755,000
Community Facilities District 2003-2 IA-B Canyon Hills (2015 Series)	25,795,000	15,225,000
Community Facilities District 2004-3-1 IA-1 Rosetta Canyon (2015 Series)	21,005,000	19,355,000
Community Facilities District 2004-3-1 IA-2 Rosetta Canyon (2015 Series)	23,115,000	21,925,000
Community Facilities District 2005-1 Serenity (2015 Series)	8,165,000	7,265,000
Community Facilities District 2005-2 IA-A Alberhill Ranch (2015 Series)	21,095,000	19,655,000
Community Facilities District 2005-6 City Center Townhomes (2015 Series)	2,815,000	2,620,000
Community Facilities District 2006-2 Viscaya (2015 Series)	5,825,000	5,460,000
Community Facilities District 2006-1 IA-B Summerly (2015 Series)	3,200,000	3,095,000
Community Facilities District 88-3 West Lake Elsinore (2015 Series B)	7,590,000	3,410,000
Community Facilities District 2006-1 IA-CC (2016 Series A)	3,000,000	2,920,000
Community Facilities 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	3,755,000
Community Facilities District 2003-2 IA-B Canyon Hills (2017 Series)	7,975,000	4,865,000
Community Facilities District 2015-5 Trieste (2017 Series)	2,240,000	2,205,000
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
Community Facilities District 2016-2 Canyon Hills (2018 Series)	19,745,000	19,745,000
Community Facilities District 2007-4 Makenna Court (2018 Series)	2,645,000	2,645,000
Community Facilities District 2006-1 IA-JJ Summerly (2018 Series)	5,370,000	5,370,000
Total Community Facilities District Bonds	<u><u>\$ 253,655,000</u></u>	<u><u>\$ 219,985,000</u></u>

CITY OF LAKE ELSINORE

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED) YEAR ENDED JUNE 30, 2019

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
General Fund	Other Governmental Funds	\$ 813,599
Other Governmental Funds	Launch Pointe	208
Other Governmental Funds	Other Governmental Funds	242
	Total	\$ 814,049

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	\$ 390,321
Other Governmental Funds	General Fund	271,567
Other Governmental Funds	Other Governmental Funds	908,977
Other Governmental Funds	Capital Improvement Plan Capital Project Fund	358,998
Capital Improvement Plan Capital Project Fund	Other Governmental Funds	4,831,952
Launch Pointe	Capital Improvement Plan Capital Project Fund	1,748,975
Launch Pointe	Government-Wide Statement of Activities	26,429,623
Other Governmental Funds	Launch Pointe	10,090,000
Internal Service Funds	Internal Service Funds	140,263
	Total	\$ 45,170,676

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. Transfers between the Launch Pointe fund and the Capital Projects Funds and Government-Wide Statement of Activities were to move assets and debt related to the construction of the Launch Pointe facility.

CITY OF LAKE ELSINORE

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED) YEAR ENDED JUNE 30, 2019

Note 10: Inter-fund Receivables, Payables and Transfers (Continued)

Advances to, Advances from other funds

The City of Lake Elsinore's Facilities Financing Authority (the "Authority") issued the Lease Revenue Bonds, Series 2016 A to finance the acquisition, construction and installation of certain capital improvements for the Launch Pointe Recreation Destination and RV Park.

As of June 30, 2019, the campground has become fully operational and a new business-type Fund, Launch Pointe, has been established. The proceeds of the bonds were loaned to the Launch Pointe in the principal amounts of the bonds. Principal and interest are payable in payments not less than three business days prior to the due dates of the bonds. The bonds are due in annual installments of \$80,000 to \$540,000 from April 1, 2017 through April 1, 2046. Interest payments ranging from 1.25% to 3.75% are due from April 1, 2017 through April 1, 2046. The loan balance at June 30, 2019 is \$9,845,000.

Note 11: Fund Balance and Net Position

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

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

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

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

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

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

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

CITY OF LAKE ELSINORE

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2019

Note 11: Fund Balance and Net Position (Continued)

The details of the fund balances as of June 30, 2019, are presented below:

	<u>General Fund</u>	<u>Low and Moderate Income Housing Special Revenue Fund</u>	<u>Public Financing Authority Debt Service Fund</u>	<u>Recreation Authority Debt Service Fund</u>
Fund balances:				
Nonspendable:				
Prepaid items	\$ 77,168	\$ -	\$ 4,697	\$ 75,899
Notes Receivable	1,000,000	-	-	-
Endowment Principal	-	-	-	-
Restricted for:				
Debt Service	-	-	190,618,475	1,146,856
Low & Moderate Income Housing	-	44,612,790	-	-
Transportation & Public Works	-	-	-	-
Development	-	-	-	-
Lighting & Landscape Maintenance	-	-	-	-
Public Facilities and Improvements	-	-	-	-
Other purposes	-	-	-	-
Assigned for:				
Construction	-	-	-	-
Scholarships	-	-	-	-
Unassigned	<u>11,067,741</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u><u>\$ 12,144,909</u></u>	<u><u>\$ 44,612,790</u></u>	<u><u>\$ 190,623,172</u></u>	<u><u>\$ 1,222,755</u></u>
	<u>Capital Improvement Plan Capital Projects Fund</u>	<u>Non - Major Governmental Funds</u>	<u>Total Governmental Funds</u>	
Fund balances:				
Nonspendable:				
Prepaid items	\$ -	\$ 70,935	\$ 228,699	
Notes Receivable	-	-	1,000,000	
Endowment Principal	-	20,000	20,000	
Restricted for:				
Debt Service	-	-	191,765,331	
Low & Moderate Income Housing	-	5,190,600	49,803,390	
Transportation & Public Works	-	8,699,514	8,699,514	
Development	-	520	520	
Lighting & Landscape Maintenance	-	729,879	729,879	
Public Facilities and Improvements	-	16,428,791	16,428,791	
Other purposes	-	37,347	37,347	
Assigned for:				
Construction	12,708,454	467,414	13,175,868	
Scholarships	-	12,760	12,760	
Unassigned	<u>-</u>	<u>(770,278)</u>	<u>10,297,463</u>	
Total fund balances	<u><u>\$ 12,708,454</u></u>	<u><u>\$ 30,887,482</u></u>	<u><u>\$ 292,199,562</u></u>	

CITY OF LAKE ELSINORE**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**
YEAR ENDED JUNE 30, 2019

Note 11: Fund Balance and Net Position (Continued)

The details of other restricted purposes in the Statement of Net Position as of June 30, 2019, are presented below:

Geothermal	\$ 21,194
Education	<u>16,153</u>
Total net Position - Other Restricted Purposes	<u>\$ 37,347</u>

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.

CITY OF LAKE ELSINORE

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2019

Note 12: Pension Plan (Continued)

The rate plan provisions and benefits in effect at June 30, 2019, 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, 2019, the employer contributions recognized as a reduction to the net position liability for all the Plans was \$1,397,703.

CITY OF LAKE ELSINORE**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**
YEAR ENDED JUNE 30, 2019**Note 12: Pension Plan (Continued)**

As of June 30, 2019, the City reported a net pension liability for its proportionate share of the net pension liability of the Plan of \$11,684,999.

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, 2018, 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, 2017, rolled forward to June 30, 2018, 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, 2017 and 2018, were as follows:

Proportion		Change
June 30, 2018	June 30, 2017	Increase (Decrease)
0.12126%	0.12291%	-0.00165%

For the year ended June 30, 2019, the City recognized pension expense (credit) of \$447,353. At June 30, 2019, City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows	Deferred Inflows of	Resources
Current year contributions that occurred after the measurement date of June 30, 2018	\$ 1,585,939	\$ -	-
Change of Assumption	1,331,665	326,052	
Difference between Expected and Actual Experiences	447,844	152,189	
Net Difference between Projected and Actual Earnings on Pension Plan Investments	57,821	-	
Adjustment due to differences in proportions	98,043	-	
Difference in proportionate share	120,177	334,933	
Total	\$ 3,641,489	\$ 813,174	

CITY OF LAKE ELSINORE**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**
YEAR ENDED JUNE 30, 2019

Note 12: Pension Plan (Continued)

The \$1,585,939 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, 2020. 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:

<u>Year Ending June 30</u>	
2020	\$ 1,146,923
2021	630,224
2022	(429,731)
2023	(105,040)

For the measurement period ended June 30, 2018, the total pension liability was determined by rolling forward the June 30, 2017, total pension liability. The June 30, 2017, and the June 30, 2018, 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	2.50%
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 15 years of mortality improvements using Society of Actuaries Scale MP-2016. For more details on this table, please refer to the 2017 experience study report.

All other actuarial assumptions used in the June 30, 2017, valuation use the results of CalPERS Experience Study and Review of Actuarial Assumptions — December 2017, 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

In 2018, CalPERS changed the demographic assumptions and the inflation rate accordance with the CalPERS Experience Study and Review of Actuarial Assumptions — December 2017. There were no changes to the discount rate.

CITY OF LAKE ELSINORE

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED) YEAR ENDED JUNE 30, 2019

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	50.00%	4.80%	5.98%
Fixed Income	28.00%	1.00%	2.63%
Inflation Assets	0.00%	77.00%	1.81%
Private Equity	8.00%	6.30%	7.23%
Real Estate	13.00%	3.75%	4.93%
Liquidity	1.00%	0.00%	-0.92%

* An expected inflation of 2.0% used for this period.

**An expected inflation of 2.92% used for this period.

CITY OF LAKE ELSINORE

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED) YEAR ENDED JUNE 30, 2019

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 7.15 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 (6.15 percent) or 1 percentage-point higher (8.15 percent) than the current rate:

	Discount Rate - 1%	Current Discount	Discount Rate +1%
	6.15%	7.15%	8.15%
Net Pension Liability	\$ 17,786,166	\$ 11,684,999	\$ 6,648,621

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

For the measurement period ended June 30, 2018, the Total OPEB liability was determined by rolling forward the June 30, 2017, Total OPEB liability. 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 benefits	3
	<hr/> <u>132</u>

Contributions

The Plan and its contribution requirements are established by Memoranda of Understanding with the applicable employee bargaining units and may be amended by agreements between the City and the bargaining units. The annual contribution is based on the actuarially determined contribution. For the measurement date ended June 30, 2018, the City's cash contributions were \$616,026 in total payments, which were recognized as a reduction to the OPEB liability.

CITY OF LAKE ELSINORE

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED) YEAR ENDED JUNE 30, 2019

Note 13: Other Post-Employment Benefits (Continued)

Total OPEB Liability

The City's Total OPEB liability was measured as of June 30, 2018, 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	3.62%
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 3.62 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 3.56% to 3.62% based on updated 20-year municipal bond rates.

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)	\$ 21,896,884
Changes recognized for the measurement period:	
Service Cost	747,127
Interest	788,486
Changes in Assumptions	(203,573)
Benefit payments	(991,074)
Net Changes	340,966
Balance at June 30, 2017 (Measurement Date)	<u><u>\$ 22,237,850</u></u>

CITY OF LAKE ELSINORE**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**
YEAR ENDED JUNE 30, 2019**Note 13: Other Post-Employment Benefits (Continued)****Sensitivity of the Total OPEB Liability to Changes in the Discount Rate**

The following presents the Total OPEB liability of the City if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2018:

	1% Decrease (2.62%)	Current Discount Rate (3.62%)	1% Increase (4.65%)
Total OPEB Liability	\$ 26,038,806	\$ 22,237,850	\$ 19,226,220

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, 2018:

	1% Decrease	Current Healthcare Cost Trend Rates	1% Increase
Total OPEB Liability	\$ 18,805,080	\$ 22,237,850	\$ 26,658,410

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

For the fiscal year ended June 30, 2019, the City recognized OPEB expense of \$1,168,401. As of fiscal year ended June 30, 2019, the City reported deferred outflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions subsequent to the measurement date	\$ 616,026	\$ -
Changes of assumptions	-	1,803,439
Total	\$ 616,026	\$ 1,803,439

The \$616,026 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the Total OPEB liability during the fiscal year ending June 30, 2020. 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	
2020	\$ (367,212)
2021	(367,212)
2022	(367,212)
2023	(367,212)
2024	(309,854)
Thereafter	(24,737)

CITY OF LAKE ELSINORE

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED) YEAR ENDED JUNE 30, 2019

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.

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, are distributed based on the outcome of cost allocation within the first and second loss layers.

The overall coverage limit for each member, including all layers of coverage, is \$50 million per occurrence. Subsidence losses have a sub-limit of \$40 million per occurrence. The coverage structure includes retained risk that is pooled among members, reinsurance, and excess insurance. More detailed information about the various layers of coverage is available on the following website: <https://cjpi.org/protection/coverage-programs>.

CITY OF LAKE ELSINORE

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED) **YEAR ENDED JUNE 30, 2019**

Note 15: Liability, Property and Protection (Continued)

Primary Workers' Compensation Program

Claims are pooled separately between public safety (police and fire) and general government exposures. (1) The payroll of each member is evaluated relative to the payroll of other members. A variable credibility factor is determined for each member, which establishes the weight applied to payroll and the weight applied to losses within the formula. (2) The first layer of losses includes incurred costs up to \$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 2018-19 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.

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 \$85,201,953. 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 claim 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 2018-19.

CITY OF LAKE ELSINORE

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED) **YEAR ENDED JUNE 30, 2019**

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.

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.

CITY OF LAKE ELSINORE

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2019

Note 17: Successor Agency Trust Disclosures (Continued)

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 and Structures	22,156,477	1,410,088	(18,620)	23,547,945
Improvement other than buildings	568,927	-	(37,625)	531,302
Machinery and Equipment	1,394,667	70,501	(1,137,210)	327,958
Furniture and Fixtures	-	60,981	-	60,981
Total Capital Assets, Being Depreciated	24,120,071	1,541,570	(1,193,455)	24,468,186
Less accumulated depreciation:				
Building and Structures	(8,313,807)	(1,206,100)	16,758	(9,503,149)
Improvement other than buildings	(383,399)	(35,924)	13,092	(406,231)
Machinery and Equipment	(1,123,118)	(50,131)	1,096,001	(77,248)
Furniture and Fixtures	-	(748)	-	(748)
Total Accumulated Depreciation	(9,820,324)	(1,292,903)	1,125,851	(9,987,376)
Total Capital Assets, Being Depreciated, Net	14,299,747	248,667	(67,604)	14,480,810
Governmental Activities Capital Assets, Net	\$ 16,304,166	\$ 248,667	\$ (67,604)	\$ 16,485,229

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
2019 Series	6/19	2020 - 2033	5.00%	9,260,000
Third Lien Tax Allocation Bonds	18-Feb	2019-2038	Various	10,320,000
Developer Agreements:				
McMillin Sumnerly, LLC	12/02	N/A	N/A	19,000,000

CITY OF LAKE ELSINORE

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2019

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 (Direct borrowings) :					
City of Lake Elsinore (Note 4)	\$ 29,704,961	\$ 430,644	⁽¹⁾ \$ (1,235,397)	\$ 28,900,208	\$ -
Lake Elsinore Public Financing Authority	40,225,000	-	(14,455,000)	25,770,000	2,040,000
Discounts	(376,656)		73,973	(302,683)	-
Subtotal	69,553,305	430,644	(15,616,424)	54,367,525	2,040,000
Subordinate Tax Allocation Bonds :					
2015 Series	6,605,000	-	(740,000)	5,865,000	760,000
2019 Series	-	9,260,000	-	9,260,000	170,000
Premiums	240,249	1,334,020	(11,913)	1,562,356	-
Subtotal	6,845,249	10,594,020	(751,913)	16,687,356	930,000
Third Lien Tax Allocation Bonds :					
2018 Series A&B	10,320,000	-	(445,000)	9,875,000	500,000
Discount	(173,350)	-	2,195	(171,155)	-
Subtotal	10,146,650	-	(442,805)	9,703,845	500,000
Developer Agreements (Direct borrowings):					
McMillin Summerly, LLC	941,808	-	(296,675)	645,133	-
Subtotal	941,808	-	(296,675)	645,133	-
Total	\$ 87,487,012	\$ 11,024,664	\$ (17,107,817)	\$ 81,403,859	\$ 3,470,000

⁽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.

CITY OF LAKE ELSINORE

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED) **YEAR ENDED JUNE 30, 2019**

Note 17: Successor Agency Trust Disclosures (Continued)

At June 30, 2019, outstanding principal under loan agreements between the Successor Agency and the Authority totaled \$25,770,000 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, 2019 is paid off in full.

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, 2019, is \$5,515,000. At June 30, 2019, the Authority has a cash reserve balance for debt service of \$967,370, 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, 2019, is \$20,255,000. At June 30, 2019, the Authority has a cash reserve balance for debt service of \$2,288,231, which is sufficient to cover the Bond Indenture Reserve Requirement.

CITY OF LAKE ELSINORE**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**
YEAR ENDED JUNE 30, 2019**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
2020	\$ 2,040,000	\$ 1,080,126	\$ 3,120,126
2021	2,115,000	1,002,961	3,117,961
2022	2,195,000	916,601	3,111,601
2023	2,285,000	823,654	3,108,654
2024	2,380,000	725,662	3,105,662
2025 - 2029	10,620,000	2,112,938	12,732,938
2030 - 2034	4,135,000	205,338	4,340,338
Totals	\$ 25,770,000	\$ 6,867,280	\$ 32,637,280

b. Subordinate Tax Allocation Revenue Bonds**2015 Series**

In August 2015, \$8,065,000 principal amount of Subordinate Tax Allocation Refunding Bonds, Series 2015 were issued to advance refund the 2011 Launch Ramp Project and 2011 Summerly Project Lake Elsinore Public Financing Authority bonds. The term bonds are due in annual installments of \$35,000 to \$805,000 from September 1, 2016 through September 1, 2038; interest at 1.625% to 5%. The bonds are subject to call and redemption prior to their stated maturity at specified redemption prices. The balance at June 30, 2019, is \$5,865,000.

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

Year Ending June 30	Principal	Interest	Total
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	225,000	116,256	341,256
2025 - 2029	1,310,000	429,681	1,739,681
2030 - 2034	1,550,000	173,644	1,723,644
2035 - 2039	205,000	19,484	224,484
Totals	\$ 5,865,000	\$ 1,367,846	\$ 7,232,846

CITY OF LAKE ELSINORE**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**
YEAR ENDED JUNE 30, 2019**Note 17: Successor Agency Trust Disclosures (Continued)****2019 Series A**

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

Year Ending June 30	Principal	Interest	Total
2020	\$ 170,000	\$ 563,317	\$ 733,317
2021	270,000	454,500	724,500
2022	285,000	441,000	726,000
2023	300,000	426,750	726,750
2024	315,000	411,750	726,750
2025 - 2029	1,815,000	1,807,500	3,622,500
2030 - 2034	6,105,000	815,000	6,920,000
Totals	\$ 9,260,000	\$ 4,919,817	\$ 14,179,817

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, 2019, is \$2,255,000.

Year Ending June 30	Principal	Interest	Total
2020	\$ 90,000	\$ 62,625	\$ 152,625
2021	95,000	60,825	155,825
2022	95,000	58,925	153,925
2023	100,000	57,025	157,025
2024	105,000	55,025	160,025
2025 - 2029	525,000	239,875	764,875
2030 - 2034	610,000	162,556	772,556
2035 - 2038	635,000	37,631	672,631
Totals	\$ 2,255,000	\$ 734,487	\$ 2,989,487

CITY OF LAKE ELSINORE**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**
YEAR ENDED JUNE 30, 2019**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, 2019, is \$7,620,000.

Year Ending June 30	Principal	Interest	Total
2020	\$ 410,000	\$ 272,025	\$ 682,025
2021	425,000	261,775	686,775
2022	435,000	250,088	685,088
2023	355,000	237,581	592,581
2024	365,000	226,931	591,931
2025 - 2029	2,020,000	941,238	2,961,238
2030 - 2034	2,430,000	531,656	2,961,656
2035 - 2038	1,180,000	98,600	1,278,600
Totals	\$ 7,620,000	\$ 2,819,894	\$ 10,439,894

d. Developer Agreements

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

McMillin Summerly LLC

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

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

CITY OF LAKE ELSINORE

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED) YEAR ENDED JUNE 30, 2019

Note 17: Successor Agency Trust Disclosures (Continued)

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, 2019, is \$645,133, 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, 2019 for assistance to an affordable housing project to be developed by the master developer is \$0.

e. Commitments and Contingencies

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

Lake Elsinore Stadium

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

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 \$356,030 for the 2018 fiscal year and \$712,059 for the 2019 fiscal year. This amount is net of payments owed to the Successor Agency pursuant to a License Agreement, as amended, and includes payments by the Successor Agency due pursuant to a Stadium Field and Maintenance Agreement, as amended, and assignment of revenues pursuant to a Concession License Agreement, as amended. The Management Agreement was amended and expired on September 30, 2019.

Other Matters

Management believes, in consultation with legal counsel, that the obligations of the former

CITY OF LAKE ELSINORE

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED) **YEAR ENDED JUNE 30, 2019**

Note 17: Successor Agency Trust Disclosures (Continued)

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 \$12,653,427 and the required debt service obligation on the bonds was \$5,836,831.

Note 18: Joint Powers Agreements

On March 28, 2000, the City agreed to enter into a joint powers agreement under Proposition 13 with Elsinore Valley Municipal Water District and the Santa Ana Watersheds Project Authority to form the Lake Elsinore and San Jacinto Watersheds Authority. The Authority is due to receive \$15 million in Proposition 13 water bond proceeds to improve the Lake Elsinore and San Jacinto Watersheds Authority lake water quality. As of June 30, 2015, the Authority had minimal activity and according to the criteria in Note 1A, the Authority is not included in these financial statements.

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

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

CITY OF LAKE ELSINORE**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**
YEAR ENDED JUNE 30, 2019

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:

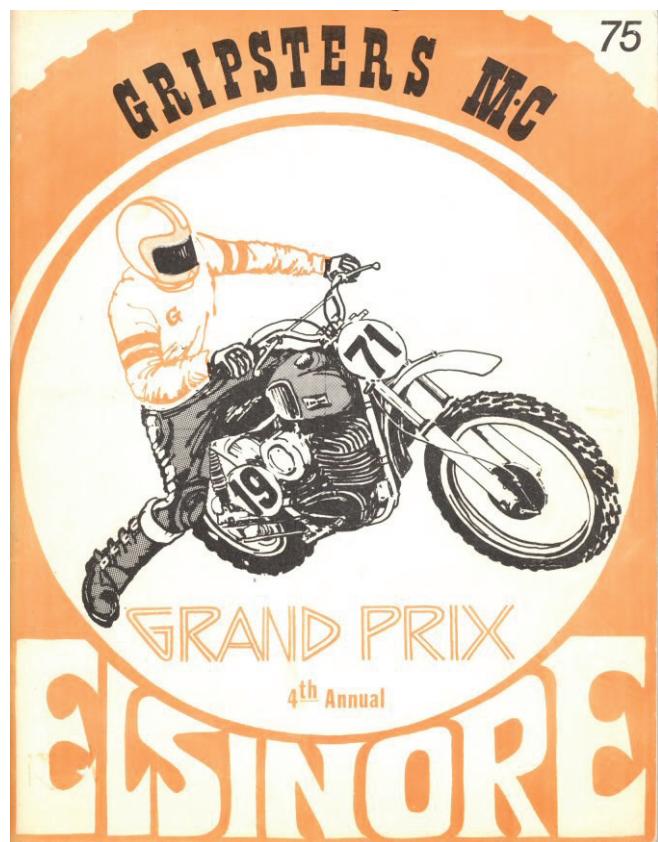
	<u>Governmental Activities (1)</u>
Beginning Net Position, as previously reported	\$ 221,481,578
Restatement	<u>(920,685)</u>
Beginning Net Position, as restated	<u>\$ 220,560,893</u>

(1) Beginning net position of Governmental Activities, prior period adjustment to net position of \$920,685 that was required to correct historical balances of obligations.

Note 20: Subsequent events

The disclosure of Commitments and Contingencies in Note 17 to the financial statements identifies the litigation of the City regarding outstanding Advances from the former Redevelopment Agency which were disallowed by the California Department of Finance. On July 30, 2019 a court order determination was made recognizing that the Housing Fund Loan in the outstanding amount of \$27,641,173 is an enforceable obligation, the California Department of Finance no longer denies this item.

On October 1, 2019, \$4,050,000 principal amount of Tax Allocation Refunding Bonds, Series 2019B was issued by the Successor Agency of the Redevelopment Agency. The bonds were issued to refund the former Redevelopment Agency's obligations under a Housing Fund Loan Agreement date May 1, 2010, the loan payments under which secured payment of the Lake Elsinore Public Financing Authority Tax Allocation Revenue Bonds (1995 Series A Refunding), 2010 Series B. The bonds will be paid by the Successor Agency using former housing set-aside.



REQUIRED SUPPLEMENTARY
INFORMATION





CITY OF LAKE ELSINORE

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED JUNE 30, 2019

	Budget Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual Amounts	
	\$	\$	\$	
Budgetary Fund Balance, July 1	\$ 11,839,239	\$ 11,839,239	\$ 11,839,239	\$ -
Resources (Inflows):				
Taxes	21,946,080	21,942,730	22,174,361	231,631
Licenses and permits	3,100,360	2,445,344	2,111,680	(333,664)
Intergovernmental	5,500,691	6,171,691	5,134,993	(1,036,698)
Charges for services	4,932,270	4,225,689	2,956,160	(1,269,529)
Use of money and property	155,000	155,000	538,375	383,375
Fines and forfeitures	488,100	450,400	552,426	102,026
Contributions	476,440	550,000	175,030	(374,970)
Miscellaneous	6,933,785	7,874,209	7,302,978	(571,231)
Transfers in	-	190,001	390,321	200,320
Proceeds from sale of capital asset	-	-	24,201	24,201
Amounts Available for Appropriations	55,371,965	55,844,303	53,199,764	(2,644,539)
Charges to Appropriation (Outflow):				
General government				
City Council	230,910	230,910	239,256	(8,346)
Community Support	47,500	75,996	75,798	198
City Clerk	650,500	650,500	559,099	91,401
City Attorney	498,020	498,020	498,100	(80)
City Manager	968,100	968,101	978,025	(9,924)
Administrative Services	2,030,740	2,030,740	1,930,119	100,621
Public safety				
Police Services - Contracted	14,112,770	14,112,770	12,600,001	1,512,769
Suppression - Contracted	7,650,940	7,650,940	6,982,112	668,828
Animal Services - Contracted	655,410	655,410	648,334	7,076
Community development				
Planning & Zoning	1,086,550	1,119,690	1,051,282	68,408
Building & Safety	1,848,320	1,999,050	1,610,978	388,072
Code Enforcement/Graffiti	1,172,670	1,359,990	1,277,489	82,501
Economic Development	291,500	291,500	273,988	17,512
Fire Prevention	790,460	790,460	425,284	365,176
Community services				
Administration	695,630	763,490	672,773	90,717
Recreation	1,493,700	1,512,350	1,127,646	384,704
Senior Center	435,210	473,030	400,407	72,623
Public services				
Engineering	2,183,820	2,258,400	2,316,475	(58,075)
Administration	2,600,650	2,807,220	2,762,516	44,704
Park Maintenance	2,453,750	2,516,930	2,321,046	195,884
Lake Services	1,227,080	1,288,520	1,291,996	(3,476)
Non-Departmental	806,570	150,700	636,164	(485,464)
Capital outlay	119,670	119,670	104,400	15,270
Transfers out	1,670,700	1,670,700	271,567	1,399,133
Total Charges to Appropriations	45,721,170	45,995,087	41,054,855	4,940,232
Budgetary Fund Balance, June 30	\$ 9,650,795	\$ 9,849,216	\$ 12,144,909	\$ 2,295,693

CITY OF LAKE ELSINORE

BUDGETARY COMPARISON SCHEDULE
LOW AND MODERATE INCOME HOUSING
YEAR ENDED JUNE 30, 2019

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1, as restated	\$ 42,880,155	\$ 42,880,155	\$ 42,880,155	\$ -
Resources (Inflows):				
Assessments	-	-	2,076,084	2,076,084
Licenses and permits	-	-	-	-
Use of money and property	-	90,000	183,315	93,315
Miscellaneous	-	10,000	5,000	(5,000)
Proceeds from sale of capital asset	-	-	3,533,178	3,533,178
Amounts Available for Appropriations	42,880,155	42,980,155	48,677,732	5,697,577
Charges to Appropriation (Outflow):				
Community development	30,000	1,000,000	534,014	465,986
Capital outlay	-	3,250,000	3,530,928	(280,928)
Total Charges to Appropriations	30,000	4,250,000	4,064,942	185,058
Budgetary Fund Balance, June 30	\$ 42,850,155	\$ 38,730,155	\$ 44,612,790	\$ 5,882,635

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	2019
Proportion of the Net Pension Liability	0.29477%	0.32568%	0.31058%	0.30896%	0.30977%
Proportionate Share of the Net Pension Liability	\$ 7,292,642	\$ 8,943,640	\$ 10,798,127	\$ 12,189,277	\$ 11,684,999
Covered Payroll	\$ 4,537,860	\$ 4,751,199	\$ 3,804,985	\$ 5,605,231	\$ 5,975,932
Proportionate Share of the Net Pension Liability as Percentage of Covered Payroll	160.71%	188.24%	283.79%	217.46%	195.53%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	78.40%	79.82%	75.87%	73.31%	75.26%

Notes to Schedule:

Benefit Changes: There were no changes to benefit terms. However, the figures above do not include any liability impact that may have resulted from plan changes which occurred after the measurement dates. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Changes of Assumptions: In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate in 2018. 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 administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense.) In 2014, amount reported were based on the 7.5 percent discount rate.

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

CITY OF LAKE ELSINORE

CALPERS PENSION PLAN

SCHEDULE OF PLAN CONTRIBUTIONS

AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)

	2015	2016	2017	2018	2019
Actuarially Determined Contribution	\$ 890,999	\$ 1,049,049	\$ 1,313,558	\$ 1,397,703	\$ 1,340,596
Contribution in Relation to the Actuarially Determined Contribution	(890,999)	(1,049,049)	(1,313,558)	(1,397,703)	(1,585,939)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ (245,343)
 Covered Payroll	 \$ 4,751,199	 \$ 3,804,985	 \$ 5,605,231	 \$ 5,975,932	 \$ 6,052,501
 Contributions as a Percentage of Covered Payroll	 18.75%	 27.57%	 23.43%	 23.39%	 26.20%

(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 five years are shown.

Note to Schedule:

Valuation Date: June 30, 2016

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Entry Age Normal Cost Method
Amortization method	Level percentage of payroll, closed
Asset valuation method	Direct rate smoothing
Inflation	2.75%
Payroll Growth	3.00%
Projected Salary Increases	Varies by Entry Age and Service
Investment Rate of Return	7.375% (net of pension plan investment and administrative expenses, includes inflation)

Retirement Age All other actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period from 1997 to 2011, including updates to salary increase, mortality and retirement rates. The Experience Study report may be accessed on the CalPERS website at www.calpers.ca.gov under Forms and Publications.

Mortality 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.

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	2019
Total OPEB Liability		
Service cost	\$ 841,236	\$ 747,127
Interest on the total OPEB liability	700,306	788,486
Changes in assumptions	(2,304,484)	(203,573)
Benefit payments (2)	(964,068)	(991,074)
Net change in total OPEB liability	(1,727,010)	340,966
Total OPEB liability - beginning	23,623,894	21,896,884
Total OPEB liability - ending	\$ 21,896,884	\$ 22,237,850
 Plan fiduciary net position as a percentage of the total OPEB liability	 0.00%	 0.00%
 Covered-employee payroll	 \$ 4,726,797	 \$ 4,962,874
 Total OPEB liability as a percentage of covered-employee payroll	 441.21%	 470.46%

(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 \$691,172 direct subsidy payments to retirees and \$299,902 implicit subsidy costs incurred during measurement period ending June 30,2018.

Notes to Schedule: None.

Changes in assumptions: The discount rate was changed from 3.56% to 3.62% based on updated 20-year municipal bond rates.

CITY OF LAKE ELSINORE

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION YEAR ENDED JUNE 30, 2019

BUDGETS AND BUDGETARY DATA

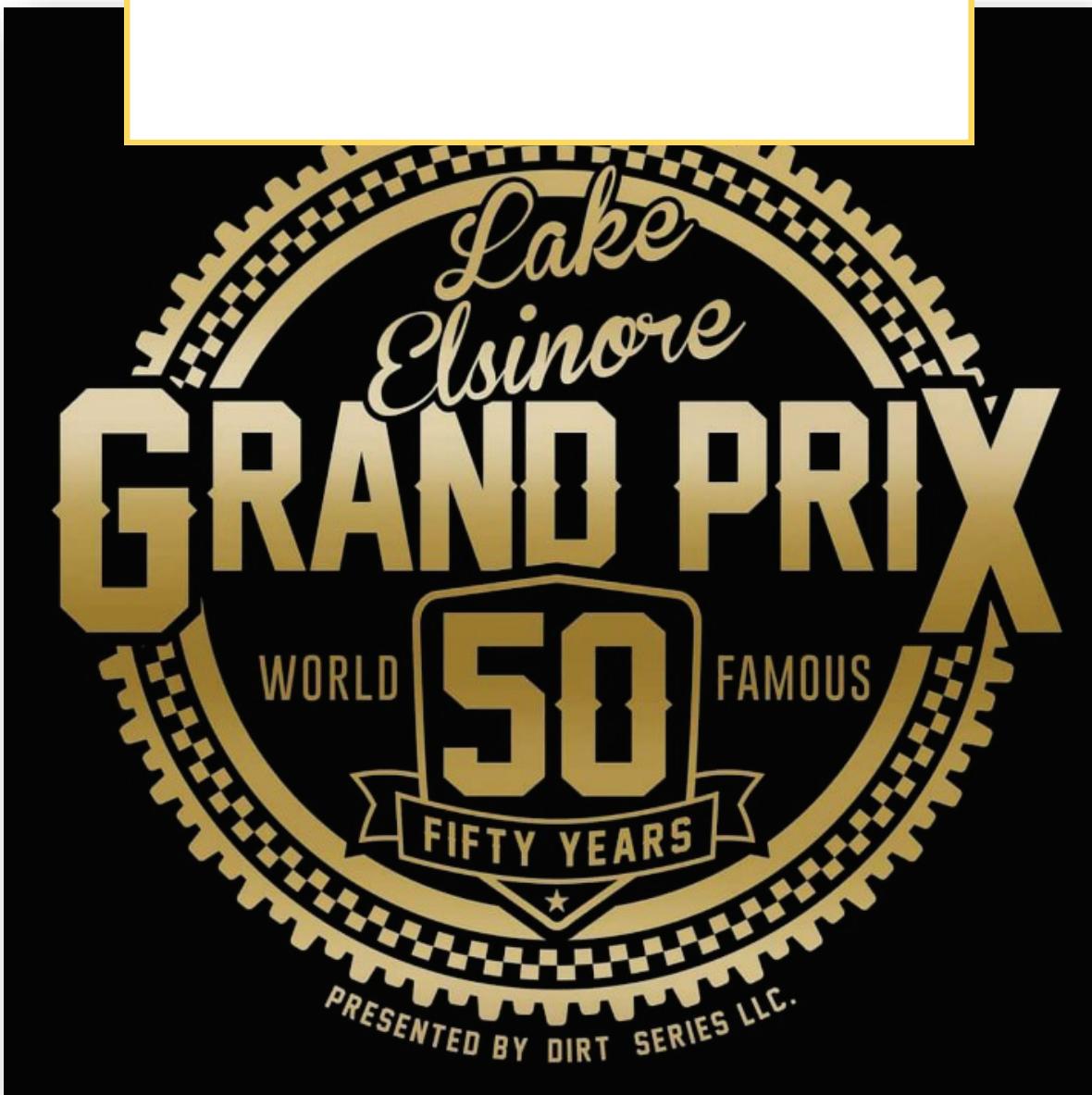
The City follows these procedures in establishing the budgetary data reflected in the financial statements:

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. Budgets were legally adopted for all governmental funds with the exception of the Cost Recovery System Fund.

Excess of expenditures over appropriations are as follows:

Fund	Expenditures	Appropriations	Excess
Major Governmental Funds:			
General Fund:			
General Government			
City Attorney	\$ 498,100	\$ 498,020	\$ (80)
City Council	239,256	230,910	(8,346)
City Manager	978,025	968,101	(9,924)
Public Services			
Lake Services	1,291,996	1,288,520	(3,476)
Engineering	2,316,475	2,258,400	(58,075)
Nondepartmental	636,164	150,700	(485,464)
Low and Moderate Income Housing:			
Capital Outlay	3,530,928	3,250,000	(280,928)

SUPPLEMENTARY INFORMATION





CITY OF LAKE ELSINORE
Non-Major Governmental Funds

Special Revenue Funds

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.

CITY OF LAKE ELSINORE
Non-Major Governmental Funds

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.

Capital Project Funds

Capital Improvement Plan (Major Fund Budgetary Schedule) - to account for assets and transactions programmed for capital improvement 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.

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

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

CITY OF LAKE ELSINORE
Non-Major Governmental Funds

Debt Service Fund

Public Financing Authority (Major Fund Budgetary Schedule) – to account for debt service transactions and payments of principal and interest on long-term obligations of the component unit.

Recreation Authority (Major Fund Budgetary Schedule) - to account for debt service transactions and payments of principal and interest on long-term obligations of the component unit.

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

Permanent Fund

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

CITY OF LAKE ELSINORE

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2019

	Special Revenue Funds			
	Supplemental Law Enforcement Service	Traffic Offender	Gas Tax	Transportation Measure A
Assets:				
Cash and investments	\$ -	\$ -	\$ 1,096,638	\$ 1,625,335
Receivables:				
Accounts	-	-	-	-
Notes and loans	-	-	-	-
Accrued interest	-	-	7,651	8,694
Prepaid costs	-	-	-	-
Due from other governments	55,948	-	108,937	245,032
Due from other funds	-	-	-	-
Advances to other funds	-	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total Assets	\$ 55,948	\$ -	\$ 1,213,226	\$ 1,879,061
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ 91,161	\$ -
Unearned revenues	-	-	-	-
Deposits payable	-	-	-	-
Due to other funds	-	-	-	-
Total Liabilities	-	-	91,161	-
Deferred Inflows of Resources:				
Unavailable revenues	55,948	-	-	-
Total Deferred Inflows of Resources	55,948	-	-	-
Fund Balances:				
Nonspendable	-	-	-	-
Restricted	-	-	1,122,065	1,879,061
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	-	-	1,122,065	1,879,061
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 55,948	\$ -	\$ 1,213,226	\$ 1,879,061

CITY OF LAKE ELSINORE

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2019

(CONTINUED)

Special Revenue Funds						
	SB1186 CAS Education	Traffic Safety	City-wide Lighting and Landscaping	L.L.M.D No. 1		
Assets:						
Cash and investments	\$ 16,413	\$ -	\$ 348,569	\$ 839,819		
Receivables:						
Accounts	-	-	-	-		
Notes and loans	-	-	-	-		
Accrued interest	64	-	-	-	2,887	
Prepaid costs	-	-	-	-		
Due from other governments	-	43,113	62,458	9,077		
Due from other funds	-	-	450	-		
Advances to other funds	-	-	-	-		
Restricted assets:						
Cash and investments with fiscal agents	-	-	433,816	-		
Total Assets	\$ 16,477	\$ 43,113	\$ 845,293	\$ 851,783		
Liabilities, Deferred Inflows of Resources, and Fund Balances:						
Liabilities:						
Accounts payable	\$ 324	\$ -	\$ 161,575	\$ 121,904		
Unearned revenues	-	-	-	-		
Deposits payable	-	-	-	-		
Due to other funds	-	43,113	-	-		
Total Liabilities	324	43,113	161,575	121,904		
Deferred Inflows of Resources:						
Unavailable revenues	-	-	40,539	-		
Total Deferred Inflows of Resources	-	-	40,539	-		
Fund Balances:						
Nonspendable	-	-	-	-		
Restricted	16,153	-	643,179	729,879		
Assigned	-	-	-	-		
Unassigned	-	-	-	-		
Total Fund Balances	16,153	-	643,179	729,879		
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 16,477	\$ 43,113	\$ 845,293	\$ 851,783		

CITY OF LAKE ELSINORE

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2019

Special Revenue Funds					
	Geothermal	AB2766 Air Pollution	C.D.B.G	Cost Recovery System	
Assets:					
Cash and investments	\$ 21,109	\$ 306,606	\$ -	\$ 1,068,323	
Receivables:					
Accounts	-	-	-	128,365	
Notes and loans	-	-	-	-	
Accrued interest	85	1,252	-	-	
Prepaid costs	-	-	-	-	
Due from other governments	-	21,307	5,975	-	
Due from other funds	-	-	-	-	
Advances to other funds	-	-	-	-	
Restricted assets:					
Cash and investments with fiscal agents	-	-	-	-	
Total Assets	\$ 21,194	\$ 329,165	\$ 5,975	\$ 1,196,688	
 Liabilities, Deferred Inflows of Resources, and Fund Balances:					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ -	\$ 108,504	
Unearned revenues	-	-	-	-	
Deposits payable	-	-	-	1,088,184	
Due to other funds	-	-	13,199	-	
Total Liabilities	-	-	13,199	1,196,688	
 Deferred Inflows of Resources:					
Unavailable revenues	-	-	5,975	-	
Total Deferred Inflows of Resources	-	-	5,975	-	
 Fund Balances:					
Nonspendable	-	-	-	-	
Restricted	21,194	329,165	-	-	
Assigned	-	-	-	-	
Unassigned	-	-	(13,199)	-	
Total Fund Balances	21,194	329,165	(13,199)	-	
 Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 21,194	\$ 329,165	\$ 5,975	\$ 1,196,688	

CITY OF LAKE ELSINORE

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2019

(CONTINUED)

Special Revenue Funds						
	Developer Agreement Revenue/Trust	Affordable Housing In- Lieu	City Hall / Public Works	Community Center		
Assets:						
Cash and investments	\$ -	\$ 1,481,143	\$ 65,660	\$ 28,866		
Receivables:						
Accounts	-	-	-	-		
Notes and loans	-	3,342,224	-	-		
Accrued interest	520	23,473	249	112		
Prepaid costs	-	-	-	-		
Due from other governments	-	-	-	-		
Due from other funds	-	-	-	-		
Advances to other funds	-	-	-	-		
Restricted assets:						
Cash and investments with fiscal agents	-	-	-	-		
Total Assets	\$ 520	\$ 4,846,840	\$ 65,909	\$ 28,978		
Liabilities, Deferred Inflows of Resources, and Fund Balances:						
Liabilities:						
Accounts payable	\$ -	\$ 247,717	\$ -	\$ -		
Unearned revenues	-	-	-	-		
Deposits payable	-	446,974	-	-		
Due to other funds	-	-	-	-		
Total Liabilities	-	694,691	-	-		
Deferred Inflows of Resources:						
Unavailable revenues	-	17,036	-	-		
Total Deferred Inflows of Resources	-	17,036	-	-		
Fund Balances:						
Nonspendable	-	-	-	-		
Restricted	520	4,135,113	65,909	28,978		
Assigned	-	-	-	-		
Unassigned	-	-	-	-		
Total Fund Balances	520	4,135,113	65,909	28,978		
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 520	\$ 4,846,840	\$ 65,909	\$ 28,978		

CITY OF LAKE ELSINORE

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2019

Special Revenue Funds					
	Lakeside Facilities	Animal Shelter	N.P.D.E.S.	PEG Grant	
Assets:					
Cash and investments	\$ 60,678	\$ -	\$ -	\$ 15,079	
Receivables:					
Accounts	-	-	-	4,990	
Notes and loans	-	-	-	-	
Accrued interest	244	109	519	50	
Prepaid costs	-	-	-	-	
Due from other governments	-	-	29,808	-	
Due from other funds	-	-	-	-	
Advances to other funds	-	-	-	-	
Restricted assets:					
Cash and investments with fiscal agents	-	-	-	-	
Total Assets	<u>\$ 60,922</u>	<u>\$ 109</u>	<u>\$ 30,327</u>	<u>\$ 20,119</u>	
Liabilities, Deferred Inflows of Resources, and Fund Balances:					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ 2,688	\$ -	
Unearned revenues	-	-	-	-	
Deposits payable	-	-	-	-	
Due to other funds	-	-	-	-	
Total Liabilities	<u>-</u>	<u>-</u>	<u>2,688</u>	<u>-</u>	
Deferred Inflows of Resources:					
Unavailable revenues	-	-	-	-	
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	
Fund Balances:					
Nonspendable	-	-	-	-	
Restricted	60,922	109	27,639	20,119	
Assigned	-	-	-	-	
Unassigned	-	-	-	-	
Total Fund Balances	<u>60,922</u>	<u>109</u>	<u>27,639</u>	<u>20,119</u>	
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 60,922</u>	<u>\$ 109</u>	<u>\$ 30,327</u>	<u>\$ 20,119</u>	

CITY OF LAKE ELSINORE

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2019

(CONTINUED)

	Special Revenue Funds		Capital Projects Funds				
	Pedestrian Sidewalk	Miscellaneous General Project	Park Improvement and Development		Storm Drains		
Assets:							
Cash and investments	\$ -	\$ 506,054	\$ 211,297	\$ 413,261			
Receivables:							
Accounts	-	-	-	-			
Notes and loans	-	-	-	-			
Accrued interest	-	-	871	1,760			
Prepaid costs	-	-	-	-			
Due from other governments	180,021	-	-	-			
Due from other funds	-	-	-	-			
Advances to other funds	-	-	-	-			
Restricted assets:							
Cash and investments with fiscal agents	-	-	-	-			
Total Assets	\$ 180,021	\$ 506,054	\$ 212,168	\$ 415,021			
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	180,021	-	212,168	415,021			
Assigned	-	467,414	-	-			
Unassigned	-	-	-	-			
Total Fund Balances	180,021	467,414	212,168	415,021			
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 180,021	\$ 506,054	\$ 212,168	\$ 415,021			

CITY OF LAKE ELSINORE

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2019

Capital Projects Funds					
	Library Capital Improvement	Traffic Impact	City Fire Protection	Public Improvement In-Lieu	
Assets:					
Cash and investments	\$ 1,798,307	\$ 4,916,051	\$ -	\$ 103,373	
Receivables:					
Accounts	-	-	-		
Notes and loans	-	-	-		
Accrued interest	7,720	20,922	512		442
Prepaid costs	-	-	-		
Due from other governments	-	-	-		
Due from other funds	-	-	-		
Advances to other funds	-	-	-		
Restricted assets:					
Cash and investments with fiscal agents	-	-	-		
Total Assets	<u>\$ 1,806,027</u>	<u>\$ 4,936,973</u>	<u>\$ 512</u>	<u>\$ 103,815</u>	
Liabilities, Deferred Inflows of Resources, and Fund Balances:					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ -	\$ -	
Unearned revenues	-	-	-		
Deposits payable	-	-	-		
Due to other funds	-	-	-		
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	
Deferred Inflows of Resources:					
Unavailable revenues	-	-	-		
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	
Fund Balances:					
Nonspendable	-	-	-		
Restricted	1,806,027	4,936,973	512	103,815	
Assigned	-	-	-		
Unassigned	-	-	-		
Total Fund Balances	<u>1,806,027</u>	<u>4,936,973</u>	<u>512</u>	<u>103,815</u>	
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 1,806,027</u>	<u>\$ 4,936,973</u>	<u>\$ 512</u>	<u>\$ 103,815</u>	

CITY OF LAKE ELSINORE

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2019

(CONTINUED)

Capital Projects Funds					
	Road Improvement Program Fund	TUMF	Assessment Districts	Street Lighting	
Assets:					
Cash and investments	\$ 144	\$ -	\$ -	\$ -	\$ -
Receivables:					
Accounts	- -	- -	- -	- -	- -
Notes and loans	- -	- -	- -	- -	- -
Accrued interest	- -	- -	- -	- 450	- -
Prepaid costs	- -	- -	- -	- -	- -
Due from other governments	- -	703,013	- -	- -	- -
Due from other funds	- -	- -	- -	- -	- -
Advances to other funds	- -	- -	- -	- -	- -
Restricted assets:					
Cash and investments with fiscal agents	17,085	- -	- -	- -	- -
Total Assets	\$ 17,229	\$ 703,013	\$ -	\$ 450	
Liabilities, Deferred Inflows of Resources, and Fund Balances:					
Liabilities:					
Accounts payable	\$ - -	\$ - -	\$ - -	\$ - -	\$ - -
Unearned revenues	- -	- -	- -	- -	- -
Deposits payable	- -	- -	- -	- -	- -
Due to other funds	- -	757,079	- -	- -	450
Total Liabilities	-	757,079	-	-	450
Deferred Inflows of Resources:					
Unavailable revenues	- -	703,013	- -	- -	- -
Total Deferred Inflows of Resources	-	703,013	-	-	-
Fund Balances:					
Nonspendable	- -	- -	- -	- -	- -
Restricted	17,229	- -	- -	- -	- -
Assigned	- -	- -	- -	- -	- -
Unassigned	- -	(757,079)	- -	- -	- -
Total Fund Balances	17,229	(757,079)	-	-	-
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 17,229	\$ 703,013	\$ -	\$ 450	

CITY OF LAKE ELSINORE

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2019

	Capital Projects Fund		Debt Service Fund		Permanent Fund	
	Facilities Construction		Facilities Financing Authority		Endowment Trust - Adolph Korn	
					Total Governmental Funds	
Assets:						
Cash and investments	\$	-	\$	-	\$ 32,620	\$ 14,955,345
Receivables:						
Accounts		-		-		133,355
Notes and loans		-		-		3,342,224
Accrued interest		-	511		140	79,237
Prepaid costs		-	70,935		-	70,935
Due from other governments		-			-	1,464,689
Due from other funds		-			-	450
Advances to other funds		-	9,845,000		-	9,845,000
Restricted assets:						
Cash and investments with fiscal agents		-	4,789,398		-	5,240,299
Total Assets	\$	-	\$ 14,705,844	\$ 32,760	\$ 35,131,534	
Liabilities, Deferred Inflows of Resources, and Fund Balances:						
Liabilities:						
Accounts payable	\$	-	\$	-	\$	733,873
Unearned revenues		-		-		38,640
Deposits payable		-	300,029		-	1,835,187
Due to other funds		-		-		813,841
Total Liabilities	-		300,029		-	3,421,541
Deferred Inflows of Resources:						
Unavailable revenues		-		-		822,511
Total Deferred Inflows of Resources	-		-		-	822,511
Fund Balances:						
Nonspendable		-	70,935		20,000	90,935
Restricted		-	14,334,880		-	31,086,651
Assigned		-			12,760	480,174
Unassigned		-			-	(770,278)
Total Fund Balances	-		14,405,815	\$ 32,760	\$ 30,887,482	
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$	-	\$ 14,705,844	\$ 32,760	\$ 35,131,534	



NOVEMBER 11, 12 & 13

**2011 LAKE ELSINORE
GRAND PRIX**

AT THE LAKE ELSINORE DIAMOND

CITY OF LAKE ELSINORE

COMBINING STATEMENT OF REVENUES,
 EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 YEAR ENDED JUNE 30, 2019

	Special Revenue Funds			
	Supplemental Law Enforcement Service	Traffic Offender	Gas Tax	Transportation Measure A
Revenues:				
Special assessments	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	23,125	-	-
Intergovernmental	148,747	-	2,361,963	1,496,639
Investment earnings	-	-	55,344	74,635
Fines and forfeitures	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	148,747	23,125	2,417,307	1,571,274
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	148,747	23,125	-	-
Community development	-	-	-	-
Community services	-	-	-	-
Public Services	-	-	1,284,537	-
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	148,747	23,125	1,284,537	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	1,132,770	1,571,274
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	-	(723,072)	(1,438,216)
Capital leases	-	-	-	-
Total Other Financing Sources (Uses)	-	-	(723,072)	(1,438,216)
Net Change in Fund Balances	-	-	409,698	133,058
Fund Balances, Beginning of Year	-	-	712,367	1,746,003
Fund Balances, End of Year	\$ -	\$ -	\$ 1,122,065	\$ 1,879,061

CITY OF LAKE ELSINORE

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2019

(CONTINUED)

Special Revenue Funds					
	SB1186 CAS Education	Traffic Safety	City-wide Lighting and Landscaping	L.L.M.D No. 1	
Revenues:					
Special assessments	\$ -	\$ -	\$ 1,431,605	\$ 632,853	
Licenses and permits	- -	- -	- -	- -	
Intergovernmental	11,204	- -	- -	- -	
Investment earnings	492	(390)	41,084	32,507	
Fines and forfeitures	- -	322,339	- -	- -	
Miscellaneous	- -	- -	7,689	- -	
Total Revenues	11,696	321,949	1,480,378	665,360	
Expenditures:					
Current:					
General government	- -	- -	- -	- -	
Public safety	- -	321,949	- -	- -	
Community development	- -	- -	- -	- -	
Community services	- -	- -	- -	- -	
Public Services	3,003	- -	1,568,970	991,872	
Capital outlay	- -	- -	3,104,859	- -	
Debt service:					
Principal retirement	- -	- -	- -	- -	
Interest and fiscal charges	- -	- -	- -	- -	
Total Expenditures	3,003	321,949	4,673,829	991,872	
Excess (Deficiency) of Revenues Over (Under) Expenditures	8,693	- -	(3,193,451)	(326,512)	
Other Financing Sources (Uses):					
Transfers in	- -	- -	377,250	- -	
Transfers out	- -	- -	- -	- -	
Capital leases	- -	- -	3,459,380	- -	
Total Other Financing Sources (Uses)	- -	- -	3,836,630	- -	
Net Change in Fund Balances	8,693	- -	643,179	(326,512)	
Fund Balances, Beginning of Year	7,460	- -	- -	1,056,391	
Fund Balances, End of Year	\$ 16,153	\$ - -	\$ 643,179	\$ 729,879	

CITY OF LAKE ELSINORE

COMBINING STATEMENT OF REVENUES,
 EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 YEAR ENDED JUNE 30, 2019

Special Revenue Funds					
	Geothermal	AB2766 Air Pollution	C.D.B.G	Cost Recovery System	
Revenues:					
Special assessments	\$ -	\$ -	\$ -	\$ -	-
Licenses and permits	-	-	-	-	-
Intergovernmental	-	82,188	199,706	-	-
Investment earnings	773	10,272	-	-	-
Fines and forfeitures	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total Revenues	773	92,460	199,706		-
Expenditures:					
Current:					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Community development	-	-	25,000	-	-
Community services	-	-	-	-	-
Public Services	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service:					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total Expenditures	-	-	25,000		-
Excess (Deficiency) of Revenues Over (Under) Expenditures	773	92,460	174,706		-
Other Financing Sources (Uses):					
Transfers in	-	-	-	-	-
Transfers out	-	-	(187,905)	-	-
Capital leases	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	(187,905)		-
Net Change in Fund Balances	773	92,460	(13,199)		-
Fund Balances, Beginning of Year	20,421	236,705	-		-
Fund Balances, End of Year	\$ 21,194	\$ 329,165	\$ (13,199)	\$ -	-

CITY OF LAKE ELSINORE

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2019

(CONTINUED)

	Special Revenue Funds			
	Developer Agreement Revenue/Trust	Affordable Housing In- Lieu	City Hall / Public Works	Community Center
Revenues:				
Special assessments	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	71,792	41,500
Intergovernmental	-	11,625	-	-
Investment earnings	4,895	56,563	3,067	881
Fines and forfeitures	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	4,895	68,188	74,859	42,381
Expenditures:				
Current:				
General government	-	12,725	-	-
Public safety	-	-	-	-
Community development	-	-	-	-
Community services	-	-	-	-
Public Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	-	12,725	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	4,895	55,463	74,859	42,381
Other Financing Sources (Uses):				
Transfers in	175,682	-	-	-
Transfers out	(302,807)	(30,860)	(573,449)	(13,403)
Capital leases	-	-	-	-
Total Other Financing Sources (Uses)	(127,125)	(30,860)	(573,449)	(13,403)
Net Change in Fund Balances	(122,230)	24,603	(498,590)	28,978
Fund Balances, Beginning of Year	122,750	4,110,510	564,499	-
Fund Balances, End of Year	\$ 520	\$ 4,135,113	\$ 65,909	\$ 28,978

CITY OF LAKE ELSINORE

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2019

Special Revenue Funds				
	Lakeside Facilities	Animal Shelter	N.P.D.E.S.	PEG Grant
Revenues:				
Special assessments	\$ -	\$ -	\$ -	\$ -
Licenses and permits	59,337	25,828	196,759	21,188
Intergovernmental	-	-	-	-
Investment earnings	1,585	487	1,874	241
Fines and forfeitures	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	60,922	26,315	198,633	21,429
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Community development	-	-	-	-
Community services	-	-	-	1,310
Public Services	-	-	62,000	-
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	-	-	62,000	1,310
Excess (Deficiency) of Revenues Over (Under) Expenditures	60,922	26,315	136,633	20,119
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	(26,606)	(133,928)	-
Capital leases	-	-	-	-
Total Other Financing Sources (Uses)	-	(26,606)	(133,928)	-
Net Change in Fund Balances	60,922	(291)	2,705	20,119
Fund Balances, Beginning of Year	-	400	24,934	-
Fund Balances, End of Year	\$ 60,922	\$ 109	\$ 27,639	\$ 20,119

CITY OF LAKE ELSINORE

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2019

(CONTINUED)

	Special Revenue Funds				Capital Projects Funds			
					Park Improvement and Development		Storm Drains	
	Pedestrian Sidewalk	Miscellaneous General Project						
Revenues:								
Special assessments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	150,497	-	107,819	-
Intergovernmental	180,021	-	-	-	-	-	-	-
Investment earnings	-	-	-	6,145	-	12,664	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-
Total Revenues	180,021		-	156,642		120,483		
Expenditures:								
Current:								
General government	-	11,031	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Community development	-	-	-	-	-	-	-	-
Community services	-	-	-	-	-	-	-	-
Public Services	-	-	-	-	-	-	-	-
Capital outlay	-	71,440	-	-	-	33,794	-	-
Debt service:								
Principal retirement	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-
Total Expenditures	-	82,471		-		33,794		
Excess (Deficiency) of Revenues Over (Under) Expenditures	180,021	(82,471)		156,642		86,689		
Other Financing Sources (Uses):								
Transfers in	358,998	124,470	-	-	-	-	-	-
Transfers out	(358,998)	(1,164,051)	-	-	-	-	-	-
Capital leases	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	(1,039,581)		-		-		
Net Change in Fund Balances	180,021	(1,122,052)		156,642		86,689		
Fund Balances, Beginning of Year	-	1,589,466		55,526		328,332		
Fund Balances, End of Year	\$ 180,021	\$ 467,414		\$ 212,168		\$ 415,021		

CITY OF LAKE ELSINORE

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2019

	Capital Projects Funds			
	Library Capital Improvement	Traffic Impact	City Fire Protection	Public Improvement In-Lieu
Revenues:				
Special assessments	\$ -	\$ -	\$ -	\$ -
Licenses and permits	36,300	564,620	120,667	51,245
Intergovernmental	-	-	-	-
Investment earnings	69,422	177,995	3,301	3,316
Fines and forfeitures	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	105,722	742,615	123,968	54,561
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Community development	-	-	-	-
Community services	40,000	-	-	-
Public Services	-	-	-	-
Capital outlay	-	74,928	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	40,000	74,928	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	65,722	667,687	123,968	54,561
Other Financing Sources (Uses):				
Transfers in				
Transfers out	(64,470)	-	(124,470)	-
Capital leases	-	-	-	-
Total Other Financing Sources (Uses)	(64,470)	-	(124,470)	-
Net Change in Fund Balances	1,252	667,687	(502)	54,561
Fund Balances, Beginning of Year	1,804,775	4,269,286	1,014	49,254
Fund Balances, End of Year	\$ 1,806,027	\$ 4,936,973	\$ 512	\$ 103,815

CITY OF LAKE ELSINORE

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2019

(CONTINUED)

Capital Projects Funds				
	Road Improvement Program Fund	TUMF	Assessment Districts	Street Lighting
Revenues:				
Special assessments	\$ -	\$ -	\$ -	\$ -
Licenses and permits	- -	- -	- -	- -
Intergovernmental	- -	- -	- -	- -
Investment earnings	772	- -	34	3,977
Fines and forfeitures	- -	- -	- -	- -
Miscellaneous	- -	- -	- -	- -
Total Revenues	772	- -	34	3,977
Expenditures:				
Current:				
General government	- -	- -	- -	- -
Public safety	- -	- -	- -	- -
Community development	- -	- -	- -	- -
Community services	- -	- -	- -	- -
Public Services	2,937	- -	2,349	- -
Capital outlay	- -	- -	- -	- -
Debt service:				
Principal retirement	235,000	- -	- -	- -
Interest and fiscal charges	264,938	- -	- -	- -
Total Expenditures	502,875	- -	2,349	- -
Excess (Deficiency) of Revenues Over (Under) Expenditures	(502,103)	- -	(2,315)	3,977
Other Financing Sources (Uses):				
Transfers in	503,142	- -	- -	- -
Transfers out	- -	(757,079)	(126,253)	(105,683)
Capital leases	- -	- -	- -	- -
Total Other Financing Sources (Uses)	503,142	(757,079)	(126,253)	(105,683)
Net Change in Fund Balances	1,039	(757,079)	(128,568)	(101,706)
Fund Balances, Beginning of Year	16,190	- -	128,568	101,706
Fund Balances, End of Year	\$ 17,229	\$ (757,079)	\$ -	\$ -

CITY OF LAKE ELSINORE

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2019

	Capital Projects Funds	Debt Service Fund	Permanent Fund	Total Governmental Funds
	Facilities Construction	Facilities Financing Authority	Endowment Trust - Adolph Korn	
Revenues:				
Special assessments	\$ -	\$ -	\$ -	\$ 2,064,458
Licenses and permits	-	-	-	1,470,677
Intergovernmental	-	-	-	4,492,093
Investment earnings	29,190	622,394	1,233	1,214,753
Fines and forfeitures	-	-	-	322,339
Miscellaneous	-	-	-	7,689
Total Revenues	29,190	622,394	1,233	9,572,009
Expenditures:				
Current:				
General government	-	92,777	-	116,533
Public safety	-	-	-	493,821
Community development	-	-	-	25,000
Community services	-	-	-	41,310
Public Services	4,181,363	-	-	8,097,031
Capital outlay	-	-	-	3,285,021
Debt service:				
Principal retirement	-	3,355,000	-	3,590,000
Interest and fiscal charges	-	524,375	-	789,313
Total Expenditures	4,181,363	3,972,152	-	16,438,029
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,152,173)	(3,349,758)	1,233	(6,866,020)
Other Financing Sources (Uses):				
Transfers in	-	10,090,000	-	11,629,542
Transfers out	-	-	-	(6,131,250)
Capital leases	-	-	-	3,459,380
Total Other Financing Sources (Uses)	-	10,090,000	-	8,957,672
Net Change in Fund Balances	(4,152,173)	6,740,242	1,233	2,091,652
Fund Balances, Beginning of Year	4,152,173	7,665,573	31,527	28,795,830
Fund Balances, End of Year	\$ -	\$ 14,405,815	\$ 32,760	\$ 30,887,482

CITY OF LAKE ELSINORE

BUDGETARY COMPARISON SCHEDULE
 SUPPLEMENTAL LAW ENFORCEMENT SERVICE
 YEAR ENDED JUNE 30, 2019

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (Inflows):				
Intergovernmental	127,800	148,747	148,747	-
Amounts Available for Appropriations	127,800	148,747	148,747	-
Charges to Appropriation (Outflow):				
Public safety	127,800	148,747	148,747	-
Total Charges to Appropriations	127,800	148,747	148,747	-
Budgetary Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -

CITY OF LAKE ELSINORE

BUDGETARY COMPARISON SCHEDULE
 TRAFFIC OFFENDER
 YEAR ENDED JUNE 30, 2019

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (Inflows):				
Licenses and permits	35,630	35,630	23,125	(12,505)
Amounts Available for Appropriations	35,630	35,630	23,125	(12,505)
Charges to Appropriation (Outflow):				
Public safety	35,630	35,630	23,125	12,505
Total Charges to Appropriations	35,630	35,630	23,125	12,505
Budgetary Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -

CITY OF LAKE ELSINORE

BUDGETARY COMPARISON SCHEDULE
GAS TAX
YEAR ENDED JUNE 30, 2019

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 712,367	\$ 712,367	\$ 712,367	\$ -
Resources (Inflows):				
Intergovernmental	2,463,737	2,515,134	2,361,963	(153,171)
Use of money and property	14,720	14,720	55,344	40,624
Amounts Available for Appropriations	3,190,824	3,242,221	3,129,674	(112,547)
Charges to Appropriation (Outflow):				
Public services	606,500	606,500	1,284,537	(678,037)
Transfers out	2,506,914	2,506,914	723,072	1,783,842
Total Charges to Appropriations	3,113,414	3,113,414	2,007,609	1,105,805
Budgetary Fund Balance, June 30	\$ 77,410	\$ 128,807	\$ 1,122,065	\$ 993,258

CITY OF LAKE ELSINORE

BUDGETARY COMPARISON SCHEDULE
TRANSPORTATION MEASURE A
YEAR ENDED JUNE 30, 2019

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 1,746,003	\$ 1,746,003	\$ 1,746,003	\$ -
Resources (Inflows):				
Intergovernmental	1,354,000	1,354,000	1,496,639	142,639
Use of money and property	21,640	21,640	74,635	52,995
Amounts Available for Appropriations	3,121,643	3,121,643	3,317,277	195,634
Charges to Appropriation (Outflow):				
Transfers out	2,749,262	2,749,262	1,438,216	1,311,046
Total Charges to Appropriations	2,749,262	2,749,262	1,438,216	1,311,046
Budgetary Fund Balance, June 30	\$ 372,381	\$ 372,381	\$ 1,879,061	\$ 1,506,680

CITY OF LAKE ELSINORE

BUDGETARY COMPARISON SCHEDULE
 SB1186 CAS EDUCATION
 YEAR ENDED JUNE 30, 2019

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 7,460	\$ 7,460	\$ 7,460	\$ -
Resources (Inflows):				
Intergovernmental	5,000	10,000	11,204	1,204
Use of money and property	-	-	492	492
Amounts Available for Appropriations	12,460	17,460	19,156	1,696
Charges to Appropriation (Outflow):				
Public services	15,849	15,849	3,003	12,846
Total Charges to Appropriations	15,849	15,849	3,003	12,846
Budgetary Fund Balance, June 30	\$ (3,389)	\$ 1,611	\$ 16,153	\$ 14,542

CITY OF LAKE ELSINORE

BUDGETARY COMPARISON SCHEDULE
 TRAFFIC SAFETY
 YEAR ENDED JUNE 30, 2019

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (Inflows):				
Use of money and property	-	-	(390)	(390)
Fines and forfeitures	328,450	307,504	322,339	14,835
Amounts Available for Appropriations	328,450	307,504	321,949	14,445
Charges to Appropriation (Outflow):				
Public safety	328,450	307,504	321,949	(14,445)
Total Charges to Appropriations	328,450	307,504	321,949	(14,445)
Budgetary Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -

CITY OF LAKE ELSINORE

BUDGETARY COMPARISON SCHEDULE
CITY-WIDE LIGHTING AND LANDSCAPING
YEAR ENDED JUNE 30, 2019

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (Inflows):				
Assessments	1,392,940	1,392,940	1,431,605	38,665
Use of money and property	-	-	41,084	41,084
Miscellaneous	7,100	7,100	7,689	589
Transfers in	542,600	542,600	377,250	(165,350)
Capital leases	-	-	3,459,380	3,459,380
Amounts Available for Appropriations	1,942,640	1,942,640	5,317,008	3,374,368
Charges to Appropriation (Outflow):				
Public services	2,036,760	2,036,760	1,568,970	467,790
Capital outlay	-	-	3,104,859	(3,104,859)
Total Charges to Appropriations	2,036,760	2,036,760	4,673,829	(2,637,069)
Budgetary Fund Balance, June 30	\$ (94,120)	\$ (94,120)	\$ 643,179	\$ 737,299

CITY OF LAKE ELSINORE

BUDGETARY COMPARISON SCHEDULE
L.L.M.D NO. 1
YEAR ENDED JUNE 30, 2019

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 1,056,391	\$ 1,056,391	\$ 1,056,391	\$ -
Resources (Inflows):				
Assessments	582,978	582,978	632,853	49,875
Use of money and property	-	-	32,507	32,507
Amounts Available for Appropriations	1,639,369	1,639,369	1,721,751	82,382
Charges to Appropriation (Outflow):				
Public services	583,640	583,640	991,872	(408,232)
Total Charges to Appropriations	583,640	583,640	991,872	(408,232)
Budgetary Fund Balance, June 30	\$ 1,055,729	\$ 1,055,729	\$ 729,879	\$ (325,850)

CITY OF LAKE ELSINORE

BUDGETARY COMPARISON SCHEDULE
GEOOTHERMAL
YEAR ENDED JUNE 30, 2019

	Budget Amounts		Variance with Final Budget Positive (Negative)	
	Original	Final		
	\$ 20,421	\$ 20,421		
Budgetary Fund Balance, July 1				
Resources (Inflows):				
Use of money and property	200	200	773	573
Amounts Available for Appropriations	20,621	20,621	21,194	573
Charges to Appropriation (Outflow):				
Public services	100	100	-	100
Total Charges to Appropriations	100	100	-	100
Budgetary Fund Balance, June 30	\$ 20,521	\$ 20,521	\$ 21,194	\$ 673

CITY OF LAKE ELSINORE

BUDGETARY COMPARISON SCHEDULE
AB2766 AIR POLLUTION
YEAR ENDED JUNE 30, 2019

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 236,705	\$ 236,705	\$ 236,705	\$ -
Resources (Inflows):				
Intergovernmental	77,550	75,550	82,188	6,638
Use of money and property	1,200	3,200	10,272	7,072
Amounts Available for Appropriations	315,455	315,455	329,165	13,710
Charges to Appropriation (Outflow):				
Public services	6,000	6,000	-	6,000
Transfers out	310,730	309,455	-	309,455
Total Charges to Appropriations	316,730	315,455	-	315,455
Budgetary Fund Balance, June 30	\$ (1,275)	\$ -	\$ 329,165	\$ 329,165

CITY OF LAKE ELSINORE

BUDGETARY COMPARISON SCHEDULE
C.D.B.G
YEAR ENDED JUNE 30, 2019

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (Inflows):				
Intergovernmental	753,616	753,616	199,706	(553,910)
Amounts Available for Appropriations	753,616	753,616	199,706	(553,910)
Charges to Appropriation (Outflow):				
Community development	25,000	25,000	25,000	-
Transfers out	728,616	728,616	187,905	540,711
Total Charges to Appropriations	753,616	753,616	212,905	540,711
Budgetary Fund Balance, June 30	\$ -	\$ -	\$ (13,199)	\$ (13,199)

CITY OF LAKE ELSINORE

BUDGETARY COMPARISON SCHEDULE
 DEVELOPER AGREEMENT REVENUE/TRUST
 YEAR ENDED JUNE 30, 2019

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
	\$ 122,750	\$ 122,750		
Budgetary Fund Balance, July 1			\$ 122,750	\$ -
Resources (Inflows):				
Licenses and permits	252,435	252,430	-	(252,430)
Use of money and property	3,780	3,780	4,895	1,115
Transfers in	41,690	35,485	175,682	140,197
Amounts Available for Appropriations	420,655	414,445	303,327	(111,118)
Charges to Appropriation (Outflow):				
Transfers out	397,906	397,901	302,807	95,094
Total Charges to Appropriations	397,906	397,901	302,807	95,094
Budgetary Fund Balance, June 30	\$ 22,749	\$ 16,544	\$ 520	\$ (16,024)

CITY OF LAKE ELSINORE

BUDGETARY COMPARISON SCHEDULE
AFFORDABLE HOUSING IN-LIEU
YEAR ENDED JUNE 30, 2019

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 4,110,510	\$ 4,110,510	\$ 4,110,510	\$ -
Resources (Inflows):				
Intergovernmental	638,730	638,730	11,625	(627,105)
Use of money and property	20,900	20,900	56,563	35,663
Amounts Available for Appropriations	4,770,140	4,770,140	4,178,698	(591,442)
Charges to Appropriation (Outflow):				
General government	627,660	627,660	12,725	614,935
Transfers out	30,860	30,860	30,860	-
Total Charges to Appropriations	658,520	658,520	43,585	614,935
Budgetary Fund Balance, June 30	\$ 4,111,620	\$ 4,111,620	\$ 4,135,113	\$ 23,493

CITY OF LAKE ELSINORE

BUDGETARY COMPARISON SCHEDULE
CITY HALL / PUBLIC WORKS
YEAR ENDED JUNE 30, 2019

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 564,499	\$ 564,499	\$ 564,499	\$ -
Resources (Inflows):				
Licenses and permits	135,000	88,771	71,792	(16,979)
Use of money and property	13,900	5,000	3,067	(1,933)
Amounts Available for Appropriations	713,399	658,270	639,358	(18,912)
Charges to Appropriation (Outflow):				
Transfers out	1,075,950	795,630	573,449	222,181
Total Charges to Appropriations	1,075,950	795,630	573,449	222,181
Budgetary Fund Balance, June 30	\$ (362,551)	\$ (137,360)	\$ 65,909	\$ 203,269

CITY OF LAKE ELSINORE

BUDGETARY COMPARISON SCHEDULE
 COMMUNITY CENTER
 YEAR ENDED JUNE 30, 2019

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (Inflows):				
Licenses and permits	73,500	57,800	41,500	(16,300)
Use of money and property	3,140	200	881	681
Amounts Available for Appropriations	76,640	58,000	42,381	(15,619)
Charges to Appropriation (Outflow):				
Transfers out	76,640	58,000	13,403	44,597
Total Charges to Appropriations	76,640	58,000	13,403	44,597
Budgetary Fund Balance, June 30	\$ -	\$ -	\$ 28,978	\$ 28,978

CITY OF LAKE ELSINORE

BUDGETARY COMPARISON SCHEDULE
LAKESIDE FACILITIES
YEAR ENDED JUNE 30, 2019

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (Inflows):				
Licenses and permits	104,500	80,000	59,337	(20,663)
Use of money and property	5,100	300	1,585	1,285
Amounts Available for Appropriations	109,600	80,300	60,922	(19,378)
Charges to Appropriation (Outflow):				
Public services	16,300	16,300	-	16,300
Transfers out	93,300	64,000	-	64,000
Total Charges to Appropriations	109,600	80,300	-	80,300
Budgetary Fund Balance, June 30	\$ -	\$ -	\$ 60,922	\$ 60,922

CITY OF LAKE ELSINORE

BUDGETARY COMPARISON SCHEDULE
 ANIMAL SHELTER
 YEAR ENDED JUNE 30, 2019

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 400	\$ 400	\$ 400	\$ -
Resources (Inflows):				
Licenses and permits	40,800	35,000	25,828	(9,172)
Use of money and property	885	85	487	402
Amounts Available for Appropriations	42,085	35,485	26,715	(8,770)
Charges to Appropriation (Outflow):				
Transfers out	41,685	35,485	26,606	8,879
Total Charges to Appropriations	41,685	35,485	26,606	8,879
Budgetary Fund Balance, June 30	\$ 400	\$ -	\$ 109	\$ 109

CITY OF LAKE ELSINORE

BUDGETARY COMPARISON SCHEDULE
N.P.D.E.S.
YEAR ENDED JUNE 30, 2019

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 24,934	\$ 24,934	\$ 24,934	\$ -
Resources (Inflows):				
Licenses and permits	457,300	457,300	196,759	(260,541)
Use of money and property	830	830	1,874	1,044
Amounts Available for Appropriations	483,064	483,064	223,567	(259,497)
Charges to Appropriation (Outflow):				
Public services	239,910	239,910	62,000	177,910
Transfers out	218,220	218,220	133,928	84,292
Total Charges to Appropriations	458,130	458,130	195,928	262,202
Budgetary Fund Balance, June 30	\$ 24,934	\$ 24,934	\$ 27,639	\$ 2,705

CITY OF LAKE ELSINORE

BUDGETARY COMPARISON SCHEDULE
 PEG GRANT
 YEAR ENDED JUNE 30, 2019

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (Inflows):				
Licenses and permits	23,800	23,800	21,188	(2,612)
Use of money and property	50	50	241	191
Amounts Available for Appropriations	23,850	23,850	21,429	(2,421)
Charges to Appropriation (Outflow):				
Community services	23,850	23,850	1,310	22,540
Total Charges to Appropriations	23,850	23,850	1,310	22,540
Budgetary Fund Balance, June 30	\$ -	\$ -	\$ 20,119	\$ 20,119

CITY OF LAKE ELSINORE

BUDGETARY COMPARISON SCHEDULE
 PEDESTRIAN SIDEWALK
 YEAR ENDED JUNE 30, 2019

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (Inflows):				
Intergovernmental	874,558	874,558	180,021	(694,537)
Transfers in	-	-	358,998	358,998
Amounts Available for Appropriations	874,558	874,558	539,019	(335,539)
Charges to Appropriation (Outflow):				
Transfers out	874,558	874,558	358,998	515,560
Total Charges to Appropriations	874,558	874,558	358,998	515,560
Budgetary Fund Balance, June 30	\$ -	\$ -	\$ 180,021	\$ 180,021

CITY OF LAKE ELSINORE

BUDGETARY COMPARISON SCHEDULE
CAPITAL IMPROVEMENT PLAN
YEAR ENDED JUNE 30, 2019

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 16,027,228	\$ 16,027,228	\$ 16,027,228	\$ -
Resources (Inflows):				
Charges for services	-	453,000	393,314	(59,686)
Use of money and property	89,800	265,902	621,433	355,531
Contributions	45,597,021	45,420,919	17,799,840	(27,621,079)
Miscellaneous	1,300	1,300	1,240	(60)
Transfers in	36,439,863	31,810,904	4,831,952	(26,978,952)
Amounts Available for Appropriations	98,155,212	93,979,253	39,675,007	(54,304,246)
Charges to Appropriation (Outflow):				
Public services	-	-	59,951	(59,951)
Capital outlay	47,753,294	45,999,501	24,798,629	21,200,872
Transfers out	-	-	2,107,973	(2,107,973)
Total Charges to Appropriations	47,753,294	45,999,501	26,966,553	19,032,948
Budgetary Fund Balance, June 30	\$ 50,401,918	\$ 47,979,752	\$ 12,708,454	\$ (35,271,298)

CITY OF LAKE ELSINORE

BUDGETARY COMPARISON SCHEDULE
MISCELLANEOUS GENERAL PROJECT
YEAR ENDED JUNE 30, 2019

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 1,589,466	\$ 1,589,466	\$ 1,589,466	\$ -
Resources (Inflows):				
Use of money and property	116,980	16,980	-	(16,980)
Transfers in	105,600	79,000	124,470	45,470
Amounts Available for Appropriations	1,812,046	1,685,446	1,713,936	28,490
Charges to Appropriation (Outflow):				
General government	6,550	6,550	11,031	(4,481)
Capital outlay	-	-	71,440	(71,440)
Transfers out	1,282,699	1,676,370	1,164,051	512,319
Total Charges to Appropriations	1,289,249	1,682,920	1,246,522	436,398
Budgetary Fund Balance, June 30	\$ 522,797	\$ 2,526	\$ 467,414	\$ 464,888

CITY OF LAKE ELSINORE

BUDGETARY COMPARISON SCHEDULE
PARK IMPROVEMENT AND DEVELOPMENT
YEAR ENDED JUNE 30, 2019

	Budget Amounts		Actual Amounts	Variance with Final Budget	
	Original	Final		\$	Positive (Negative)
					-
Budgetary Fund Balance, July 1	\$ 55,526	\$ 55,526	\$ 55,526	\$	-
Resources (Inflows):					
Licenses and permits	50,000	50,000	150,497	100,497	
Use of money and property	460	460	6,145	5,685	
Amounts Available for Appropriations	105,986	105,986	212,168	106,182	
Budgetary Fund Balance, June 30	\$ 105,986	\$ 105,986	\$ 212,168	\$ 106,182	

CITY OF LAKE ELSINORE

BUDGETARY COMPARISON SCHEDULE
STORM DRAINS
YEAR ENDED JUNE 30, 2019

	Budget Amounts		Actual Amounts		Variance with Final Budget Positive (Negative)
	Original	Final	Original	Final	
	\$ 328,332	\$ 328,332	\$ 328,332	\$ -	
Budgetary Fund Balance, July 1					
Resources (Inflows):					
Licenses and permits	150,000	150,000	107,819	(42,181)	
Use of money and property	16,900	16,900	12,664	(4,236)	
Amounts Available for Appropriations	495,232	495,232	448,815	(46,417)	
Charges to Appropriation (Outflow):					
Capital outlay	-	33,880	33,794	86	
Transfers out	100,000	66,120	-	66,120	
Total Charges to Appropriations	100,000	100,000	33,794	66,206	
Budgetary Fund Balance, June 30	\$ 395,232	\$ 395,232	\$ 415,021	\$ 19,789	

CITY OF LAKE ELSINORE

BUDGETARY COMPARISON SCHEDULE
 LIBRARY CAPITAL IMPROVEMENT
 YEAR ENDED JUNE 30, 2019

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 1,804,775	\$ 1,804,775	\$ 1,804,775	\$ -
Resources (Inflows):				
Licenses and permits	65,360	50,000	36,300	(13,700)
Use of money and property	19,500	19,500	69,422	49,922
Amounts Available for Appropriations	1,889,635	1,874,275	1,910,497	36,222
Charges to Appropriation (Outflow):				
Community services	40,000	48,000	40,000	8,000
Transfers out	1,743,753	1,826,275	64,470	1,761,805
Total Charges to Appropriations	1,783,753	1,874,275	104,470	1,769,805
Budgetary Fund Balance, June 30	\$ 105,882	\$ -	\$ 1,806,027	\$ 1,806,027

CITY OF LAKE ELSINORE

BUDGETARY COMPARISON SCHEDULE
TRAFFIC IMPACT
YEAR ENDED JUNE 30, 2019

	Budget Amounts		Actual Amounts		Variance with Final Budget
	Original	Final			Positive (Negative)
Budgetary Fund Balance, July 1	\$ 4,269,286	\$ 4,269,286	\$ 4,269,286	\$	-
Resources (Inflows):					
Licenses and permits	468,000	468,000	564,620	96,620	
Use of money and property	42,200	42,200	177,995	135,795	
Amounts Available for Appropriations	4,779,486	4,779,486	5,011,901	232,415	
Charges to Appropriation (Outflow):					
Community development	386,472	386,472	-	386,472	
Parks and recreation	9,700	9,700	-	9,700	
Capital outlay	-	74,930	74,928	2	
Transfers out	3,972,228	3,897,298	-	3,897,298	
Total Charges to Appropriations	4,368,400	4,368,400	74,928	4,293,472	
Budgetary Fund Balance, June 30	\$ 411,086	\$ 411,086	\$ 4,936,973	\$ 4,525,887	

CITY OF LAKE ELSINORE

BUDGETARY COMPARISON SCHEDULE
 CITY FIRE PROTECTION
 YEAR ENDED JUNE 30, 2019

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 1,014	\$ 1,014	\$ 1,014	\$ -
Resources (Inflows):				
Licenses and permits	104,500	77,900	120,667	42,767
Use of money and property	1,100	100	3,301	3,201
Amounts Available for Appropriations	106,614	79,014	124,982	45,968
Charges to Appropriation (Outflow):				
Transfers out	105,600	79,000	124,470	(45,470)
Total Charges to Appropriations	105,600	79,000	124,470	(45,470)
Budgetary Fund Balance, June 30	\$ 1,014	\$ 14	\$ 512	\$ 498

CITY OF LAKE ELSINORE

BUDGETARY COMPARISON SCHEDULE
PUBLIC IMPROVEMENT IN-LIEU
YEAR ENDED JUNE 30, 2019

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 49,254	\$ 49,254	\$ 49,254	\$ -
Resources (Inflows):				
Licenses and permits	2,000	2,000	51,245	49,245
Use of money and property	8,900	8,900	3,316	(5,584)
Amounts Available for Appropriations	60,154	60,154	103,815	43,661
Charges to Appropriation (Outflow):				
Transfers out	10,900	10,900	-	10,900
Total Charges to Appropriations	10,900	10,900	-	10,900
Budgetary Fund Balance, June 30	\$ 49,254	\$ 49,254	\$ 103,815	\$ 54,561

CITY OF LAKE ELSINORE

BUDGETARY COMPARISON SCHEDULE
ROAD IMPROVEMENT PROGRAM FUND
YEAR ENDED JUNE 30, 2019

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
	\$ 16,190	\$ 16,190	\$ 16,190	\$ -
Budgetary Fund Balance, July 1				
Resources (Inflows):				
Use of money and property	502,138	200	772	572
Transfers in	499,938	499,938	503,142	3,204
Amounts Available for Appropriations	1,018,266	516,328	520,104	3,776
Charges to Appropriation (Outflow):				
Public services	-	-	2,937	(2,937)
Debt service:				
Principal retirement	235,000	235,000	235,000	-
Interest and fiscal charges	264,938	264,938	264,938	-
Transfers out	3,266,319	-	-	-
Total Charges to Appropriations	3,766,257	499,938	502,875	(2,937)
Budgetary Fund Balance (Deficits), June 30	\$ (2,747,991)	\$ 16,390	\$ 17,229	\$ 839

CITY OF LAKE ELSINORE

BUDGETARY COMPARISON SCHEDULE
TUMF
YEAR ENDED JUNE 30, 2019

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (Inflows):				
Intergovernmental	8,838,579	8,838,579	-	(8,838,579)
Amounts Available for Appropriation	8,838,579	8,838,579	-	(8,838,579)
Charges to Appropriation (Outflow):				
Transfers out	8,838,579	8,838,579	757,079	8,081,500
Total Charges to Appropriations	8,838,579	8,838,579	757,079	8,081,500
Budgetary Fund Balance, June 30	\$ -	\$ -	\$ (757,079)	\$ (757,079)

CITY OF LAKE ELSINORE

BUDGETARY COMPARISON SCHEDULE
ASSESSMENT DISTRICTS
YEAR ENDED JUNE 30, 2019

	Budget Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
Budgetary Fund Balance, July 1	\$ 128,568	\$ 128,568	\$ 128,568	\$ -
Resources (Inflows):				
Use of money and property	1,000	1,000	34	(966)
Amounts Available for Appropriation	129,568	129,568	128,602	(966)
Charges to Appropriation (Outflow):				
Public services	1,109	1,109	2,349	(1,240)
Transfers out	126,253	126,253	126,253	-
Total Charges to Appropriations	127,362	127,362	128,602	(1,240)
Budgetary Fund Balance, June 30	\$ 2,206	\$ 2,206	\$ -	\$ (2,206)

CITY OF LAKE ELSINORE

BUDGETARY COMPARISON SCHEDULE
 STREET LIGHTING
 YEAR ENDED JUNE 30, 2019

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 101,706	\$ 101,706	\$ 101,706	\$ -
Resources (Inflows):				
Use of money and property	-	-	3,977	3,977
Amounts Available for Appropriation	101,706	101,706	105,683	3,977
Charges to Appropriation (Outflow):				
General government	-	152,209	-	152,209
Transfers out	-	-	105,683	(105,683)
Total Charges to Appropriations	-	152,209	105,683	46,526
Budgetary Fund Balance, June 30	\$ 101,706	\$ (50,503)	\$ -	\$ 50,503

CITY OF LAKE ELSINORE

BUDGETARY COMPARISON SCHEDULE
 FACILITIES CONSTRUCTION
 YEAR ENDED JUNE 30, 2019

	Budget Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
Budgetary Fund Balance, July 1	\$ 4,152,173	\$ 4,152,173	\$ 4,152,173	\$ -
Resources (Inflows):				
Use of money and property	65,000	-	29,190	29,190
Amounts Available for Appropriation	4,217,173	4,152,173	4,181,363	29,190
Charges to Appropriation (Outflow):				
Public services	-	-	4,181,363	(4,181,363)
Transfers out	6,244,258	4,152,173	-	4,152,173
Total Charges to Appropriations	6,244,258	4,152,173	4,181,363	(29,190)
Budgetary Fund Balance, June 30	\$ (2,027,085)	\$ -	\$ -	\$ -

CITY OF LAKE ELSINORE

BUDGETARY COMPARISON SCHEDULE
PUBLIC FINANCING AUTHORITY
YEAR ENDED JUNE 30, 2019

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 220,705,697	\$ 220,705,697	\$ 220,705,697	\$ -
Resources (Inflows):				
Use of money and property	10,459,960	10,742,410	10,558,589	(183,821)
Amounts Available for Appropriations	231,165,657	231,448,107	231,264,286	(183,821)
Charges to Appropriation (Outflow):				
General government	5,000	287,450	287,224	226
Debt service:				
Principal retirement	8,315,000	17,730,000	29,840,000	(12,110,000)
Interest and fiscal charges	10,062,370	10,062,370	10,513,890	(451,520)
Total Charges to Appropriations	18,382,370	28,079,820	40,641,114	(12,561,294)
Budgetary Fund Balance, June 30	\$ 212,783,287	\$ 203,368,287	\$ 190,623,172	\$(12,745,115)

CITY OF LAKE ELSINORE

BUDGETARY COMPARISON SCHEDULE
RECREATION AUTHORITY
YEAR ENDED JUNE 30, 2019

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 1,825,634	\$ 1,825,634	\$ 1,825,634	\$ -
Resources (Inflows):				
Revenue from lease/rent	1,144,100	1,144,100	528,383	(615,717)
Amounts Available for Appropriations	2,969,734	2,969,734	2,354,017	(615,717)
Charges to Appropriation (Outflow):				
General government	-	-	3,162	(3,162)
Debt service:				
Principal retirement	635,000	635,000	635,000	-
Interest and fiscal charges	493,100	493,100	493,100	-
Total Charges to Appropriations	1,128,100	1,128,100	1,131,262	(3,162)
Budgetary Fund Balance, June 30	\$ 1,841,634	\$ 1,841,634	\$ 1,222,755	\$ (618,879)

CITY OF LAKE ELSINORE

BUDGETARY COMPARISON SCHEDULE
 FACILITIES FINANCING AUTHORITY
 YEAR ENDED JUNE 30, 2019

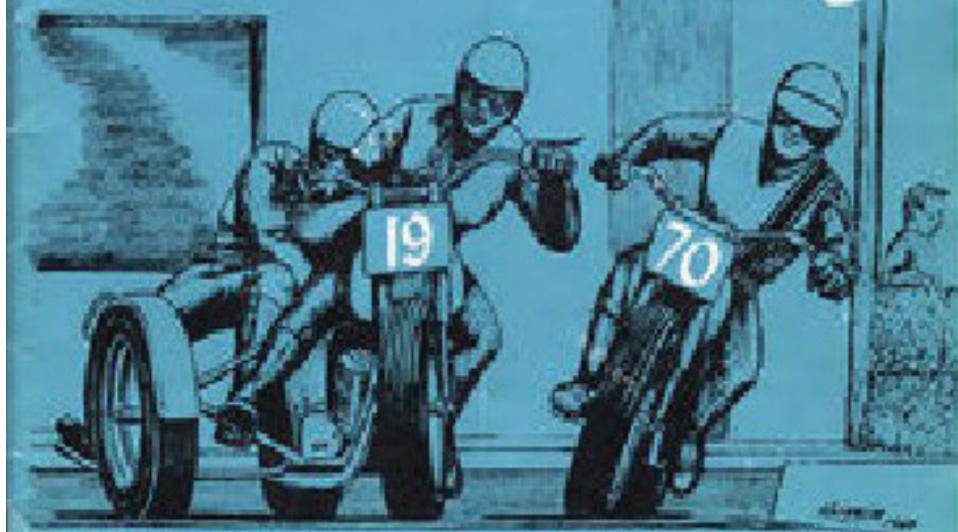
	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 7,665,573	\$ 7,665,573	\$ 7,665,573	\$ -
Resources (Inflows):				
Use of money and property	559,380	559,380	622,394	63,014
Transfers in	-	-	10,090,000	10,090,000
Amounts Available for Appropriations	8,224,953	8,224,953	18,377,967	10,153,014
Charges to Appropriation (Outflow):				
General government	1,000	350,881	92,777	258,104
Debt service:				
Principal retirement	245,000	3,250,000	3,355,000	(105,000)
Interest and fiscal charges	314,240	314,240	524,375	(210,135)
Total Charges to Appropriations	560,240	3,915,121	3,972,152	(57,031)
Budgetary Fund Balance, June 30	\$ 7,664,713	\$ 4,309,832	\$ 14,405,815	\$ 10,095,983

CITY OF LAKE ELSINORE

BUDGETARY COMPARISON SCHEDULE
 ENDOWMENT TRUST - ADOLPH KORN
 YEAR ENDED JUNE 30, 2019

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
	\$ 31,527	\$ 31,527		
Budgetary Fund Balance, July 1			\$ 31,527	\$ -
Resources (Inflows):				
Use of money and property	200	200	1,233	1,033
Amounts Available for Appropriations	31,727	31,727	32,760	1,033
Budgetary Fund Balance, June 30	\$ 31,727	\$ 31,727	\$ 32,760	\$ 1,033

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GRAND PRIX



**SOUVENIR
PROGRAM
75¢**



CITY OF LAKE ELSINORE
Internal Service Funds

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, 2019

Governmental Activities - Internal Service Funds						
	Insurance	Info Systems	Support Services	Fleet Services		
Assets:						
Current:						
Cash and investments	\$ 817,021	\$ 579,297	\$ 38,727	\$ -		
Receivables:						
Accounts	-	26	-	34		
Accrued interest	5,303	1,732	84	-		
Prepaid costs	582,440	20,827	-	1,586		
Total Current Assets	1,404,764	601,882	38,811	1,620		
Noncurrent:						
Capital assets - net of accumulated depreciation	-	207,018	3,419	1,092,411		
Total Noncurrent Assets	-	207,018	3,419	1,092,411		
Total Assets	1,404,764	808,900	42,230	1,094,031		
Deferred Outflows of Resources:						
Pension related items	4,511	125,642	-	131,343		
OPEB related items	-	24,641	-	12,321		
Total Deferred Outflows of Resources	4,511	150,283	-	143,664		
Total Assets and Deferred Outflows of Resources	\$ 1,409,275	\$ 959,183	\$ 42,230	\$ 1,237,695		
Liabilities, Deferred Inflows of Resources, and Net Position:						
Liabilities:						
Current:						
Accounts payable	\$ 1,197	\$ 24,937	\$ 4,662	\$ 43,325		
Accrued liabilities	916	9,333	-	3,546		
Total Current Liabilities	2,113	34,270	4,662	46,871		
Noncurrent:						
Net pension liability	14,171	381,415	-	461,114		
Total OPEB liability	-	889,514	-	444,757		
Total Noncurrent Liabilities	14,171	1,270,929	-	905,871		
Total Liabilities	16,284	1,305,199	4,662	952,742		
Deferred Inflows of Resources:						
Pension related items	5,121	32,379	-	28,309		
OPEB related items	-	72,137	-	36,069		
Total Deferred Inflows of Resources	5,121	104,516	-	64,378		
Net Position:						
Net investment in capital assets	-	207,018	3,419	1,092,411		
Unrestricted	1,387,870	(657,550)	34,149	(871,836)		
Total Net Position	1,387,870	(450,532)	37,568	220,575		
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 1,409,275	\$ 959,183	\$ 42,230	\$ 1,237,695		

CITY OF LAKE ELSINORE

COMBINING STATEMENT OF NET POSITION
 INTERNAL SERVICE FUNDS
 JUNE 30, 2019

	Governmental Activities - Internal Service Funds	
	Facilities	Totals
Assets:		
Current:		
Cash and investments	\$ 744,445	\$ 2,179,490
Receivables:		
Accounts	-	60
Accrued interest	2,768	9,887
Prepaid costs	5,124	609,977
Total Current Assets	752,337	2,799,414
Noncurrent:		
Capital assets - net of accumulated depreciation	254,415	1,557,263
Total Noncurrent Assets	254,415	1,557,263
Total Assets	1,006,752	4,356,677
Deferred Outflows of Resources:		
Pension related items	83,501	344,997
OPEB related items	6,160	43,122
Total Deferred Outflows of Resources	89,661	388,119
Total Assets and Deferred Outflows of Resources	\$ 1,096,413	\$ 4,744,796
Liabilities, Deferred Inflows of Resources, and Net Position:		
Liabilities:		
Current:		
Accounts payable	\$ 25,308	\$ 99,429
Accrued liabilities	1,081	14,876
Total Current Liabilities	26,389	114,305
Noncurrent:		
Net pension liability	123,023	979,723
Total OPEB liability	222,379	1,556,650
Total Noncurrent Liabilities	345,402	2,536,373
Total Liabilities	371,791	2,650,678
Deferred Inflows of Resources:		
Pension related items	8,132	73,941
OPEB related items	18,035	126,241
Total Deferred Inflows of Resources	26,167	200,182
Net Position:		
Net investment in capital assets	254,415	1,557,263
Unrestricted	444,040	336,673
Total Net Position	698,455	1,893,936
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 1,096,413	\$ 4,744,796

CITY OF LAKE ELSINORE

COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2019

Governmental Activities - Internal Service Funds				
	Insurance	Info Systems	Support Services	Fleet Services
Operating Revenues:				
Charges for services	\$ 745,628	\$ 1,248,253	\$ 97,426	\$ 1,039,212
Miscellaneous	83,212	2	-	-
Total Operating Revenues	828,840	1,248,255	97,426	1,039,212
Operating Expenses:				
Personnel Services	70,620	625,209	-	309,117
Contractual Services	-	86,320	25,207	34,797
Utilities	-	156,033	-	-
Maintenance and Operation	2,522	333,932	63,084	325,697
Cost of sales and services	20	-	-	-
Depreciation expense	-	38,627	2,159	248,028
Insurance	673,768	-	-	-
Total Operating Expenses	746,930	1,240,121	90,450	917,639
Operating Income (Loss)	81,910	8,134	6,976	121,573
Nonoperating Revenues (Expenses):				
Interest revenue	47,430	17,015	738	-
Gain (loss) on disposal of capital assets	-	-	-	(21,489)
Total Nonoperating Revenues (Expenses)	47,430	17,015	738	(21,489)
Income (Loss) Before Transfers	129,340	25,149	7,714	100,084
Transfers in	-	-	-	140,263
Transfers out	(140,263)	-	-	-
Changes in Net Position	(10,923)	25,149	7,714	240,347
Net Position:				
Beginning of Year	1,398,793	(475,681)	29,854	(19,772)
End of Fiscal Year	\$ 1,387,870	\$ (450,532)	\$ 37,568	\$ 220,575

CITY OF LAKE ELSINORE

COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2019

	<u>Governmental Activities - Internal Service Funds</u>	
	<u>Facilities</u>	<u>Totals</u>
Operating Revenues:		
Charges for services	\$ 529,261	\$ 3,659,780
Miscellaneous	-	83,214
Total Operating Revenues	529,261	3,742,994
Operating Expenses:		
Personnel Services	107,777	1,112,723
Contractual Services	197,238	343,562
Utilities	71,383	227,416
Maintenance and Operation	99,458	824,693
Cost of sales and services	-	20
Depreciation expense	57,154	345,968
Insurance	-	673,768
Total Operating Expenses	533,010	3,528,150
Operating Income (Loss)	(3,749)	214,844
Nonoperating Revenues (Expenses):		
Interest revenue	24,511	89,694
Gain (loss) on disposal of capital assets	-	(21,489)
Total Nonoperating Revenues (Expenses)	24,511	68,205
Income (Loss) Before Transfers	20,762	283,049
Transfers in	-	140,263
Transfers out	-	(140,263)
Changes in Net Position	20,762	283,049
Net Position:		
Beginning of Year	677,693	1,610,887
End of Fiscal Year	\$ 698,455	\$ 1,893,936

CITY OF LAKE ELSINORE

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2019

Governmental Activities - Internal Service Funds				
	Insurance	Info Systems	Support Services	Fleet Services
Cash Flows from Operating Activities:				
Cash received from customers and users	\$ 828,840	\$ 1,248,229	\$ 97,426	\$ 1,039,178
Cash paid to suppliers for goods and services	(629,560)	(848,360)	(23,168)	(367,310)
Cash paid to employees for services	7,539	(291,866)	(63,084)	(298,677)
Net Cash Provided (Used) by Operating Activities	206,819	108,003	11,174	373,191
Cash Flows from Non-Capital Financing Activities:				
Cash transfers out	(140,263)	-	-	-
Cash transfers in	-	-	-	140,263
Cash paid - due to other funds	-	-	-	-
Cash received - due from other funds	-	-	-	(143,366)
Net Cash Provided (Used) by Non-Capital Financing Activities	(140,263)	-	-	(3,103)
Cash Flows from Capital and Related Financing Activities:				
Acquisition and construction of capital assets	-	(179,424)	-	(370,088)
Net Cash Provided (Used) by Capital and Related Financing Activities	-	(179,424)	-	(370,088)
Cash Flows from Investing Activities:				
Interest received	46,781	17,146	654	-
Net Cash Provided (Used) by Investing Activities	46,781	17,146	654	-
Net Increase (Decrease) in Cash and Cash Equivalents	113,337	(54,275)	11,828	-
Cash and Cash Equivalents at Beginning of Year	703,684	633,572	26,899	-
Cash and Cash Equivalents at End of Year	\$ 817,021	\$ 579,297	\$ 38,727	\$ -
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:				
Operating income (loss)	\$ 81,910	\$ 8,134	\$ 6,976	\$ 121,573
Adjustments to Reconcile Operating Income (loss) Net Cash Provided (used) by Operating Activities:				
Depreciation	-	38,627	2,159	248,028
(Increase) decrease in accounts receivable	-	(26)	-	(34)
(Increase) decrease in deferred outflows from pensions	5,063	31,738	-	19,130
(Increase) decrease in deferred outflows OPEB	-	5,394	-	2,697
(Increase) decrease in prepaid expense	113,695	(2,811)	-	(1,586)
Increase (decrease) in accounts payable	1,153	22,013	2,039	(21,810)
Increase (decrease) in accrued liabilities	70	496	-	186
Increase (decrease) in net pension liability	259	(25,998)	-	(12,546)
Increase (decrease) in Total OPEB liability	-	13,638	-	6,820
Increase (decrease) in deferred inflows from OPEB	-	(6,546)	-	(3,273)
Increase (decrease) in deferred inflows from pensions	4,669	23,344	-	14,006
Total Adjustments	124,909	99,869	4,198	251,618
Net Cash Provided (Used) by Operating Activities	\$ 206,819	\$ 108,003	\$ 11,174	\$ 373,191

CITY OF LAKE ELSINORE

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2019

Governmental
Activities - Internal
Service Funds

	Facilities	Totals
Cash Flows from Operating Activities:		
Cash received from customers and users	\$ 529,261	\$ 3,742,934
Cash paid to suppliers for goods and services	(380,706)	(2,249,104)
Cash paid to employees for services	(83,906)	(729,994)
Net Cash Provided (Used) by Operating Activities	64,649	763,836
Cash Flows from Non-Capital Financing Activities:		
Cash transfers out	-	(140,263)
Cash transfers in	-	140,263
Cash paid - due to other funds	143,366	143,366
Cash received - due from other funds	-	(143,366)
Net Cash Provided (Used) by Non-Capital Financing Activities	143,366	-
Cash Flows from Capital and Related Financing Activities:		
Acquisition and construction of capital assets	(18,295)	(567,807)
Net Cash Provided (Used) by Capital and Related Financing Activities	(18,295)	(567,807)
Cash Flows from Investing Activities:		
Interest received	24,815	89,396
Net Cash Provided (Used) by Investing Activities	24,815	89,396
Net Increase (Decrease) in Cash and Cash Equivalents	214,535	285,425
Cash and Cash Equivalents at Beginning of Year	529,910	1,894,065
Cash and Cash Equivalents at End of Year	\$ 744,445	\$ 2,179,490
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:		
Operating income (loss)	\$ (3,749)	\$ 214,844
Adjustments to Reconcile Operating Income (loss) Net Cash Provided (used) by Operating Activities:		
Depreciation	57,154	345,968
(Increase) decrease in accounts receivable	-	(60)
(Increase) decrease in deferred outflows from pensions	6,526	62,457
(Increase) decrease in deferred outflows OPEB	1,349	9,440
(Increase) decrease in prepaid expense	(1,471)	107,827
Increase (decrease) in accounts payable	(2,837)	558
Increase (decrease) in accrued liabilities	103	855
Increase (decrease) in net pension liability	1,130	(37,155)
Increase (decrease) in Total OPEB liability	3,410	23,868
Increase (decrease) in deferred inflows from OPEB	(1,635)	(11,454)
Increase (decrease) in deferred inflows from pensions	4,669	46,688
Total Adjustments	68,398	548,992
Net Cash Provided (Used) by Operating Activities	\$ 64,649	\$ 763,836



CITY OF LAKE ELSINORE
Agency Funds

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, 2019

	<u>Developer Deposit Trust</u>	<u>Assessment Districts</u>	<u>Lake Maintenance</u>
Assets:			
Pooled cash and investments	\$ 2,691,364	\$ 13,909,690	\$ -
Receivables:			
Accrued interest	-	51,146	-
Due from other governments	-	354,339	-
Restricted assets:			
Cash and investments with fiscal agents	-	6,948,169	1,883,017
Deposits with other agencies	-	16,865,352	-
Total Assets	\$ 2,691,364	\$ 38,128,696	\$ 1,883,017
 Liabilities:			
Accounts payable	\$ 110,828	\$ 7,137	\$ -
Deposits payable	2,580,536	536,005	1,883,017
Due to bondholders	-	37,585,554	-
Total Liabilities	\$ 2,691,364	\$ 38,128,696	\$ 1,883,017

CITY OF LAKE ELSINORE

COMBINING STATEMENT OF NET POSITION
ALL AGENCY FUNDS
JUNE 30, 2019

	Destratification	Equipment	Replacement	Totals
Assets:				
Pooled cash and investments	\$ 408,318	\$ 17,009,372		
Receivables:				
Accrued interest	1,496		52,642	
Due from other governments	52,350			406,689
Restricted assets:				
Cash and investments				
with fiscal agents	-		8,831,186	
Deposits with other agencies	-			16,865,352
Total Assets	\$ 462,164			\$ 43,165,241
Liabilities:				
Accounts payable	\$ 14,026	\$ 131,991		
Deposits payable	448,138		5,447,696	
Due to bondholders	-			37,585,554
Total Liabilities	\$ 462,164			\$ 43,165,241

CITY OF LAKE ELSINORE

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
YEAR ENDED JUNE 30, 2019

	Balance July 1, 2018	Additions	Deductions	Balance June 30, 2019
<u>Developer Deposit Trust</u>				
Assets:				
Pooled cash and investments	\$ 1,540,130	\$ 1,308,668	\$ 157,434	\$ 2,691,364
Total Assets	\$ 1,540,130	\$ 1,308,668	\$ 157,434	\$ 2,691,364
Liabilities:				
Accounts payable	\$ 1,000	\$ 265,646	\$ 155,818	\$ 110,828
Deposits payable	1,539,130	2,103,548	1,062,142	2,580,536
Total Liabilities	\$ 1,540,130	\$ 2,369,194	\$ 1,217,960	\$ 2,691,364
<u>Assessment Districts</u>				
Assets:				
Pooled cash and investments	\$ 18,047,185	\$ 25,161,313	\$ 29,298,808	\$ 13,909,690
Receivables:				
Accounts	31,968	272,608	304,576	-
Accrued interest	82,730	51,147	82,731	51,146
Due from other governments	274,614	449,265	369,540	354,339
Restricted assets:				
Cash and investments with fiscal agents	5,303,527	61,630,410	59,985,768	6,948,169
Deposits with other agencies	17,754,116	948,061	1,836,825	16,865,352
Total Assets	\$ 41,494,140	\$ 88,512,804	\$ 91,878,248	\$ 38,128,696
Liabilities:				
Accounts payable	\$ 13,470	\$ 18,423,842	\$ 18,430,175	\$ 7,137
Deposits payable	451,659	453,588	369,242	536,005
Due to bondholders	41,029,011	67,279,363	70,722,820	37,585,554
Total Liabilities	\$ 41,494,140	\$ 86,156,793	\$ 89,522,237	\$ 38,128,696
<u>Lake Maintenance</u>				
Assets:				
Restricted assets:				
Cash and investments with fiscal agents	\$ 1,380,033	\$ 1,586,285	\$ 1,083,301	\$ 1,883,017
Total Assets	\$ 1,380,033	\$ 1,586,285	\$ 1,083,301	\$ 1,883,017
Liabilities:				
Deposits payable	\$ 1,380,033	\$ 568,444	\$ 65,460	\$ 1,883,017
Total Liabilities	\$ 1,380,033	\$ 568,444	\$ 65,460	\$ 1,883,017

CITY OF LAKE ELSINORE

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
YEAR ENDED JUNE 30, 2019

	Balance July 1, 2018	Additions	Deductions	Balance June 30, 2019
<u>Destratification Equipment Replacement</u>				
Assets:				
Pooled cash and investments	\$ 339,869	\$ 138,346	\$ 69,897	\$ 408,318
Receivables:				
Accrued interest	1,519	1,518	1,541	1,496
Due from other governments	48,189	52,350	48,189	52,350
Total Assets	\$ 389,577	\$ 192,214	\$ 119,627	\$ 462,164
Liabilities:				
Accounts payable	\$ 4,690	\$ 71,654	\$ 62,318	\$ 14,026
Deposits payable	384,887	120,720	57,469	448,138
Total Liabilities	\$ 389,577	\$ 192,374	\$ 119,787	\$ 462,164
<u>Totals - All Agency Funds</u>				
Assets:				
Pooled cash and investments	\$ 19,927,184	\$ 26,608,327	\$ 29,526,139	\$ 17,009,372
Receivables:				
Accounts	31,968	272,608	304,576	-
Accrued interest	84,249	52,665	84,272	52,642
Due from other governments	322,803	501,615	417,729	406,689
Restricted assets:				
Cash and investments with fiscal agents	6,683,560	63,216,695	61,069,069	8,831,186
Deposits with other agencies	17,754,116	948,061	1,836,825	16,865,352
Total Assets	\$ 44,803,880	\$ 91,599,971	\$ 93,238,610	\$ 43,165,241
Liabilities:				
Accounts payable	\$ 19,160	\$ 18,761,142	\$ 18,648,311	\$ 131,991
Deposits payable	3,755,709	3,246,300	1,554,313	5,447,696
Due to bondholders	41,029,011	67,279,363	70,722,820	37,585,554
Total Liabilities	\$ 44,803,880	\$ 89,286,805	\$ 90,925,444	\$ 43,165,241



CITY OF LAKE ELSINORE
Private - Purpose Trust Funds

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

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

CITY OF LAKE ELSINORE

COMBINING STATEMENT OF FIDUCIARY NET POSITION
 PRIVATE-PURPOSE TRUST FUNDS
 JUNE 30, 2019

	Private-Purpose Trust Funds		
	Trust - Carl Graves	Successor Agency Private- Purpose Trust Fund	Total
Assets:			
Pooled cash and investments	\$ 52,528	\$ 10,695,760	\$ 10,748,288
Receivables:			
Accounts	433	-	433
Accrued interest	1,304	32,014	33,318
Prepaid costs	-	283,602	283,602
Land held for resale	-	6,081,994	6,081,994
Deferred charges	-	1,160,189	1,160,189
Restricted assets:			
Cash and investments with fiscal agents	-	20,765	20,765
Capital assets:			
Capital assets, not being depreciated	-	2,004,419	2,004,419
Capital assets, net of accumulated depreciation	-	14,480,810	14,480,810
Deposits with Other Agencies	-	3,271,124	3,271,124
Total Assets	\$ 54,265	\$ 38,030,677	\$ 38,084,942
Liabilities:			
Accounts payable	\$ -	\$ 346,029	\$ 346,029
Accrued interest	-	756,277	756,277
Bonds and loans payable due in one year	-	3,470,000	3,470,000
Long-term liabilities:			
Bonds and loans payable due in more than one year	-	77,933,859	77,933,859
Total Liabilities	\$ -	\$ 82,506,165	\$ 82,506,165
Net Position:			
Held in trust for other purposes	\$ 54,265	\$ (44,475,488)	\$ (44,421,223)
Total Net Position	\$ 54,265	\$ (44,475,488)	\$ (44,421,223)

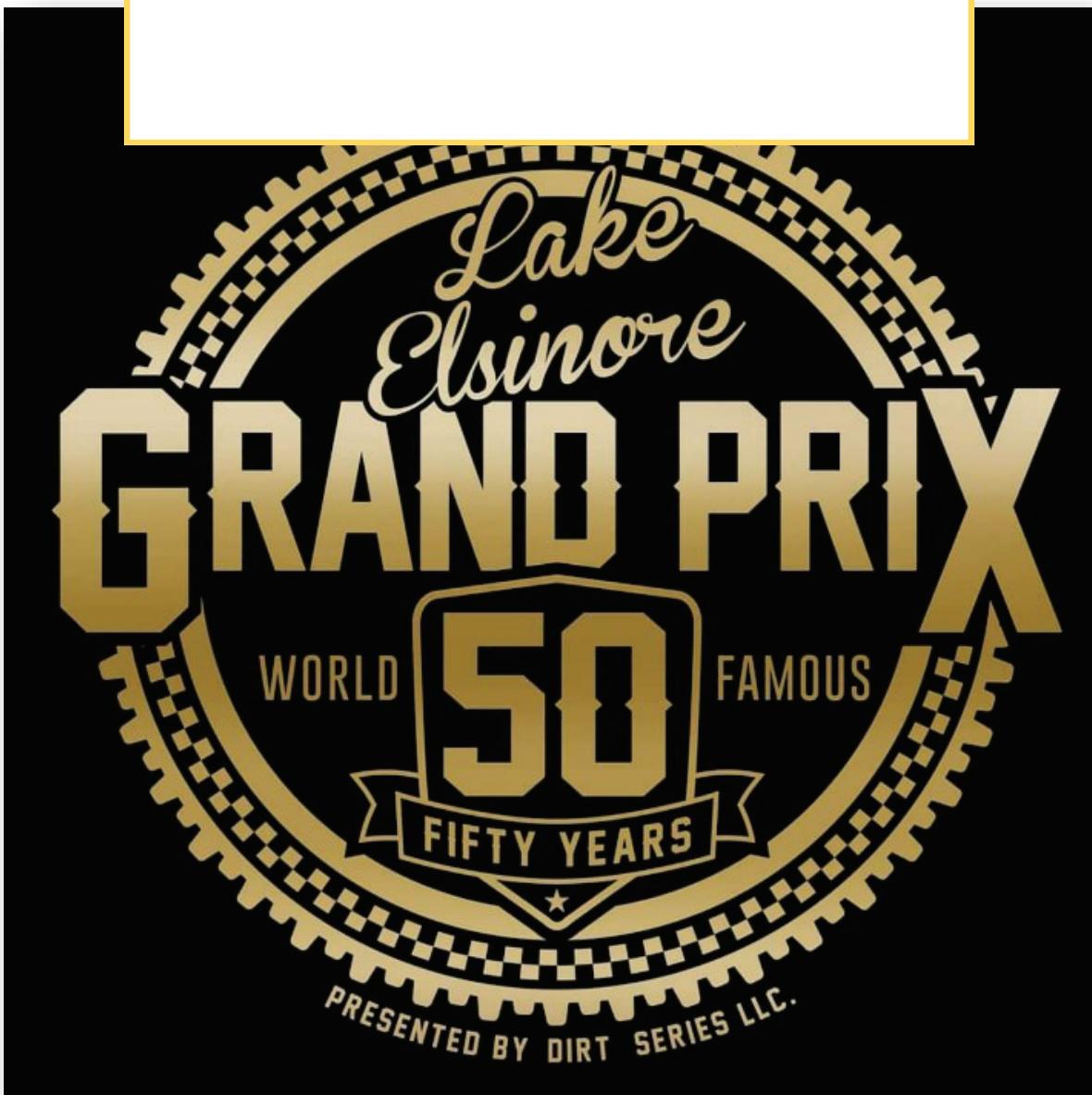
CITY OF LAKE ELSINORE

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 PRIVATE-PURPOSE TRUST FUNDS
 YEAR ENDED JUNE 30, 2019

	Private-Purpose Trust Funds		
	Successor	Agency Private-	
	Trust - Carl	Purpose Trust	
	Graves	Fund	Total
Additions:			
Contributions:			
Trust Contributions	\$ 2,817	\$ -	\$ 2,817
Taxes	-	12,653,427	12,653,427
Investment earnings	28,473	260,125	288,598
Miscellaneous	-	26,114	26,114
Total Additions	31,290	12,939,666	12,970,956
Deductions:			
Contractual services	1,000,000	2,496,509	3,496,509
Interest expense	-	2,715,400	2,715,400
Depreciation expense	-	1,292,903	1,292,903
Costs of issuance	-	310,780	310,780
Total Deductions	1,000,000	6,815,592	7,815,592
Changes in Net Position			
Net Position - Beginning of the Year	1,022,975	(51,520,247)	(50,497,272)
Restatements	-	920,685	920,685
Beginning of Fiscal Year, as restated	1,022,975	(50,599,562)	(49,576,587)
Net Position - End of the Year	\$ 54,265	\$ (44,475,488)	\$ (44,421,223)



STATISTICAL SECTION





City of Lake Elsinore, California

Statistical Section Contents

June 30, 2019

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

CONTENTS	PAGES
Financial Trends These schedules contain trend information to help the reader understand how the government's	188-198
Revenue Capacity These schedules contain information to help the reader assess the government's most significant local revenue sources, sales taxes and property tax.	200-207
Debt Capacity These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue	208-214
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.	214-216
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.	217-220

City of Lake Elsinore, California

Net Position By Component

Last Ten Fiscal Years

(accrual basis of accounting)

	Fiscal Year			
	2010	2011	2012	2013
GOVERNMENTAL ACTIVITIES				
Net Investment in				
Capital Assets	\$ 142,968,348	\$ 141,427,875	\$ 134,976,102	\$ 147,176,443
Restricted	110,984,917	134,777,767	141,619,986	75,129,411
Unrestricted	<u>(93,859,128)</u>	<u>(110,573,961)</u>	<u>(48,524,474)</u>	<u>(2,804,065)</u>
Total Governmental Activities Net Position	<u><u>\$ 160,094,137</u></u>	<u><u>\$ 165,631,681</u></u>	<u><u>\$ 228,071,614</u></u>	<u><u>\$ 219,501,789</u></u>
BUSINESS-TYPE ACTIVITIES				
Net Investment in				
Capital Assets	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-
Unrestricted	-	-	-	-
Total Business-type Activities Net Position	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
PRIMARY GOVERNMENT				
Net Investment in				
Capital Assets	\$ 142,968,348	\$ 141,427,875	\$ 134,976,102	\$ 147,176,443
Restricted	110,984,917	134,777,767	141,619,986	75,129,411
Unrestricted	<u>(93,859,128)</u>	<u>(110,573,961)</u>	<u>(48,524,474)</u>	<u>(2,804,065)</u>
Total Primary Government Net Position	<u><u>\$ 160,094,137</u></u>	<u><u>\$ 165,631,681</u></u>	<u><u>\$ 228,071,614</u></u>	<u><u>\$ 219,501,789</u></u>

Source: City Finance Department

City of Lake Elsinore, California
Net Position By Component (continued)

Fiscal Year						
2014	2015	2016	2017	2018	2019	
\$ 131,965,428	\$ 137,914,627	\$ 145,170,561	\$ 146,735,654	\$ 142,754,254	\$ 147,000,319	
74,462,124	90,537,124	75,054,285	90,363,046	92,281,048	94,960,776	
7,500,328	(12,503,489)	(10,180,146)	(12,062,216)	(13,553,724)	(26,768,225)	
<u>\$ 213,927,880</u>	<u>\$ 215,948,262</u>	<u>\$ 210,044,700</u>	<u>\$ 225,036,484</u>	<u>\$ 221,481,578</u>	<u>\$ 215,192,870</u>	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 17,255,744	
-	-	-	-	-	-	
-	-	-	-	-	(506,148)	
<u>\$ -</u>	<u>\$ 16,749,596</u>					
\$ 131,965,428	\$ 137,914,627	\$ 145,170,561	\$ 146,735,654	\$ 142,754,254	\$ 164,256,063	
74,462,124	90,537,124	75,054,285	90,363,046	92,281,048	94,960,776	
7,500,328	(12,503,489)	(10,180,146)	(12,062,216)	(13,553,724)	(27,274,373)	
<u>\$ 213,927,880</u>	<u>\$ 215,948,262</u>	<u>\$ 210,044,700</u>	<u>\$ 225,036,484</u>	<u>\$ 221,481,578</u>	<u>\$ 231,942,466</u>	

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

	Fiscal Year			
	2010	2011	2012	2013
EXPENSES				
Governmental Activities:				
General Government	\$ 10,252,727	\$ 11,079,707	\$ 11,944,507	\$ 8,833,983
Public Safety	11,022,531	11,212,605	11,911,363	12,684,631
Community Development	15,847,532	16,060,065	4,989,313	10,242,652
Community Services	4,295,719	4,704,242	7,010,026	4,416,500
Public Services	14,812,199	8,145,956	9,834,764	10,359,134
Interest on Long-term Debt	10,509,806	7,674,342	8,835,312	6,451,470
Total Governmental Activities Expenses	<u>66,740,514</u>	<u>58,876,917</u>	<u>54,525,285</u>	<u>52,988,370</u>
Business-type Activities:				
Launch Pointe	-	-	-	-
Total Business-type Activities Expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Primary Government Expenses	<u>66,740,514</u>	<u>58,876,917</u>	<u>54,525,285</u>	<u>52,988,370</u>
PROGRAM REVENUES				
Governmental Activities:				
Charges for Services:				
General Government	3,181,706	3,167,346	3,035,324	456,760
Public Safety	-	-	-	700,069
Community Development	924,493	1,508,526	1,247,117	4,381,899
Community Services	1,578,779	1,586,602	1,578,318	2,822,458
Public Services	-	-	-	1,117,800
Operating Grants and Contributions	4,561,669	3,292,972	3,306,452	12,172,208
Capital Grants and Contributions	-	<u>6,573,426</u>	<u>4,539,293</u>	<u>9,587,008</u>
Total Governmental Activities Program Revenues	<u>10,246,647</u>	<u>16,128,872</u>	<u>13,706,504</u>	<u>31,238,202</u>
Business-type Activities:				
Launch Pointe	-	-	-	-
Total Business-type Activities Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Primary Government Revenues	<u>10,246,647</u>	<u>16,128,872</u>	<u>13,706,504</u>	<u>31,238,202</u>
NET REVENUES (EXPENSES)				
Governmental Activities	(56,493,867)	(42,748,045)	(40,818,781)	(21,750,168)
Business-Type Activities	-	-	-	-
Total Net Revenues (Expenses)	<u>\$ (56,493,867)</u>	<u>\$ (42,748,045)</u>	<u>\$ (40,818,781)</u>	<u>\$ (21,750,168)</u>

City of Lake Elsinore, California
Changes in Net Position
Expenses and Program Revenues (continued)

Fiscal Year						
2014	2015	2016	2017	2018	2019	
\$ 7,836,775	\$ 8,617,841	\$ 6,477,776	\$ 8,904,130	\$ 5,856,845	\$ 5,497,097	
14,485,711	18,626,488	19,098,659	21,218,964	20,963,229	21,143,285	
9,079,863	7,391,688	4,005,355	4,807,685	5,000,426	5,257,082	
4,819,153	4,652,536	5,411,152	9,791,967	3,313,875	3,003,809	
10,610,540	11,162,854	18,668,180	14,148,801	43,153,162	23,303,523	
6,330,889	8,097,248	11,204,357	11,832,732	11,463,403	11,340,371	
53,162,931	58,548,655	64,865,479	70,704,279	89,750,940	69,545,167	
 -	 -	 -	 -	 -	 -	1,588,992
 -	 -	 -	 -	 -	 -	1,588,992
53,162,931	58,548,655	64,865,479	70,704,279	89,750,940	71,134,159	
 460,808	 1,464,689	 734,034	 1,726,741	 2,666,057	 1,478,132	
1,067,440	1,427,632	1,922,602	2,665,603	1,716,350	1,605,806	
5,018,102	3,905,472	4,660,580	8,727,675	9,727,246	7,534,732	
3,112,662	2,405,100	2,977,699	858,119	759,254	490,827	
1,574,245	2,329,172	2,977,138	5,504,572	2,609,931	2,494,149	
20,954,573	20,141,320	19,883,338	5,496,146	8,599,061	10,045,467	
6,485,279	21,044,552	5,901,491	30,389,367	30,754,329	20,188,402	
38,673,109	52,717,937	39,056,882	55,368,223	56,832,228	43,837,515	
 -	 -	 -	 -	 -	 -	249,194
 -	 -	 -	 -	 -	 -	249,194
38,673,109	52,717,937	39,056,882	55,368,223	56,832,228	44,086,709	
 (14,489,822)	 (5,830,718)	 (25,808,597)	 (15,336,056)	 (32,918,712)	 (25,707,652)	
 -	 -	 -	 -	 -	 -	(1,339,798)
\$ (14,489,822)	\$ (5,830,718)	\$ (25,808,597)	\$ (15,336,056)	\$ (32,918,712)	\$ (27,047,450)	

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

	Fiscal Year			
	2010	2011	2012	2013
GENERAL REVENUES				
Governmental Activities				
Taxes				
Property Taxes	\$ 25,904,948	\$ 24,237,023	\$ 14,698,032	\$ 5,804,265
Sales Taxes	6,236,748	7,190,695	7,444,947	6,935,215
Franchise Taxes	1,792,699	1,913,807	2,002,550	2,097,081
Other Taxes	519,001	483,556	538,402	567,560
Fines, Forfeitures and Penalties	733,792	972,457	1,850,398	592,185
Investment Earnings	7,470,635	7,782,639	8,031,256	689,149
Miscellaneous	6,661,239	5,705,412	6,992,813	688,105
Special Item				
Loss on CFD and AD Investments	-	-	-	-
Extraordinary Item				
Gain on Dissolution of Redevelopment Agency	-	-	61,700,316	-
Total Governmental Activities	<u>49,319,062</u>	<u>48,285,589</u>	<u>103,258,714</u>	<u>17,373,560</u>
Business-type Activities				
Investment Earnings	-	-	-	-
Miscellaneous	-	-	-	-
Total Business-type Activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total General Revenues, Special and Extraordinary Items	<u>49,319,062</u>	<u>48,285,589</u>	<u>103,258,714</u>	<u>17,373,560</u>
CHANGES IN NET POSITION				
Governmental Activities	(7,174,805)	5,537,544	62,439,933	(4,376,008)
Business-Type Activities	-	-	-	-
Total Changes in Net Position	<u>\$ (7,174,805)</u>	<u>\$ 5,537,544</u>	<u>\$ 62,439,933</u>	<u>\$ (4,376,008)</u>

City of Lake Elsinore, California
Changes in Net Position
General Revenues, Special and Extraordinary Items (continued)

Fiscal Year							
	2014	2015	2016	2017	2018	2019	
\$	5,487,743	\$ 6,276,548	\$ 6,537,540	\$ 7,380,594	\$ 8,030,862	\$ 7,986,053	
8,031,486	8,572,066	9,939,637	9,745,714	10,071,435	11,057,497		
2,275,619	2,389,413	2,423,707	2,297,401	2,477,400	2,553,006		
760,203	767,058	838,364	598,126	560,150	577,805		
507,265	683,573	-	-	-	-		
574,477	966,365	925,517	11,247,531	13,191,802	12,468,683		
1,054,958	1,022,472	706,094	2,745,222	3,026,724	3,785,183		
(9,880,891)	(4,502,385)	-	-	-	-		
8,810,860	16,175,110	21,370,859	34,014,588	37,358,373	38,428,227		
-	-	-	-	-	-	160	
-	-	-	-	-	-	636	
-	-	-	-	-	-	796	
8,810,860	16,175,110	21,370,859	34,014,588	37,358,373	38,429,023		
(5,678,962)	10,344,392	(4,437,738)	18,678,532	4,439,661	12,720,575		
-	-	-	-	-	(1,339,002)		
\$ (5,678,962)	\$ 10,344,392	\$ (4,437,738)	\$ 18,678,532	\$ 4,439,661	\$ 11,381,573		

City of Lake Elsinore, California
Fund Balances of Governmental Funds

Last Ten Fiscal Years
 (modified accrual basis of accounting)

	Fiscal Year			
	2010	2011	2012	2013
GENERAL FUND				
Reserved	\$ 8,589,723	\$ -	\$ -	\$ -
Unreserved	6,327,596	-	-	-
Total General Fund	<u><u>\$ 14,917,319</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
ALL OTHER GOVERNMENTAL FUNDS				
Reserved	\$ 161,473,544	\$ -	\$ -	\$ -
Unreserved, Reported In				
Special Revenue Funds	6,999,090	-	-	-
Debt Service Funds	(28,305,645)	-	-	-
Capital Projects Funds	5,497,137	-	-	-
Total All Other Governmental Funds	<u><u>\$ 145,664,126</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
GENERAL FUND				
Nonspendable	\$ -	\$ 4,027,179	\$ 2,505,503	\$ 1,821,906
Unassigned	-	<u><u>10,788,602</u></u>	<u><u>11,826,885</u></u>	<u><u>12,017,317</u></u>
Total General Fund	<u><u>\$ -</u></u>	<u><u>\$ 14,815,781</u></u>	<u><u>\$ 14,332,388</u></u>	<u><u>\$ 13,839,223</u></u>
ALL OTHER GOVERNMENTAL FUNDS				
Nonspendable	\$ -	\$ 84,348,929	\$ 76,688,811	\$ 20,003
Restricted	-	105,281,543	79,292,713	202,134,812
Assigned	-	11,255,852	12,548,403	1,034,681
Unassigned	-	(38,062,318)	(987,601)	(905,426)
Total All Other Governmental Funds	<u><u>\$ -</u></u>	<u><u>\$ 162,824,006</u></u>	<u><u>\$ 167,542,326</u></u>	<u><u>\$ 202,284,070</u></u>

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

City of Lake Elsinore, California
Fund Balances of Governmental Funds (continued)

Fiscal Year					
2014	2015	2016	2017	2018	2019
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<u>\$ -</u>					
\$ -					
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<u>\$ -</u>					
\$ -					
\$ 1,264,392	\$ 1,016,468	\$ 1,029,015	\$ 1,096,846	\$ 1,031,385	\$ 1,077,168
<u>10,488,843</u>	<u>10,954,475</u>	<u>11,365,894</u>	<u>11,512,307</u>	<u>10,807,854</u>	<u>11,067,741</u>
\$ 11,753,235	\$ 11,970,943	\$ 12,394,909	\$ 12,609,153	\$ 11,839,239	\$ 12,144,909
\$ 20,003	\$ 132,037	\$ 124,177	\$ 979,130	\$ 182,018	\$ 171,531
<u>199,162,404</u>	<u>335,415,122</u>	<u>303,860,121</u>	<u>302,110,933</u>	<u>293,344,990</u>	<u>267,464,772</u>
<u>1,232,105</u>	<u>1,929,497</u>	<u>1,548,764</u>	<u>9,313,282</u>	<u>17,628,221</u>	<u>13,188,628</u>
<u>(1,014,226)</u>	<u>(1,316,398)</u>	<u>(891)</u>	<u>(94,936)</u>	<u>-</u>	<u>(770,278)</u>
\$ 199,400,286	\$ 336,160,258	\$ 305,532,171	\$ 312,308,409	\$ 311,155,229	\$ 280,054,653

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

	Fiscal Year			
	2010	2011	2012	2013
REVENUES				
Property Taxes	\$ 25,429,344	\$ 24,443,046	\$ 14,738,584	\$ 5,844,498
Other Taxes	8,517,826	9,557,873	9,911,400	9,572,675
Special Assessments	1,578,779	1,586,602	1,578,318	1,585,606
Licenses, Permits and Fees	2,587,918	3,291,938	2,908,091	4,999,154
Intergovernmental Revenues	7,322,908	4,680,095	6,193,777	5,055,511
Charges for Services	1,594,774	1,383,934	1,374,351	1,746,713
Fines, Forfeitures and Penalties	733,792	972,457	1,850,398	927,315
Investment Earnings	7,928,611	7,147,497	7,180,018	12,122,739
Contributions from Property Owners	-	5,352,614	1,221,184	8,079,739
Miscellaneous	6,910,516	5,608,837	7,384,749	3,469,837
Total Revenues	62,604,468	64,024,893	54,340,870	53,403,787
EXPENDITURES				
Current:				
General Government	6,797,320	8,904,165	7,467,755	5,871,649
Public Safety	11,022,531	11,212,605	11,911,364	12,339,592
Community Development	3,049,501	18,805,484	1,608,782	2,925,329
Community Services	3,313,082	3,714,646	5,963,873	4,281,401
Public Services	12,901,064	6,221,286	7,800,095	6,772,010
Pass-through Payments	7,782,513	7,655,170	3,542,473	-
Set Aside Suspension	3,750,000	-	-	-
SERAFF Payments	6,976,853	1,436,411	-	-
Capital Outlay	4,394,834	2,931,038	10,268,753	10,889,810
Debt Service:				
Payment to Escrow Agent	1,987,745	1,832,080	-	-
Bond Issuance Costs	1,584,965	1,874,527	238,290	1,260,059
Principal Retirement	6,037,770	6,928,822	6,091,578	5,725,000
Interest and Fiscal Charges	10,318,720	9,046,095	7,951,971	6,081,766
Total Expenditures	79,916,898	80,562,329	62,844,934	56,146,616
Excess (Deficiency) of Revenues Over (Under) Expenditures	(17,312,430)	(16,537,436)	(8,504,064)	(2,742,829)
OTHER FINANCING SOURCES (USES)				
Transfers In	4,500,694	6,186,205	2,509,613	2,235,297
Transfers Out	(4,500,694)	(6,186,205)	(2,509,613)	(2,235,297)
Debt Issuance	-	-	-	-
Loans Issued	26,290,000	47,780,000	-	-
Loan Payments	(23,235,000)	(27,495,000)	-	-
Premiums	-	-	-	120,640
Discounts	(166,785)	(621,302)	(30,000)	(23,125)
Refunding Bonds Issued	26,290,000	29,435,000	1,405,000	27,760,000
Certificates of Participation Issued	-	-	-	-
Capital Leases	-	-	-	-
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)	(3,244,386)
Total Other Financing Sources (Uses)	7,095,567	33,595,778	30,000	24,613,129
Net Change in Fund Balances before Special and Extraordinary Items	(10,216,863)	17,058,342	(8,474,064)	21,870,300
Extraordinary/Special Items	-	-	11,708,991	-
Net Change in Fund Balances	\$ (10,216,863)	\$ 17,058,342	\$ 3,234,927	\$ 21,870,300
Debt Service as a Percentage of Noncapital Expenditures	26%	25%	27%	29%

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

Source: City Finance Department

City of Lake Elsinore, California
Changes in Fund Balances of Governmental Funds (continued)

Fiscal Year											
2014		2015		2016		2017					
\$	5,495,091	\$	6,249,786	\$	6,551,939	\$	7,380,594	\$	8,030,862	\$	7,986,053
11,043,792		11,705,293		13,178,135		12,697,359		13,108,985		14,188,308	
1,641,557		1,671,595		1,680,980		1,790,941		2,407,266		4,140,542	
5,936,900		4,655,325		6,894,107		7,465,474		4,524,328		3,582,357	
5,582,705		5,812,486		6,807,169		6,846,125		9,585,606		9,627,086	
2,409,558		3,189,138		2,453,380		2,826,491		5,402,235		3,349,474	
931,168		1,088,411		1,103,154		2,289,357		913,658		874,765	
10,315,842		7,972,858		11,117,857		10,410,765		10,364,291		13,644,848	
5,985,053		22,535,167		6,219,934		29,339,769		28,853,494		17,974,870	
3,545,812		4,099,189		3,574,278		6,630,285		8,102,050		7,316,907	
<u>52,887,478</u>		<u>68,979,248</u>		<u>59,580,933</u>		<u>87,677,160</u>		<u>91,292,775</u>		<u>82,685,210</u>	
4,788,505		4,611,722		5,318,933		6,345,498		5,233,031		5,323,480	
14,093,095		18,163,150		18,614,077		20,751,331		20,507,870		20,724,268	
3,407,415		6,200,761		4,164,059		4,395,026		4,730,692		5,198,035	
4,363,257		4,174,545		4,984,422		3,963,912		2,577,291		2,242,136	
7,107,120		6,551,578		6,345,398		13,968,654		34,578,033		16,849,015	
-		-		-		-		-		-	
-		-		-		-		-		-	
-		-		-		-		-		-	
8,992,686		11,123,256		20,106,238		21,241,461		13,364,601		31,718,978	
-		-		982,386		-		-		-	
1,485,399		2,445,261		6,515		-		-		-	
18,385,000		7,165,000		7,375,000		8,315,000		8,935,000		34,065,000	
6,091,389		6,231,581		11,468,287		11,797,719		11,882,322		11,796,303	
<u>68,713,866</u>		<u>66,666,854</u>		<u>79,365,315</u>		<u>90,778,601</u>		<u>101,808,840</u>		<u>127,917,215</u>	
<u>(15,826,388)</u>		<u>2,312,394</u>		<u>(19,784,382)</u>		<u>(3,101,441)</u>		<u>(10,516,065)</u>		<u>(45,232,005)</u>	
1,851,084		10,947,946		18,142,559		24,483,943		11,523,931		16,851,815	
(1,851,084)		(10,947,946)		(19,791,262)		(24,802,020)		(11,523,931)		(8,510,790)	
-		-		-		10,410,000		7,975,000		-	
-		-		-		-		-		-	
-		-		-		-		-		-	
14,460,000		12,151,673		-		-		-		-	
(149,044)		(96,307)		-		-		-		-	
25,335,000		137,845,000		-		-		-		-	
-		7,965,000		-		-		-		-	
-		-		-		-		-		3,459,380	
-		-		-		-		-		-	
-		13,362		14,743		-		14,502		3,557,379	
<u>(19,013,502)</u>		<u>(18,542,280)</u>		<u>-</u>		<u>-</u>		<u>-</u>		<u>-</u>	
<u>20,632,454</u>		<u>139,336,448</u>		<u>(1,633,960)</u>		<u>10,091,923</u>		<u>7,989,502</u>		<u>15,357,784</u>	
4,806,066		141,648,842		(21,418,342)		6,990,482		(2,526,563)		(29,874,221)	
(9,880,891)		(4,502,385)		(7,319,955)		-		-		-	
<u>\$ (5,074,825)</u>		<u>\$ 137,146,457</u>		<u>\$ (28,738,297)</u>		<u>\$ 6,990,482</u>		<u>\$ (2,526,563)</u>		<u>\$ (29,874,221)</u>	

40%

24%

28%

29%

23%

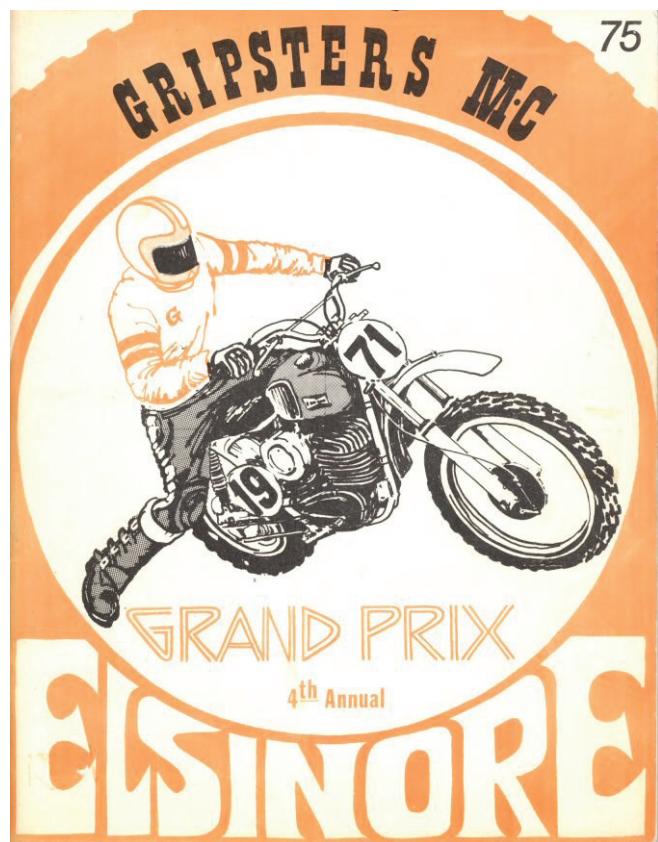
48%

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
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
2019	7,986,053	11,057,497	2,553,006	577,805	22,174,361

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



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
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
2019	2,907,744	1,633,711	781,105	1,219,300	984,751

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

Sources: HdL Companies

City of Lake Elsinore, California
Taxable Sales by Major Industry Groups (continued)

Fuel and Service Stations	Food and Drugs	Other and Transfers	Total
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
1,372,455	550,154	144	9,449,364

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

AGENCY	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
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	0.01900	0.01900
Menifee School Dist.	0.03254	0.03436	0.03486	0.03543	0.03421	0.03275	0.03010	0.03269	0.06080	0.06303
Metro Water East	0.00430	0.00370	0.00370	0.00350	0.00350	0.00350	0.00350	-	-	-
Metro Water West	0.00430	0.00370	0.00370	0.00350	0.00350	0.00350	0.00350	-	-	-
Metro Water Original Area	-	-	-	-	-	-	-	0.00350	0.00350	0.00350
Mt. San Jacinto Jr. College	-	-	-	-	-	-	0.01394	0.01320	0.01320	0.01320
Perris School Dist.	0.02485	0.01983	0.01983	0.01800	0.02524	0.05588	0.04699	0.05491	0.06000	0.05754
Perris Union High School	0.02686	0.03126	0.03429	0.03429	0.06970	0.06303	0.06236	0.06092	0.05675	0.05243
Total Direct & Overlapping ² Tax Rates	1.09285	1.09285	1.09638	1.09472	1.13615	1.15866	1.16039	1.16522	1.21325	1.20870
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	0.07576	0.05007
GENERAL OBLIGATION DEBT RATE										
RDA Basic Rate ⁴	1.00430	1.00370	1.00370	-	-	-	-	-	-	-
Total Direct Rate ⁵	0.53513	0.53306	0.52110	0.51923	0.08908	0.08528	0.08349	0.08181	0.08025	0.07862

Notes:

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

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

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

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

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

Source: Riverside County Assessor 2009/10 - 2018/19 Tax Rate Table

City of Lake Elsinore, California
Principal Property Tax Payers
 Current Year Compared to 2010

TAXPAYER	Fiscal Year 2019			Fiscal Year 2010		
	Taxable Assessed Value	Rank	Percent of Total City Taxable Assessed Value ⁽¹⁾	Taxable Assessed Value	Rank	Percent of Total City Taxable Assessed Value ⁽²⁾
Plaza Apartments Investment	\$ 51,010,937	1	0.82%	\$ -	-	0.00%
Rivers Edge Apartments	25,760,723	2	0.42%	-	-	0.00%
Pacific Castle Lake Elsinore PTNRS LLC	25,475,733	3	0.41%	-	-	0.00%
Half Canyon Hills Market Place I	24,854,334	4	0.40%	-	-	0.00%
Walmart Stores Inc	24,752,992	5	0.40%	-	-	0.00%
Mohr Affinity, LLC	24,535,474	6	0.40%	-	-	0.00%
HGEF Holding Company LLC	24,497,377	7	0.40%	-	-	0.00%
Pardee Homes	21,543,805	8	0.35%	20,375,351	8	0.50%
Costco Wholesale Corporation	18,663,162	9	0.30%	-	-	0.00%
Parker Equity Fund LLC	17,947,030	10	0.29%	-	-	0.00%
Fairfield Ramsgate LP	-		0.00%	50,680,569	1	1.25%
Castle and Cooke Lake Elsinore Outlet	-		0.00%	43,214,483	2	1.06%
Castle and Cooke Lake Elsinore West	-		0.00%	38,596,665	3	0.95%
Centex Homes	-		0.00%	33,611,677	4	0.83%
Castle and Cooke Alberhill Ranch	-		0.00%	30,216,161	5	0.74%
Broadstone Rivers Edge Alliance	-		0.00%	28,109,172	6	0.69%
Harbor Grand Apartments Investment	-		0.00%	24,923,963	7	0.61%
Deutsche Bank National Trust Company	-		0.00%	19,076,900	9	0.47%
Laing CP Lake Elsinore	-		0.00%	17,998,123	10	0.44%
	\$ 259,041,567		4.19%	\$ 306,803,064		7.55%

(1) 2018-19 Total City Taxable Assessed Valuation: \$ 6,189,494,979

(2) 2009-10 Local Secured Assessed Valuation: \$ 4,062,119,890

Source: Riverside County Assessor 2018/19 and 2009/10 Combined Tax Rolls and the SBE Non Unitary Tax Roll

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
2010	1,894,552	1,643,583	86.75%	121,988	1,765,570	97.84%
2011	1,900,256	1,767,798	93.03%	67,549	1,835,347	99.45%
2012	1,874,319	1,770,492	94.46%	64,528	1,835,020	98.06%
2013	1,844,800	1,767,808	95.83%	50,284	1,818,092	99.32%
2014	1,935,629	1,822,844	94.17%	43,741	1,866,585	96.77%
2015	2,171,126	2,074,751	95.56%	61,115	2,135,866	97.58%
2016	2,308,803	2,192,912	94.98%	66,383	2,259,295	97.86%
2017	2,434,193	2,334,855	95.92%	67,441	2,402,296	98.69%
2018	2,553,532	2,465,681	96.56%	43,212	2,508,893	98.25%
2019	2,719,663	2,638,238	97.01%	-	2,638,238	97.01%

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

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



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

Fiscal Year Ended June 30	City			Taxable Assessed Value
	Secured	Unsecured	Less: Exemptions	
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
2019	6,131,330,394	121,282,148	(109,102,106)	6,143,510,436

Notes:

n/a=not available

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

¹In accordance with the timeline set forth in Assembly Bill 1X 26 (as modified by the California Supreme Court on December 29, 2011) all redevelopment agencies in the State of California were dissolved and ceased to operate as a legal entity as of February 1, 2012.

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

Source: Riverside County Assessor 2018/19 Combined Tax Rolls

City of Lake Elsinore, California
Assessed Value and Estimated Actual Value
of Taxable Property (continued)

Successor Agency for the Redevelopment Agency

<u>Secured</u>	<u>Unsecured</u>	<u>Less: Exemptions</u>	<u>Taxable Assessed Value</u>	<u>Total Direct Tax Rate</u>
2,077,411,999	83,367,167	n/a	2,160,779,166	0.51775%
1,998,889,644	79,994,003	n/a	2,078,883,647	0.53513%
1,955,649,172	78,927,893	n/a	2,034,577,065	0.53306%
1,880,967,030	110,109,381	n/a	1,991,076,411	0.52110%
1,938,704,040	89,830,332	n/a	2,028,534,372	0.51923%
2,135,333,435	83,968,122	(71,673,963)	2,147,627,594	0.08908%
n/a	n/a	n/a	n/a	0.08528%
n/a	n/a	n/a	n/a	0.08349%
n/a	n/a	n/a	n/a	0.08181%
n/a	n/a	n/a	n/a	0.07862%

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

Fiscal Year Ended June 30	Governmental Activities					Developer/ Owner Agreements
	Local Agency Revenue Bonds	Tax Allocation Bonds	Subordinate Tax Allocation Bonds	Revenue/ Revenue Refunding Bonds		
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	192,410,294	39,848,344	-	21,676,445	-	
2019	173,355,665	25,467,316	-	20,795,511	-	

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

Source: City Finance Department; California State Department of Finance

City of Lake Elsinore, California
Ratios of Outstanding Debt by Type (continued)

Governmental Activities (Continued)					
Certificates of Participation	Notes/ Loans Payable	Capitalized Lease	Total Governmental Activities	Percentage of Personal Income	Debt per Capita
-	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
7,191,248	-	-	261,126,331	22.02%	4,205
6,946,903	-	-	226,565,395	19.10%	3,649

City of Lake Elsinore, California
Direct and Overlapping Bonded Debt
June 30, 2019

2018-19 Assessed Valuation	\$ 6,143,510,436	Percentage Applicable (1)	Outstanding Debt 6/30/19	City's Share of Overlapping Debt 6/30/19
OVERLAPPING TAX AND ASSESSMENT DEBT:				
DIRECT OVERLAPPING TAX AND ASSESSMENT DEBT				
City of Lake Elsinore Community Facilities District No.88-3		100%	4,385,000	4,385,000
City of Lake Elsinore Community Facilities District No. 90-2		100%	5,745,000	5,745,000
City of Lake Elsinore Community Facilities District No. 95-1		100%	755,000	755,000
City of Lake Elsinore Community Facilities District No. 98-1		100%	11,130,000	11,130,000
City of Lake Elsinore Community Facilities District No. 2003-2 I-A A, B, C, D & E		100%	68,515,000	68,515,000
City of Lake Elsinore Community Facilities District No. 2004-3		100%	41,280,000	41,280,000
City of Lake Elsinore Community Facilities District No. 2005-1		100%	7,265,000	7,265,000
City of Lake Elsinore Community Facilities District No. 2005-2		100%	19,655,000	19,655,000
City of Lake Elsinore Community Facilities District No. 2005-5		100%	3,100,000	3,100,000
City of Lake Elsinore Community Facilities District No. 2005-6		100%	2,620,000	2,620,000
City of Lake Elsinore Community Facilities District No. 2006-1 Improvement Areas		100%	23,740,000	23,740,000
City of Lake Elsinore Community Facilities District No. 2006-2		100%	5,460,000	5,460,000
City of Lake Elsinore Community Facilities District No. 2007-4		18.549%	2,645,000	490,621
City of Lake Elsinore Community Facilities District No. 2007-5		100%	1,740,000	1,740,000
City of Lake Elsinore Community Facilities District No. 2015-5		100%	2,205,000	2,205,000
City of Lake Elsinore Community Facilities District No. 2016-2		100%	19,745,000	19,745,000
City of Lake Elsinore 1915 Act Bonds		100%	12,065,000	<u>12,065,000</u>
TOTAL DIRECT OVERLAPPING TAX AND ASSESSMENT DEBT				<u>229,895,621</u>
OTHER OVERLAPPING TAX AND ASSESSMENT DEBT				
Riverside County Flood Control District, Zone No. 4		0.938%	14,690,000	\$ 137,792
Metropolitan Water District		0.212%	48,050,000	101,866
Mount San Jacinto Community College District		6.799%	172,650,000	11,738,474
Perris Union High School District		3.043%	103,008,693	3,134,555
Menifee Union School District		4.981%	98,644,720	4,913,494
Perris School District		0.071%	28,546,242	20,268
Lake Elsinore Unified School District CFDs		44.527%	30,590,000	13,620,809
Lake Elsinore Unified School District Community Facilities Districts		100%	36,581,027	36,581,027
Perris Union High School District CFD No. 92-1		8.987%	34,040,000	3,059,175
Elsinore Valley Metropolitan Water District CFD No. 2003-1		100%	3,043,000	<u>3,043,000</u>
TOTAL OTHER OVERLAPPING TAX AND ASSESSMENT DEBT				<u>\$ 76,350,459</u>
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT				
DIRECT AND OVERLAPPING GENERAL FUND DEBT:				
DIRECT GENERAL FUND DEBT				
City of Lake Elsinore General Fund Obligation		100%	\$ 226,565,395	<u>\$ 226,565,395</u>
TOTAL DIRECT GENERAL FUND DEBT				<u>\$ 226,565,395</u>
OVERLAPPING GENERAL FUND DEBT				
Riverside County General Fund Obligations		2.211%	\$ 760,133,611	\$ 16,806,554
Riverside County Pension Obligations		2.211%	243,850,000	5,391,524
Lake Elsinore Unified School District Certificates of Participation		44.527%	31,275,000	13,925,819
Perris Union High School District General Fund Obligations		3.043%	42,375,065	1,289,473
Menifee and Perris School District Certificates of Participation		4.981 & 0.071%	54,067,926	2,365,627
Western Municipal Water District		4.72%	9,020,960	<u>426,150</u>
TOTAL OVERLAPPING GENERAL FUND DEBT				<u>\$ 40,205,147</u>
TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND DEBT				
Less: Riverside County General Fund Self-supporting Obligations				\$ 266,770,542
TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT				
OVERLAPPING TAX INCREMENT DEBT (SUCCESSOR AGENCY):				
Total Direct General Fund Debt		100.000%	\$ 50,770,000	<u>\$ 50,770,000</u>
Total Gross Overlapping Debt				\$ 226,565,395
Total Net Overlapping Debt				\$ 397,221,227
Gross Combined Total Debt (2)				\$ 397,182,820
Net Combined Total Debt				\$ 623,786,622
				\$ 623,748,215
Ratios to 2018-19 Assessed Valuation:				
Total Direct Debt (\$226,565,395)			3.69%	
Gross Combined Total Debt			10.15%	
Net Combined Total Debt			10.15%	
Ratios to Redevelopment Incremental Valuation (\$2,721,027,498):				
Total Overlapping Tax Increment Debt			1.87%	

City of Lake Elsinore, California
Direct and Overlapping Bonded Debt
June 30, 2019

Notes:

- (1) For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the city's boundaries and dividing it by each unit's total taxable assessed value.
- (2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations. Qualified Zone Academy Bonds are included based on principal due at maturity.

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

Source: California Municipal Statistics

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

	Fiscal Year			
	2010	2011	2012	2013
Assessed Valuation	\$ 4,062,119,890	\$ 3,928,751,948	\$ 3,923,526,176	\$ 3,834,397,783
Conversion Percentage	25%	25%	25%	25%
Adjusted Assessed Valuation	1,015,529,973	982,187,987	980,881,544	958,599,446
Debt Limit Percentage	15%	15%	15%	15%
Debt Limit	152,329,496	147,328,198	147,132,232	143,789,917
Total Net Debt Applicable to Limitation	-	-	-	-
Legal Debt Margin	<u><u>\$ 152,329,496</u></u>	<u><u>\$ 147,328,198</u></u>	<u><u>\$ 147,132,232</u></u>	<u><u>\$ 143,789,917</u></u>
Total Debt Applicable to the Limit as a Percentage of Debt Limit	0.0%	0.0%	0.0%	0.0%

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

Sources: HdL Companies and Riverside County Assessor Tax Roll

City of Lake Elsinore, California
Legal Debt Margin Information (continued)

Fiscal Year					
2014	2015	2016	2017	2018	2019
\$ 4,031,499,407	\$ 4,494,905,138	\$ 4,804,948,961	\$ 5,212,031,340	\$ 5,598,768,413	\$ 6,143,510,436
25%	25%	25%	25%	25%	25%
1,007,874,852	1,123,726,285	1,201,237,240	1,303,007,835	1,399,692,103	1,535,877,609
15%	15%	15%	15%	15%	15%
151,181,228	168,558,943	180,185,586	195,451,175	209,953,815	230,381,641
-	-	-	-	-	-
\$ 151,181,228	\$ 180,185,586	\$ 180,185,586	\$ 195,451,175	\$ 209,953,815	\$ 230,381,641
0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

City of Lake Elsinore, California

Pledged-Revenue Coverage

Last Ten Fiscal Years

Fiscal Year Ended June 30	Successor Redevelopment Tax Increment Revenue	Tax Allocation Bonds				Coverage	Tax Allocation Bonds		
		Debt Service		Principal	Interest				
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		
2019	11,349,440	15,640,000	2,306,830			0.63	50,770,000		

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)
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%
2019	62,949	1,360,031	21,605	4.0%

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 2010

	2019		2010	
	Number of Employees	Percent of Total Employment*	Number of Employees	Percent of Total Employment*
EMPLOYMENT				
Estimated Total Employment	29,800 (1)		23,900 (1)	
EMPLOYER				
Lake Elsinore Unified School District	2,520	8.46%	1,060	4.44%
M & M Framing	500	1.68%	- (2)	0.00%
Stater Bros (3 locations)	352	1.18%	140	0.59%
Lake Elsinore Hotel & Casino	275	0.92%	150	0.63%
Costco	275	0.92%	200	0.84%
Walmart Store	234	0.79%	200	0.84%
Riverside County - Department of Social Services	163	0.55%	160	0.67%
EVMWD (Elsinore Valley Mun Water Dist)	154	0.52%	120	0.50%
Home Depot	135	0.45%	160	0.67%
Target	130	0.44%	160	0.67%
Total Top 10 Employers	4,738	15.90%	2,350	9.83%

Notes:

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

(2) Data not available or Company not in business for 2010

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	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Government	20	17	24	22	24	20	20	21	22	19
Community Services (Includes Public Works)	42	47	42	43	47	45	51	61	53	72
Community Development	14	11	10	14	14	18	20	19	21	28
Total	<u>76</u>	<u>75</u>	<u>76</u>	<u>79</u>	<u>85</u>	<u>83</u>	<u>91</u>	<u>101</u>	<u>96</u>	<u>101</u>

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

Source: City Finance Department

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

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

n/a=not available

Source: City of Lake Elsinore, Various Departments

City of Lake Elsinore, California
Operating Indicators by Function (continued)

Fiscal Year						
2013	2014	2015	2016	2017	2018	2019
204	425	419	597	134	51	105
2,155	2,848	3,338	3,711	4,141	2,821	3,445
216	197	179	137	140	111	133
4,554	4,484	4,456	5,110	5,249	5,868	5,923
4	4	4	4	3	3	3
189	189	189	254	254	254	254
9	9	9	9	9	9	9
360	414	227	204	116	68	54
909	972	735	2,022	2,933	3,455	3,455
\$ 124,755	\$ 121,773	\$ 71,664	\$ 104,923	\$ 188,892	\$ 195,698	\$ 195,698
660	626	346	410	449	534	143
21,413	20,183	14,996	11,427	11,278	14,394	10,319

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

FUNCTION	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Police Stations	1	1	1	1	1	1	1	1	1	1
Fire Fire Stations	3	3	3	4	4	4	4	4	3	3
Public Works Street Miles	157	157	157	157	157	157	254	254	254	254
Lake, Parks, & Recreation Parks and River Walk	17	17	17	17	17	17	18	18	18	18
Beaches and Recreation Facilities	10	10	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