

CITY OF LAKE ELSINORE, CALIFORNIA
COMPREHENSIVE ANNUAL
FINANCIAL REPORT
FOR FISCAL YEAR ENDED JUNE 30, 2020



YOUR
ADVENTURE
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CITY OF LAKE ELSINORE, CALIFORNIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED
JUNE 30, 2020

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CITY OF LAKE ELSINORE
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INTRODUCTORY SECTION







December 11, 2020

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, 2020 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 unqualified opinion that the City of Lake Elsinore's financial statements for the year ended

June 30, 2020, 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 in the Elsinore Valley of Western Riverside County on Historic Highway 395. Elsinore Valley is centralized with about an hour to two hours' drive between major anchor cities such as San Diego, Los Angeles, Orange County, Palm Springs, and Big Bear. Serving a population of 63,453, 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, a championship 18-hole golf course, dining, and an event venue for celebrations. Owned by the City, residents can visit our Diamond Stadium, a state-of-the-art baseball facility with the capacity of 14,000 spectators. Home base for the Storm Minor

Honorable Mayor and City Council
December 11, 2020

League Baseball Team, other events are held such as high school graduations, music concerts, off-road vehicle races, car shows, drive-in concerts and movies, and more. The Diamond Club facility within the Stadium can be rented as a venue for banquets, weddings, and seminars and provides event catering.

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



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



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December 11, 2020

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



Launch Pointe Recreation Destination & RV Park

Launch Pointe's Community Hall is available for events such as weddings, banquets, or parties and includes a barbecue, full kitchen, fireplace, and viewing deck of the lake.



Launch Pointe Community Hall Venue

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.

Honorable Mayor and City Council
December 11, 2020

For those who like to just ride any day, citizens and visitors can visit the Lake Elsinore Motorsports Park located near the airport. Exclusively at Lake Elsinore, riders can now experience a new way to ride with LITPro Leaderboards where "Every day is race day" and a rider's progress with lap times can be measured. This park offers track options such as Main, Intermediate Vet, Vet, 60-80, and Peewee tracks.



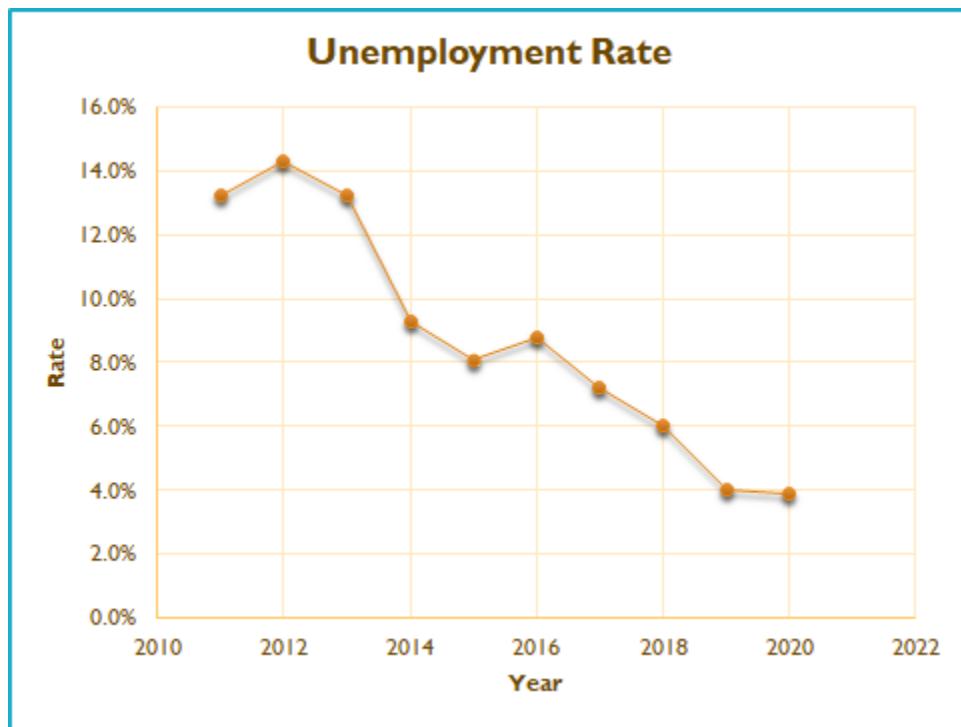
Lake Elsinore Motorsports Park

The City provides a range of municipal services for citizens throughout the community that include maintenance of 20 parks, 3 public beaches, fire prevention, code enforcement, animal services, planning and development, building inspections, licenses and permits, construction and maintenance of streets, right-of-way landscaping maintenance, traffic and street lighting, capital improvements, general administration, recreational services, cultural activities, and lake services. The City contracts with Riverside County for both Police and Fire services. The Lake Elsinore Unified School District provides 23 schools for approximately 21,565 students within the city limits and sphere of influence areas. Elsinore Valley Municipal Water District provides water and sewer services.

Local Economy

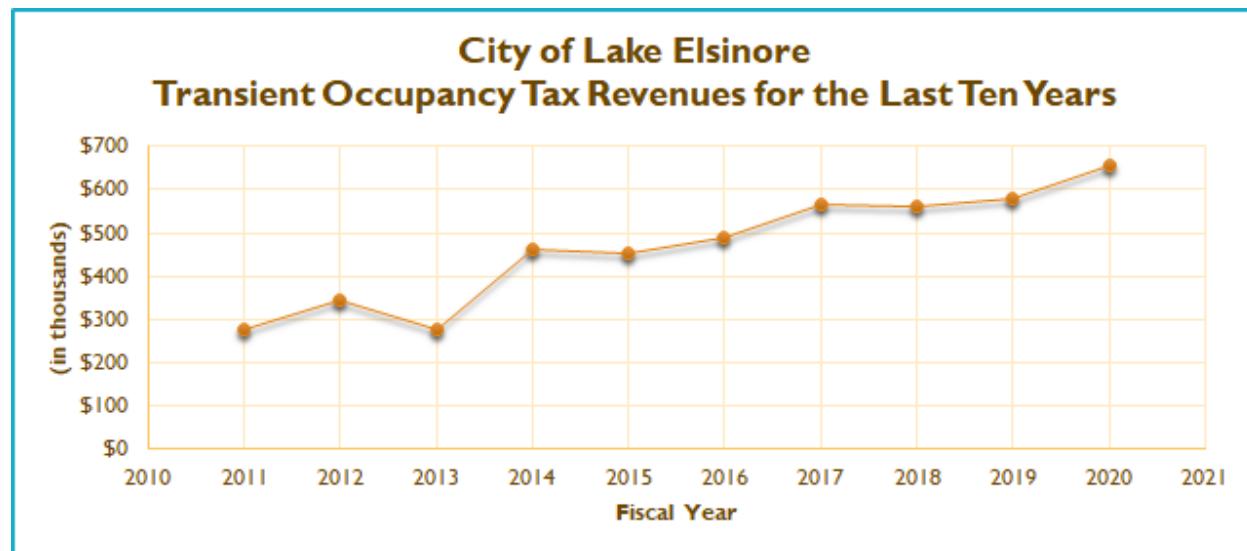
The City offers easy access to major freeways, available industrial and commercial land, quality labor force of both skilled and semi-skilled workers, and an economic philosophy of assisting local businesses for future growth. The region's geographic location, competitive cost structure and sophisticated logistics facilitates one of the fastest growing communities in the area. The City's median age is 30.4 with a per capita personal income of \$22,837. As shown in Chart 1 below, this is a slight increase from the prior year of \$20,605 with the unemployment rate at 3.9%, which is down from the prior year of 4.0%. The median housing price in the City is approximately \$390,000, which is a median decrease of 2.63% from the prior year. The median price paid for Riverside County homes is in the \$422,000 range, which is a 4.20% increase from \$400,000 in June 2019.

Chart 1.



The City experienced an increase of 1.13% in the transient occupancy tax (TOT) revenues for a total of \$654,044 for the fiscal year from \$577,805 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, and RV parks.

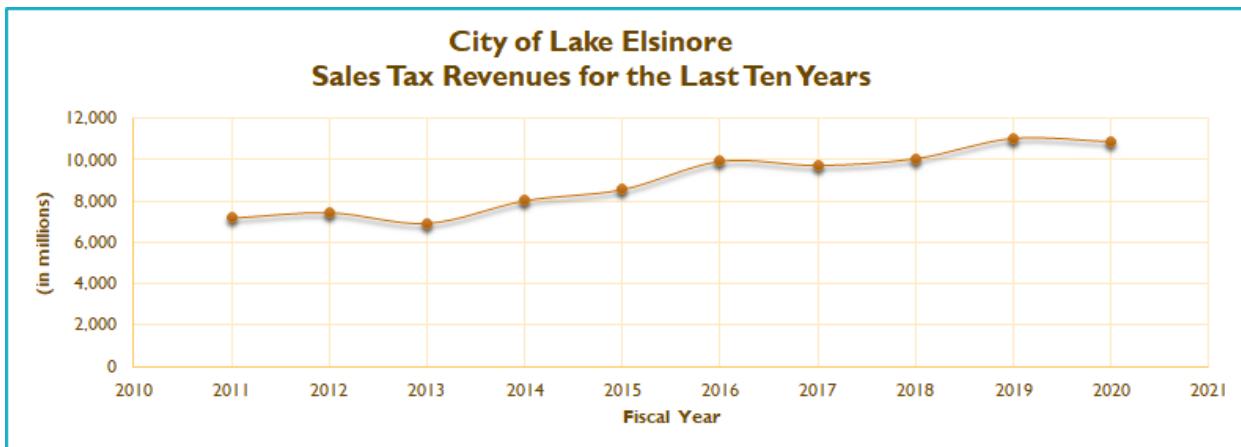
Chart 2.



The City's Economic Development Department works with the Chamber of Commerce and the Visitor's Bureau in effort to encourage the expansion and relocation of industries that generate local sales tax and employment opportunities. The City's sales tax revenue, the largest general fund revenue, experienced a slight decrease of sales overall of 0.99% for a total amount of \$10,896,995 as shown in Chart 3 below.

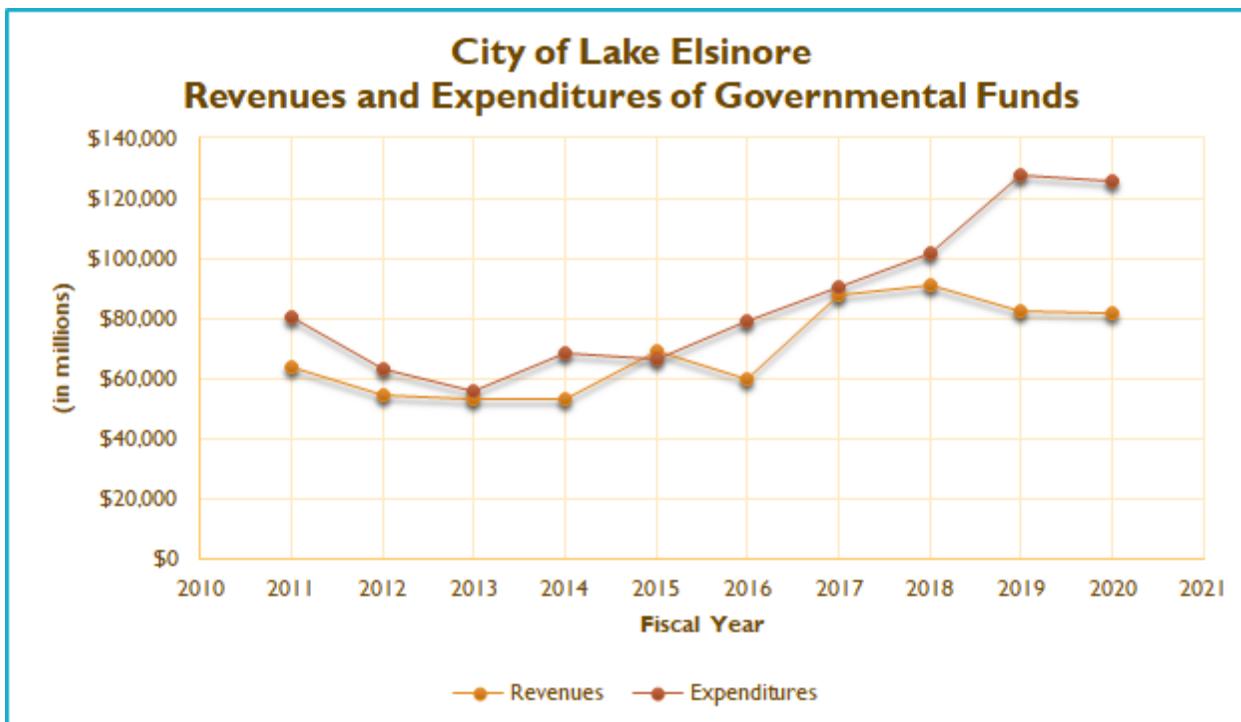
The slight decrease is largely because of coronavirus and the aggressive restrictions placed on brick and mortar stores and restaurants. The top producer industries that contributed to this revenue source were general consumer goods in the lead, State and County pools second, and autos and transportation third.

Chart 3.



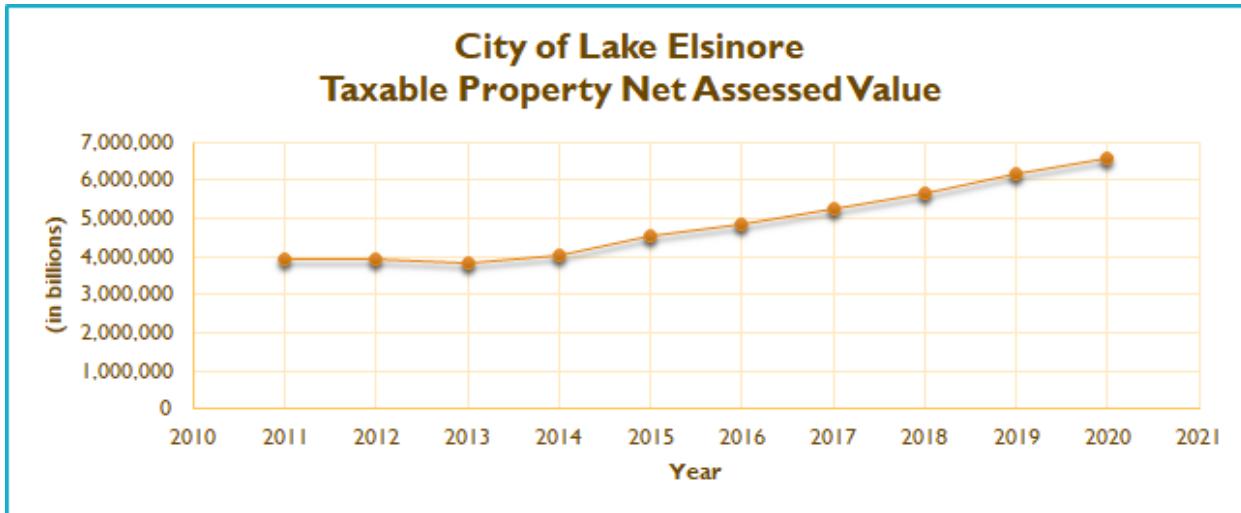
The City's total governmental funds experienced a decrease in net position because of an increase in expenditures and a decrease in revenue overall as reflected in the Chart 4 below. The increase in expenditure resulted from capital improvement projects and debt service while the decrease in revenue resulted from decreases in investment earnings.

Chart 4.



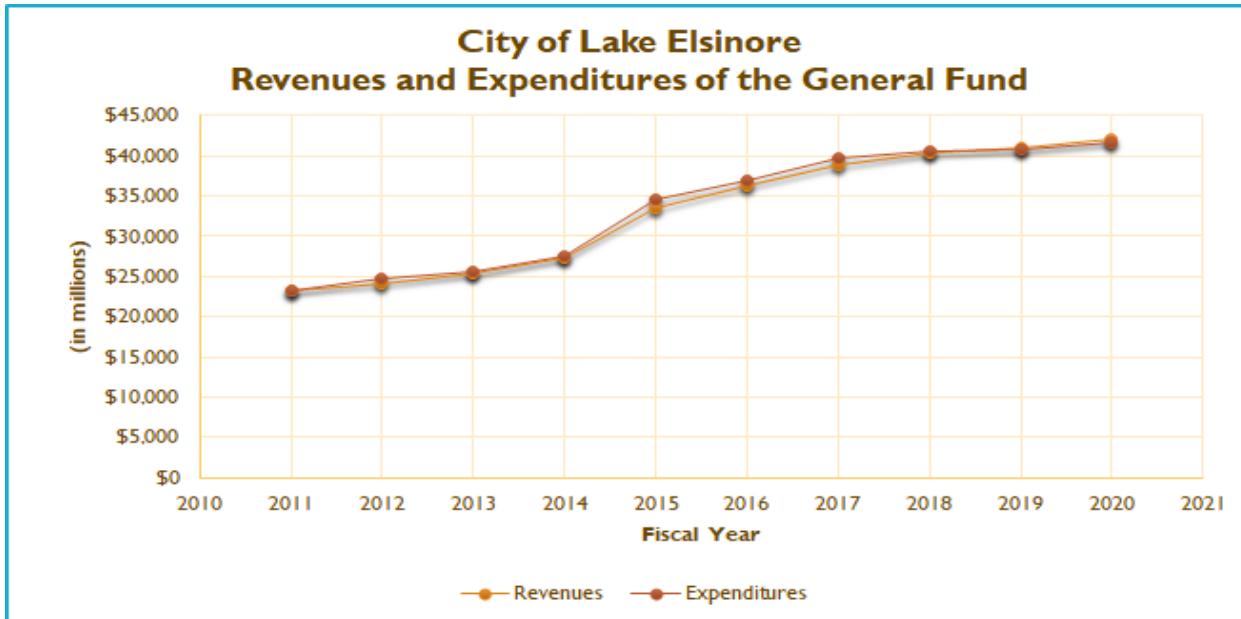
Taxable property net assessed values continue a consistent upswing with only a little more than 1/3 built-out. The 2/3 of vacant land includes open frontage along California's Interstate 15 Highway available for commercial development. Chart 5 below shows full recovery from the housing market drop of 2008 and constitutes a 6.63% 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 1.03% while the general fund expenditures increased by 1.02% for the fiscal year as shown by Chart 6 below. This chart reflects how the City experiences continued growth of the local economy. As the City grows, revenue increases as does the required level of service to the Citizens. This chart also demonstrates compliance with budgetary controls by "living within the means."

Chart 6.



Coronavirus Pandemic

This past fiscal year America experienced effects of the global pandemic associated with the COVID-19. The 'safer at home' orders created challenges for residents, employees, and economy as the situation continues to evolve. The City closely monitors guidance from the local, state, and federal governments to best protect our community. With this public health emergency, the County Public Health Department is the lead agency and the City serves in a supportive role and is regularly engaged. The City is committed to providing high quality municipal services, while supporting our residents and their priorities and making sound financial decisions to remain sustainable. The City took immediate and dramatic steps to address the pandemic, which included measures to contain the virus and mitigate its impacts to City employees and citizens.

On March 19, 2020, the California State Governor issued Executive Order N-33-20, requiring a statewide Stay-at-Home order because of the spreading of COVID-19 virus. Subsequently, the Governor authorized small business taxpayers to take advantage of a payment plan for sales tax payment, up to \$50,000, applicable to sales and use tax liabilities. The order impacted the City's revenue sources but were offset by taxpayer relief programs. The shift to digital documents, online portals, and online purchases are a growing trend to bypass physical contact and seems to leverage against the negative financial side effects.

Things to Come

The City Council placed Measure Z on the November general election and passed. This measure established a 1% use tax on retail sales and will provide local funding to address City services, public safety, and local recovery needs.

The City received a \$3.1 million grant award for Project Homekey; a program to purchase and rehabilitate housing, including hotels, motels, vacant apartment buildings and other properties to convert them into permanent long-term housing for people at risk for homelessness. This funding is earmarked for the acquisition, rehabilitation, and operational costs for the City's newly acquired housing facility, now called The Anchor. The property was purchased by the City in July to be used in the short-term for crisis stabilization housing for those experiencing homelessness or at risk of homelessness. In the long-term, though, the City will use the site to develop its first permanent extremely low-income housing development in the future.

Through the Capital Improvement Plan, the City's Ultimate Railroad Canyon and Interstate 15 Interchange project is still under construction. This project serves to improve traffic flow and safety of our major route to Menifee Valley and the I215 by improving the on and off ramps of I15.

A new Super Walmart and four out-pads is in the construction phase now and scheduled for completion by the close of the calendar year 2020. Approved in the planning phases: A housing development for an additional 58 single-family homes in the Summerly master planned community; and an 80,000 square foot indoor RV and Boat Storage facility with mini-market and gas station was approved near the I15 and Lake Street.

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 and 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.

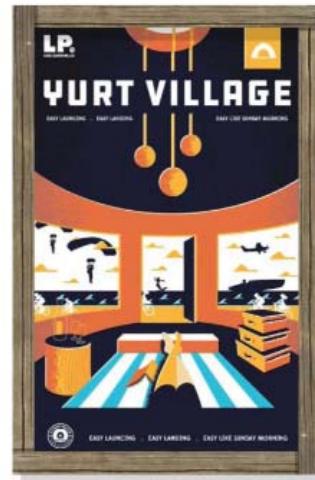
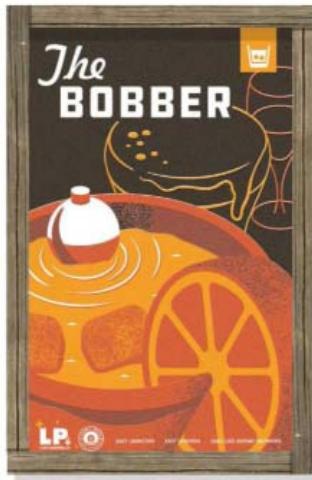
Also presented annually to address changing needs, Council reviews and approves a five-year budget for the Capital Improvement Plan (CIP). The CIP budget serves as a planning tool to coordinate level ranking, financing, and scheduling of major projects undertaken by the City. The City Council holds a 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 11, 2020

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, 2019. 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 11, 2020



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

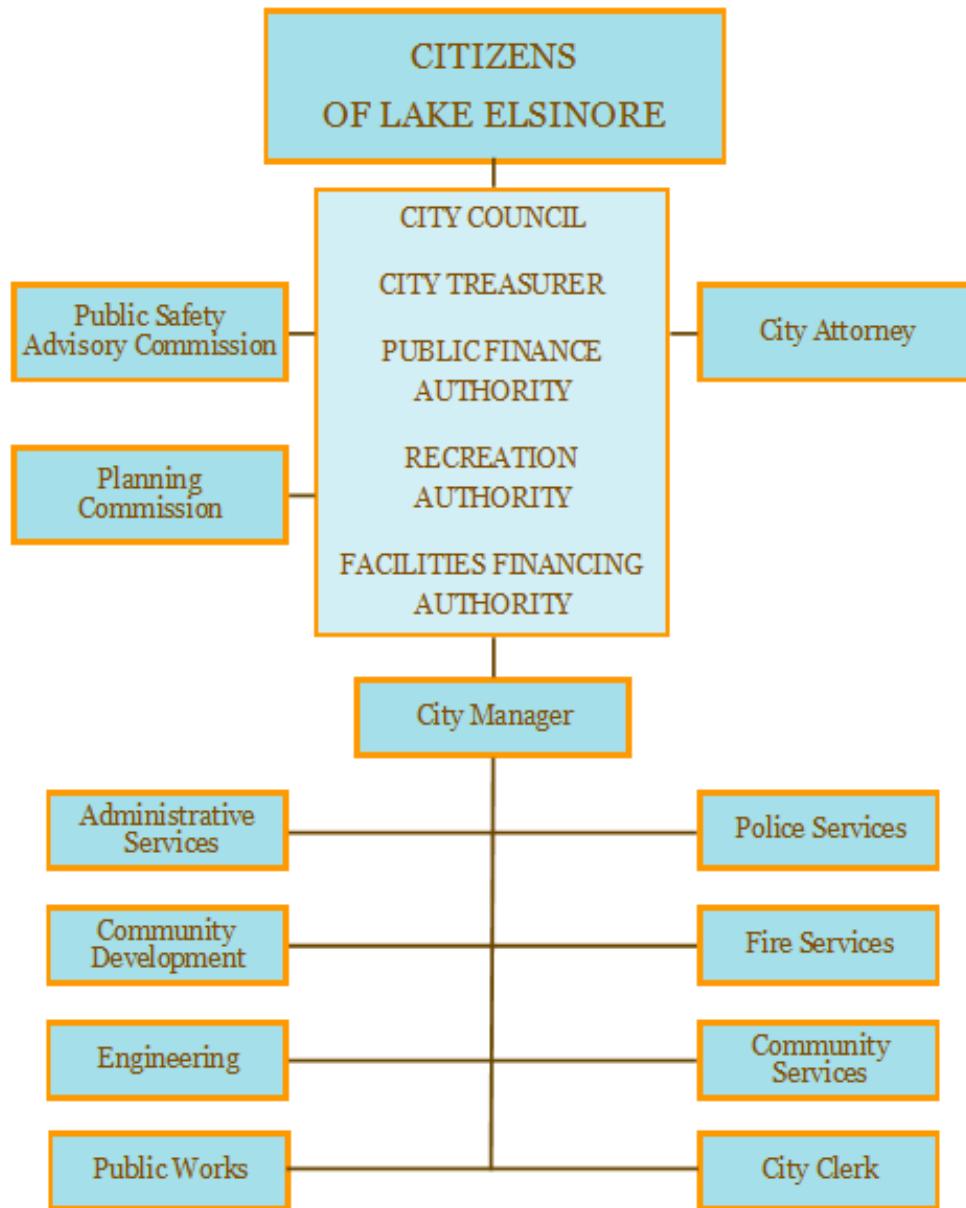
**City of Lake Elsinore
California**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2019

Christopher P. Monell
Executive Director/CEO

CITY ORGANIZATION CHART



CITY OF LAKE ELSINORE DIRECTORY

ELECTED OFFICIALS

Brian Tisdale, Mayor
Robert E. Magee, Mayor Pro-Tem
Timothy J. Sheridan, Councilmember
Steve Manos, Councilmember
Natasha Johnson, 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
Tyrell Davis, Fire Chief
Remon Habib, City Engineer
Johnathan Skinner, Director of Community Services
Vacant Position, 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

*As of December 2020

Location Map





204 Full Hookup Sites

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, 2020, 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, 2020, 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, the schedule of plan contributions, 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 major 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 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.



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 11, 2020 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 11, 2020



Vintage Village

MANAGEMENT'S DISCUSSION AND ANALYSIS SECTION





City of Lake Elsinore, California
Management's Discussion and Analysis
June 30, 2020

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, 2020. 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 \$13.7 million resulting from increased road improvements, park improvements, infrastructure improvements. Facility improvements were completed because of health and safety reasons resulting from the Coronavirus.
- Capital assets, construction in progress increased 8.2% resulting from the purchase of housing property at the end of the year for the Homekey project.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$11.0 million or 26.4% of total General Fund expenditures. City Council has designated 17.5% or \$1.9 million of the \$11.0 million for future contingencies.
- The City of Lake Elsinore's total long-term debt had a net decrease of \$16.1 million during the current fiscal year. The net decrease is due to a full 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 \$238,939,542, which is 3.0% 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 like a private-sector business. These statements are presented in the accrual basis to reveal if resources were used efficiently and effectively to meet operating objectives.

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

Government-wide Financial Statements - Continued

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

The government-wide financial statements include not only the City itself (known as the *primary government*), but also three legally separate entities, the Lake Elsinore Public Financing Authority and the Lake Elsinore Recreation Authority, and the Lake Elsinore Facilities Financing Authority. The City is financially accountable for these entities and financial information for these blended component units is reported within the financial information presented for the primary government itself. The government-wide financial statements can be found on pages 19-21 of this report.

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All 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 major funds: General Fund, Low and Moderate Income Housing Special Revenue, Capital Improvement Plan Capital Projects, Public Financing Authority Debt Service, and Recreation Authority Debt Service. Data from other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these other governmental funds is provided in the form of *combining statements* in the Supplementary Information section of this report.

Governmental Funds - Continued

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

Proprietary funds. The City maintains 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 168-173 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 funds is much like that used by the proprietary funds, accrual basis of accounting. The basic fiduciary fund financial statements can be found on pages 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 112-130 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 \$238.9 million at the close of the most recent fiscal year. For the City, 74.6% of the net position reflects its investment in capital assets (e.g., land, buildings, machinery, equipment, and infrastructure), less any

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, 44.1%, represents resources that are subject to external restrictions on how they may be used. The deficit balance of \$41.5 million is *unrestricted net position* and reflects the fact that governmental activities raise resources based on when liabilities are expected to be paid, rather than when they are incurred. Most governments do not have sufficient current resources on hand to cover current and long-term liabilities. The deficit in and of itself should not be considered an economic or financial difficulty; however, it does measure how far the City has committed the government's future tax revenues for purposes other than capital acquisition. The City's total net position increased by \$7 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		
	2019	2020	% Change
Assets:			
Current and other assets	\$332,559	\$306,752	(7.8)
Capital assets	195,309	209,059	7.0
Total Assets	527,868	515,811	(2.3)
Deferred Outflows of Resources	6,411	7,161	11.7
Liabilities:			
Long-term liabilities	265,119	240,594	(9.2)
Other liabilities	34,600	40,644	(17.5)
Total Liabilities	299,720	281,239	(6.1)
Deferred Inflows of Resources	2,617	3,279	25.3
Net Position:			
Net investment in capital assets	164,256	174,571	8.5
Restricted	94,962	105,363	11.0
Unrestricted	(27,274)	(41,479)	63.4
Total Net Position	\$231,943	\$238,455	3.0

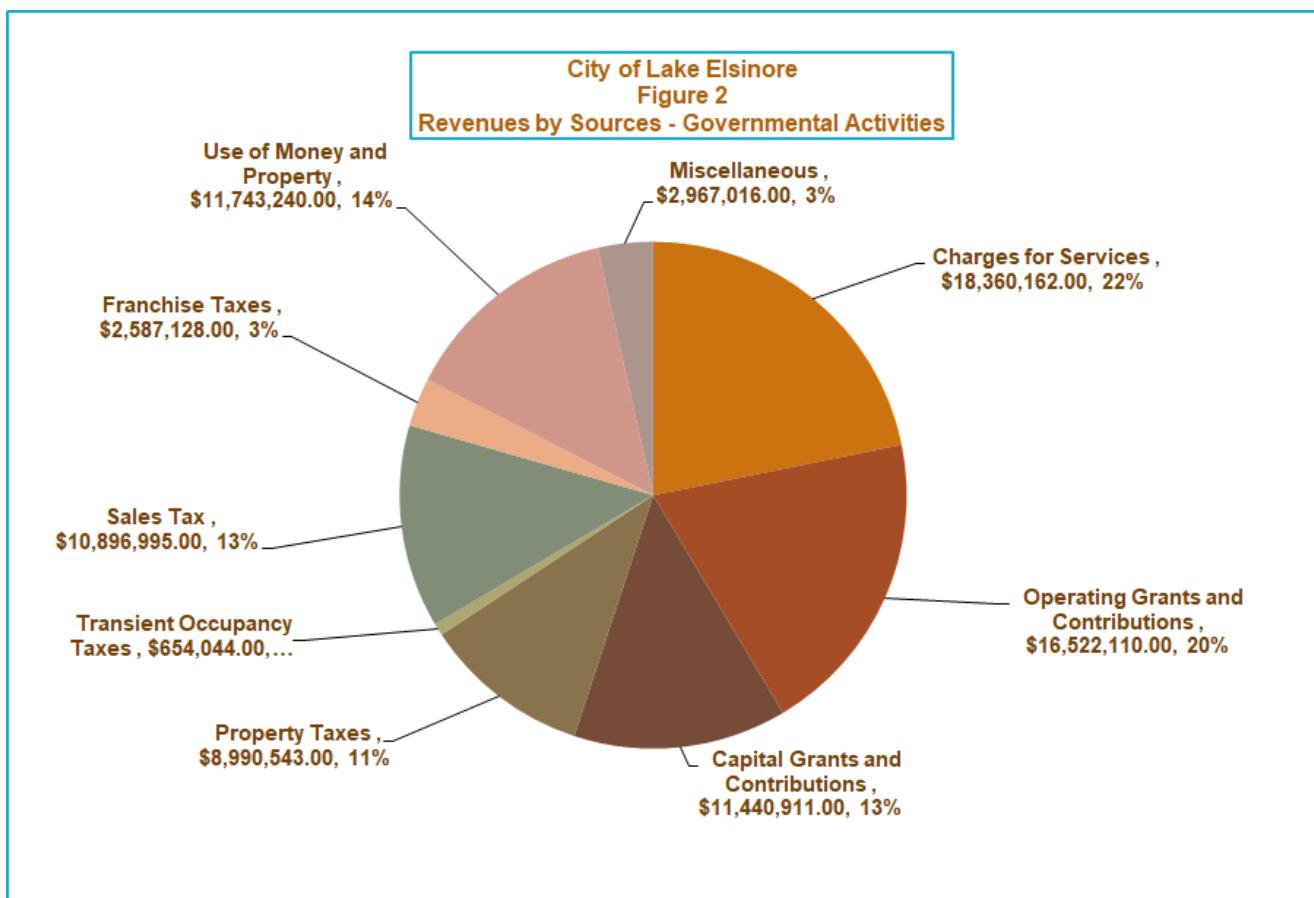
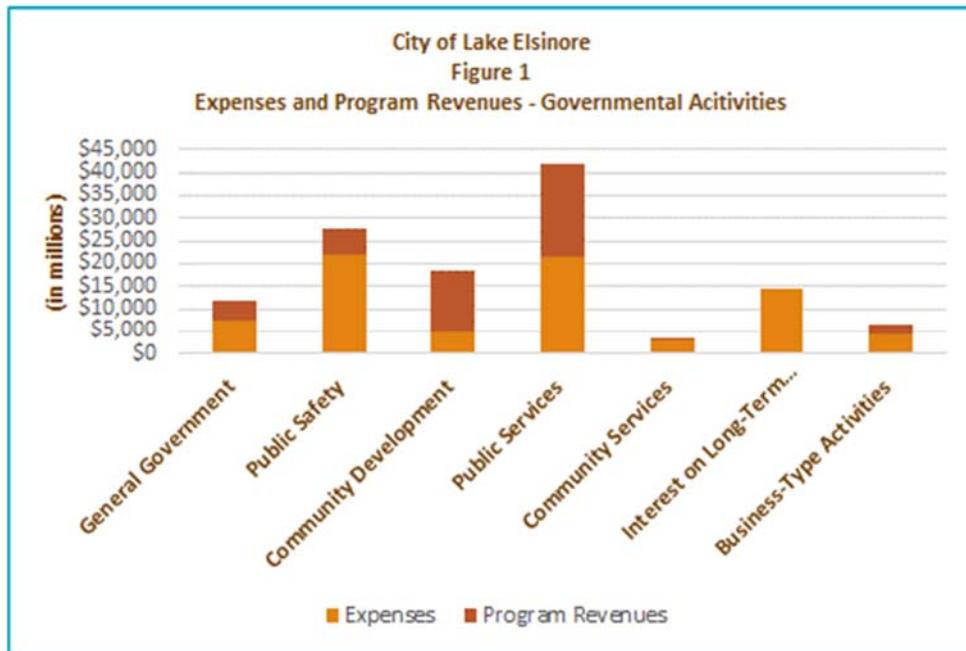
Table 2 below, Statement of Activities, provides details of how the City's net position changed from the prior year from governmental activities. Generally, it indicates whether the financial health of the City as a whole is better or worse from the prior year. The cost of all governmental activities in fiscal year 2020 was \$77.4 million, which was recovered through program revenues, taxes, and investment earnings of \$84.6 million. Figure 1 shows expenses in relation to program revenues while Figure 2 shows the makeup of revenues. Revenue increased by \$2.6 million overall with a significant increase in funding from contributions and charges for services.

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

Property, sales, transient occupancy, and franchise tax revenues increased overall by \$954 thousand, which verifies a slight upward trend in the economy. Even though expenses increased overall by 8.9%, revenues also increased overall facilitating the increase in net position by 3.0%.

City of Lake Elsinore Table 2 Statement of Activities (in thousands)			
	Fiscal Year		% Change
	2019	2020	
Revenues:			
Program revenues:			
Charges for services	\$13,604	\$16,255	19.0
Charges for services - Launch	249	2,105	7.45
Operating contributions and grants	10,045	16,522	0.64
Capital contributions and grants	20,188	11,441	(0.43)
General revenues:			
Property taxes	7,986	8,991	13.0
Transient occupancy taxes	578	654	13.0
Sales taxes	11,057	10,897	(1.44)
Franchise taxes	2,553	2,587	1.33
Investment earnings	12,469	11,258	(9.7)
Miscellaneous	3,786	2,967	(22.0)
Total revenues	<u>\$82,515</u>	<u>\$84,677</u>	2.6
Expenses:			
General Government	5,497	7,416	35.0
Public safety	21,143	22,051	4.3
Community Development	5,257	4,875	(7.0)
Community Services	3,004	2,752	(8.0)
Public services	23,304	21,487	(8.0)
Interest on long-term debt	11,340	14,659	2.9
Business-Type Activities	1,589	4,220	1.66
Total expenses	<u>\$71,134</u>	<u>\$77,460</u>	8.9
Changes in net position	11,382	6,217	(45.3)
Restatement of net position	(920)	295	(1.32)
Net position, beginning of year	220,482	231,943	5.2
Net position, end of year	\$231,943	\$238,455	3.00

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued



FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

Governmental Funds

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

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$269 million, a decrease of \$22 million in comparison with the prior year. Of the \$269 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 \$1.3 million; restricted by \$246.8 million; and assigned by \$11.3 million* for informational 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 \$11.0 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 26.46% of total General Fund expenditures, while total fund balance represents 28.92% of that same amount. The fund balance, of the City's General Fund experienced a decrease by \$86,038 during the current fiscal year. The primary factor for this overall 1% 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 \$32.0 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 \$189 thousand in the restricted fund balance from a new loan receivable for the new affordable housing development Cottages on Mission Trail, and \$295 thousand for the restatement of prior period expenditures. The Recreation Authority experienced a decrease in fund balance by \$1.1 million resulting from annual debt service retirements. The Capital Improvement Plan had a decrease of fund balance by \$1.5 million resulting from increased project costs of.

GENERAL FUND BUDGETARY HIGHLIGHTS

Original - versus - Final: The original general fund budget versus the final budget reflects increases in revenue of \$1 million and increases in expenditures of \$113 thousand. Budget adjustments are completed to match shortfalls in estimated revenue and increased costs. The final budgeted expenditures of \$47.3 million is \$1.3 million greater from the prior year, while the actual expenditures of \$42.3 million of this year is more than the prior year by \$1.3 million.

Revenue Variances: Licenses, permits, and fees ended less than estimated by \$100 thousand of the final budget resulting in less building permits issued. Intergovernmental revenues fell short of the final budgeted amount by \$2 million. Charges for services also fell short from budgeted by \$562 thousand resulting from fewer costs to recoup from the internal service funds.

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, Fire Prevention, Building & Safety, 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, 2020 amounts to \$182 million (net of accumulated depreciation), which is an increase of \$13.8 million from the prior year. This investment in capital assets includes land, construction in progress, buildings, improvements, machinery and equipment, and infrastructure. The total increase in the City of Lake Elsinore's investment in capital assets for the current fiscal year was 8.2%. Major or notable capital asset events during the current fiscal year included the following:

- Nationhood Center Facility
- I-15 / Railroad Canyon Full Lane Addition
- City Yard Expansion
- Camino Del Norte Link to Main Street
- Diamond Stadium Retrofit & Capital Repairs
- Canyon Hills Park Upgrades
- Launch Pointe Beach Access Pedestrian RAMP
- 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		
	2019	2020	% Change
Land	\$3,430	\$4,345	26.7
Construction in progress	17291	36,161	109.1
Buildings and structures	13394	12,757	(4.8)
Improvements other than buildings	2743	2,443	(10.9)
Machinery and equipment	687	919	33.8
Furniture and fixtures	398	379	(4.7)
Automotive equipment	1271	1,494	17.5
Technology Equipment	307	179	(41.8)
Infrastructure	128,687	123,334	(4.2)
Total Capital Assets	\$168,208	\$182,010	8.2

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 \$249 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		
	2019	2020	% Change
Local agency revenue bonds	\$163,920	\$157,925	(3.7)
Tax allocation revenue bonds	25,770	12,875	(50.0)
Lease revenue bonds	20,740	19,835	(4.4)
Certificate of participation bonds	6,760	6,520	(3.6)
Net of bond discounts and premiums	9,375	11,819	26.1
Capital Lease – Street Lights	3,459	3,404	100.0
Net pension liability	11,685	12,381	6.0
Other post-employment obligation	22,238	22,922	3.1
Compensated absences	1,172	1,332	13.6
Total Outstanding Debt	\$265,119	\$249,012	(6.1)

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 in prior years 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	04/02/20
Senior Lien Tax Allocation Revenue Bonds, Series 2010 B&C	A+	AA-	AA-	N/A
Subordinated Tax Allocation Refunding Bonds, Series 2015	A-	A+	A+	A+
Third-lien Tax Allocation Bonds, Series 2018A	N/A	A	A	A
Third-lien Tax Allocation Bonds, Series 2018B	N/A	A	A	A
Subordinated Tax Allocation Refunding Bonds, Series 2019A	N/A	N/A	A+	A+
Tax Allocation Refunding Bonds, Series 2019B	N/A	N/A	N/A	N/A
Tax Allocation Refunding Bonds, Series 2020A	N/A	N/A	N/A	AA-

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

- As the pandemic's impact on the workforce continues, it is anticipated that the unemployment rates will continue rise and the national economy will continue to shrink. Anticipated recovery is expected to take several years; however, we are not in a recovery stage yet.
- Property taxes are estimated to increase slightly as housing prices and sales rise; however, the pandemic may hinder the market in the future.
- Gas tax, Sales tax, Use tax, and TOT tax are estimated to decrease for the next fiscal year due to the pandemic's impact. With less people in the workforce, less will be shopping for goods, buying gasoline, traveling, or vacationing.
- Licenses, permits, and fees are estimated to decrease because of development communities are nearly complete or have not begun pulling permits for new communities. Other fees, such as Community Services fees, are estimated to decrease because of facility closures resulting from the pandemic.
- Community facility district's (CFD) assessments are estimated to increase because of the increased annexations of developments. Some CFD revenues are earmarked for services such as law, fire, paramedic, and landscape maintenance that will offset the increased costs of those services. All new development must annex into these service type CFDs.
- The City's long-range financial forecast projects that the City will experience a structural deficit as expenditures increase at a faster rate than revenues. Anticipated increases in Public Safety costs are the main cause of rising expenditures. The City continues with expenditure reduction measures and/or revenue enhancement implementation to.

These factors were considered in preparing the City of Lake Elsinore's budget for fiscal year 2020-21.

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, 2020

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets:			
Cash and investments	\$ 41,372,284	\$ 450	\$ 41,372,734
Receivables:			
Accounts	1,937,818	3,323	1,941,141
Notes and loans	45,878,940	-	45,878,940
Accrued interest	14,586,104	-	14,586,104
Internal balances	9,791,652	(9,791,652)	-
Prepaid costs	272,867	-	272,867
Due from other governments	21,752,964	-	21,752,964
Inventories	-	46,047	46,047
Land held for resale	768,369	-	768,369
Restricted assets:			
Cash with fiscal agent	17,265,544	-	17,265,544
Investment in bonds	162,867,732	-	162,867,732
Capital assets not being depreciated	40,505,793	19,099,170	59,604,963
Capital assets, net of depreciation	141,504,414	7,949,909	149,454,323
Total Assets	498,504,481	17,307,247	515,811,728
Deferred Outflows of Resources:			
Deferred charge on refunding	1,897,809	-	1,897,809
Pension related items	3,308,730	33,423	3,342,153
OPEB related items	1,883,147	38,432	1,921,579
Total Deferred Outflows of Resources	7,089,686	71,855	7,161,541
Liabilities:			
Accounts payable	9,682,434	85,668	9,768,102
Accrued liabilities	1,122,030	3,970	1,126,000
Accrued interest	2,841,133	76,553	2,917,686
Unearned revenue	54,338	-	54,338
Deposits payable	18,285,736	58,614	18,344,350
Due to other governments	16,454	-	16,454
Noncurrent liabilities:			
Due within on year			
Compensated absences	133,162	-	133,162
Capital lease	174,713	-	174,713
Bonds payable	8,110,000	-	8,110,000
Due in more than one year			
Compensated absences	1,198,457	-	1,198,457
Capital lease	3,228,856	-	3,228,856
Bonds payable	200,864,241	-	200,864,241
Total OPEB liability	22,463,805	458,445	22,922,250
Net pension liability	12,357,719	22,815	12,380,534
Total Liabilities	280,533,078	706,065	281,239,143
Deferred Inflows of Resources:			
Pension related items	724,176	7,315	731,491
OPEB related items	2,496,980	50,959	2,547,939
Total Deferred Inflows of Resources	3,221,156	58,274	3,279,430
Net Position:			
Net investment in capital assets	147,522,397	27,049,079	174,571,476
Restricted for:			
Public works	4,899,323	-	4,899,323
Capital projects	24,190	-	24,190
Debt service	5,371,645	-	5,371,645
Low & moderate income housing	62,014,491	-	62,014,491
Public facilities & improvements	31,696,467	-	31,696,467
Lighting & landscape maintenance	1,254,946	-	1,254,946
Development	62,112	-	62,112
Other purposes	39,486	-	39,486
Unrestricted	(31,045,124)	(10,434,316)	(41,479,440)
Total Net Position	\$ 221,839,933	\$ 16,614,763	\$ 238,454,696

CITY OF LAKE ELSINORE

STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2020

	Expenses	Program Revenues			
		Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants	
Functions/Programs					
Primary Government:					
Governmental Activities:					
General government	\$ 7,415,901	\$ 2,288,038	\$ 2,305,418	\$ -	
Public safety	22,051,425	1,468,446	3,973,480	-	
Community development	4,874,909	7,916,155	5,467,439	-	
Community services	2,751,936	435,120	375	-	
Public services	21,486,942	4,146,898	4,775,398	11,440,911	
Interest on long-term debt	14,659,186	-	-	-	
Total Governmental Activities	73,240,299	16,254,657	16,522,110	11,440,911	
Business-Type Activities:					
Launch Pointe	4,219,772	2,105,505	-	-	
Total Business-Type Activities	4,219,772	2,105,505	-	-	
Total Primary Government	\$ 77,460,071	\$ 18,360,162	\$ 16,522,110	\$ 11,440,911	
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		
Governmental Activities	Business-Type Activities	Total
\$ (2,822,445)	\$ -	\$ (2,822,445)
(16,609,499)	-	(16,609,499)
8,508,685	-	8,508,685
(2,316,441)	-	(2,316,441)
(1,123,735)	-	(1,123,735)
(14,659,186)	-	(14,659,186)
(29,022,621)	-	(29,022,621)
 - -	 (2,114,267)	 (2,114,267)
 - -	 (2,114,267)	 (2,114,267)
 (29,022,621)	 (2,114,267)	 (31,136,888)
 8,990,543	 - -	 8,990,543
654,044	-	654,044
10,896,995	-	10,896,995
2,587,128	-	2,587,128
11,258,137	255	11,258,392
2,960,909	6,107	2,967,016
(1,973,072)	1,973,072	-
 35,374,684	 1,979,434	 37,354,118
 6,352,063	 (134,833)	 6,217,230
215,192,870	16,749,596	231,942,466
295,000	-	295,000
215,487,870	16,749,596	232,237,466
 \$ 221,839,933	 \$ 16,614,763	 \$ 238,454,696

CITY OF LAKE ELSINORE

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2020

	Special Revenue Funds		Capital Projects Funds		Debt Service Funds	
	General		Low and Moderate Income Housing		Capital Improvement Plan	
					Public Financing Authority	
Assets:						
Pooled cash and investments	\$ 11,337,114		\$ 4,913,479		\$ 11,329,575	\$ -
Receivables:						
Accounts	1,382,950		380		338,760	-
Notes and loans	1,000,000		41,536,716		-	-
Accrued interest	322,171		11,736,205		25,016	-
Prepaid costs	23,165		-		-	-
Due from other governments	2,901,982		911,996		550,811	-
Due from other funds	976,749		-		355,523	-
Advances to other funds	-		-		-	-
Land held for resale	-		768,369		-	-
Restricted assets:						
Cash and investments with fiscal agents	-		-		-	12,510,164
Investment in bonds	-		-		-	162,867,732
Total Assets	\$ 17,944,131		\$ 59,867,145		\$ 12,599,685	\$ 175,377,896
Liabilities, Deferred Inflows of Resources, and Fund Balances:						
Liabilities:						
Accounts payable	\$ 4,408,950		\$ 3,041,585		\$ 1,341,700	\$ -
Accrued liabilities	983,431		-		-	-
Unearned revenues	15,698		-		-	-
Deposits payable	-		741		-	16,816,590
Due to other governments	16,454		-		-	-
Due to other funds	34,234		-		-	-
Total Liabilities	5,458,767		3,042,326		1,341,700	16,816,590
Deferred Inflows of Resources:						
Unavailable revenues	426,493		11,727,074		19,187	-
Total Deferred Inflows of Resources	426,493		11,727,074		19,187	-
Fund Balances:						
Nonspendable	1,023,165		-		-	-
Restricted	-		45,097,745		-	158,561,306
Assigned	-		-		11,238,798	-
Unassigned	11,035,706		-		-	-
Total Fund Balances	12,058,871		45,097,745		11,238,798	158,561,306
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 17,944,131		\$ 59,867,145		\$ 12,599,685	\$ 175,377,896

CITY OF LAKE ELSINORE

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2020

	Debt Service Funds		
	Recreation Authority	Other Governmental Funds	Total Governmental Funds
Assets:			
Pooled cash and investments	\$ -	\$ 11,157,213	\$ 38,737,381
Receivables:			
Accounts	-	215,728	1,937,818
Notes and loans	-	3,342,224	45,878,940
Accrued interest	-	68,565	12,151,957
Prepaid costs	111,911	107,284	242,360
Due from other governments	-	17,388,175	21,752,964
Due from other funds	-	34,234	1,366,506
Advances to other funds	-	9,595,000	9,595,000
Land held for resale	-	-	768,369
Restricted assets:			
Cash and investments with fiscal agents	339	4,755,041	17,265,544
Investment in bonds	-	-	162,867,732
Total Assets	\$ 112,250	\$ 46,663,464	\$ 312,564,571
Liabilities, Deferred Inflows of Resources, and Fund Balances:			
Liabilities:			
Accounts payable	\$ -	\$ 362,328	\$ 9,154,563
Accrued liabilities	-	-	983,431
Unearned revenues	-	38,640	54,338
Deposits payable	-	1,468,405	18,285,736
Due to other governments	-	-	16,454
Due to other funds	-	1,135,620	1,169,854
Total Liabilities	-	3,004,993	29,664,376
Deferred Inflows of Resources:			
Unavailable revenues	-	969,669	13,142,423
Total Deferred Inflows of Resources	-	969,669	13,142,423
Fund Balances:			
Nonspendable	111,911	127,284	1,262,360
Restricted	339	43,166,196	246,825,586
Assigned	-	103,606	11,342,404
Unassigned	-	(708,284)	10,327,422
Total Fund Balances	112,250	42,688,802	269,757,772
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 112,250	\$ 46,663,464	\$ 312,564,571



Unique Yurts

CITY OF LAKE ELSINORE

**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2020**

Fund balances of governmental funds	\$ 269,757,772
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.	179,844,383
Deferred outflow of resources reported are:	
Pension related items:	
Contributions made subsequent to measurement date	\$ 1,586,150
Differences between Expected & Actual Experience	773,780
Adjustment due to Differences in Proportions	47,800
Changes of Assumptions	531,143
Difference in actual to proportionate share contribution	<u>69,062</u>
	3,007,935
Deferred outflow of resources reported are:	
OPEB related items:	
Changes of Assumptions	1,080,446
Contributions made subsequent to measurement date	<u>648,975</u>
	1,729,421
Long-term debt, compensated absences, total OPEB liability and total net pension liability are not included in the governmental fund activity:	
Bonds payable	(197,155,000)
Capital Equipment Lease	(3,403,569)
Unamortized bond premiums/discounts	(11,819,241)
Deferred charges on refunding	1,897,809
Total OPEB liability	(20,630,024)
Net pension liability	(11,316,584)
Compensated Absences	<u>(1,331,619)</u>
	(243,758,228)
Deferred inflow of resources reported are:	
Pension related items:	
Differences between Expected & Actual Experience	(59,814)
Net Difference between Projected and Actual Earnings on Pension Plan Investments	(194,704)
Adjustment due to Differences in Proportions	(215,714)
Changes of Assumptions	<u>(188,109)</u>
	(658,341)
Deferred inflow of resources reported are:	
OPEB related items:	
Changes of Assumptions	(1,292,604)
Differences between Expected & Actual Experience	<u>(1,000,541)</u>
	(2,293,145)
Other long-term assets are not available to pay for current period expenditures and, therefore, are not reported in the funds.	
	2,429,337
Accrued interest payable for the current portion of interest due on Bonds has not been reported in the governmental funds.	
	(2,841,133)
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.	
	13,142,423
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.	
	<u>1,479,509</u>
Net Position of Governmental Activities	<u>\$ 221,839,933</u>

CITY OF LAKE ELSINORE

STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2020

	Special Revenue Funds		Capital Projects Funds	Debt Service Funds
	Low and Moderate Income Housing		Capital Improvement Plan	Public Financing Authority
	General			
Revenues:				
Taxes	\$ 23,128,710	\$ -	\$ -	\$ -
Special assessments	-	2,305,418	-	-
Licenses and permits	2,488,773	-	-	-
Intergovernmental	4,114,716	-	-	-
Charges for services	3,655,507	-	634,126	-
Investment earnings	537,830	202,125	406,227	8,453,411
Fines and forfeitures	495,914	-	-	-
Contributions	131,699	-	8,966,403	-
Miscellaneous	7,525,825	-	113,288	-
Total Revenues	42,078,974	2,507,543	10,120,044	8,453,411
Expenditures:				
Current:				
General government	4,763,000	-	-	108,316
Public safety	21,230,314	-	-	-
Community development	4,699,837	62,417	-	-
Community services	2,395,017	-	-	-
Public services	8,614,382	-	2,517,489	-
Capital outlay	-	2,255,171	17,957,990	-
Debt service:				
Principal retirement	-	-	-	38,780,000
Interest and fiscal charges	-	-	-	8,771,961
Total Expenditures	41,702,550	2,317,588	20,475,479	47,660,277
Excess (Deficiency) of Revenues Over (Under) Expenditures	376,424	189,955	(10,355,435)	(39,206,866)
Other Financing Sources (Uses):				
Transfers in	146,808	-	11,114,527	-
Transfers out	(609,270)	-	(2,228,748)	-
Refunding bonds issued	-	-	-	7,145,000
Bond premium	-	-	-	-
Total Other Financing Sources (Uses)	(462,462)	-	8,885,779	7,145,000
Net Change in Fund Balances	(86,038)	189,955	(1,469,656)	(32,061,866)
Fund Balances, Beginning of Year, as previously reported	12,144,909	44,612,790	12,708,454	190,623,172
Restatements	-	295,000	-	-
Fund Balances, Beginning of Year, as restated	12,144,909	44,907,790	12,708,454	190,623,172
Fund Balances, End of Year	\$ 12,058,871	\$ 45,097,745	\$ 11,238,798	\$ 158,561,306

CITY OF LAKE ELSINORE

**STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2020**

	Debt Service Funds		
	Recreation Authority	Other Governmental Funds	Total Governmental Funds
Revenues:			
Taxes	\$ -	\$ -	\$ 23,128,710
Special assessments	- -	2,082,336	4,387,754
Licenses and permits	- -	2,940,801	5,429,574
Intergovernmental	- -	7,161,646	11,276,362
Charges for services	- -	- -	4,289,633
Investment earnings	1,112,802	965,594	11,677,989
Fines and forfeitures	- -	219,008	714,922
Contributions	- -	4,124,581	13,222,683
Miscellaneous	- -	133,942	7,773,055
Total Revenues	1,112,802	17,627,908	81,900,682
Expenditures:			
Current:			
General government	1,094,257	442,710	6,408,283
Public safety	- -	397,331	21,627,645
Community development	- -	149,500	4,911,754
Community services	- -	38,512	2,433,529
Public services	- -	3,351,354	14,483,225
Capital outlay	- -	1,077,943	21,291,104
Debt service:			
Principal retirement	655,000	675,811	40,110,811
Interest and fiscal charges	474,050	5,160,543	14,406,554
Total Expenditures	2,223,307	11,293,704	125,672,905
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,110,505)	6,334,204	(43,772,223)
Other Financing Sources (Uses):			
Transfers in	- -	1,697,372	12,958,707
Transfers out	- -	(11,820,781)	(14,658,799)
Refunding bonds issued	- -	12,875,000	20,020,000
Bond premium	- -	2,715,525	2,715,525
Total Other Financing Sources (Uses)	-	5,467,116	21,035,433
Net Change in Fund Balances	(1,110,505)	11,801,320	(22,736,790)
Fund Balances, Beginning of Year, as previously reported	1,222,755	30,887,482	292,199,562
Restatements	- -	- -	295,000
Fund Balances, Beginning of Year, as restated	1,222,755	30,887,482	292,494,562
Fund Balances, End of Year	\$ 112,250	\$ 42,688,802	\$ 269,757,772



Boating & Fishing

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, 2020**

Net change in fund balances - total governmental funds	\$ (22,736,790)
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	\$ 20,915,250
Depreciation	(7,402,003)
Transfer to Business Type Activities	(272,980)
Gain/(loss) on sale of capital assets	<u>(46,538)</u> 13,193,729
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	40,055,000
Capital leases	55,811
Advanced refunding	(22,735,525)
Amortization of bond premiums/discounts	<u>15,927</u> 17,391,213
Accrued interest for long-term liabilities. This is the net change in accrued interest for the current period.	
	412,992
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.	
	(159,899)
OPEB liability expenses is an expenditure in the governmental funds, but reduce the Total OPEB Liability in the statement of net position.	
	591,746
Pension obligation expenses is an expenditure in the governmental funds, but reduce the Net Pension Liability in the statement of net position.	
	(818,973)
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.	
	(1,107,528)
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.	
	<u>(414,427)</u>
Change in Net Position of Governmental Activities	\$ <u>6,352,063</u>

CITY OF LAKE ELSINORE

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2020

	Business-Type Activities Enterprise Fund	Governmental Activities
	Launch Pointe	Internal Service Funds
Assets:		
Current:		
Cash and investments	\$ 450	\$ 2,634,903
Receivables:		
Accounts	3,323	-
Accrued interest	-	4,810
Prepaid costs	-	30,507
Due from other funds	-	225,930
Inventories	46,047	-
	49,820	2,896,150
	Total Current Assets	2,896,150
Noncurrent:		
Capital assets - net of accumulated depreciation	27,049,079	2,165,824
	Total Noncurrent Assets	2,165,824
	Total Assets	5,061,974
Deferred Outflows of Resources:		
Pension related items	33,423	300,795
OPEB related items	38,432	153,726
	71,855	454,521
	Total Assets and Deferred Outflows of Resources	5,516,495
Liabilities, Deferred Inflows of Resources, and Net Position:		
Liabilities:		
Current:		
Accounts payable	\$ 85,668	\$ 527,871
Accrued liabilities	3,970	138,599
Accrued interest	76,553	-
Deposits payable	58,614	-
Due to other funds	196,652	225,930
	421,457	892,400
	Total Current Liabilities	892,400
Noncurrent:		
Advances from other funds	9,595,000	-
Net pension liability	22,815	1,041,135
Total OPEB liability	458,445	1,833,781
	10,076,260	2,874,916
	Total Noncurrent Liabilities	2,874,916
	Total Liabilities	3,767,316
Deferred Inflows of Resources:		
Pension related items	7,315	65,835
OPEB related items	50,959	203,835
	58,274	269,670
Net Position:		
Net investment in capital assets	17,454,079	2,165,824
Unrestricted	(839,316)	(686,315)
	16,614,763	1,479,509
	Total Net Position	1,479,509
	Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 5,516,495

CITY OF LAKE ELSINORE

STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2020

	Business-Type Activities Enterprise Fund	Governmental Activities
	Launch Pointe	Internal Service Funds
Operating Revenues:		
Sales and service charges	\$ 2,105,505	\$ 3,504,644
Miscellaneous	6,107	16,012
Total Operating Revenues	2,111,612	3,520,656
Operating Expenses:		
Personnel services	625,539	1,299,240
Contractual services	1,253,443	485,972
Utilities	342,962	217,699
Maintenance and operation	778,853	965,418
Cost of sales and services	339,186	-
Depreciation expense	493,899	437,544
Insurance	-	619,939
Total Operating Expenses	3,833,882	4,025,812
Operating Income (Loss)	(1,722,270)	(505,156)
Nonoperating Revenues (Expenses):		
Interest revenue	255	90,729
Interest expense	(385,890)	-
Contributions	272,980	-
Total Nonoperating Revenues (Expenses)	(112,655)	90,729
Income (Loss) Before Transfers	(1,834,925)	(414,427)
Transfers in	1,700,092	9,000
Transfers out	-	(9,000)
Changes in Net Position	(134,833)	(414,427)
Net Position:		
Beginning of Year	<u>16,749,596</u>	<u>1,893,936</u>
End of Fiscal Year	<u>\$ 16,614,763</u>	<u>\$ 1,479,509</u>

CITY OF LAKE ELSINORE

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2020

	Business-Type Activities Enterprise Fund	Governmental Activities
	Launch Pointe	Internal Service Funds
Cash Flows from Operating Activities:		
Cash received from customers and users	\$ 2,096,944	\$ 3,520,716
Cash paid to suppliers for goods and services	(2,957,740)	(1,172,190)
Cash paid to employees for services	(307,204)	(942,814)
Net Cash Provided (Used) by Operating Activities	(1,168,000)	1,405,712
Cash Flows from Non-Capital Financing Activities:		
Cash transfers out	-	(9,000)
Cash transfers in	1,700,092	9,000
Repayment made to other funds	-	(225,930)
Advance from other funds	196,444	225,930
Net Cash Provided (Used) by Non-Capital Financing Activities	1,896,536	-
Cash Flows from Capital and Related Financing Activities:		
Acquisition and construction of capital assets	(169,254)	(1,046,105)
Repayment of advance from other funds	(250,000)	-
Interest paid on capital debt	(309,337)	-
Net Cash Provided (Used) by Capital and Related Financing Activities	(728,591)	(1,046,105)
Cash Flows from Investing Activities:		
Interest received	255	95,806
Net Cash Provided (Used) by Investing Activities	255	95,806
Net Increase (Decrease) in Cash and Cash Equivalents	200	455,413
Cash and Cash Equivalents at Beginning of Year	250	2,179,490
Cash and Cash Equivalents at End of Year	\$ 450	\$ 2,634,903
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:		
Operating income (loss)	\$ (1,722,270)	\$ (505,156)
Adjustments to Reconcile Operating Income (loss)		
Net Cash Provided (used) by Operating Activities:		
Depreciation	493,899	437,544
(Increase) decrease in accounts receivable	(3,196)	60
(Increase) decrease in prepaid expense	3,981	579,470
(Increase) decrease in inventory	6,126	-
(Increase) decrease in Pension related outflows	(33,423)	44,202
(Increase) decrease in OPEB related outflows	(38,432)	(110,604)
Increase (decrease) in accounts payable	(406,717)	428,442
Increase (decrease) in accrued liabilities	3,970	123,723
Increase (decrease) in deposits payable	(11,472)	-
Increase (decrease) in net pension liability	22,815	61,412
Increase (decrease) in Total OPEB liability	458,445	277,131
Increase (decrease) in deferred inflows from OPEB	50,959	77,594
Increase (decrease) in deferred inflows from pensions	7,315	(8,106)
Total Adjustments	554,270	1,910,868
Net Cash Provided (Used) by Operating Activities	\$ (1,168,000)	\$ 1,405,712
Non-Cash Investing, Capital, and Financing Activities:		
Transfer of Capital assets	\$ 22,980	\$ -
Unrealized gain(loss) due to GASB 31 adjustment	255	(65,585)

CITY OF LAKE ELSINORE

STATEMENT OF FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 JUNE 30, 2020

	<u>Agency Funds</u>	<u>Private-Purpose Trust Funds</u>
Assets:		
Pooled cash and investments	\$ 12,736,902	\$ 11,256,231
Receivables:		
Accounts	266,713	-
Accrued interest	9,920	14,794
Prepaid costs	-	264,898
Due from other governments	447,959	20,750
Land held for resale	-	6,071,897
Deferred charges	-	1,844,326
Restricted assets:		
Cash and investments with fiscal agents	9,143,349	96
Capital assets:		
Capital assets, not being depreciated	-	2,004,419
Capital assets, net of accumulated depreciation	-	16,612,801
Deposits with Other Agencies	<u>17,114,546</u>	-
Total Assets	<u>\$ 39,719,389</u>	<u>\$ 38,090,212</u>
Liabilities:		
Accounts payable	\$ 5,531	\$ 367,285
Accrued interest	-	346,929
Deposits payable	3,785,626	-
Bonds and loans payable due in one year	-	2,130,000
Long-term liabilities:		
Bonds and loans payable due in more than one year	-	68,553,524
Due to Bondholders	<u>35,928,232</u>	-
Total Liabilities	<u>\$ 39,719,389</u>	<u>\$ 71,397,738</u>
Net Position:		
Held in trust for other purposes		<u>\$ (33,307,526)</u>
Total Net Position		<u>\$ (33,307,526)</u>

CITY OF LAKE ELSINORE

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
YEAR ENDED JUNE 30, 2020

	Private-Purpose Trust Funds
Additions:	
Contributions:	
Trust Contributions	\$ 1,517
Taxes	15,840,195
Investment earnings	381,385
Miscellaneous	<u>7,738,603</u>
Total Additions	<u>23,961,700</u>
Deductions:	
Contractual services	4,610,458
Interest expense	6,640,499
Depreciation expense	1,419,436
Contributions to other governments	10,097
Costs of issuance	<u>167,513</u>
Total Deductions	<u>12,848,003</u>
Changes in Net Position	<u>11,113,697</u>
Net Position - Beginning of the Year	<u>(44,421,223)</u>
Net Position - End of the Year	<u>\$ (33,307,526)</u>

NOTES TO BASIC FINANCIAL STATEMENTS





CITY OF LAKE ELSINORE

NOTES TO BASIC FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2020

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, 2020 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, 2020

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, 2020

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, 2020

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, 2020

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, 2020 are as follows:

Major Fund	Encumbrances
General Fund	\$ 73
Capital Improvement Plan	45,730
Non-Major Funds	489,428

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 Statement No. 16 at June 30, 2020, was \$1,331,619.

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, 2020

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, 2020

Note 1: Summary of Significant Accounting Policies (Continued)

k. Miscellaneous Revenues

Included in miscellaneous revenues for the governmental funds is \$3,164,665 of fire service tax credits, \$4,112,306 reimbursed revenues, \$475 in donations, \$137,538 in recoverable expenditures and, \$358,071 in other revenues. Miscellaneous revenues for the Statement of Activities include \$2,905,817 reimbursed revenues and \$61,199 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 (see Note 13).

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 (see Note 13).

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, 2020

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, 2019
Measurement Date	June 30, 2019
Measurement Period	July 1, 2018 to June 30, 2019

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. Budgets

The Cost Recovery and La Strada RBBD Fund did not adopt budgets. Therefore, no budgetary comparison schedule is presented as supplementary information.

CITY OF LAKE ELSINORE**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**
YEAR ENDED JUNE 30, 2020**Note 1: Summary of Significant Accounting Policies (Continued)**

At June 30, 2020 expenditures exceeded appropriations in the following funds:

Fund	Expenditures	Appropriations	Excess
Major Funds:			
Capital Improvement Plan Public services	\$ 2,517,489	\$ -	\$ (2,517,489)
Public Financing Authority General Government	108,316	-	(108,316)
Principal retirement	38,780,000	8,410,000	(30,370,000)
Recreation Authority General Government	1,094,257	-	(1,094,257)
Interest and fiscal charges	474,050	464,225	(9,825)
Non-Major Funds:			
Facilities Financing Authority Interest and fiscal charges	4,536,587	564,357	(3,972,230)
Gas Tax Public Services	1,307,135	606,500	(700,635)

II. Deficit Fund Balances or Net Position

At June 30, 2020, the CDBG Special Revenue Fund had deficit fund balance of \$(64,386), the Animal Shelter Special Revenue Fund has a deficit fund balance of \$(136), the N.P.D.E.S Special Revenue Fund had deficit fund balance of \$(70), the TUMF Capital Project Fund had deficit fund balance of \$(643,692), the Information Systems Internal Service Fund had deficit fund balance of \$(186,870), the Fleet Services Internal Service Fund had a deficit fund balance of \$(148,465) and the Successor Agency of the Former RDA had a deficit net position amount of \$(33,364,932).

CITY OF LAKE ELSINORE**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**
YEAR ENDED JUNE 30, 2020**Note 2: Cash and Investments**

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

	Fair Value 2020
Statement of Net Position:	
Cash and investments	\$ 41,372,734
Restricted Cash with fiscal agent	180,133,276
Statement of Fiduciary Net Position	
Cash and investments	23,993,133
Restricted Cash and Investments with Fiscal Agent	9,143,445
Total Cash and Investments	<u>\$ 254,642,588</u>

Cash and investments consist of the following:

Petty Cash	\$ 1,300
Deposits in Financial Institution	5,472,718
Investments	249,168,570
Total Cash and Investments	<u>\$ 254,642,588</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, 2020

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	\$ 27,429,188	\$ 27,429,188	\$ -	\$ -	\$ -
Corporate Notes	7,667,423	-	2,849,806	2,712,776	2,104,841
Asset Backed Securities	3,380,951	-	-	2,559,231	821,720
Federal Agency Securities	1,579,018	-	-	494,836	1,084,182
U.S. Treasury Notes	15,156,452	-	25,226	15,131,226	-
Supra - National Agency Bonds	732,090	-	732,090	-	-
Municipal Bonds	246,070	-	-	-	246,070
Certificates of Deposits	3,607,157	282,134	2,912,788	412,235	-
California Asset Management Program Pool (CAMP)	92,084	92,084	-	-	-
Investments with Fiscal Agents:					
Money Market Funds	26,410,405	26,410,405	-	-	-
Local Obligation Bonds	162,867,732	162,867,732	-	-	-
Total	<u>\$ 249,168,570</u>	<u>\$ 217,081,543</u>	<u>\$ 6,519,910</u>	<u>\$ 21,310,304</u>	<u>\$ 4,256,813</u>

Disclosures Relating to Credit Risk

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

CITY OF LAKE ELSINORE

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED) YEAR ENDED JUNE 30, 2020

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

		Minimum Legal Rating	AAA	AA+	Other	Not Rated	Not Required to be Rated
Local Agency Investment Fund	\$ 27,429,188	N/A	\$ -	\$ -	\$ -	\$ 27,429,188	\$ -
Corporate Notes	7,667,423	AA	-	560,738	7,106,685	-	-
Asset Backed Securities	3,380,951	N/A	3,105,087	-	-	275,864	-
Federal Agency Securities	1,579,018	N/A	-	1,579,018	-	-	-
US Treasury Notes	15,156,452	N/A	-	15,156,452	-	-	-
Super-National Agency Bonds	732,090	N/A	732,090	-	-	-	-
Municipal Bonds	246,070	N/A	-	-	246,070	-	-
Certificate of Deposit	3,607,157	N/A	-	-	3,607,157	-	-
California Asset Management Program Pool (CAMP)	92,084	N/A	-	-	-	-	92,084
Held by Bond Trustee:							
Money Market Mutual Funds	26,410,405		-	-	-	26,410,405	-
Local Obligation Bonds	162,867,732		-	-	-	162,867,732	-
Total	\$ 249,168,570		\$ 3,837,177	\$ 17,296,208	\$ 10,959,912	\$ 216,983,189	\$ 92,084

The ratings for the other above are as follows:

Other:	
AA-	\$ 584,189
A-1	1,477,602
A-1+	1,435,186
A+	1,477,207
A	2,146,192
A-	2,956,606
BBB+	882,928
	\$ 10,959,910

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	\$ 16,542,818
CFD 2003-2 Special Tax Bonds, 2015 Series (Improvement Area B)	Local Obligation Bonds	16,715,344
CFD 2004-3-1 Special Tax Bonds, 2015 Series (Improvement Area 1)	Local Obligation Bonds	20,165,209
CFD 2004-3-2 Special Tax Bonds, 2015 Series (Improvement Area 2)	Local Obligation Bonds	23,069,654
CFD 2005-2 Special Tax Bonds, 2015 Series (Improvement Area 2)	Local Obligation Bonds	13,755,909

CITY OF LAKE ELSINORE

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED) YEAR ENDED JUNE 30, 2020

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, 2020, \$5,222,718 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, 2020 was 1.22%. The carrying value and estimated fair value of the LAIF Pool at June 30, 2020 was \$100,978,752,029 and \$101,607,078,218, respectively. The City's share of the Pool at June 30, 2020 was approximately 0.0269 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 \$500,657,681 and asset-backed securities totaling \$7,741,500,020. 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, 2020**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	\$ 10,917,556
CFD 2005-5 Special Tax Bonds, 2012 Series A	2,787,489
CFD 2003-2 Special Tax Bonds, 2012 Series (Improvement Area C)	5,154,394
CFD 2006-1 Special Tax Bonds, 2013 Series (Improvement Area A)	3,291,096
CFD 88-3 Special Tax Bonds, 2013 Series B	415,082
CFD 98-1 Special Tax Bonds, 2013 Series C	10,126,217
CFD 2003-2 Special Tax Bonds, 2014 Series A (Improvement Area D)	7,137,736
CFD 2003-2 Special Tax Bonds, 2014 Series B (Improvement Area A and C)	16,542,818
CFD 95-1 Special Tax Bonds, 2015 Series	704,919
CFD 2003-2 Special Tax Bonds, 2015 Series (Improvement Area B)	16,715,344
CFD 2004-3-1 Special Tax Bonds, 2015 Series (Improvement Area 1)	20,165,209
CFD 2004-3-2 Special Tax Bonds, 2015 Series (Improvement Area 2)	23,069,654
CFD 2005-1 Special Tax Bonds, 2015 Series	7,522,075
CFD 2005-2 Special Tax Bonds, 2015 Series (Improvement Area 2)	13,755,909
CFD 2005-6 Special Tax Bonds, 2015 Series	2,743,269
CFD 2006-2 Special Tax Bonds, 2015 Series	5,713,887
CFD 2006-1 Special Tax Bonds, 2015 A Series (Improvement Area B)	2,786,159
CFD 88-3 Special Tax Bonds, 2015 B Series	1,810,000
CFD 2005-2 Special Tax Bonds, 2019 Series A (Improvement Area 2)	7,145,000
	\$ 158,503,813

CITY OF LAKE ELSINORE

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED) YEAR ENDED JUNE 30, 2020

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 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)	\$ 4,363,919

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, 2020**Note 3: Fair Value Measurements (Continued)**

Fair value of assets measured on a recurring basis at June 30, 2020, are as follows:

	Fair Value	Significant Other Observable Inputs (Level 2)	Uncategorized
Local Agency Investment Fund	\$ 27,429,188	\$ -	\$ 27,429,188
Corporate Notes	7,667,423	7,667,423	-
Asset Backed Securities	3,380,951	3,380,951	-
Federal Agency Securities	1,579,018	1,579,018	-
US Treasury Notes	15,156,452	15,156,452	-
Supra-National Agency Bonds	732,090	732,090	-
Municipal Bonds	246,070	246,070	-
Certificate of Deposits	3,607,157	3,607,157	-
California Asset Management Program Pool (CAMP)	92,084	-	92,084
Held by Bond Trustee:			
Money Market Mutual Bonds	26,410,405	26,410,405	-
Local Obligations Bonds	162,867,732	162,867,732	-
Total	\$ 249,168,570	\$ 221,647,298	\$ 27,521,272

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

The obligations of the dissolved Redevelopment Agency due to the City are valid enforceable obligations payable by the Successor Agency under the requirements of the Dissolution Act and AB 1484. Accordingly, the City has not recorded an allowance for uncollectible advances. The State of California Department of Finance (DOF) has audited the 1995 Loan from the Housing Fund and the City Bond Debt Service Advances as part of its review of the Recognized Obligation Payments Schedule (ROPS), and has not objected to the Successor Agency's repayment of those loans in accordance with the approved ROPS and applicable loan agreements.

1995 Loan from Housing Fund

As of June 30, 2020, the Successor Agency owed the City, in its capacity as housing successor agency, \$27,012,366. 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 \$8,971,926. During the fiscal year, accrued interest of \$333,970 was earned on the outstanding loans. The loans from the Low and Moderate-Income

CITY OF LAKE ELSINORE

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED) YEAR ENDED JUNE 30, 2020

Note 4: Loans Receivable from Successor Agency (Continued)

Housing Special Revenue Fund are repayable from all available revenues of the Successor Agency after payment of senior indebtedness in accordance with the governing loan agreement.

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

SERAFA 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, 2020, is \$0.

Public Finance Authority Loan Agreements

The Lake Elsinore Public Financing Authority ("Authority") entered into loan agreements with the former Redevelopment Agency ("Agency") whereby the Authority loaned the proceeds of 2010 Series A, B and C Tax Allocation Revenue Bonds and the 2011 Series A Tax Allocation Bonds issued by the Authority to the Agency to retire debt and provide funds for certain public improvements in Agency project areas. As a result of the dissolution of the Agency, the obligation to pay the loans to the Authority was transferred to the Successor Agency to the Redevelopment Agency of the City of Lake Elsinore ("Successor Agency"). The 2010 Series A and B Tax Allocation Revenue Bonds were fully refunded with the Successor Agency of the Redevelopment Agency of the City of Lake Elsinore Subordinated Tax Allocation Refunding Bonds Series, 2019A and the Successor Agency of the Redevelopment Agency of the City of Lake Elsinore Tax Allocation Refunding Bonds, Series 20198, respectively. In addition, the 2010 Series C Tax Allocation Revenue Bonds were fully refunded with the Lake Elsinore Facilities Financing Authority (Rancho Laguna Redevelopment Project Areas No. 1 and No. II) Tax Allocation Revenue Refunding Bonds, Series 2020A (see Note 7).

The following table represents the outstanding balance of loans receivable from the Successor Agency at June 30, 2020:

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

Note 5: Notes Receivable

The City has a note receivable in the amount of \$1,000,000 from Pottery Court Housing Associates, L.P. dated December 9, 2009. The proceeds of the loan assisted with the development of the Pottery Court Affordable Housing Project. This loan was funded with HOPE VI grant funds from the United States Department of Housing and Urban Development.

CITY OF LAKE ELSINORE

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED) YEAR ENDED JUNE 30, 2020

Note 5: Notes Receivable (Continued)

The loan is to be repaid with interest in arrears in annual installments on July 1, commencing on July 1 in the calendar year immediately following the calendar year in which the deed of trust securing the permanent loan is recorded in the official records of Riverside County. Absent prepayment or acceleration, the Borrower agrees to pay the loan in annual payments equal to 75 percent of the residual receipts as defined in the loan agreement. Notwithstanding any other provision, unless the loan is paid earlier, the outstanding principal and accrued unpaid interest is payable 55 years from the date of recording of the release of construction covenants. The release of construction covenants was recorded on August 8, 2012. At June 30, 2020, the total outstanding balance of \$1,300,000 includes accrued interest of \$300,000.

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, 2020, the total outstanding balance of \$12,169,795 includes interest of \$2,432,795.

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, 2020, the total outstanding balance of \$1,184,857 includes interest of \$84,857.

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, 2020, the total outstanding balance of \$702,555 includes accrued interest of \$7,305.

CITY OF LAKE ELSINORE

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED) YEAR ENDED JUNE 30, 2020

Note 5: Notes Receivable (Continued)

The City's Affordable Housing Special Revenue Fund has a note receivable in the amount of \$2,000,000 from Mission Trail LE, LP dated May 1, 2018. The proceeds of the loan were used for the acquisition of the property by the developer for the Mission Trail Apartments Affordable Housing Project. The term of this loan shall commence on May 1, 2018 and shall expire on December 31, 2077, notwithstanding any other provisions, unless the loan is paid earlier. The City Land Loan shall be repayable from 50 percent of the residual receipts paid annually after completion of the Development. All residual receipts payments to the City shall be paid toward the City Fund 106 Loan until the City Fund 106 Loan is paid in full. After the City Fund 106 Loan is completely repaid, all residual receipts payments to the City shall be paid to the City Land Loan. At June 30, 2020, the total outstanding balance of \$2,021,014 includes accrued interest of \$21,014.

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, 2020, the total outstanding balance of \$7,599,012 includes accrued interest of \$79,012.

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, 2020 the total outstanding balance of \$5,232,760 includes accrued interest of \$158,484.

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, 2020

Note 5: Notes Receivable (Continued)

At June 30, 2020, the total outstanding balance of \$667,181 includes accrued interest of \$20,207.

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, 2020, 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	Ending Balance
Governmental Activities:					
Capital assets, not being depreciated:					
Land	\$ 3,430,080	\$ -	\$ 915,138	\$ -	\$ 4,345,218
Construction-in-progress	17,291,011	(272,980)	19,142,544	-	36,160,575
Total Capital Assets, Not Being Depreciated	20,721,091	(272,980)	20,057,682	-	40,505,793
Capital assets, being depreciated:					
Building and Structures	20,245,851	-	-	(29,588)	20,216,263
Improvement other than buildings	9,253,477	-	-	(133,908)	9,119,569
Machinery and Equipment	3,234,671	-	426,166	(1,320,579)	2,340,258
Furniture and Fixtures	922,412	-	95,238	(59,908)	957,742
Automotive Equipment	3,327,413	-	495,533	(28,918)	3,794,028
Technology Equipment and Software	850,022	-	29,168	-	879,190
Infrastructure	235,616,153	-	857,568	-	236,473,721
Total Capital Assets, Being Depreciated	273,449,999	-	1,903,673	(1,572,901)	273,780,771
Less accumulated depreciation:					
Building and Structures	(6,851,618)	-	(621,679)	14,054	(7,459,243)
Improvement other than buildings	(6,510,970)	-	(294,740)	128,793	(6,676,917)
Machinery and Equipment	(2,547,945)	-	(173,956)	1,300,474	(1,421,427)
Furniture and Fixtures	(524,660)	-	(113,993)	59,908	(578,745)
Automotive Equipment	(2,056,307)	-	(267,323)	23,134	(2,300,496)
Technology Equipment and Software	(542,740)	-	(157,561)	-	(700,301)
Infrastructure	(106,928,933)	-	(6,210,295)	-	(113,139,228)
Total Accumulated Depreciation	(125,963,173)	-	(7,839,547)	1,526,363	(132,276,357)
Total Capital Assets, Being Depreciated, Net	147,486,826	-	(5,935,874)	(46,538)	141,504,414
Governmental Activities Capital Assets, Net	\$ 168,207,917	\$ (272,980)	\$ 14,121,808	\$ (46,538)	\$ 182,010,207

CITY OF LAKE ELSINORE

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2020

Note 6: Capital Assets (Continued)

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

Governmental Activities	
General Government	\$ 290,509
Public Safety	405,497
Public Services	6,400,920
Community Services	305,077
Internal Service Fund	437,544
	<hr/>
	\$ 7,839,547

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

	Beginning Balance	Transfer from Governmental Activities	Additions	Deletions	Adjustments	Ending Balance
<u>Business-type Activities:</u>						
Capital assets, not being depreciated:						
Construction-in-progress	\$ 18,826,190	\$ 272,980	\$ -	\$ -	\$ -	\$ 19,099,170
Total Capital Assets, Not Being Depreciated	18,826,190	272,980	-	-	-	19,099,170
Capital assets, being depreciated:						
Building and Structures	389,594	-	-	-	81,173 *	470,767
Improvement other than buildings	8,822,847	-	-	-	-	8,822,847
Machinery and Equipment	431,955	-	156,256	-	-	588,211
Furniture and Fixtures	419,099	-	12,998	-	(81,173) *	350,924
Automotive Equipment	425,011	-	-	-	-	425,011
Total Capital Assets, Being Depreciated	10,488,506	-	169,254	-	-	10,657,760
Less accumulated depreciation:						
Building and Structures	(35,383)	-	(26,184)	-	-	(61,567)
Improvement other than buildings	(2,116,512)	-	(352,914)	-	-	(2,469,426)
Machinery and Equipment	(26,389)	-	(70,147)	-	-	(96,536)
Furniture and Fixtures	(9,257)	-	(30,487)	-	-	(39,744)
Automotive Equipment	(26,411)	-	(14,167)	-	-	(40,578)
Total Accumulated Depreciation	(2,213,952)	-	(493,899)	-	-	(2,707,851)
Total Capital Assets, Being Depreciated, Net	8,274,554	-	(324,645)	-	-	7,949,909
Governmental Activities Capital Assets, Net	\$ 27,100,744	\$ 272,980	\$ (324,645)	\$ -	\$ -	\$ 27,049,079

* Adjustment was made to properly classify assets

Business-type activities depreciation expense for capital assets for year ended June 30, 2020, is \$493,899.

CITY OF LAKE ELSINORE

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2020

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
2019 Series A	12/19	2021-2037	2.73%	7,145,000
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:				
2020 Series A	6/20	2025-2031	4.00%	12,875,000
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, 2020

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 (Direct Borrowings):					
Public Financing Authority:					
Local Agency Revenue Bonds:					
2012 Series A	\$ 3,100,000	\$ -	\$ (75,000)	\$ 3,025,000	\$ 80,000
2012 Series B	12,065,000	-	(735,000)	11,330,000	770,000
2012 Series C	5,300,000	-	(25,000)	5,275,000	30,000
2013 Series A	3,530,000	-	(35,000)	3,495,000	40,000
2013 Series B	975,000	-	(550,000)	425,000	425,000
2013 Series C	11,130,000	-	(540,000)	10,590,000	555,000
2014 Series A	7,445,000	-	(40,000)	7,405,000	50,000
2014 Series B	16,745,000	-	(480,000)	16,265,000	530,000
2015 Series	92,260,000	-	(8,890,000)	83,370,000	2,140,000
2015 Series A	3,095,000	-	(40,000)	3,055,000	45,000
2015 Series B	3,410,000	-	(1,600,000)	1,810,000	1,810,000
2019 Series A	-	7,145,000	-	7,145,000	320,000
Tax Allocation Revenue Bonds:					
2010 Series B	5,515,000	-	(5,515,000)	-	-
2010 Series C	20,255,000	-	(20,255,000)	-	-
Recreation Financing Authority:					
Lease Revenue Bonds:					
2013 Series A	10,895,000	-	(655,000)	10,240,000	675,000
Facilities Financing Authority:					
Local Agency Revenue Bonds:					
2017 Series	4,865,000	-	(130,000)	4,735,000	135,000
Lease Revenue Bonds:					
2016 Series A	9,845,000	-	(250,000)	9,595,000	255,000
Tax Allocation Revenue Refunding Bonds:					
2020 Series A	-	12,875,000	-	12,875,000	-
Certificates of Participation :					
2014 Series A	6,760,000	-	(240,000)	6,520,000	250,000
Subtotal	217,190,000	20,020,000	(40,055,000)	197,155,000	8,110,000
Add (Less) Deferred Amounts:					
Bond Premiums	9,887,842	2,715,525	(587,006)	12,016,361	-
Bond Discounts	(512,447)	-	315,327	(197,120)	-
Subtotal	9,375,395	2,715,525	(271,679)	11,819,241	-
Total Bonds	\$ 226,565,395	\$ 22,735,525	\$ (40,326,679)	\$ 208,974,241	\$ 8,110,000
Capital Leases Payable (Direct borrowings):					
Capital Lease - Street Lights	\$ 3,459,380	\$ -	\$ (55,811)	\$ 3,403,569	\$ 174,713
Total Capital Leases	\$ 3,459,380	\$ -	\$ (55,811)	\$ 3,403,569	\$ 174,713

CITY OF LAKE ELSINORE**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**
YEAR ENDED JUNE 30, 2020**Note 7: Long-Term Liabilities (Continued)**

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

2012 Series A

In July 2012, \$3,450,000 principal amount of 2012 Local Agency Revenue Bonds, Series A, was issued in accordance with the indenture described above. The bonds are due in annual installments of \$25,000 to \$255,000 from September 1, 2013 through September 1, 2038. Interest payments ranging from 1.5% to 5.25% are due from March 1, 2013 through September 1, 2038. The bonds are subject to call and redemption prior to their stated maturity commencing September 1, 2012 at specified redemption prices. On March 1, 2014, \$60,000 in bonds were redeemed at 103%. At June 30, 2020, the Authority has a cash reserve balance for debt service of \$266,710, which is sufficient to cover the Bond Indenture Reserve Requirement of \$264,325.

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

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

<u>2012A Local Agency Revenue Bonds</u>			
<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 80,000	\$ 152,763	\$ 232,763
2022	85,000	149,666	234,666
2023	95,000	146,119	241,119
2024	105,000	142,119	247,119
2025	110,000	137,819	247,819
2026 - 2030	705,000	594,909	1,299,909
2031 - 2035	920,000	377,738	1,297,738
2036 - 2039	925,000	102,900	1,027,900
Totals	\$ 3,025,000	\$ 1,804,033	\$ 4,829,033

CITY OF LAKE ELSINORE**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**
YEAR ENDED JUNE 30, 2020

Note 7: Long-Term Liabilities (Continued)**2012 Series B**

In November 2012, \$15,345,000 principal amount of 2012 Local Agency Revenue Bonds, Series B, was issued in accordance with the indenture described above. The bonds are due in annual installments of \$615,000 to \$1,360,000 from September 2, 2014 through September 2, 2030. Interest payments ranging from 2.0% to 5.125% are due from March 2, 2013 through September 2, 2030. The bonds are subject to call and redemption prior to their stated maturity commencing March 2, 2013 at specified redemption prices.

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

At June 30, 2020, the Authority has a cash reserve balance for debt service of \$1,442,611, 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:

Year Ending June 30	2012B Local Agency Revenue Refunding Bonds		
	Principal	Interest	Total
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	950,000	386,169	1,336,169
2026 - 2030	5,700,000	1,113,406	6,813,406
2031	1,360,000	34,850	1,394,850
Totals	\$ 11,330,000	\$ 3,497,731	\$ 14,827,731

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, 2020, the Authority has a cash reserve balance for debt service of \$539,774, which is sufficient to cover the Bond Indenture Reserve Requirement of \$534,500.

In the event of a default, the Trustee may pursue any available remedy at law or in equity to enforce the payment of the principal of and interest and premium (if any) on the Bonds, and to enforce any rights of the Trustee under or with respect to the Indenture. Future debt requirements for the 2012 Series C Local Agency Revenue Bonds are as follows:

CITY OF LAKE ELSINORE

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2020

Note 7: Long-Term Liabilities (Continued)

2012C Local Agency Revenue Bonds			
Year Ending June 30	Principal	Interest	Total
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	65,000	251,450	316,450
2026 - 2030	455,000	1,206,550	1,661,550
2031 - 2035	770,000	1,058,750	1,828,750
2036 - 2040	1,200,000	815,000	2,015,000
2041 - 2043	2,620,000	241,500	2,861,500
Totals	\$ 5,275,000	\$ 4,599,184	\$ 9,874,184

2013 Series A

In May 2013, \$3,620,000 principal amount of 2013 Local Agency Revenue Bonds, Series A, was issued in accordance with the indenture described above. The bonds are due in annual installments of \$15,000 to \$310,000 from September 1, 2015 through September 1, 2043. Interest payments ranging from 1.75% to 5.0% are due from March 1, 2014 through September 1, 2043. The bonds are subject to call and redemption prior to their stated maturity commencing September 1, 2014 at specified redemption prices. At June 30, 2020, the Authority has a cash reserve balance for debt service of \$328,435, which is sufficient to cover the Bond Indenture Reserve Requirement of \$325,500.

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

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

2013A Local Agency Revenue Bonds			
Year Ending June 30	Principal	Interest	Total
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	65,000	158,563	223,563
2026 - 2030	435,000	743,103	1,178,103
2031 - 2035	680,000	617,663	1,297,663
2036 - 2040	1,005,000	413,625	1,418,625
2041 - 2044	1,120,000	117,000	1,237,000
Totals	\$ 3,495,000	\$ 2,704,251	\$ 6,199,251

CITY OF LAKE ELSINORE**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**
YEAR ENDED JUNE 30, 2020**Note 7: Long-Term Liabilities (Continued)****2013 Series B**

In July 2013, \$4,215,000 principal amount of 2013 Local Agency Revenue Bonds, Series B, was issued in accordance with the indenture described above. The bonds are due in annual installments of \$425,000 to \$705,000 from September 1, 2014 through September 1, 2020. Interest payments ranging from 2.00% to 3.25% are due from September 1, 2013 through September 1, 2020. The bonds are subject to call and redemption prior to their stated maturity commencing September 1, 2013 at specified redemption prices. At June 30, 2020, the Authority has a cash reserve balance for debt service of \$425,303, which is sufficient to cover the Bond Indenture Reserve Requirement of \$421,500.

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

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

Year Ending June 30	2013B Local Agency Revenue Bonds		
	Principal	Interest	Total
2021	\$ 425,000	\$ 6,906	\$ 431,906

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, 2020, the Authority has a cash reserve balance for debt service of \$1,099,543, which is sufficient to cover the Bond Indenture Reserve Requirement of \$1,082,775.

In the event of a default, the Trustee may pursue any available remedy at law or in equity to enforce the payment of the principal of and interest and premium (if any) on the Bonds, and to enforce any rights of the Trustee under or with respect to the Indenture. Future debt requirements for the 2013 Series C Local Agency Revenue Bonds are as follows:

Year Ending June 30	2013C Local Agency Revenue Bonds		
	Principal	Interest	Total
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	650,000	415,538	1,065,538
2026 - 2030	3,785,000	1,515,806	5,300,806
2031 - 2034	3,805,000	412,256	4,217,256
Totals	\$ 10,590,000	\$ 4,266,648	\$ 14,856,648

CITY OF LAKE ELSINORE**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**
YEAR ENDED JUNE 30, 2020**Note 7: Long-Term Liabilities (Continued)****2014 Series A**

In January 2014, \$7,505,000 principal amount of 2014 Local Agency Revenue Bonds, Series A, was issued in accordance with the indenture described above. The bonds are due in annual installments of \$10,000 to \$705,000 from September 1, 2016 through September 1, 2044. Interest payments ranging from 2.25% to 5.75% are due from September 1, 2014 through September 1, 2044. The bonds are subject to call and redemption prior to their stated maturity commencing September 1, 2023 at specified redemption prices. At June 30, 2020, the Authority has a cash reserve balance for debt service of \$711,378, which is sufficient to cover the Bond Indenture Reserve Requirement of \$705,011.

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

2014A Local Agency Revenue Bonds			
Year Ending June 30	Principal	Interest	Total
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	100,000	399,281	499,281
2026 - 2030	740,000	1,904,022	2,644,022
2031 - 2035	1,260,000	1,639,431	2,899,431
2036 - 2040	2,010,000	1,180,188	3,190,188
2041 - 2045	3,030,000	462,875	3,492,875
Totals	\$ 7,405,000	\$ 7,217,792	\$ 14,622,792

2014 Series B

In July 2014, \$18,210,000 principal amount of 2014 Local Agency Revenue Bonds, Series B, was issued in accordance with the indenture described above. The bonds are due in annual installments of \$260,000 to \$1,255,000 from September 1, 2015 through September 1, 2040. Interest payments ranging from 3.00% to 5.00% are due from March 1, 2015 through September 1, 2040. The bonds are subject to call and redemption prior to their stated maturity commencing September 1, 2024 at specified redemption prices. At June 30, 2020, the Authority has a cash reserve balance for debt service of \$1,481,150, which is sufficient to cover the Bond Indenture Reserve Requirement of \$1,467,905.

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

CITY OF LAKE ELSINORE

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2020

Note 7: Long-Term Liabilities (Continued)

Year Ending June 30	2014B Local Agency Revenue Bonds		
	Principal	Interest	Total
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	720,000	611,313	1,331,313
2026 - 2030	4,240,000	2,606,425	6,846,425
2031 - 2035	5,595,000	1,522,438	7,117,438
2036 - 2040	2,645,000	507,656	3,152,656
2041	660,000	16,500	676,500
Totals	\$ 16,265,000	\$ 8,031,309	\$ 24,296,309

2015 Series

In February 2015, \$108,845,000 principal amount of 2015 Series Local Agency Revenue Bonds, was issued in accordance with the indenture. The bonds are due in annual installments of \$655,000 to \$8,405,000 from September 1, 2015 through September 1, 2040. Interest payments ranging from 2.0% to 5.0% are due from September 1, 2015 through September 1, 2040. The bonds are subject to call and redemption prior to their stated maturity commencing September 1, 2025 at specified redemption prices. On September 1, 2018, the bonds were partially redeemed in the amount of \$9,415,000. On December 24, 2019 the bonds were partially redeemed in the amount of \$6,780,000. At June 30, 2020, the Authority has a cash reserve balance for debt service of \$8,497,489, which is sufficient to cover the Bond Indenture Reserve Requirement of \$7,828,935.

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

Year Ending June 30	2015 Local Agency Revenue Refunding Bonds		
	Principal	Interest	Total
2021	\$ 2,140,000	\$ 4,115,000	\$ 6,255,000
2022	2,360,000	4,002,500	6,362,500
2023	2,585,000	3,878,875	6,463,875
2024	2,850,000	3,743,000	6,593,000
2025	3,125,000	3,593,625	6,718,625
2026 - 2030	19,755,000	15,256,125	35,011,125
2031 - 2035	29,040,000	9,222,500	38,262,500
2036 - 2040	21,115,000	2,114,625	23,229,625
2041	400,000	10,000	410,000
Totals	\$ 83,370,000	\$ 45,936,250	\$ 129,306,250

CITY OF LAKE ELSINORE

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED) YEAR ENDED JUNE 30, 2020

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, 2020, the Authority has a cash reserve balance for debt service of \$232,225, which is sufficient to cover the Bond Indenture Reserve Requirement of \$230,148.

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

Year Ending June 30	2015A Local Agency Revenue Bonds		
	Principal	Interest	Total
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	65,000	98,294	163,294
2026 - 2030	400,000	457,572	857,572
2031 - 2035	560,000	379,641	939,641
2036 - 2040	775,000	263,181	1,038,181
2041 - 2045	1,045,000	99,234	1,144,234
Totals	<u>\$ 3,055,000</u>	<u>\$ 1,705,386</u>	<u>\$ 4,760,386</u>

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, 2020, the Reserve Fund is fully funded by the deposit of the Reserve Surety Policy.

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

Year Ending June 30	2015B Local Agency Revenue Bonds		
	Principal	Interest	Total
2021	\$ 1,810,000	\$ 45,250	\$ 1,855,250

CITY OF LAKE ELSINORE

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED) YEAR ENDED JUNE 30, 2020

Note 7: Long-Term Liabilities (Continued)

2019 Series A

In December 2019, \$7,145,000 principal amount of 2019 Series Local Agency Revenue Bonds, was issued in accordance with the indenture. The bonds are due in annual installments of \$260,000 to \$600,000 from September 1, 2020 through September 1, 2036. Interest payments 2.73% per annum are due from March 1, 2020 through September 1, 2036. The bonds are subject to call and redemption prior to their stated maturity commencing September 1, 2026 at specified redemption prices. At June 30, 2020, the Reserve Fund is fully funded by the deposit of the Reserve Surety Policy.

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

Year Ending June 30	2019 Local Agency Revenue Refunding Bonds		
	Principal	Interest	Total
2021	\$ 320,000	\$ 190,691	\$ 510,691
2022	260,000	182,774	442,774
2023	285,000	175,334	460,334
2024	300,000	167,349	467,349
2025	320,000	158,886	478,886
2026 - 2030	1,930,000	647,147	2,577,147
2031 - 2035	2,550,000	341,933	2,891,933
2036 - 2037	1,180,000	32,487	1,212,487
Totals	\$ 7,145,000	\$ 1,896,601	\$ 9,041,601

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, 2020, the cash reserve balance of \$297,960 is sufficient to cover the Reserve Requirement of \$295,331.

CITY OF LAKE ELSINORE**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**
YEAR ENDED JUNE 30, 2020**Note 7: Long-Term Liabilities (Continued)**

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

2017 Local Agency Revenue Bonds			
Year Ending June 30	Principal	Interest	Total
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	150,000	143,550	293,550
2026 - 2030	790,000	657,172	1,447,172
2031 - 2035	910,000	527,106	1,437,106
2036 - 2040	1,050,000	358,150	1,408,150
2041 - 2045	1,275,000	131,500	1,406,500
Totals	\$ 4,735,000	\$ 2,422,773	\$ 7,157,773

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. The bond was fully refunded at June 30, 2020.

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. The bond was fully refunded at June 30, 2020.

2020 Series A

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

CITY OF LAKE ELSINORE**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**
YEAR ENDED JUNE 30, 2020**Note 7: Long-Term Liabilities (Continued)**

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

2020A Tax Allocation Revenue Bonds			
Year Ending June 30	Principal	Interest	Total
2021	\$ -	\$ 351,917	\$ 351,917
2022	-	515,000	515,000
2023	-	515,000	515,000
2024	-	515,000	515,000
2025	1,270,000	489,600	1,759,600
2026 - 2030	9,475,000	1,402,900	10,877,900
2031	2,130,000	42,600	2,172,600
Totals	<u>\$ 12,875,000</u>	<u>\$ 3,832,017</u>	<u>\$ 16,707,017</u>

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, 2020, the reserve fund is fully funded by the deposit of the reserve surety policy.

In the event of default, the Trustee will be entitled to sue to enforce payment and receive any and all amounts from any monies available for such purpose in any manner provided by law. Future debt requirements for the 2013 Series A Revenue Refunding Bonds are as follows:

2013A Lease Revenue Refunding Bonds			
Year Ending June 30	Principal	Interest	Total
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	790,000	339,800	1,129,800
2026 - 2030	4,485,000	1,159,481	5,644,481
2031 - 2032	2,100,000	157,469	2,257,469
Totals	<u>\$ 10,240,000</u>	<u>\$ 3,308,150</u>	<u>\$ 13,548,150</u>

CITY OF LAKE ELSINORE**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**
YEAR ENDED JUNE 30, 2020**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.

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

Year Ending June 30	2016A Lease Revenue Bonds		
	Principal	Interest	Total
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	270,000	288,713	558,713
2026 - 2030	1,495,000	1,301,963	2,796,963
2031 - 2035	1,760,000	1,030,331	2,790,331
2036 - 2040	2,060,000	730,431	2,790,431
2041 - 2044	2,435,000	355,381	2,790,381
2045 - 2046	540,000	18,900	558,900
Totals	\$ 9,595,000	\$ 4,926,896	\$ 14,521,896

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, 2020**Note 7: Long-Term Liabilities (Continued)**

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

Year Ending June 30	2014 Certificates of Participation		
	Principal	Interest	Total
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	275,000	223,363	498,363
2026 - 2030	1,515,000	973,550	2,488,550
2031 - 2035	1,895,000	598,250	2,493,250
2036 - 2039	1,805,000	184,200	1,989,200
Totals	\$ 6,520,000	\$ 2,932,065	\$ 7,462,865

Revenues Pledged

The City has pledged a portion of future Measure A revenues to repay the Certificates of Participation 2014 Series A. The City's certificates of participation are payable solely from the Measure A revenues. Total principal and interest remaining on the certificates of participation is \$7,462,865, payable through fiscal year 2039. For the current year, principal and interest paid by Measure A revenues were \$240,000 and \$255,538, 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, 2020, was \$3,403,569.

Future debt requirements for the capital lease are as follows:

Year Ending June 30	2020A Lease Revenue Bonds		
	Principal	Interest	Total
2021	\$ 174,713	\$ 187,516	\$ 362,229
2022	184,598	177,631	362,229
2023	195,043	167,186	362,229
2024	206,078	156,151	362,229
2025	217,737	144,492	362,229
2026 - 2030	1,288,021	523,123	1,811,144
2031 - 2035	1,137,379	130,423	1,267,802
Totals	\$ 3,403,569	\$ 1,486,522	\$ 4,890,091

CITY OF LAKE ELSINORE

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED) YEAR ENDED JUNE 30, 2020

Note 7: Long-Term Liabilities (Continued)

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

	June 30, 2020
Equipment under capitalized lease, at cost	\$ 3,459,380
Accumulated depreciation	<u>(52,582)</u>
Equipment under capitalized lease, net	<u>\$ 3,406,798</u>

Compensated Absences

The following is a summary of changes in compensated absences for the year ended June 30, 2020:

	Balance at July 1, 2019	Additions	Deletions	Balance at June 30, 2020	Due Within One Year
Governmental Activities	\$ 1,171,720	\$ 787,627	\$ 627,728	\$ 1,331,619	\$ 133,162
Total	<u>\$ 1,171,720</u>	<u>\$ 787,627</u>	<u>\$ 627,728</u>	<u>\$ 1,331,619</u>	<u>\$ 133,162</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:

	Outstanding at Original Issue	June 30, 2020
Assessment District NO. 93-1 Refunding Improvement Bonds, 2012 Series B	\$ 15,345,000	<u>\$ 11,330,000</u>
Total Assessment District Bonds		<u>\$ 11,330,000</u>

CITY OF LAKE ELSINORE**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**
YEAR ENDED JUNE 30, 2020**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, 2020
Community Facilities District 90-2 Tuscany Hills (2007 Series A)	\$ 7,340,000	\$ 4,890,000
Community Facilities District 2005-5 Wasson Canyon (2012A Series)	3,450,000	3,025,000
Community Facilities District 2006-1 Summerly (2013 Series)	3,620,000	3,495,000
Community Facilities District 2003-2 Canyon Hills IA-C (2012 Series C)	5,345,000	5,275,000
Community Facilities District 88-3 West Lake Elsinore (2013B Series)	4,215,000	425,000
Community Facilities District 98-1 Summerhill (2013C Series)	13,615,000	10,590,000
Community Facilities District 2003-2 Canyon Hills IA-D (2014A Series)	7,505,000	7,405,000
Community Facilities District 2003-2 IA-D Canyon Hills (2016 Series A)	16,495,000	16,140,000
Community Facilities District 2003-2 IA-A Canyon Hills (2014 Series)	10,895,000	9,270,000
Community Facilities District 2003-2 IA-C Canyon Hills (2014 Series)	7,315,000	6,995,000
Community Facilities District 95-1 Lake Elsinore City Center (2015 Series)	1,030,000	660,000
Community Facilities District 2003-2 IA-B Canyon Hills (2015 Series)	25,795,000	14,995,000
Community Facilities District 2004-3-1 IA-1 Rosetta Canyon (2015 Series)	21,005,000	18,835,000
Community Facilities District 2004-3-1 IA-2 Rosetta Canyon (2015 Series)	23,115,000	21,545,000
Community Facilities District 2005-1 Serenity (2015 Series)	8,165,000	7,005,000
Community Facilities District 2005-2 IA-A Alberhill Ranch (2015 Series)	21,095,000	12,420,000
Community Facilities District 2005-2 IA-A Alberhill Ranch (2019 Series A)	7,145,000	7,145,000
Community Facilities District 2005-6 City Center Townhomes (2015 Series)	2,815,000	2,565,000
Community Facilities District 2006-2 Viscaya (2015 Series)	5,825,000	5,345,000
Community Facilities District 2006-1 IA-B Summerly (2015 Series)	3,200,000	3,055,000
Community Facilities District 88-3 West Lake Elsinore (2015 Series B)	7,590,000	1,810,000
Community Facilities District 2006-1 IA-CC (2016 Series A)	3,000,000	2,880,000
Community Facilities District 2006-1 IA-EE Summerly (2017 Series A)	5,070,000	5,025,000
Community Facilities District 2006-1 IA-FF Summerly (2016 Series B)	3,785,000	3,720,000
Community Facilities District 2003-2 IA-B Canyon Hills (2017 Series)	7,975,000	4,735,000
Community Facilities District 2015-5 Trieste (2017 Series)	2,240,000	2,165,000
Community Facilities District 2003-2 IA-E Canyon Hills (2018 Series)	2,655,000	2,615,000
Community Facilities District 2007-5 Red Kite (2018 Series)	1,740,000	1,720,000
Community Facilities District 2016-2 Canyon Hills (2018 Series)	19,745,000	19,690,000
Community Facilities District 2007-4 Makenna Court (2018 Series)	2,645,000	2,635,000
Community Facilities District 2006-1 IA-JJ Summerly (2018 Series)	5,370,000	5,370,000
Community Facilities District 2006-1 IA-HH Summerly (2019 Series)	5,395,000	5,395,000
Total Community Facilities District Bonds	\$ 266,195,000	\$ 218,840,000

CITY OF LAKE ELSINORE**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**
YEAR ENDED JUNE 30, 2020**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	\$ 976,749
Other Governmental Funds	General Fund	34,234
Capital Improvement Plan Fund	Launch Pointe	196,652
Capital Improvement Plan Fund	Other Governmental Funds	158,871
Internal Service Fund	Internal Service Fund	225,930
	Total	\$ 1,592,436

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	\$ 146,808
Other Governmental Funds	General Fund	609,270
Other Governmental Funds	Other Governmental Funds	559,446
Other Governmental Funds	Capital Improvement Plan Fund	528,656
Capital Improvement Plan Fund	Other Governmental Funds	11,114,527
Launch Pointe Fund	Capital Improvement Plan Fund	1,700,092
Internal Service Funds	Internal Service Funds	9,000
	Total	\$ 14,667,799

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 to fund capital related projects. The transfers between the Capital Improvement Plan Capital Project Fund and the Other Government Funds were made to fund 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. The internal service funds transfers were made to provide cash flows for expenditures.

CITY OF LAKE ELSINORE

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED) YEAR ENDED JUNE 30, 2020

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, 2020, 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, 2020 is \$9,595,000.

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, 2020

Note 11: Fund Balance and Net Position (Continued)

The details of the fund balances as of June 30, 2020, 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	\$ 23,165	\$ -	\$ -	\$ 111,911
Notes Receivable	1,000,000	-	-	-
Endowment Principal	-	-	-	-
Restricted for:				
Debt Service	-	-	158,561,306	339
Low & Moderate Income Housing	-	45,097,745	-	-
Transportation & Public Works	-	-	-	-
Development	-	-	-	-
Lighting & Landscape Maintenance	-	-	-	-
Public Facilities and Improvements	-	-	-	-
Other purposes	-	-	-	-
Assigned for:				
Construction	-	-	-	-
Scholarships	-	-	-	-
Unassigned	<u>11,035,706</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>\$ 12,058,871</u>	<u>\$ 45,097,745</u>	<u>\$ 158,561,306</u>	<u>\$ 112,250</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	\$ -	\$ 107,284	\$ 242,360	
Notes Receivable	-	-	1,000,000	
Endowment Principal	-	20,000	20,000	
Restricted for:				
Debt Service	-	-	158,561,645	
Low & Moderate Income Housing	-	5,189,672	50,287,417	
Transportation & Public Works	-	4,899,323	4,899,323	
Capital Projects	-	24,190	24,190	
Development	-	62,112	62,112	
Lighting & Landscape Maintenance	-	1,254,946	1,254,946	
Public Facilities and Improvements	-	31,696,467	31,696,467	
Other purposes	-	39,486	39,486	
Assigned for:				
Construction	11,238,798	89,530	11,328,328	
Scholarships	-	14,076	14,076	
Unassigned	<u>-</u>	<u>(708,284)</u>	<u>10,327,422</u>	
Total fund balances	<u>\$ 11,238,798</u>	<u>\$ 42,688,802</u>	<u>\$ 269,757,772</u>	

CITY OF LAKE ELSINORE**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**
YEAR ENDED JUNE 30, 2020

Note 11: Fund Balance and Net Position (Continued)

The details of other restricted purposes in the Statement of Net Position as of June 30, 2020, are presented below:

Geothermal	\$ 13,857
Education	<hr/> 25,629
Total Net Position - Other Restricted Purposes	<hr/> \$ 39,486

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, 2020

Note 12: Pension Plan (Continued)

The rate plan provisions and benefits in effect at the measurement date, 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	2.5% at 55	2.0% at 60	2.0% @ 62
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	minimum 50 yrs	minimum 50 yrs	minimum 52 yrs
Monthly benefits, as a % of eligible compensation	1.46% - 2.418%, 50 yrs - 55+ yrs, respectively	1.092% - 2.418%, 55 yrs - 60+ yrs, respectively	1.000% - 2.500%, 52 yrs - 67+ yrs, respectively
Required employee contribution rates	8.000%	7.000%	6.250%
Required normal employer contribution rates	12.142%	8.081%	6.985%
Required employer payment of unfunded liability	1,089,262	21,561	11,632

Safety Plan (1)		
	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.

CITY OF LAKE ELSINORE**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**
YEAR ENDED JUNE 30, 2020**Note 12: Pension Plan (Continued)**

For the year ended June 30, 2020, the employer contributions recognized as a reduction to the net position liability for all the Plans was \$1,585,940.

As of June 30, 2020, the City reported a net pension liability for its proportionate share of the net pension liability of the Plan of \$12,380,535.

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, 2019, 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, 2018, rolled forward to June 30, 2019, 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, 2018 and 2019, were as follows:

Proportion		Change Increase (Decrease)
June 30, 2019	June 30, 2018	
0.12082%	0.12126%	-0.00044%

For the year ended June 30, 2020, the City recognized pension expense (credit) of \$2,621,786. At June 30, 2020, City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Current year contributions that occurred after the measurement date of June 30, 2019	\$ 1,762,389	\$ -
Change of Assumption	590,159	209,010
Difference between Expected and Actual Experiences	859,755	66,461
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	216,338
Adjustment due to differences in proportions	76,737	-
Difference in proportionate share	53,113	239,682
Total	\$ 3,342,153	\$ 731,491

CITY OF LAKE ELSINORE**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**
YEAR ENDED JUNE 30, 2020

Note 12: Pension Plan (Continued)

The \$1,762,389 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, 2021. 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>	
2021	\$ 878,667
2022	(178,388)
2023	104,280
2024	43,714
Total	\$ 848,273

For the measurement period ended June 30, 2019, the total pension liability was determined by rolling forward the June 30, 2018, total pension liability. The June 30, 2018, and the June 30, 2019, 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 2.50% until Purchasing Power Protection Allowance Floor on Purchasing Power applies.

(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 found on the CalPers Website.

All other actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period from 1997 to 2015, including updates to salary increase, mortality and retirement rates. The Experience Study report can be obtained at CalPERS' website under Forms and Publications.

CITY OF LAKE ELSINORE

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED) YEAR ENDED JUNE 30, 2020

Note 12: Pension Plan (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.15%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

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

Asset Class	Strategic Allocation	Real Return Years 1-10*	Real Return Years 11+**
Global Equity	50.00%	4.80%	0.06%
Fixed Income	28.00%	1.00%	2.62%
Inflation Assets	0.00%	0.77%	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 2.00% 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, 2020

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	\$ 18,884,768	\$ 12,380,535	\$ 7,011,782

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

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.

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

Employees Covered

As of the June 30, 2019 actuarial valuation, the following current and former employees were covered by the benefit terms under the Plan:

Active	64
Inactive employees or beneficiaries currently receiving benefits	55
Inactive employees entitled to, but not yet receiving benefits	9
	<hr/> 128

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, 2020, the City's cash contributions were \$721,083 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, 2020

Note 13: Other Post-Employment Benefits (Continued)

Total OPEB Liability

The City's Total OPEB liability was measured as of June 30, 2019, and the total OPEB liability used to calculate the total OPEB liability was determined by an actuarial valuation dated June 30, 2019, based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions	
Discount Rate	3.13%
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	6.4% for FY2020, gradually decreasing over several decades to an ultimate rate of 4.0% in FY2076 and later years.

Discount Rate

The discount rate used to measure the Total OPEB liability was 3.13 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 3.62% to 3.13% based on updated 20-year municipal bond rates.

Changes in the Total OPEB Liability

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

	Increase (Decrease)
	Total OPEB Liability
Balance at June 30, 2018 (Measurement Date)	\$ 22,237,850
<hr/>	
Changes recognized for the measurement period:	
Service Cost	764,792
Interest	814,609
Differences between expected and actual experience	(1,305,728)
Changes in Assumptions	1,410,007
Benefit payments	(999,280)
Net Changes	684,400
Balance at June 30, 2019 (Measurement Date)	<hr/> <hr/> \$ 22,922,250

CITY OF LAKE ELSINORE**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**
YEAR ENDED JUNE 30, 2020**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, 2019:

	1% Decrease (2.13%)	Current Discount Rate (3.13%)	1% Increase (4.13%)
Total OPEB Liability	\$ 26,786,137	\$ 22,922,250	\$ 19,836,515

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, 2019:

	1% Decrease	Current Healthcare Cost Trend Rates	1% Increase
Total OPEB Liability	\$ 19,532,075	\$ 22,922,250	\$ 27,251,252

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

For the fiscal year ended June 30, 2020, the City recognized OPEB expense of \$1,227,684. As of fiscal year ended June 30, 2020, 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	\$ 721,083	\$ -
Changes of assumptions	1,200,495	1,436,227
Difference between projected and actual liability	-	1,111,712
Total	\$ 1,921,578	\$ 2,547,939

The \$721,083 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, 2021. 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	
2021	\$ (351,717)
2022	(351,717)
2023	(351,717)
2024	(294,359)
20205	(9,242)
Thereafter	11,308
Total	\$ (1,347,444)

CITY OF LAKE ELSINORE

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED) YEAR ENDED JUNE 30, 2020

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 118 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, 2020**

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 2019-20 the Authority's pooled retention is \$1 million per occurrence, with reinsurance to statutory limits under California Workers' Compensation Law. Employer's Liability losses are pooled among members to \$1 million. Coverage from \$1 million to \$5 million is purchased 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 \$113,600.17. 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 2019-20.

CITY OF LAKE ELSINORE

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED) **YEAR ENDED JUNE 30, 2020**

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, 2020

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	23,547,945	2,923,613	-	26,471,558
Improvement other than buildings	531,302	-	-	531,302
Machinery and Equipment	327,958	20,937	-	348,895
Furniture and Fixtures	60,981	606,877	-	667,858
Total Capital Assets, Being Depreciated	24,468,186	3,551,427	-	28,019,613
Less accumulated depreciation:				
Building and Structures	(9,503,149)	(1,336,282)	-	(10,839,431)
Improvement other than buildings	(406,231)	(34,391)	-	(440,622)
Machinery and Equipment	(77,248)	(37,950)	-	(115,198)
Furniture and Fixtures	(748)	(10,813)	-	(11,561)
Total Accumulated Depreciation	(9,987,376)	(1,419,436)	-	(11,406,812)
Total Capital Assets, Being Depreciated, Net	14,480,810	2,131,991	-	16,612,801
Governmental Activities Capital Assets, Net	\$ 16,485,229	\$ 2,131,991	\$ -	\$ 18,617,220

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
Facility Financing Authority	Various	Various	Various	\$ 12,875,000
Subordinate Tax				
Allocation Revenue Bonds:				
2015 Series	8/15	2017 - 2039	2.00 - 5.00%	8,065,000
2019 Series A	6/19	2020 - 2033	5.00%	9,260,000
2019 Series B	10/19	2021 - 2025	1.99%	4,050,000
Third Lien Tax Allocation Bonds	02/18	2019-2038	Various	10,320,000
Developer Agreements:				
McMillin Summery, LLC	12/02	N/A	N/A	19,000,000

CITY OF LAKE ELSINORE

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED JUNE 30, 2020

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)	\$ 28,900,208	\$ 333,971	⁽¹⁾ \$ (2,221,813)	\$ 27,012,366	\$ -
Lake Elsinore Public Financing Authority	25,770,000		(25,770,000)	-	-
Lake Elsinore Facilities Financing Authority	-	12,875,000	-	12,875,000	-
Discounts	(302,683)	-	302,683	-	-
Subtotal	<u>54,367,525</u>	<u>13,208,971</u>	<u>(27,689,130)</u>	<u>39,887,366</u>	<u>-</u>
Subordinate Tax Allocation Bonds :					
2015 Series	5,865,000	-	(760,000)	5,105,000	790,000
2019 Series A	9,260,000	-	-	9,260,000	170,000
2019 Series B	-	4,050,000	-	4,050,000	650,000
Premiums	1,562,356	-	(107,201)	1,455,155	-
Subtotal	<u>16,687,356</u>	<u>4,050,000</u>	<u>(867,201)</u>	<u>19,870,155</u>	<u>1,610,000</u>
Third Lien Tax Allocation Bonds :					
2018 Series A&B	9,875,000	-	(500,000)	9,375,000	520,000
Discount	(171,155)	-	8,777	(162,378)	-
Subtotal	<u>9,703,845</u>	<u>-</u>	<u>(491,223)</u>	<u>9,212,622</u>	<u>520,000</u>
Developer Agreements (Direct borrowings):					
McMillin Summerly, LLC	645,133	1,068,248	-	1,713,381	-
Subtotal	<u>645,133</u>	<u>1,068,248</u>	<u>-</u>	<u>1,713,381</u>	<u>-</u>
Total	<u>\$ 81,403,859</u>	<u>\$ 18,327,219</u>	<u>\$ (29,047,554)</u>	<u>\$ 70,683,524</u>	<u>\$ 2,130,000</u>

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

a. Loans Payable

Facilities Financing Authority

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

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

CITY OF LAKE ELSINORE**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**
YEAR ENDED JUNE 30, 2020

Note 17: Successor Agency Trust Disclosures (Continued)

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

2020 Series A

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

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

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

Year Ending June 30	Principal	Interest	Total
2021	\$ -	\$ 351,917	\$ 351,917
2022	-	515,000	515,000
2023	-	515,000	515,000
2024	-	515,000	515,000
2025	1,270,000	489,600	1,759,600
2026 - 2030	9,475,000	1,402,900	10,877,900
2031 - 2035	2,130,000	42,600	2,172,600
Totals	<u>\$ 12,875,000</u>	<u>\$ 3,832,017</u>	<u>\$ 16,707,017</u>

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, 2020, is \$5,105,000.

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

CITY OF LAKE ELSINORE**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**
YEAR ENDED JUNE 30, 2020**Note 17: Successor Agency Trust Disclosures (Continued)**

Year Ending June 30	Principal	Interest	Total
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	240,000	106,956	346,956
2026 - 2030	1,360,000	377,650	1,737,650
2031 - 2035	1,295,000	125,516	1,420,516
2036 - 2040	170,000	12,688	182,688
Totals	\$ 5,105,000	\$ 1,178,053	\$ 6,283,053

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, 2020, is \$9,260,000.

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

Year Ending June 30	Principal	Interest	Total
2021	\$ 170,000	\$ 458,750	\$ 628,750
2022	270,000	447,750	717,750
2023	285,000	433,875	718,875
2024	300,000	419,250	719,250
2025	315,000	403,875	718,875
2026 - 2030	1,815,000	1,762,125	3,577,125
2031 - 2035	6,105,000	662,375	6,767,375
Totals	\$ 9,260,000	\$ 4,588,000	\$ 13,848,000

CITY OF LAKE ELSINORE**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**
YEAR ENDED JUNE 30, 2020

Note 17: Successor Agency Trust Disclosures (Continued)**2019 Series B**

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

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

Year Ending June 30	Principal	Interest	Total
2021	\$ 650,000	\$ 74,128	\$ 724,128
2022	655,000	61,143	716,143
2023	665,000	48,009	713,009
2024	680,000	34,626	714,626
2025	695,000	20,945	715,945
2026	705,000	7,015	712,015
Totals	<u>\$ 4,050,000</u>	<u>\$ 245,866</u>	<u>\$ 4,295,866</u>

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, 2020, is \$2,165,000.

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

CITY OF LAKE ELSINORE**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**
YEAR ENDED JUNE 30, 2020**Note 17: Successor Agency Trust Disclosures (Continued)**

Year Ending June 30	Principal	Interest	Total
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	100,000	52,794	152,794
2026 - 2030	540,000	226,856	766,856
2031 - 2035	880,000	143,469	1,023,469
2036 - 2038	250,000	16,944	266,944
Totals	\$ 2,165,000	\$ 671,863	\$ 2,836,863

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, 2020, is \$7,210,000.

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

Year Ending June 30	Principal	Interest	Total
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	375,000	215,069	590,069
2026 - 2030	2,095,000	868,819	2,963,819
2031 - 2035	2,525,000	436,206	2,961,206
2036 - 2038	635,000	51,400	686,400
Totals	\$ 7,210,000	\$ 2,547,869	\$ 9,757,869

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:

CITY OF LAKE ELSINORE

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED) YEAR ENDED JUNE 30, 2020

Note 17: Successor Agency Trust Disclosures (Continued)

McMillin Summerly LLC

On or about December 26, 2002, the Agency entered into a Disposition and Development Agreement (as amended to date, the "DDA") with Laing CP Lake Elsinore LLC and

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

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

The DDA requires that the Successor Agency issue bonds, if requested, to pay the portions of the tax revenues owing to the developer and/or master developer. In April 2011, the Agency issued two subordinate tax allocation bonds 2011 Series totaling an original principal amount of \$4,610,000, the proceeds of which were used to reimburse the developer for construction of certain extraordinary infrastructure under the DDA. In August 2015, the Successor Agency issued its Series 2015 bonds in the original principal amount of \$8,065,00 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, 2020, is \$1,713,381, 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, 2020 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.

CITY OF LAKE ELSINORE

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED) **YEAR ENDED JUNE 30, 2020**

Note 17: Successor Agency Trust Disclosures (Continued)

Lake Elsinore Stadium

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

The Successor Agency and the Lake Elsinore Storm entered into a Stadium Interim Management Agreement dated January 1, 2013 to provide for the performance by 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 \$712,059 for the 2019 fiscal year and \$725,411 for the 2020 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, 2020.

Other Matters

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

Pledged Revenue

The City pledged, as security for bonds issued, either directly or through the Financing Authority, a portion of tax increment revenue (including Low- and Moderate-Income Housing set-aside and pass through allocations) that it receives. The bonds issued were to provide financing for various capital projects, accomplish Low- and Moderate-Income Housing projects and to defease previously issued bonds. Assembly Bill 1X 26 provided that upon dissolution of the Redevelopment Agency, property taxes allocated to redevelopment agencies no longer are deemed tax increment but rather property tax revenues and will be allocated first to successor agencies to make payments on the indebtedness incurred by the dissolved redevelopment agency. For the current year, the total property tax revenue recognized by the Successor Agency for the payment of indebtedness incurred by the dissolved redevelopment agency was \$15,840,195 and the required debt service obligation on the bonds was \$5,637,887.

CITY OF LAKE ELSINORE

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED) YEAR ENDED JUNE 30, 2020

Note 18: Joint Powers Agreements

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

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

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

Note 19: Restatement of Beginning Fund Balance and Net Position

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

	Low and Moderate Income Housing (1)
Beginning Net Position, as previously reported	\$ 44,612,790
Restatement	<u>(295,000)</u>
Beginning Net Position, as restated	<u>\$ 44,317,790</u>

(1) Beginning net position of Low- and Moderate-Income Housing Fund, prior period adjustment to net position of \$295,000 that was required to correct historical balances of expenditures.

CITY OF LAKE ELSINORE

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED) YEAR ENDED JUNE 30, 2020

Note 20: Subsequent Events

In December 2019, an outbreak of a novel strain of coronavirus (COVID-19) originated in China, and has since spread to a number of other countries, including the U.S. On March 11, 2020, the World Health Organization characterized COVID-19 as a pandemic. In addition, several states in the U.S., including California, have declared a state of emergency.

Potential impacts to our future tax revenues include disruptions or restrictions on our current employees' ability to work. Any of the foregoing could negatively impact our revenues and we currently can't anticipate all the ways in which this health epidemic, COVID-19 could adversely impact our government agency. Although we are continuing to monitor and assess the effects of the COVID-19 pandemic on our government agency, the ultimate impact of the COVID-19 outbreak or a similar health epidemic is highly uncertain and subject to change.

On March 27, 2020, in response to the economic fallout of the Coronavirus pandemic in the United States, Congress passed the Coronavirus Aid, Relief, and Economic Security Act, also known as the CARES Act, which provided \$2.2 trillion in economic stimulus funding through a variety of channels. The State of California received a \$500 million allocation to provide cities which did not receive a direct federal allocation through the CARES Act. The City entered into an agreement with the State of California in July 2020 to receive their allocation of the CARES Act funding. The funding is to be received in six monthly installments of \$21,763, with the first installment received by the City in July 2020. The total amount of CARES Act funding to be received by the City is \$130,577. This funding was for reimbursement of costs incurred by the City since the start of the pandemic.

On July 14, 2020, \$10,000,000 principal amount was approved by the Successor Agency of the Redevelopment Agency of the City of Lake Elsinore (Rancho Laguna Redevelopment project Areas No. II and No. III) Third Lien, Series 2020B and the Successor Agency of the Redevelopment Agency of the City of Lake Elsinore (Rancho Laguna Redevelopment project Areas No. II and No. III) Third Lien Tax Allocation Bonds, Series 2020C (Federally Taxable) to be issued pursuant to the Indenture of Trust, dated March 1, 2018 as supplemented by the First Supplemental Indenture to: (i) to finance certain obligations of the Agency under the Summerly DDA; (ii) to pay the premiums for municipal bond insurance policy and a municipal bond debt service reserve insurance policy for the 2020 Bonds; and (iii) to pay certain costs of issuance of the 2020 Bonds. The 2020 Bonds are payable from and secured by the Pledged Tax Revenues deposited in the Redevelopment Property Tax Trust Fund.

On December 1, 2020, the City of Lake Elsinore Community Facilities District No. 2006-1 (Summerly) issued Special Tax Bonds, Series 2020 (Improvement Area II) in the amount of \$8,500,000 to: (i) finance certain public improvements to be owned by the City and water and sewer facilities to be owned and operated by the Elsinore Valley Municipal Water District; (ii) to fund a reserve account for the bonds; (iii) fund capitalized interest on a portion of the Bonds through September 1, 2021; and (iv) pay costs of issuance for the Bonds. The Bonds are payable from Net Taxes derived from a certain annual Special Tax to be levied on taxable parcels within Improvement Area II of the District and from certain other funds pledged under the Indenture.



LAUNCH POINTE SQUARE



Tech Playground

REQUIRED SUPPLEMENTARY INFORMATION





CITY OF LAKE ELSINORE

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED JUNE 30, 2020

	Budget Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual Amounts	
	\$ 12,144,909	\$ 12,144,909	\$ 12,144,909	
Budgetary Fund Balance, July 1				\$ -
Resources (Inflows):				
Taxes	23,286,930	22,028,030	23,128,710	1,100,680
Licenses and permits	2,626,170	2,589,640	2,488,773	(100,867)
Intergovernmental	5,992,710	6,143,448	4,114,716	(2,028,732)
Charges for services	4,300,750	4,217,568	3,655,507	(562,061)
Use of money and property	212,010	212,010	537,830	325,820
Fines and forfeitures	505,050	509,050	495,914	(13,136)
Contributions	561,000	600,000	131,699	(468,301)
Miscellaneous	7,682,630	8,137,357	7,525,825	(611,532)
Transfers in	750,000	475,000	146,808	(328,192)
Amounts Available for Appropriations	58,062,159	57,057,012	54,370,691	(2,686,321)
Charges to Appropriation (Outflow):				
General government				
City Council	221,510	227,010	205,918	21,092
Community Support	136,990	136,990	125,033	11,957
City Clerk	714,030	711,530	492,548	218,982
City Attorney	508,800	508,800	604,449	(95,649)
City Manager	940,070	940,070	1,012,967	(72,897)
Administrative Services	2,085,750	2,070,850	1,927,068	143,782
Public safety				
Police Services - Contracted	14,369,910	14,375,010	13,087,715	1,287,295
Suppression - Contracted	7,706,730	7,713,430	7,392,208	321,222
Animal Services - Contracted	760,020	754,550	750,391	4,159
Community development				
Planning & Zoning	1,128,530	1,136,030	1,074,762	61,268
Building & Safety	1,831,130	1,831,130	1,489,195	341,935
Code Enforcement/Graffiti	1,423,100	1,423,100	1,329,782	93,318
Economic Development	297,930	297,930	285,187	12,743
Fire Prevention	771,370	771,370	520,911	250,459
Community services				
Administration	766,710	766,710	759,513	7,197
Recreation	1,323,110	1,323,110	1,139,557	183,553
Senior Center	549,540	549,540	450,812	98,728
Neighborhood Center	556,940	556,940	45,135	511,805
Public services				
Engineering	2,355,650	2,358,150	2,032,327	325,823
Administration	2,794,990	2,817,540	2,817,412	128
Park Maintenance	2,741,510	2,825,580	2,596,271	229,309
Lake Services	1,294,030	1,296,130	1,168,372	127,758
Non-Departmental	140,350	140,350	395,017	(254,667)
Debt service:				
Principal retirement	655,000	655,000	-	655,000
Interest and fiscal charges	474,050	474,050	-	474,050
Transfers out	609,270	609,270	609,270	-
Total Charges to Appropriations	47,157,020	47,270,170	42,311,820	4,958,350
Budgetary Fund Balance, June 30	\$ 10,905,139	\$ 9,786,842	\$ 12,058,871	\$ 2,272,029

CITY OF LAKE ELSINORE

BUDGETARY COMPARISON SCHEDULE
LOW AND MODERATE INCOME HOUSING
YEAR ENDED JUNE 30, 2020

	Budget Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Budgetary Fund Balance, July 1, as restated	\$ 44,907,790	\$ 44,907,790	\$ 44,907,790	\$ -
Resources (Inflows):				
Assessments	-	-	2,305,418	2,305,418
Use of money and property	120,000	120,000	202,125	82,125
Amounts Available for Appropriations	45,027,790	45,027,790	47,415,333	2,387,543
Charges to Appropriation (Outflow):				
Community development	30,000	30,000	62,417	(32,417)
Capital outlay	-	-	2,255,171	(2,255,171)
Total Charges to Appropriations	30,000	30,000	2,317,588	(2,287,588)
Budgetary Fund Balance, June 30	\$ 44,997,790	\$ 44,997,790	\$ 45,097,745	\$ 99,955

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	2020
Proportion of the Net Pension Liability	0.29477%	0.32568%	0.31058%	0.30896%	0.30977%	0.30889%
Proportionate Share of the Net Pension Liability	\$ 7,292,642	\$ 8,943,640	\$ 10,798,127	\$ 12,189,277	\$ 11,684,999	\$ 12,380,535
Covered Payroll	\$ 4,537,860	\$ 4,751,199	\$ 3,804,985	\$ 5,605,231	\$ 5,975,932	\$ 6,052,501
Proportionate Share of the Net Pension Liability as Percentage of Covered Payroll	160.71%	188.24%	283.79%	217.46%	195.53%	204.55%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	78.40%	79.82%	75.87%	73.31%	75.26%	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 2020 and 2019, there were no changes. 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 six 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	2020
Actuarially Determined Contribution	\$ 890,999	\$ 1,049,049	\$ 1,313,558	\$ 1,397,703	\$ 1,340,596	\$ 1,529,732
Contribution in Relation to the Actuarially Determined Contribution	(890,999)	(1,049,049)	(1,313,558)	(1,397,703)	(1,585,939)	(1,762,389)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (245,343)</u>	<u>\$ (232,657)</u>
Covered Payroll	\$ 4,751,199	\$ 3,804,985	\$ 5,605,231	\$ 5,975,932	\$ 6,052,501	\$ 6,349,041
Contributions as a Percentage of Covered Payroll	18.75%	27.57%	23.43%	23.39%	26.20%	27.76%

(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 six years are shown.

Note to Schedule:

Valuation Date: June 30, 2017

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method Entry Age Normal Cost Method

Amortization method

Level percentage of pay, a summary of the current policy is provided in the table below:

Driver	Source				
	(Gain)/Loss		Assumption/Method Change	Benefit Change	Golden Handshake
Amortization Period	30 years	30 Years	20 Years	20 Years	5 Years
Escalation Rate					
- Active Plans	2.875%	2.875%	2.875%	2.875%	2.875%
- Inactive Plans	0%	0%	0%	0%	0%
Ramp Up	5	5	5	0	0
Ramp Down	5	5	5	0	0

Inflation 2.65%

Payroll Growth 2.875%

Projected Salary Increases Varies by Entry Age and Service

Investment Rate of Return 7.00% (net of pension plan investment and administrative expenses, includes inflation)

Retirement Age Retirement rates vary by age, service, and formula

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	2020
Total OPEB Liability			
Service cost	\$ 841,236	\$ 747,127	\$ 764,792
Interest on the total OPEB liability	700,306	788,486	814,609
Actual and expected experience difference	-	-	(1,305,728)
Changes in assumptions	(2,304,484)	(203,573)	1,410,007
Benefit payments (2)	(964,068)	(991,074)	(999,280)
Net change in total OPEB liability	(1,727,010)	340,966	684,400
Total OPEB liability - beginning	23,623,894	21,896,884	22,237,850
Total OPEB liability - ending	\$ 21,896,884	\$ 22,237,850	\$ 22,922,250
 Plan fiduciary net position as a percentage of the total OPEB liability	 0.00%	 0.00%	 0.00%
 Covered payroll	 \$ 4,726,797	 \$ 4,962,874	 \$ 5,058,783
 Total OPEB liability as a percentage of covered payroll	 441.21%	 470.46%	 461.87%

(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 \$671,305 direct subsidy payments to retirees and \$327,975 implicit subsidy costs incurred during measurement period ending June 30, 2019.

Notes to Schedule: Assets are not accumulated in a qualifying trust, therefore Fiduciary Net Position is \$0.

Changes in assumptions: The discount rate was changed from 3.62% to 3.13% based on updated 20-year municipal bond rates.

CITY OF LAKE ELSINORE**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)**
YEAR ENDED JUNE 30, 2020

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. The Cost Recovery System and the La Strada RBBF Fund did not adopt a budget and therefore a budget comparison schedule is not presented.

Excess of expenditures over appropriations are as follows:

Fund	Expenditures	Appropriations	Excess
Major Funds:			
General Fund			
General Government			
City Attorney	\$ 604,449	\$ 508,800	\$ (95,649)
City Council	1,012,967	940,070	(72,897)
Nondepartmental	395,017	140,350	(254,667)
Low and Moderate Income Housing			
Community Development	\$ 62,417	\$ 30,000	\$ (32,417)
Capital Outlay	2,255,171	-	(2,255,171)

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 SB821 - 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 Quimby Development - to account for the 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 Facilities - 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.

Fire Facilities - 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.

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

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

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

La Strada RBBD - to account for DAG revenue to be used for La Strada construction projects

**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, 2020

Special Revenue Funds						
	Supplemental Law Enforcement Service	Traffic Offender	Gas Tax	Transportation Measure A		
Assets:						
Cash and investments	\$ -	\$ -	\$ 953,712	\$ 1,542,789		
Receivables:						
Accounts	-	-	-	-		
Notes and loans	-	-	-	-		
Accrued interest	-	-	2,634	3,237		
Prepaid costs	-	-	-	-		
Due from other governments	25,000	-	78,500	273,737		
Due from other funds	-	-	-	-		
Advances to other funds	-	-	-	-		
Restricted assets:						
Cash and investments with fiscal agents	-	-	-	-		
Total Assets	\$ 25,000	\$ -	\$ 1,034,846	\$ 1,819,763		
Liabilities, Deferred Inflows of Resources, and Fund Balances:						
Liabilities:						
Accounts payable	\$ -	\$ -	\$ 31,109	\$ -		
Unearned revenues	-	-	-	-		
Deposits payable	-	-	-	-		
Due to other funds	25,000	-	-	-		
Total Liabilities	25,000	-	31,109	-		
Deferred Inflows of Resources:						
Unavailable revenues	-	-	-	-		
Total Deferred Inflows of Resources	-	-	-	-		
Fund Balances:						
Nonspendable	-	-	-	-		
Restricted	-	-	1,003,737	1,819,763		
Assigned	-	-	-	-		
Unassigned	-	-	-	-		
Total Fund Balances	-	-	1,003,737	1,819,763		
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 25,000	\$ -	\$ 1,034,846	\$ 1,819,763		

CITY OF LAKE ELSINORE

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2020

(CONTINUED)

Special Revenue Funds						
	SB1186 CAS Education	Traffic Safety	City-wide Lighting and Landscaping	L.L.M.D No. 1		
Assets:						
Cash and investments	\$ 25,848	\$ -	\$ -	\$ 1,273,903		
Receivables:						
Accounts	-	-	58,933	-		
Notes and loans	-	-	-	-		
Accrued interest	46	-	-	2,023		
Prepaid costs	-	-	-	-		
Due from other governments	-	7,696	77,956	7,611		
Due from other funds	-	-	34,234	-		
Advances to other funds	-	-	-	-		
Restricted assets:						
Cash and investments with fiscal agents	-	-	65,168	-		
Total Assets	\$ 25,894	\$ 7,696	\$ 236,291	\$ 1,283,537		
Liabilities, Deferred Inflows of Resources, and Fund Balances:						
Liabilities:						
Accounts payable	\$ 265	\$ -	\$ -	\$ 28,591		
Unearned revenues	-	-	-	-		
Deposits payable	-	-	-	-		
Due to other funds	-	7,696	-	-		
Total Liabilities	265	7,696	-	28,591		
Deferred Inflows of Resources:						
Unavailable revenues	-	-	55,692	-		
Total Deferred Inflows of Resources	-	-	55,692	-		
Fund Balances:						
Nonspendable	-	-	-	-		
Restricted	25,629	-	180,599	1,254,946		
Assigned	-	-	-	-		
Unassigned	-	-	-	-		
Total Fund Balances	25,629	-	180,599	1,254,946		
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 25,894	\$ 7,696	\$ 236,291	\$ 1,283,537		

CITY OF LAKE ELSINORE

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2020

Special Revenue Funds						
	Geothermal	AB2766 Air Pollution	C.D.B.G	Cost Recovery System		
Assets:						
Cash and investments	\$ 13,835	\$ 392,103	\$ -	\$ -	\$ 1,044,812	
Receivables:						
Accounts	-	-	-	-	153,166	-
Notes and loans	-	-	-	-	-	-
Accrued interest	22	707	-	-	-	-
Prepaid costs	-	-	-	-	-	-
Due from other governments	-	19,701	83,910	-	-	-
Due from other funds	-	-	-	-	-	-
Advances to other funds	-	-	-	-	-	-
Restricted assets:						
Cash and investments with fiscal agents	-	-	-	-	-	-
Total Assets	\$ 13,857	\$ 412,511	\$ 83,910	\$ 1,197,978		
Liabilities, Deferred Inflows of Resources, and Fund Balances:						
Liabilities:						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 30,356	
Unearned revenues	-	-	-	-	-	-
Deposits payable	-	-	-	-	1,167,622	
Due to other funds	-	-	83,910	-	-	-
Total Liabilities	-	-	83,910	1,197,978		
Deferred Inflows of Resources:						
Unavailable revenues	-	-	-	64,386	-	
Total Deferred Inflows of Resources	-	-	64,386	-		
Fund Balances:						
Nonspendable	-	-	-	-	-	-
Restricted	13,857	412,511	-	-	-	-
Assigned	-	-	-	-	-	-
Unassigned	-	-	(64,386)	-	-	-
Total Fund Balances	13,857	412,511	(64,386)	-		
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 13,857	\$ 412,511	\$ 83,910	\$ 1,197,978		

CITY OF LAKE ELSINORE

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2020

(CONTINUED)

Special Revenue Funds						
	Developer Agreement Revenue/Trust	Affordable Housing In-Lieu	City Hall / Public Works	Community Center		
Assets:						
Cash and investments	\$ 62,059	\$ 1,094,582	\$ -	\$ -		
Receivables:						
Accounts	-	-	-	-		
Notes and loans	-	3,342,224	-	-		
Accrued interest	53	50,936	-	-		
Prepaid costs	-	-	-	-		
Due from other governments	-	-	-	-		
Due from other funds	-	-	-	-		
Advances to other funds	-	-	-	-		
Restricted assets:						
Cash and investments with fiscal agents	-	-	-	-		
Total Assets	\$ 62,112	\$ 4,487,742	\$ -	\$ -		
Liabilities, Deferred Inflows of Resources, and Fund Balances:						
Liabilities:						
Accounts payable	\$ -	\$ 210,516	\$ -	\$ -		
Unearned revenues	-	-	-	-		
Deposits payable	-	2,823	-	-		
Due to other funds	-	-	-	-		
Total Liabilities	-	213,339	-	-		
Deferred Inflows of Resources:						
Unavailable revenues	-	48,525	-	-		
Total Deferred Inflows of Resources	-	48,525	-	-		
Fund Balances:						
Nonspendable	-	-	-	-		
Restricted	62,112	4,225,878	-	-		
Assigned	-	-	-	-		
Unassigned	-	-	-	-		
Total Fund Balances	62,112	4,225,878	-	-		
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 62,112	\$ 4,487,742	\$ -	\$ -		

CITY OF LAKE ELSINORE

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2020

Special Revenue Funds						
	Lakeside Facilities	Animal Shelter	N.P.D.E.S.	PEG Grant		
Assets:						
Cash and investments	\$ 79,948	\$ -	\$ -	\$ 33,929		
Receivables:						
Accounts	-	-	-	3,629		
Notes and loans	-	-	-	-		
Accrued interest	131	61	31	58		
Prepaid costs	-	-	-	-		
Due from other governments	-	-	85,694	-		
Due from other funds	-	-	-	-		
Advances to other funds	-	-	-	-		
Restricted assets:						
Cash and investments with fiscal agents	-	-	-	-		
Total Assets	\$ 80,079	\$ 61	\$ 85,725	\$ 37,616		
Liabilities, Deferred Inflows of Resources, and Fund Balances:						
Liabilities:						
Accounts payable	\$ -	\$ -	\$ 3,380	\$ -		
Unearned revenues	-	-	-	-		
Deposits payable	-	-	-	-		
Due to other funds	-	197	57,095	-		
Total Liabilities	-	197	60,475	-		
Deferred Inflows of Resources:						
Unavailable revenues	-	-	25,320	-		
Total Deferred Inflows of Resources	-	-	25,320	-		
Fund Balances:						
Nonspendable	-	-	-	-		
Restricted	80,079	-	-	37,616		
Assigned	-	-	-	-		
Unassigned	-	(136)	(70)	-		
Total Fund Balances	80,079	(136)	(70)	37,616		
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 80,079	\$ 61	\$ 85,725	\$ 37,616		

CITY OF LAKE ELSINORE

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2020

(CONTINUED)

	Special Revenue Funds		Capital Projects Funds		
	Pedestrian Sidewalk SB821	Miscellaneous General Project	Park Quimby Development	Storm Drains	
Assets:					
Cash and investments	\$ 358,998	\$ 666	\$ 517,006	\$ 715,408	
Receivables:					
Accounts	-	-	-	-	
Notes and loans	-	-	-	-	
Accrued interest	-	-	911	1,332	
Prepaid costs	-	-	-	-	
Due from other governments	131,336	352,719	-	-	
Due from other funds	-	-	-	-	
Advances to other funds	-	-	-	-	
Restricted assets:					
Cash and investments with fiscal agents	-	-	-	-	
Total Assets	\$ 490,334	\$ 353,385	\$ 517,917	\$ 716,740	
Liabilities, Deferred Inflows of Resources, and Fund Balances:					
Liabilities:					
Accounts payable	\$ -	\$ 47,901	\$ -	\$ -	
Unearned revenues	-	38,640	-	-	
Deposits payable	-	-	-	-	
Due to other funds	131,336	177,314	-	-	
Total Liabilities	131,336	263,855	-	-	
Deferred Inflows of Resources:					
Unavailable revenues	131,336	-	-	-	
Total Deferred Inflows of Resources	131,336	-	-	-	
Fund Balances:					
Nonspendable	-	-	-	-	
Restricted	227,662	-	517,917	716,740	
Assigned	-	89,530	-	-	
Unassigned	-	-	-	-	
Total Fund Balances	227,662	89,530	517,917	716,740	
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 490,334	\$ 353,385	\$ 517,917	\$ 716,740	

CITY OF LAKE ELSINORE

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2020

Capital Projects Funds						
	Library Facilities	Traffic Impact	Fire Facilities	Public Improvement In-Lieu		
Assets:						
Cash and investments	\$ 1,267,658	\$ 932,567	\$ 181,767	\$ 607,328		
Receivables:						
Accounts	-	-	-	-		
Notes and loans	-	-	-	-		
Accrued interest	2,364	2,436	366	1,098		
Prepaid costs	-	-	-	-		
Due from other governments	-	-	-	-		
Due from other funds	-	-	-	-		
Advances to other funds	-	-	-	-		
Restricted assets:						
Cash and investments with fiscal agents	-	-	-	-		
Total Assets	\$ 1,270,022	\$ 935,003	\$ 182,133	\$ 608,426		
Liabilities, Deferred Inflows of Resources, and Fund Balances:						
Liabilities:						
Accounts payable	\$ 10,210	\$ -	\$ -	\$ -		
Unearned revenues	-	-	-	-		
Deposits payable	-	-	-	-		
Due to other funds	-	-	-	-		
Total Liabilities	10,210	-	-	-		
Deferred Inflows of Resources:						
Unavailable revenues	-	-	-	-		
Total Deferred Inflows of Resources	-	-	-	-		
Fund Balances:						
Nonspendable	-	-	-	-		
Restricted	1,259,812	935,003	182,133	608,426		
Assigned	-	-	-	-		
Unassigned	-	-	-	-		
Total Fund Balances	1,259,812	935,003	182,133	608,426		
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 1,270,022	\$ 935,003	\$ 182,133	\$ 608,426		

CITY OF LAKE ELSINORE

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2020

(CONTINUED)

Capital Projects Funds						
	Total Road Improvement Program	TUMF	Street Lighting	La Strada RBBD		
Assets:						
Cash and investments	\$ 148	\$ -	\$ -	\$ 24,135		
Receivables:						
Accounts	-	-	-	-		
Notes and loans	-	-	-	-		
Accrued interest	-	-	-	55		
Prepaid costs	-	-	-	-		
Due from other governments	-	653,790	-	-		
Due from other funds	-	-	-	-		
Advances to other funds	-	-	-	-		
Restricted assets:						
Cash and investments with fiscal agents	<u>11,421</u>	-	-	-		
Total Assets	<u>\$ 11,569</u>	<u>\$ 653,790</u>	<u>\$ -</u>	<u>\$ 24,190</u>		
Liabilities, Deferred Inflows of Resources, and Fund Balances:						
Liabilities:						
Accounts payable	\$ -	\$ -	\$ -	\$ -		
Unearned revenues	-	-	-	-		
Deposits payable	-	-	-	-		
Due to other funds	-	653,072	-	-		
Total Liabilities	<u>-</u>	<u>653,072</u>	<u>-</u>	<u>-</u>		
Deferred Inflows of Resources:						
Unavailable revenues	-	644,410	-	-		
Total Deferred Inflows of Resources	<u>-</u>	<u>644,410</u>	<u>-</u>	<u>-</u>		
Fund Balances:						
Nonspendable	-	-	-	-		
Restricted	11,569	-	-	24,190		
Assigned	-	-	-	-		
Unassigned	-	(643,692)	-	-		
Total Fund Balances	<u>11,569</u>	<u>(643,692)</u>	<u>-</u>	<u>24,190</u>		
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 11,569</u>	<u>\$ 653,790</u>	<u>\$ -</u>	<u>\$ 24,190</u>		

CITY OF LAKE ELSINORE

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2020

	Debt Service Fund		Permanent Fund	
	Facilities Financing Authority		Endowment Trust - Adolph Korn	Total Governmental Funds
Assets:				
Cash and investments	\$	-	\$ 34,012	\$ 11,157,213
Receivables:				
Accounts		-	-	215,728
Notes and loans		-	-	3,342,224
Accrued interest		-	64	68,565
Prepaid costs		107,284	-	107,284
Due from other governments		15,590,525	-	17,388,175
Due from other funds		-	-	34,234
Advances to other funds		9,595,000	-	9,595,000
Restricted assets:				
Cash and investments with fiscal agents		4,678,452	-	4,755,041
Total Assets	\$ 29,971,261		\$ 34,076	\$ 46,663,464
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$	-	\$ -	\$ 362,328
Unearned revenues		-	-	38,640
Deposits payable		297,960	-	1,468,405
Due to other funds		-	-	1,135,620
Total Liabilities	297,960		-	3,004,993
Deferred Inflows of Resources:				
Unavailable revenues		-	-	969,669
Total Deferred Inflows of Resources	-		-	969,669
Fund Balances:				
Nonspendable		107,284	20,000	127,284
Restricted		29,566,017	-	43,166,196
Assigned		-	14,076	103,606
Unassigned		-	-	(708,284)
Total Fund Balances	29,673,301		34,076	42,688,802
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 29,971,261		\$ 34,076	\$ 46,663,464



CITY OF LAKE ELSINORE

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2020

Special Revenue Funds				
	Supplemental Law Enforcement Service	Traffic Offender	Gas Tax	Transportation Measure A
Revenues:				
Special assessments	\$ -	\$ -	\$ -	\$ -
Licenses and permits	- -	22,375	- -	- -
Intergovernmental	155,948	- -	2,536,954	1,421,629
Investment earnings	- -	- -	47,053	70,495
Fines and forfeitures	- -	- -	- -	- -
Contributions	- -	- -	- -	- -
Miscellaneous	- -	- -	- -	- -
Total Revenues	155,948	22,375	2,584,007	1,492,124
Expenditures:				
Current:				
General government	- -	- -	- -	- -
Public safety	155,948	22,375	- -	- -
Community development	- -	- -	- -	- -
Community services	- -	- -	- -	- -
Public Services	- -	- -	1,307,135	- -
Capital outlay	- -	- -	- -	- -
Debt service:				
Principal retirement	- -	- -	- -	- -
Interest and fiscal charges	- -	- -	- -	- -
Total Expenditures	155,948	22,375	1,307,135	- -
Excess (Deficiency) of Revenues Over (Under) Expenditures	- -	- -	1,276,872	1,492,124
Other Financing Sources (Uses):				
Transfers in	- -	- -	- -	- -
Transfers out	- -	- -	(1,395,200)	(1,551,422)
Refunding bonds issued	- -	- -	- -	- -
Bond premium	- -	- -	- -	- -
Total Other Financing Sources (Uses)	- -	- -	(1,395,200)	(1,551,422)
Net Change in Fund Balances	- -	- -	(118,328)	(59,298)
Fund Balances, Beginning of Year	- -	- -	1,122,065	1,879,061
Fund Balances, End of Year	\$ -	\$ -	\$ 1,003,737	\$ 1,819,763

CITY OF LAKE ELSINORE

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2020

(CONTINUED)

Special Revenue Funds					
	SB1186 CAS Education	Traffic Safety	City-wide Lighting and Landscaping	L.L.M.D No. 1	
Revenues:					
Special assessments	\$ -	\$ -	\$ 1,412,458	\$ 669,878	
Licenses and permits	-	-	-	-	
Intergovernmental	10,682	-	-	-	
Investment earnings	844	-	5,440	33,704	
Fines and forfeitures	-	219,008	-	-	
Contributions	-	-	-	-	
Miscellaneous	-	-	7,489	-	
Total Revenues	11,526	219,008	1,425,387	703,582	
Expenditures:					
Current:					
General government	-	-	-	-	
Public safety	-	219,008	-	-	
Community development	-	-	-	-	
Community services	-	-	-	-	
Public Services	2,050	-	1,743,869	178,515	
Capital outlay	-	-	857,568	-	
Debt service:					
Principal retirement	-	-	55,811	-	
Interest and fiscal charges	-	-	368,418	-	
Total Expenditures	2,050	219,008	3,025,666	178,515	
Excess (Deficiency) of Revenues Over (Under) Expenditures	9,476	-	(1,600,279)	525,067	
Other Financing Sources (Uses):					
Transfers in	-	-	1,137,927	-	
Transfers out	-	-	(228)	-	
Refunding bonds issued	-	-	-	-	
Bond premium	-	-	-	-	
Total Other Financing Sources (Uses)	-	-	1,137,699	-	
Net Change in Fund Balances	9,476	-	(462,580)	525,067	
Fund Balances, Beginning of Year	16,153	-	643,179	729,879	
Fund Balances, End of Year	\$ 25,629	\$ -	\$ 180,599	\$ 1,254,946	

CITY OF LAKE ELSINORE

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2020

Special Revenue Funds				
	Geothermal	AB2766 Air Pollution	C.D.B.G	Cost Recovery System
Revenues:				
Special assessments	\$ -	\$ -	\$ -	\$ -
Licenses and permits	- -	- -	- -	- -
Intergovernmental	- -	79,515	1,284,447	- -
Investment earnings	613	13,831	- -	- -
Fines and forfeitures	- -	- -	- -	- -
Contributions	- -	- -	- -	- -
Miscellaneous	- -	- -	- -	- -
Total Revenues	613	93,346	1,284,447	- -
Expenditures:				
Current:				
General government	- -	- -	- -	- -
Public safety	- -	- -	- -	- -
Community development	- -	- -	23,047	- -
Community services	- -	- -	- -	- -
Public Services	7,950	10,000	- -	- -
Capital outlay	- -	- -	- -	- -
Debt service:				
Principal retirement	- -	- -	- -	- -
Interest and fiscal charges	- -	- -	- -	- -
Total Expenditures	7,950	10,000	23,047	- -
Excess (Deficiency) of Revenues Over (Under) Expenditures	(7,337)	83,346	1,261,400	- -
Other Financing Sources (Uses):				
Transfers in	- -	- -	- -	- -
Transfers out	- -	- -	(1,312,587)	- -
Refunding bonds issued	- -	- -	- -	- -
Bond premium	- -	- -	- -	- -
Total Other Financing Sources (Uses)	- -	- -	(1,312,587)	- -
Net Change in Fund Balances	(7,337)	83,346	(51,187)	- -
Fund Balances, Beginning of Year	21,194	329,165	(13,199)	- -
Fund Balances, End of Year	\$ 13,857	\$ 412,511	\$ (64,386)	\$ -

CITY OF LAKE ELSINORE

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2020

(CONTINUED)

Special Revenue Funds				
	Developer Agreement Revenue/Trust	Affordable Housing In-Lieu	City Hall / Public Works	Community Center
Revenues:				
Special assessments	\$ -	\$ -	\$ -	\$ -
Licenses and permits	35,500	-	102,606	56,628
Intergovernmental	-	218,264	-	-
Investment earnings	219	59,181	(131)	(59)
Fines and forfeitures	-	-	-	-
Contributions	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	35,719	277,445	102,475	56,569
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Community development	-	-	-	-
Community services	-	-	-	-
Public Services	-	-	-	-
Capital outlay	-	155,000	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	-	155,000	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	35,719	122,445	102,475	56,569
Other Financing Sources (Uses):				
Transfers in	36,711	-	-	-
Transfers out	(10,838)	(31,680)	(168,384)	(85,547)
Refunding bonds issued	-	-	-	-
Bond premium	-	-	-	-
Total Other Financing Sources (Uses)	25,873	(31,680)	(168,384)	(85,547)
Net Change in Fund Balances	61,592	90,765	(65,909)	(28,978)
Fund Balances, Beginning of Year	520	4,135,113	65,909	28,978
Fund Balances, End of Year	\$ 62,112	\$ 4,225,878	\$ -	\$ -

CITY OF LAKE ELSINORE

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2020

Special Revenue Funds				
	Lakeside Facilities	Animal Shelter	N.P.D.E.S.	PEG Grant
Revenues:				
Special assessments	\$ 82,438	\$ 35,996	\$ 134,823	\$ 16,510
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Investment earnings	2,094	470	182	987
Fines and forfeitures	-	-	-	-
Contributions	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	84,532	36,466	135,005	17,497
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Community development	-	-	-	-
Community services	-	-	-	-
Public Services	-	-	96,321	-
Capital outlay	65,375	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	65,375	-	96,321	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	19,157	36,466	38,684	17,497
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	(36,711)	(66,393)	-
Refunding bonds issued	-	-	-	-
Bond premium	-	-	-	-
Total Other Financing Sources (Uses)	-	(36,711)	(66,393)	-
Net Change in Fund Balances	19,157	(245)	(27,709)	17,497
Fund Balances, Beginning of Year	60,922	109	27,639	20,119
Fund Balances, End of Year	\$ 80,079	\$ (136)	\$ (70)	\$ 37,616

CITY OF LAKE ELSINORE

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2020

(CONTINUED)

	Special Revenue Funds		Capital Projects Funds	
	Pedestrian Sidewalk SB821	Miscellaneous General Project	Park Quimby Development	Storm Drains
Revenues:				
Special assessments	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	292,787	279,617
Intergovernmental	290,802	437,145	-	-
Investment earnings	-	-	12,962	22,102
Fines and forfeitures	-	-	-	-
Contributions	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	290,802	437,145	305,749	301,719
Expenditures:				
Current:				
General government	-	429,765	-	-
Public safety	-	-	-	-
Community development	-	-	-	-
Community services	-	-	-	-
Public Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	-	429,765	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	290,802	7,380	305,749	301,719
Other Financing Sources (Uses):				
Transfers in	-	27,385	-	-
Transfers out	(243,161)	(412,649)	-	-
Refunding bonds issued	-	-	-	-
Bond premium	-	-	-	-
Total Other Financing Sources (Uses)	(243,161)	(385,264)	-	-
Net Change in Fund Balances	47,641	(377,884)	305,749	301,719
Fund Balances, Beginning of Year	180,021	467,414	212,168	415,021
Fund Balances, End of Year	\$ 227,662	\$ 89,530	\$ 517,917	\$ 716,740

CITY OF LAKE ELSINORE

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2020

Capital Projects Funds				
	Library Facilities	Traffic Impact	Fire Facilities	Public Improvement In-Lieu
Revenues:				
Special assessments	\$ -	\$ -	\$ -	\$ -
Licenses and permits	65,700	1,027,831	205,372	489,718
Intergovernmental	-	-	-	-
Investment earnings	53,325	138,484	3,634	14,893
Fines and forfeitures	-	-	-	-
Contributions	-	-	-	-
Miscellaneous	-	126,453	-	-
Total Revenues	119,025	1,292,768	209,006	504,611
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Community development	-	126,453	-	-
Community services	38,512	-	-	-
Public Services	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	38,512	126,453	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	80,513	1,166,315	209,006	504,611
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	(626,728)	(5,168,285)	(27,385)	-
Refunding bonds issued	-	-	-	-
Bond premium	-	-	-	-
Total Other Financing Sources (Uses)	(626,728)	(5,168,285)	(27,385)	-
Net Change in Fund Balances	(546,215)	(4,001,970)	181,621	504,611
Fund Balances, Beginning of Year	1,806,027	4,936,973	512	103,815
Fund Balances, End of Year	\$ 1,259,812	\$ 935,003	\$ 182,133	\$ 608,426

CITY OF LAKE ELSINORE

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2020

(CONTINUED)

Capital Projects Funds				
	Total Road Improvement Program	TUMF	Street Lighting	La Strada RBBB
Revenues:				
Special assessments	\$ -	\$ -	\$ -	\$ -
Licenses and permits	- -	- -	- -	92,900 -
Intergovernmental	- -	726,260 -	- -	- -
Investment earnings	271 -	- -	(228) -	2,000 -
Fines and forfeitures	- -	- -	- -	- -
Contributions	- -	- -	- -	- -
Miscellaneous	- -	- -	- -	- -
Total Revenues	271	726,260	(228)	94,900
Expenditures:				
Current:				
General government	- -	- -	- -	- -
Public safety	- -	- -	- -	- -
Community development	- -	- -	- -	- -
Community services	- -	- -	- -	- -
Public Services	5,514 -	- -	- -	- -
Capital outlay	- -	- -	- -	- -
Debt service:				
Principal retirement	240,000 -	- -	- -	- -
Interest and fiscal charges	255,538 -	- -	- -	- -
Total Expenditures	501,052	- -	- -	- -
Excess (Deficiency) of Revenues Over (Under) Expenditures	(500,781)	726,260	(228)	94,900
Other Financing Sources (Uses):				
Transfers in	495,121 -	- -	228 -	- -
Transfers out	- -	(612,873) -	- -	(70,710) -
Refunding bonds issued	- -	- -	- -	- -
Bond premium	- -	- -	- -	- -
Total Other Financing Sources (Uses)	495,121	(612,873)	228	(70,710)
Net Change in Fund Balances	(5,660)	113,387	-	24,190
Fund Balances, Beginning of Year	17,229	(757,079)	-	-
Fund Balances, End of Year	\$ 11,569	\$ (643,692)	\$ -	\$ 24,190

CITY OF LAKE ELSINORE

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2020

	Debt Service Fund		Permanent Fund		Total Governmental Funds	
	Facilities Financing Authority	Endowment Trust - Adolph Korn				
Revenues:						
Special assessments	\$ -	\$ -			\$ 2,082,336	
Licenses and permits	-	-			2,940,801	
Intergovernmental	-	-			7,161,646	
Investment earnings	481,912	1,316			965,594	
Fines and forfeitures	-	-			219,008	
Contributions	4,124,581	-			4,124,581	
Miscellaneous	-	-			133,942	
Total Revenues	4,606,493	1,316			17,627,908	
Expenditures:						
Current:						
General government	12,945	-			442,710	
Public safety	-	-			397,331	
Community development	-	-			149,500	
Community services	-	-			38,512	
Public Services	-	-			3,351,354	
Capital outlay	-	-			1,077,943	
Debt service:						
Principal retirement	380,000	-			675,811	
Interest and fiscal charges	4,536,587	-			5,160,543	
Total Expenditures	4,929,532	-			11,293,704	
Excess (Deficiency) of Revenues Over (Under) Expenditures	(323,039)	1,316			6,334,204	
Other Financing Sources (Uses):						
Transfers in	-	-			1,697,372	
Transfers out	-	-			(11,820,781)	
Refunding bonds issued	12,875,000	-			12,875,000	
Bond premium	2,715,525	-			2,715,525	
Total Other Financing Sources (Uses)	15,590,525	-			5,467,116	
Net Change in Fund Balances	15,267,486	1,316			11,801,320	
Fund Balances, Beginning of Year	14,405,815	32,760			30,887,482	
Fund Balances, End of Year	\$ 29,673,301	\$ 34,076			\$ 42,688,802	

CITY OF LAKE ELSINORE

BUDGETARY COMPARISON SCHEDULE
 SUPPLEMENTAL LAW ENFORCEMENT SERVICE
 YEAR ENDED JUNE 30, 2020

	Budget Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (Inflows):				
Intergovernmental	131,634	-	155,948	155,948
Amounts Available for Appropriations	131,634	-	155,948	155,948
Charges to Appropriation (Outflow):				
Public safety	131,634	131,634	155,948	(24,314)
Total Charges to Appropriations	131,634	131,634	155,948	(24,314)
Budgetary Fund Balance, June 30	\$ -	\$ (131,634)	\$ -	\$ 131,634

CITY OF LAKE ELSINORE

BUDGETARY COMPARISON SCHEDULE
 TRAFFIC OFFENDER
 YEAR ENDED JUNE 30, 2020

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (Inflows):				
Licenses and permits	36,699	36,699	22,375	(14,324)
Amounts Available for Appropriations	36,699	36,699	22,375	(14,324)
Charges to Appropriation (Outflow):				
Public safety	36,699	36,699	22,375	14,324
Total Charges to Appropriations	36,699	36,699	22,375	14,324
Budgetary Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -

CITY OF LAKE ELSINORE

BUDGETARY COMPARISON SCHEDULE
GAS TAX
YEAR ENDED JUNE 30, 2020

	Budget Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Budgetary Fund Balance, July 1	\$ 1,122,065	\$ 1,122,065	\$ 1,122,065	\$ -
Resources (Inflows):				
Intergovernmental	2,709,669	2,709,670	2,536,954	(172,716)
Use of money and property	-	-	47,053	47,053
Amounts Available for Appropriations	3,831,734	3,831,735	3,706,072	(125,663)
Charges to Appropriation (Outflow):				
Public services	606,500	606,500	1,307,135	(700,635)
Transfers out	3,411,874	3,225,235	1,395,200	1,830,035
Total Charges to Appropriations	4,018,374	3,831,735	2,702,335	1,129,400
Budgetary Fund Balance, June 30	\$ (186,640)	\$ -	\$ 1,003,737	\$ 1,003,737

CITY OF LAKE ELSINORE

BUDGETARY COMPARISON SCHEDULE
TRANSPORTATION MEASURE A
YEAR ENDED JUNE 30, 2020

	Budget Amounts	Actual Amounts	Variance with Final Budget
	Original	Final	Positive (Negative)
Budgetary Fund Balance, July 1	\$ 1,879,061	\$ 1,879,061	\$ 1,879,061
Resources (Inflows):			
Intergovernmental	1,441,000	1,441,000	1,421,629
Use of money and property	30,000	30,000	70,495
Amounts Available for Appropriations	3,350,061	3,350,061	21,124
Charges to Appropriation (Outflow):			
Transfers out	2,874,866	3,350,061	1,551,422
Total Charges to Appropriations	2,874,866	3,350,061	1,798,639
Budgetary Fund Balance, June 30	\$ 475,195	\$ -	\$ 1,819,763

CITY OF LAKE ELSINORE

BUDGETARY COMPARISON SCHEDULE
 SB1186 CAS EDUCATION
 YEAR ENDED JUNE 30, 2020

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 16,153	\$ 16,153	\$ 16,153	\$ -
Resources (Inflows):				
Intergovernmental	9,700	9,700	10,682	982
Use of money and property	300	300	844	544
Amounts Available for Appropriations	26,153	26,153	27,679	1,526
Charges to Appropriation (Outflow):				
Public services	15,849	15,849	2,050	13,799
Total Charges to Appropriations	15,849	15,849	2,050	13,799
Budgetary Fund Balance, June 30	\$ 10,304	\$ 10,304	\$ 25,629	\$ 15,325

CITY OF LAKE ELSINORE

BUDGETARY COMPARISON SCHEDULE
 TRAFFIC SAFETY
 YEAR ENDED JUNE 30, 2020

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (Inflows):				
Fines and forfeitures	338,304	338,304	219,008	(119,296)
Amounts Available for Appropriations	338,304	338,304	219,008	(119,296)
Charges to Appropriation (Outflow):				
Public safety	338,304	338,304	219,008	119,296
Total Charges to Appropriations	338,304	338,304	219,008	119,296
Budgetary Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -

CITY OF LAKE ELSINORE

BUDGETARY COMPARISON SCHEDULE
CITY-WIDE LIGHTING AND LANDSCAPING
YEAR ENDED JUNE 30, 2020

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 643,179	\$ 643,179	\$ 643,179	\$ -
Resources (Inflows):				
Assessments	1,411,853	1,411,854	1,412,458	604
Use of money and property	-	-	5,440	5,440
Miscellaneous	-	-	7,489	7,489
Transfers in	609,270	609,270	1,137,927	528,657
Amounts Available for Appropriations	2,664,302	2,664,303	3,206,493	542,190
Charges to Appropriation (Outflow):				
Public services	1,960,700	2,021,124	1,743,869	277,255
Capital outlay	-	643,179	857,568	(214,389)
Debt service:				
Principal retirement	-	-	55,811	(55,811)
Interest and fiscal charges	-	-	368,418	(368,418)
Transfers out	-	-	228	(228)
Total Charges to Appropriations	1,960,700	2,664,303	3,025,894	(361,591)
Budgetary Fund Balance, June 30	\$ 703,602	\$ -	\$ 180,599	\$ 180,599

CITY OF LAKE ELSINORE

BUDGETARY COMPARISON SCHEDULE
 L.L.M.D NO. 1
 YEAR ENDED JUNE 30, 2020

	Budget Amounts	Actual Amounts	Variance with Final Budget
	Original	Final	Positive (Negative)
Budgetary Fund Balance, July 1	\$ 729,879	\$ 729,879	\$ -
Resources (Inflows):			
Assessments	645,769	645,770	24,108
Use of money and property	-	33,704	33,704
Amounts Available for Appropriations	1,375,648	1,375,649	57,812
Charges to Appropriation (Outflow):			
Public services	711,850	178,515	1,197,134
Total Charges to Appropriations	711,850	178,515	1,197,134
Budgetary Fund Balance, June 30	\$ 663,798	\$ -	\$ 1,254,946

CITY OF LAKE ELSINORE

BUDGETARY COMPARISON SCHEDULE
GEOTHERMAL
YEAR ENDED JUNE 30, 2020

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 21,194	\$ 21,194	\$ 21,194	\$ -
Resources (Inflows):				
Use of money and property	200	200	613	413
Amounts Available for Appropriations	21,394	21,394	21,807	413
Charges to Appropriation (Outflow):				
Public services	-	-	7,950	(7,950)
Total Charges to Appropriations	-	-	7,950	(7,950)
Budgetary Fund Balance, June 30	\$ 21,394	\$ 21,394	\$ 13,857	\$ (7,537)

CITY OF LAKE ELSINORE

BUDGETARY COMPARISON SCHEDULE
AB2766 AIR POLLUTION
YEAR ENDED JUNE 30, 2020

	Budget Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Budgetary Fund Balance, July 1	\$ 329,165	\$ 329,165	\$ 329,165	\$ -
Resources (Inflows):				
Intergovernmental	35,000	35,000	79,515	44,515
Use of money and property	-	-	13,831	13,831
Amounts Available for Appropriations	364,165	364,165	422,511	58,346
Charges to Appropriation (Outflow):				
Public services	-	-	10,000	(10,000)
Transfers out	344,455	364,165	-	364,165
Total Charges to Appropriations	344,455	364,165	10,000	354,165
Budgetary Fund Balance, June 30	\$ 19,710	\$ -	\$ 412,511	\$ 412,511

CITY OF LAKE ELSINORE

BUDGETARY COMPARISON SCHEDULE
C.D.B.G
YEAR ENDED JUNE 30, 2020

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ (13,199)	\$ (13,199)	\$ (13,199)	\$ -
Resources (Inflows):				
Intergovernmental	940,400	940,400	1,284,447	344,047
Amounts Available for Appropriations	927,201	927,201	1,271,248	344,047
Charges to Appropriation (Outflow):				
Community development	28,110	28,110	23,047	5,063
Transfers out	912,290	899,091	1,312,587	(413,496)
Total Charges to Appropriations	940,400	927,201	1,335,634	(408,433)
Budgetary Fund Balance, June 30	\$ (13,199)	\$ -	\$ (64,386)	\$ (64,386)

CITY OF LAKE ELSINORE

BUDGETARY COMPARISON SCHEDULE
 DEVELOPER AGREEMENT REVENUE/TRUST
 YEAR ENDED JUNE 30, 2020

	Budget Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Budgetary Fund Balance, July 1	\$ 520	\$ 520	\$ 520	\$ -
Resources (Inflows):				
Licenses and permits	-	-	35,500	35,500
Use of money and property	3,000	3,000	219	(2,781)
Transfers in	30,000	30,000	36,711	6,711
Amounts Available for Appropriations	33,520	33,520	72,950	39,430
Charges to Appropriation (Outflow):				
Transfers out	151,697	33,520	10,838	22,682
Total Charges to Appropriations	151,697	33,520	10,838	22,682
Budgetary Fund Balance, June 30	\$ (118,177)	\$ -	\$ 62,112	\$ 62,112

CITY OF LAKE ELSINORE

BUDGETARY COMPARISON SCHEDULE
AFFORDABLE HOUSING IN-LIEU
YEAR ENDED JUNE 30, 2020

	Budget Amounts	Actual Amounts	Variance with Final Budget
	Original	Final	Positive (Negative)
Budgetary Fund Balance, July 1	\$ 4,135,113	\$ 4,135,113	\$ -
Resources (Inflows):			
Intergovernmental	20,000	20,000	218,264
Use of money and property	30,000	30,000	59,181
Amounts Available for Appropriations	4,185,113	4,185,113	227,445
Charges to Appropriation (Outflow):			
General government	12,800	12,800	-
Capital outlay	-	-	155,000
Transfers out	30,860	30,860	(155,000)
Total Charges to Appropriations	43,660	43,660	(820)
Budgetary Fund Balance, June 30	\$ 4,141,453	\$ 4,141,453	\$ 84,425

CITY OF LAKE ELSINORE

BUDGETARY COMPARISON SCHEDULE
 CITY HALL / PUBLIC WORKS
 YEAR ENDED JUNE 30, 2020

	Budget Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Budgetary Fund Balance, July 1	\$ 65,909	\$ 65,909	\$ 65,909	\$ -
Resources (Inflows):				
Licenses and permits	70,000	70,000	102,606	32,606
Use of money and property	-	-	(131)	(131)
Amounts Available for Appropriations	135,909	135,909	168,384	32,475
Charges to Appropriation (Outflow):				
Transfers out	255,000	135,909	168,384	(32,475)
Total Charges to Appropriations	255,000	135,909	168,384	(32,475)
Budgetary Fund Balance, June 30	\$ (119,091)	\$ -	\$ -	\$ -

CITY OF LAKE ELSINORE

BUDGETARY COMPARISON SCHEDULE
 COMMUNITY CENTER
 YEAR ENDED JUNE 30, 2020

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 28,978	\$ 28,978	\$ 28,978	\$ -
Resources (Inflows):				
Licenses and permits	50,000	50,000	56,628	6,628
Use of money and property	-	-	(59)	(59)
Amounts Available for Appropriations	78,978	78,978	85,547	6,569
Charges to Appropriation (Outflow):				
Transfers out	145,000	78,978	85,547	(6,569)
Total Charges to Appropriations	145,000	78,978	85,547	(6,569)
Budgetary Fund Balance, June 30	\$ (66,022)	\$ -	\$ -	\$ -

CITY OF LAKE ELSINORE

BUDGETARY COMPARISON SCHEDULE
LAKESIDE FACILITIES
YEAR ENDED JUNE 30, 2020

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 60,922	\$ 60,922	\$ 60,922	\$ -
Resources (Inflows):				
Licenses and permits	60,000	60,000	82,438	22,438
Use of money and property	-	-	2,094	2,094
Amounts Available for Appropriations	120,922	120,922	145,454	24,532
Charges to Appropriation (Outflow):				
Capital outlay	-	65,375	65,375	-
Transfers out	-	55,547	-	55,547
Total Charges to Appropriations	-	120,922	65,375	55,547
Budgetary Fund Balance, June 30	\$ 120,922	\$ -	\$ 80,079	\$ 80,079

CITY OF LAKE ELSINORE

BUDGETARY COMPARISON SCHEDULE
 ANIMAL SHELTER
 YEAR ENDED JUNE 30, 2020

	Budget Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Budgetary Fund Balance, July 1	\$ 109	\$ 109	\$ 109	\$ -
Resources (Inflows):				
Licenses and permits	30,000	30,000	35,996	5,996
Use of money and property	-	-	470	470
Amounts Available for Appropriations	30,109	30,109	36,575	6,466
Charges to Appropriation (Outflow):				
Transfers out	30,000	30,109	36,711	(6,602)
Total Charges to Appropriations	30,000	30,109	36,711	(6,602)
Budgetary Fund Balance, June 30	\$ 109	\$ -	\$ (136)	\$ (136)

CITY OF LAKE ELSINORE

BUDGETARY COMPARISON SCHEDULE
N.P.D.E.S.
YEAR ENDED JUNE 30, 2020

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 27,639	\$ 27,639	\$ 27,639	\$ -
Resources (Inflows):				
Licenses and permits	1,084,910	1,084,910	134,823	(950,087)
Use of money and property	-	-	182	182
Amounts Available for Appropriations	1,112,549	1,112,549	162,644	(949,905)
Charges to Appropriation (Outflow):				
Public services	120,680	144,041	96,321	47,720
Transfers out	964,230	968,508	66,393	902,115
Total Charges to Appropriations	1,084,910	1,112,549	162,714	949,835
Budgetary Fund Balance, June 30	\$ 27,639	\$ -	\$ (70)	\$ (70)

CITY OF LAKE ELSINORE

BUDGETARY COMPARISON SCHEDULE
 PEG GRANT
 YEAR ENDED JUNE 30, 2020

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 20,119	\$ 20,119	\$ 20,119	\$ -
Resources (Inflows):				
Licenses and permits	20,000	20,000	16,510	(3,490)
Use of money and property	-	-	987	987
Amounts Available for Appropriations	40,119	40,119	37,616	(2,503)
Charges to Appropriation (Outflow):				
Transfers out	-	40,119	-	40,119
Total Charges to Appropriations	-	40,119	-	40,119
Budgetary Fund Balance, June 30	\$ 40,119	\$ -	\$ 37,616	\$ 37,616

CITY OF LAKE ELSINORE

BUDGETARY COMPARISON SCHEDULE
PEDESTRIAN SIDEWALK SB821
YEAR ENDED JUNE 30, 2020

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 180,021	\$ 180,021	\$ 180,021	\$ -
Resources (Inflows):				
Intergovernmental	588,386	588,386	290,802	(297,584)
Amounts Available for Appropriations	768,407	768,407	470,823	(297,584)
Charges to Appropriation (Outflow):				
Transfers out	588,386	768,407	243,161	525,246
Total Charges to Appropriations	588,386	768,407	243,161	525,246
Budgetary Fund Balance, June 30	\$ 180,021	\$ -	\$ 227,662	\$ 227,662

CITY OF LAKE ELSINORE

BUDGETARY COMPARISON SCHEDULE
 CAPITAL IMPROVEMENT PLAN
 YEAR ENDED JUNE 30, 2020

	Budget Amounts	Actual Amounts	Variance with Final Budget
	Original	Final	Positive (Negative)
Budgetary Fund Balance, July 1	\$ 12,708,454	\$ 12,708,454	\$ -
Resources (Inflows):			
Charges for services	400,000	400,000	634,126 234,126
Use of money and property	40,000	40,000	406,227 366,227
Contributions	5,660,995	5,660,995	8,966,403 3,305,408
Miscellaneous	-	-	113,288 113,288
Transfers in	27,594,072	27,594,072	11,114,527 (16,479,545)
Amounts Available for Appropriations	46,403,521	46,403,521	33,943,025 (12,460,496)
Charges to Appropriation (Outflow):			
Public services	-	-	2,517,489 (2,517,489)
Capital outlay	43,412,209	43,909,430	17,957,990 25,951,440
Transfers out	2,467,551	2,494,070	2,228,748 265,322
Total Charges to Appropriations	45,879,760	46,403,500	22,704,227 23,699,273
Budgetary Fund Balance, June 30	\$ 523,761	\$ 21	\$ 11,238,798 \$ 11,238,777

CITY OF LAKE ELSINORE

BUDGETARY COMPARISON SCHEDULE
MISCELLANEOUS GENERAL PROJECT
YEAR ENDED JUNE 30, 2020

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 467,414	\$ 467,414	\$ 467,414	\$ -
Resources (Inflows):				
Intergovernmental	766,255	750,000	437,145	(312,855)
Transfers in	16,255	32,510	27,385	(5,125)
 Amounts Available for Appropriations	1,249,924	1,249,924	931,944	(317,980)
Charges to Appropriation (Outflow):				
General government	750,000	750,000	429,765	320,235
Capital outlay	-	667	-	667
Transfers out	598,340	499,257	412,649	86,608
 Total Charges to Appropriations	1,348,340	1,249,924	842,414	407,510
Budgetary Fund Balance, June 30	\$ (98,416)	\$ -	\$ 89,530	\$ 89,530

CITY OF LAKE ELSINORE

BUDGETARY COMPARISON SCHEDULE
PARK QUIMBY DEVELOPMENT
YEAR ENDED JUNE 30, 2020

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final	Amounts	Positive (Negative)
Budgetary Fund Balance, July 1	\$ 212,168	\$ 212,168	\$ 212,168	\$ -
Resources (Inflows):				
Licenses and permits	-	-	292,787	292,787
Use of money and property	2,500	2,500	12,962	10,462
Amounts Available for Appropriations	214,668	214,668	517,917	303,249
Charges to Appropriation (Outflow):				
Transfers out	-	214,668	-	214,668
Total Charges to Appropriations	-	214,668	-	214,668
Budgetary Fund Balance, June 30	\$ 214,668	\$ -	\$ 517,917	\$ 517,917

CITY OF LAKE ELSINORE

BUDGETARY COMPARISON SCHEDULE
STORM DRAINS
YEAR ENDED JUNE 30, 2020

	Budget Amounts	Actual Amounts	Variance with Final Budget
	Original	Final	Positive (Negative)
Budgetary Fund Balance, July 1	\$ 415,021	\$ 415,021	\$ -
Resources (Inflows):			
Licenses and permits	100,000	100,000	279,617
Use of money and property	-	-	22,102
Amounts Available for Appropriations	515,021	515,021	201,719
Charges to Appropriation (Outflow):			
Transfers out	164,863	515,021	-
Total Charges to Appropriations	164,863	515,021	515,021
Budgetary Fund Balance, June 30	\$ 350,158	\$ -	\$ 716,740

CITY OF LAKE ELSINORE

BUDGETARY COMPARISON SCHEDULE
LIBRARY FACILITIES
YEAR ENDED JUNE 30, 2020

	Budget Amounts	Actual Amounts	Variance with Final Budget
	Original	Final	Positive (Negative)
Budgetary Fund Balance, July 1	\$ 1,806,027	\$ 1,806,027	\$ -
Resources (Inflows):			
Licenses and permits	60,000	60,000	65,700 5,700
Use of money and property	600	600	53,325 52,725
Amounts Available for Appropriations	1,866,627	1,866,627	1,925,052 58,425
Charges to Appropriation (Outflow):			
Community services	40,000	40,000	38,512 1,488
Transfers out	1,764,310	1,826,627	626,728 1,199,899
Total Charges to Appropriations	1,804,310	1,866,627	665,240 1,201,387
Budgetary Fund Balance, June 30	\$ 62,317	\$ -	\$ 1,259,812 \$ 1,259,812

CITY OF LAKE ELSINORE

BUDGETARY COMPARISON SCHEDULE
TRAFFIC IMPACT
YEAR ENDED JUNE 30, 2020

	Budget Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Budgetary Fund Balance, July 1	\$ 4,936,973	\$ 4,936,973	\$ 4,936,973	\$ -
Resources (Inflows):				
Licenses and permits	450,000	450,000	1,027,831	577,831
Use of money and property	-	-	138,484	138,484
Miscellaneous	-	-	126,453	126,453
Amounts Available for Appropriations	5,386,973	5,386,973	6,229,741	842,768
Charges to Appropriation (Outflow):				
Community development	-	-	126,453	(126,453)
Transfers out	3,206,186	5,386,973	5,168,285	218,688
Total Charges to Appropriations	3,206,186	5,386,973	5,294,738	92,235
Budgetary Fund Balance, June 30	\$ 2,180,787	\$ -	\$ 935,003	\$ 935,003

CITY OF LAKE ELSINORE

BUDGETARY COMPARISON SCHEDULE
FIRE FACILITIES
YEAR ENDED JUNE 30, 2020

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 512	\$ 512	\$ 512	\$ -
Resources (Inflows):				
Licenses and permits	75,000	75,000	205,372	130,372
Use of money and property	-	-	3,634	3,634
Amounts Available for Appropriations	75,512	75,512	209,518	134,006
Charges to Appropriation (Outflow):				
Transfers out	16,255	75,512	27,385	48,127
Total Charges to Appropriations	16,255	75,512	27,385	48,127
Budgetary Fund Balance, June 30	\$ 59,257	\$ -	\$ 182,133	\$ 182,133

CITY OF LAKE ELSINORE

BUDGETARY COMPARISON SCHEDULE
PUBLIC IMPROVEMENT IN-LIEU
YEAR ENDED JUNE 30, 2020

	Budget Amounts	Actual Amounts	Variance with Final Budget
	Original	Final	Positive (Negative)
Budgetary Fund Balance, July 1	\$ 103,815	\$ 103,815	\$ -
Resources (Inflows):			
Licenses and permits	15,000	15,000	474,718
Use of money and property	2,000	2,000	12,893
Amounts Available for Appropriations	120,815	120,815	487,611
Charges to Appropriation (Outflow):			
Transfers out	10,900	-	120,815
Total Charges to Appropriations	10,900	120,815	120,815
Budgetary Fund Balance, June 30	\$ 109,915	\$ -	\$ 608,426

CITY OF LAKE ELSINORE

BUDGETARY COMPARISON SCHEDULE
 TOTAL ROAD IMPROVEMENT PROGRAM
 YEAR ENDED JUNE 30, 2020

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
	\$ 17,229	\$ 17,229	\$ 17,229	\$ -
Budgetary Fund Balance, July 1				
Resources (Inflows):				
Use of money and property	-	-	271	271
Transfers in	495,538	495,538	495,121	(417)
Amounts Available for Appropriations	512,767	512,767	512,621	(146)
Charges to Appropriation (Outflow):				
Public services	-	-	5,514	(5,514)
Debt service:				
Principal retirement	240,000	240,000	240,000	-
Interest and fiscal charges	255,537	255,538	255,538	-
Transfers out	16,890	17,229	-	17,229
Total Charges to Appropriations	512,427	512,767	501,052	11,715
Budgetary Fund Balance (Deficits), June 30	\$ 340	\$ -	\$ 11,569	\$ 11,569

CITY OF LAKE ELSINORE

BUDGETARY COMPARISON SCHEDULE
TUMF
YEAR ENDED JUNE 30, 2020

	Budget Amounts	Actual Amounts	Variance with Final Budget
	Original	Final	Positive (Negative)
Budgetary Fund Balance, July 1	\$ (757,079)	\$ (757,079)	\$ (757,079) -
Resources (Inflows):			
Intergovernmental	10,031,909	10,031,909	726,260 (9,305,649)
Amounts Available for Appropriations	9,274,830	9,274,830	(30,819) (9,305,649)
Charges to Appropriation (Outflow):			
Transfers out	10,031,909	9,274,830	612,873 8,661,957
Total Charges to Appropriations	10,031,909	9,274,830	612,873 8,661,957
Budgetary Fund Balance, June 30	\$ (757,079)	\$ -	\$ (643,692) \$ (643,692)

CITY OF LAKE ELSINORE

BUDGETARY COMPARISON SCHEDULE
 STREET LIGHTING
 YEAR ENDED JUNE 30, 2020

	Budget Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (Inflows):				
Use of money and property	2,500	2,500	(228)	(2,728)
Transfers in	-	-	228	228
Amounts Available for Appropriations	2,500	2,500	-	(2,500)
Charges to Appropriation (Outflow):				
General government	-	2,500	-	2,500
Total Charges to Appropriations	-	2,500	-	2,500
Budgetary Fund Balance, June 30	\$ 2,500	\$ -	\$ -	\$ -

CITY OF LAKE ELSINORE

BUDGETARY COMPARISON SCHEDULE
PUBLIC FINANCING AUTHORITY
YEAR ENDED JUNE 30, 2020

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 190,623,172	\$ 190,623,172	\$ 190,623,172	\$ -
Resources (Inflows):				
Use of money and property	-	-	8,453,411	8,453,411
Refunding bonds issued	-	-	7,145,000	7,145,000
Amounts Available for Appropriations	190,623,172	190,623,172	206,221,583	15,598,411
Charges to Appropriation (Outflow):				
General government	-	-	108,316	(108,316)
Debt service:				
Principal retirement	8,790,000	8,410,000	38,780,000	(30,370,000)
Interest and fiscal charges	9,742,356	9,136,999	8,771,961	365,038
Total Charges to Appropriations	18,532,356	17,546,999	47,660,277	(30,113,278)
Budgetary Fund Balance, June 30	\$ 172,090,816	\$ 173,076,173	\$ 158,561,306	\$ (14,514,867)

CITY OF LAKE ELSINORE

BUDGETARY COMPARISON SCHEDULE
RECREATION AUTHORITY
YEAR ENDED JUNE 30, 2020

	Budget Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Budgetary Fund Balance, July 1	\$ 1,222,755	\$ 1,222,755	\$ 1,222,755	\$ -
Resources (Inflows):				
Revenue from lease/rent	-	-	1,112,802	1,112,802
Amounts Available for Appropriations	1,222,755	1,222,755	2,335,557	1,112,802
Charges to Appropriation (Outflow):				
General government	-	-	1,094,257	(1,094,257)
Debt service:				
Principal retirement	655,000	655,000	655,000	-
Interest and fiscal charges	464,225	464,225	474,050	(9,825)
Total Charges to Appropriations	1,119,225	1,119,225	2,223,307	(1,104,082)
Budgetary Fund Balance, June 30	\$ 103,530	\$ 103,530	\$ 112,250	\$ 8,720

CITY OF LAKE ELSINORE

BUDGETARY COMPARISON SCHEDULE
 FACILITIES FINANCING AUTHORITY
 YEAR ENDED JUNE 30, 2020

	Budget Amounts	Actual Amounts	Variance with Final Budget
	Original	Final	Positive (Negative)
Budgetary Fund Balance, July 1	\$ 14,405,815	\$14,405,815	\$14,405,815
Resources (Inflows):			
Use of money and property	557,775	557,775	481,912 (75,863)
Refunding bonds issued	-	-	12,875,000 12,875,000
Bond premium	-	-	2,715,525 2,715,525
Amounts Available for Appropriations	14,963,590	14,963,590	34,602,833 19,639,243
Charges to Appropriation (Outflow):			
General government	-	-	12,945 (12,945)
Debt service:			
Principal retirement	460,000	460,000	380,000 80,000
Interest and fiscal charges	564,357	564,357	4,536,587 (3,972,230)
Total Charges to Appropriations	1,024,357	1,024,357	4,929,532 (3,905,175)
Budgetary Fund Balance, June 30	\$ 13,939,233	\$13,939,233	\$29,673,301 \$ 15,734,068

CITY OF LAKE ELSINORE

BUDGETARY COMPARISON SCHEDULE
 ENDOWMENT TRUST - ADOLPH KORN
 YEAR ENDED JUNE 30, 2020

	Budget Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Budgetary Fund Balance, July 1	\$ 32,760	\$ 32,760	\$ 32,760	\$ -
Resources (Inflows):				
Use of money and property	200	200	1,316	1,116
Amounts Available for Appropriations	<u>32,960</u>	<u>32,960</u>	<u>34,076</u>	<u>1,116</u>
Budgetary Fund Balance, June 30	<u>\$ 32,960</u>	<u>\$ 32,960</u>	<u>\$ 34,076</u>	<u>\$ 1,116</u>



LAUNCH POINTE SQUARE



Event Venues

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, 2020

Governmental Activities - Internal Service Funds				
	Insurance	Info Systems	Support Services	Fleet Services
Assets:				
Current:				
Cash and investments	\$ 1,261,008	\$ 646,017	\$ 9,095	\$ -
Receivables:				
Accrued interest	2,773	883	-	-
Prepaid costs	21,416	9,091	-	-
Due from other funds	225,930	-	-	-
Total Current Assets	1,511,127	655,991	9,095	-
Noncurrent:				
Capital assets - net of accumulated depreciation	-	180,703	24,492	1,675,276
Total Noncurrent Assets	-	180,703	24,492	1,675,276
Total Assets	1,511,127	836,694	33,587	1,675,276
Deferred Outflows of Resources:				
Pension related items	33,422	133,686	-	100,265
OPEB related items	-	57,647	-	57,647
Total Deferred Outflows of Resources	33,422	191,333	-	157,912
Total Assets and Deferred Outflows of Resources	\$ 1,544,549	\$ 1,028,027	\$ 33,587	\$ 1,833,188
Liabilities, Deferred Inflows of Resources, and Net Position:				
Liabilities:				
Current:				
Accounts payable	\$ -	\$ 15,825	\$ 4,857	\$ 476,225
Accrued liabilities	114,781	11,903	-	8,071
Due to other funds	-	-	-	225,930
Total Current Liabilities	114,781	27,728	4,857	710,226
Noncurrent:				
Net pension liability	25,385	393,803	-	485,376
Total OPEB liability	-	687,668	-	687,668
Total Noncurrent Liabilities	25,385	1,081,471	-	1,173,044
Total Liabilities	140,166	1,109,199	4,857	1,883,270
Deferred Inflows of Resources:				
Pension related items	7,315	29,260	-	21,945
OPEB related items	-	76,438	-	76,438
Total Deferred Inflows of Resources	7,315	105,698	-	98,383
Net Position:				
Net investment in capital assets	-	180,703	24,492	1,675,276
Unrestricted	1,397,068	(367,573)	4,238	(1,823,741)
Total Net Position	1,397,068	(186,870)	28,730	(148,465)
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 1,544,549	\$ 1,028,027	\$ 33,587	\$ 1,833,188

CITY OF LAKE ELSINORE

COMBINING STATEMENT OF NET POSITION
 INTERNAL SERVICE FUNDS
 JUNE 30, 2020

	<u>Governmental Activities - Internal Service Funds</u>	
	<u>Facilities</u>	<u>Totals</u>
Assets:		
Current:		
Cash and investments	\$ 718,783	\$ 2,634,903
Receivables:		
Accrued interest	1,154	4,810
Prepaid costs	-	30,507
Due from other funds	-	225,930
	719,937	2,896,150
Noncurrent:		
Capital assets - net of accumulated depreciation	285,353	2,165,824
	285,353	2,165,824
	Total Assets	1,005,290
		5,061,974
Deferred Outflows of Resources:		
Pension related items	33,422	300,795
OPEB related items	38,432	153,726
	71,854	454,521
	Total Assets and Deferred Outflows of Resources	\$ 1,077,144
		\$ 5,516,495
Liabilities, Deferred Inflows of Resources, and Net Position:		
Liabilities:		
Current:		
Accounts payable	\$ 30,964	\$ 527,871
Accrued liabilities	3,844	138,599
Due to other funds	-	225,930
	34,808	892,400
Noncurrent:		
Net pension liability	136,571	1,041,135
Total OPEB liability	458,445	1,833,781
	595,016	2,874,916
	Total Liabilities	629,824
		3,767,316
Deferred Inflows of Resources:		
Pension related items	7,315	65,835
OPEB related items	50,959	203,835
	58,274	269,670
Net Position:		
Net investment in capital assets	285,353	2,165,824
Unrestricted	103,693	(686,315)
	389,046	1,479,509
	Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 1,077,144
		\$ 5,516,495

CITY OF LAKE ELSINORE

COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2020

Governmental Activities - Internal Service Funds				
	Insurance	Info Systems	Support Services	Fleet Services
Operating Revenues:				
Charges for services	\$ 631,784	\$ 1,299,885	\$ 89,916	\$ 896,449
Miscellaneous	61	552	-	15,206
Total Operating Revenues	631,845	1,300,437	89,916	911,655
Operating Expenses:				
Personnel Services	56,839	222,708	-	576,117
Contractual Services	-	172,448	26,690	61,963
Utilities	-	147,454	-	-
Maintenance and Operation	2,999	456,144	69,682	318,814
Depreciation expense	-	54,898	2,960	314,801
Insurance	619,939	-	-	-
Total Operating Expenses	679,777	1,053,652	99,332	1,271,695
Operating Income (Loss)	(47,932)	246,785	(9,416)	(360,040)
Nonoperating Revenues (Expenses):				
Interest revenue	48,130	16,877	578	-
Total Nonoperating Revenues (Expenses)	48,130	16,877	578	-
Income (Loss) Before Transfers	198	263,662	(8,838)	(360,040)
Transfers in	9,000	-	-	-
Transfers out	-	-	-	(9,000)
Changes in Net Position	9,198	263,662	(8,838)	(369,040)
Net Position:				
Beginning of Year	1,387,870	(450,532)	37,568	220,575
End of Fiscal Year	\$ 1,397,068	\$ (186,870)	\$ 28,730	\$ (148,465)

CITY OF LAKE ELSINORE

COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2020

	<u>Governmental Activities - Internal Service Funds</u>	
	<u>Facilities</u>	<u>Totals</u>
Operating Revenues:		
Charges for services	\$ 586,610	\$ 3,504,644
Miscellaneous	193	16,012
Total Operating Revenues	586,803	3,520,656
Operating Expenses:		
Personnel Services	443,576	1,299,240
Contractual Services	224,871	485,972
Utilities	70,245	217,699
Maintenance and Operation	117,779	965,418
Depreciation expense	64,885	437,544
Insurance	-	619,939
Total Operating Expenses	921,356	4,025,812
Operating Income (Loss)	(334,553)	(505,156)
Nonoperating Revenues (Expenses):		
Interest revenue	25,144	90,729
Total Nonoperating Revenues (Expenses)	25,144	90,729
Income (Loss) Before Transfers	(309,409)	(414,427)
Transfers in	-	9,000
Transfers out	-	(9,000)
Changes in Net Position	(309,409)	(414,427)
Net Position:		
Beginning of Year	698,455	1,893,936
End of Fiscal Year	\$ 389,046	\$ 1,479,509

CITY OF LAKE ELSINORE

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2020

Governmental Activities - Internal Service Funds				
	Insurance	Info Systems	Support Services	Fleet Services
Cash Flows from Operating Activities:				
Cash received from customers and users	\$ 631,845	\$ 1,300,463	\$ 89,916	\$ 911,689
Cash paid to suppliers for goods and services	-	(539,986)	(26,495)	(203,594)
Cash paid to employees for services	(21,588)	(682,900)	(69,682)	(27,359)
Net Cash Provided (Used) by Operating Activities	610,257	77,577	(6,261)	680,736
Cash Flows from Non-Capital Financing Activities:				
Cash transfers out	-	-	-	(9,000)
Cash transfers in	9,000	-	-	-
Cash paid - due from other funds	(225,930)	-	-	-
Cash received - due to other funds	-	-	-	225,930
Net Cash Provided (Used) by Non-Capital Financing Activities	(216,930)	-	-	216,930
Cash Flows from Capital and Related Financing Activities:				
Acquisition and construction of capital assets	-	(28,583)	(24,033)	(897,666)
Net Cash Provided (Used) by Capital and Related Financing Activities	-	(28,583)	(24,033)	(897,666)
Cash Flows from Investing Activities:				
Interest received	50,660	17,726	662	-
Net Cash Provided (Used) by Investing Activities	50,660	17,726	662	-
Net Increase (Decrease) in Cash and Cash Equivalents	443,987	66,720	(29,632)	-
Cash and Cash Equivalents at Beginning of Year	817,021	579,297	38,727	-
Cash and Cash Equivalents at End of Year	\$ 1,261,008	\$ 646,017	\$ 9,095	\$ -
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:				
Operating income (loss)	\$ (47,932)	\$ 246,785	\$ (9,416)	\$ (360,040)
Adjustments to Reconcile Operating Income (loss) Net Cash Provided (used) by Operating Activities:				
Depreciation	-	54,898	2,960	314,801
(Increase) decrease in accounts receivable	-	26	-	34
(Increase) decrease in deferred outflows from pensions	(28,911)	(8,044)	-	31,078
(Increase) decrease in deferred outflows OPEB	-	(33,006)	-	(45,326)
(Increase) decrease in prepaid expense	561,024	11,736	-	1,586
Increase (decrease) in accounts payable	(1,197)	(9,112)	195	432,900
Increase (decrease) in accrued liabilities	113,865	2,570	-	4,525
Increase (decrease) in net pension liability	11,214	12,388	-	24,262
Increase (decrease) in Total OPEB liability	-	(201,846)	-	242,911
Increase (decrease) in deferred inflows from OPEB	-	4,301	-	40,369
Increase (decrease) in deferred inflows from pensions	2,194	(3,119)	-	(6,364)
Total Adjustments	658,189	(169,208)	3,155	1,040,776
Net Cash Provided (Used) by Operating Activities	\$ 610,257	\$ 77,577	\$ (6,261)	\$ 680,736

CITY OF LAKE ELSINORE

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2020

	<u>Governmental Activities - Internal Service Funds</u>	<u>Facilities</u>	<u>Totals</u>
Cash Flows from Operating Activities:			
Cash received from customers and users	\$ 586,803	\$ 3,520,716	
Cash paid to suppliers for goods and services	(402,115)	(1,172,190)	
Cash paid to employees for services	(141,285)	(942,814)	
Net Cash Provided (Used) by Operating Activities	43,403	1,405,712	
Cash Flows from Non-Capital Financing Activities:			
Cash transfers out	-	(9,000)	
Cash transfers in	-	9,000	
Cash paid - due from other funds	-	(225,930)	
Cash received - due to other funds	-	225,930	
Net Cash Provided (Used) by Non-Capital Financing Activities	-	-	
Cash Flows from Capital and Related Financing Activities:			
Acquisition and construction of capital assets	(95,823)	(1,046,105)	
Net Cash Provided (Used) by Capital and Related Financing Activities	(95,823)	(1,046,105)	
Cash Flows from Investing Activities:			
Interest received	26,758	95,806	
Net Cash Provided (Used) by Investing Activities	26,758	95,806	
Net Increase (Decrease) in Cash and Cash Equivalents	(25,662)	455,413	
Cash and Cash Equivalents at Beginning of Year	744,445	2,179,490	
Cash and Cash Equivalents at End of Year	\$ 718,783	\$ 2,634,903	
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:			
Operating income (loss)	\$ (334,553)	\$ (505,156)	
Adjustments to Reconcile Operating Income (loss)			
Net Cash Provided (used) by Operating Activities:			
Depreciation	64,885	437,544	
(Increase) decrease in accounts receivable	-	60	
(Increase) decrease in deferred outflows from pensions	50,079	44,202	
(Increase) decrease in deferred outflows OPEB	(32,272)	(110,604)	
(Increase) decrease in prepaid expense	5,124	579,470	
Increase (decrease) in accounts payable	5,656	428,442	
Increase (decrease) in accrued liabilities	2,763	123,723	
Increase (decrease) in net pension liability	13,548	61,412	
Increase (decrease) in Total OPEB liability	236,066	277,131	
Increase (decrease) in deferred inflows from OPEB	32,924	77,594	
Increase (decrease) in deferred inflows from pensions	(817)	(8,106)	
Total Adjustments	377,956	1,910,868	
Net Cash Provided (Used) by Operating Activities	\$ 43,403	\$ 1,405,712	



LAUNCH POINTE SQUARE

▶ *Splash Pad & Pool*

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, 2020

	Developer Deposit Trust	Assessment Districts	Lake Maintenance
Assets:			
Pooled cash and investments	\$ 620,513	\$ 11,703,522	\$ -
Receivables:			
Accounts	257,869	8,844	-
Accrued interest	-	9,190	-
Due from other governments	-	347,707	-
Restricted assets:			
Cash and investments with fiscal agents	-	6,886,153	2,257,196
Deposits with other agencies	-	17,114,546	-
Total Assets	\$ 878,382	\$ 36,069,962	\$ 2,257,196
Liabilities:			
Accounts payable	\$ -	\$ 5,531	\$ -
Deposits payable	878,382	136,199	2,257,196
Due to other funds	-	-	-
Due to bondholders	-	35,928,232	-
Total Liabilities	\$ 878,382	\$ 36,069,962	\$ 2,257,196

CITY OF LAKE ELSINORE

COMBINING STATEMENT OF NET POSITION
ALL AGENCY FUNDS
JUNE 30, 2020

	Destratification	Equipment	Replacement	Totals
Assets:				
Pooled cash and investments	\$ 412,867			\$ 12,736,902
Receivables:				
Accounts			-	266,713
Accrued interest		730		9,920
Due from other governments		100,252		447,959
Restricted assets:				
Cash and investments			-	9,143,349
with fiscal agents			-	17,114,546
Deposits with other agencies				
Total Assets	\$ 513,849			\$ 39,719,389
Liabilities:				
Accounts payable	\$ -			\$ 5,531
Deposits payable	513,849			3,785,626
Due to other funds	-			-
Due to bondholders	-			35,928,232
Total Liabilities	\$ 513,849			\$ 39,719,389

CITY OF LAKE ELSINORE

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
YEAR ENDED JUNE 30, 2020

	Balance July 1, 2019	Additions	Deductions	Balance June 30, 2020
<u>Developer Deposit Trust</u>				
Assets:				
Pooled cash and investments	\$ 2,691,364	\$ 122,315	\$ 2,193,166	\$ 620,513
Receivables:				
Accounts	-	257,869	-	257,869
Total Assets	\$ 2,691,364	\$ 380,184	\$ 2,193,166	\$ 878,382
Liabilities:				
Accounts payable	\$ 110,828	\$ 2,008,327	\$ 2,119,155	\$ -
Deposits payable	2,580,536	500,516	2,202,670	878,382
Total Liabilities	\$ 2,691,364	\$ 2,508,843	\$ 4,321,825	\$ 878,382
<u>Assessment Districts</u>				
Assets:				
Pooled cash and investments	\$ 13,909,690	\$ 28,351,382	\$ 30,557,550	\$ 11,703,522
Receivables:				
Accounts	-	176,452	167,608	8,844
Accrued interest	51,146	9,188	51,144	9,190
Due from other governments	354,339	432,351	438,983	347,707
Restricted assets:				
Cash and investments with fiscal agents	6,948,169	74,106,898	74,168,914	6,886,153
Deposits with other agencies	16,865,352	1,844,936	1,595,742	17,114,546
Total Assets	\$ 38,128,696	\$ 104,921,207	\$ 106,979,941	\$ 36,069,962
Liabilities:				
Accounts payable	\$ 7,137	\$ 18,714,991	\$ 18,716,597	\$ 5,531
Deposits payable	536,005	1,309	401,115	136,199
Due to other funds	-	255,541	255,541	-
Due to bondholders	37,585,554	50,292,099	51,949,421	35,928,232
Total Liabilities	\$ 38,128,696	\$ 69,263,940	\$ 71,322,674	\$ 36,069,962
<u>Lake Maintenance</u>				
Assets:				
Restricted assets:				
Cash and investments with fiscal agents	\$ 1,883,017	\$ 1,537,837	\$ 1,163,658	\$ 2,257,196
Total Assets	\$ 1,883,017	\$ 1,537,837	\$ 1,163,658	\$ 2,257,196
Liabilities:				
Deposits payable	\$ 1,883,017	\$ 1,537,837	\$ 1,163,658	\$ 2,257,196
Total Liabilities	\$ 1,883,017	\$ 1,537,837	\$ 1,163,658	\$ 2,257,196

CITY OF LAKE ELSINORE

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
YEAR ENDED JUNE 30, 2020

	Balance July 1, 2019	Additions	Deductions	Balance June 30, 2020
<u>Destratification Equipment Replacement</u>				
Assets:				
Pooled cash and investments	\$ 408,318	\$ 46,284	\$ 41,735	\$ 412,867
Receivables:				
Accounts	-	52,350	52,350	-
Accrued interest	1,496	730	1,496	730
Due from other governments	52,350	100,252	52,350	100,252
Total Assets	\$ 462,164	\$ 199,616	\$ 147,931	\$ 513,849
Liabilities:				
Accounts payable	\$ 14,026	\$ 7,549	\$ 21,575	\$ -
Deposits payable	448,138	173,074	107,363	513,849
Total Liabilities	\$ 462,164	\$ 180,623	\$ 128,938	\$ 513,849
<u>Totals - All Agency Funds</u>				
Assets:				
Pooled cash and investments	\$ 17,009,372	\$ 28,519,981	\$ 32,792,451	\$ 12,736,902
Receivables:				
Accounts	-	486,671	219,958	266,713
Accrued interest	52,642	9,918	52,640	9,920
Due from other governments	406,689	532,603	491,333	447,959
Restricted assets:				
Cash and investments with fiscal agents	8,831,186	75,644,735	75,332,572	9,143,349
Deposits with other agencies	16,865,352	1,844,936	1,595,742	17,114,546
Total Assets	\$ 43,165,241	\$ 107,038,844	\$ 110,484,696	\$ 39,719,389
Liabilities:				
Accounts payable	\$ 131,991	\$ 20,730,867	\$ 20,857,327	\$ 5,531
Deposits payable	5,447,696	2,212,736	3,874,806	3,785,626
Due to other funds	-	255,541	255,541	-
Due to bondholders	37,585,554	50,292,099	51,949,421	35,928,232
Total Liabilities	\$ 43,165,241	\$ 73,491,243	\$ 76,937,095	\$ 39,719,389



► *Eat, Drink & Shop*

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, 2020

	Private-Purpose Trust Funds		
	Trust - Carl Graves	Successor Agency Private- Purpose Trust Fund	Total
Assets:			
Pooled cash and investments	\$ 57,299	\$ 11,198,932	\$ 11,256,231
Receivables:			
Accrued interest	107	14,687	14,794
Prepaid costs	-	264,898	264,898
Due from other governments	-	20,750	20,750
Land held for resale	-	6,071,897	6,071,897
Deferred charges	-	1,844,326	1,844,326
Restricted assets:			
Cash and investments with fiscal agents	-	96	96
Capital assets:			
Capital assets, not being depreciated	-	2,004,419	2,004,419
Capital assets, net of accumulated depreciation	-	16,612,801	16,612,801
Total Assets	\$ 57,406	\$ 38,032,806	\$ 38,090,212
Liabilities:			
Accounts payable	\$ -	\$ 367,285	\$ 367,285
Accrued interest	-	346,929	346,929
Bonds and loans payable due in one year	-	2,130,000	2,130,000
Long-term liabilities:			
Bonds and loans payable due in more than one year	-	68,553,524	68,553,524
Total Liabilities	\$ -	\$ 71,397,738	\$ 71,397,738
Net Position:			
Held in trust for other purposes	\$ 57,406	\$ (33,364,932)	\$ (33,307,526)
Total Net Position	\$ 57,406	\$ (33,364,932)	\$ (33,307,526)

CITY OF LAKE ELSINORE

COMBINING STATEMENT OF CHANGES IN NET POSITION
 PRIVATE-PURPOSE TRUST FUNDS
 YEAR ENDED JUNE 30, 2020

	Trust - Carl Graves	Successor Agency Private- Purpose Trust Fund	Private- Purpose Trust Funds
Additions:			
Contributions:			
Trust contributions	\$ 1,517	\$ -	\$ 1,517
Taxes	-	15,840,195	15,840,195
Investment earnings	1,624	379,761	381,385
Miscellaneous	-	7,738,603	7,738,603
Total Additions	3,141	23,958,559	23,961,700
Deductions:			
Contractual services	-	4,610,458	
Interest expense	-	6,640,499	
Depreciation expense	-	1,419,436	
Contributions to other governments	-	10,097	10,097
Costs of issuance	-	167,513	167,513
Total Deductions	-	12,848,003	12,848,003
Changes in Net Position	3,141	11,110,556	11,113,697
Net Position - Beginning of the Year	54,265	(44,475,488)	(44,421,223)
Net Position - End of the Year	\$ 57,406	\$ (33,364,932)	\$ (33,307,526)



STATISTICAL SECTION





City of Lake Elsinore, California

Statistical Section Contents

June 30, 2020

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	188-199
Revenue Capacity These schedules contain information to help the reader assess the government's most significant local revenue sources, sales taxes and property tax.	200-207
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.	215-217
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.	218-220

City of Lake Elsinore, California

Net Position By Component

Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year			
	2011	2012	2013	2014
GOVERNMENTAL ACTIVITIES				
Net Investment in Capital Assets	\$ 141,427,875	\$ 134,976,102	\$ 147,176,443	\$ 131,965,428
Restricted	134,777,767	141,619,986	75,129,411	74,462,124
Unrestricted	<u>(110,573,961)</u>	<u>(48,524,474)</u>	<u>(2,804,065)</u>	<u>7,500,328</u>
Total Governmental Activities Net Position	<u>\$ 165,631,681</u>	<u>\$ 228,071,614</u>	<u>\$ 219,501,789</u>	<u>\$ 213,927,880</u>
BUSINESS-TYPE ACTIVITIES				
Net Investment in Capital Assets	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-
Unrestricted	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Business-type Activities Net Position	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
PRIMARY GOVERNMENT				
Net Investment in Capital Assets	\$ 141,427,875	\$ 134,976,102	\$ 147,176,443	\$ 131,965,428
Restricted	134,777,767	141,619,986	75,129,411	74,462,124
Unrestricted	<u>(110,573,961)</u>	<u>(48,524,474)</u>	<u>(2,804,065)</u>	<u>7,500,328</u>
Total Primary Government Net Position	<u>\$ 165,631,681</u>	<u>\$ 228,071,614</u>	<u>\$ 219,501,789</u>	<u>\$ 213,927,880</u>

Source: City Finance Department

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

Fiscal Year					
2015	2016	2017	2018	2019	2020
\$ 137,914,627	\$ 145,170,561	\$ 146,735,654	\$ 142,754,254	\$ 147,000,319	\$ 147,522,397
90,537,124	75,054,285	90,363,046	92,281,048	94,960,776	105,362,660
(12,503,489)	(10,180,146)	(12,062,216)	(13,553,724)	(26,768,225)	(31,045,124)
\$ 215,948,262	\$ 210,044,700	\$ 225,036,484	\$ 221,481,578	\$ 215,192,870	\$ 221,839,933
\$ -	\$ -	\$ -	\$ -	\$ 17,255,744	\$ 27,049,079
-	-	-	-	-	-
-	-	-	-	(506,148)	(10,434,316)
\$ -	\$ -	\$ -	\$ -	\$ 16,749,596	\$ 16,614,763
\$ 137,914,627	\$ 145,170,561	\$ 146,735,654	\$ 142,754,254	\$ 164,256,063	\$ 174,571,476
90,537,124	75,054,285	90,363,046	92,281,048	94,960,776	105,362,660
(12,503,489)	(10,180,146)	(12,062,216)	(13,553,724)	(27,274,373)	(41,479,440)
\$ 215,948,262	\$ 210,044,700	\$ 225,036,484	\$ 221,481,578	\$ 231,942,466	\$ 238,454,696

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

	Fiscal Year			
	2011	2012	2013	2014
EXPENSES				
Governmental Activities:				
General Government	\$ 11,079,707	\$ 11,944,507	\$ 8,833,983	\$ 7,836,775
Public Safety	11,212,605	11,911,363	12,684,631	14,485,711
Community Development	16,060,065	4,989,313	10,242,652	9,079,863
Community Services	4,704,242	7,010,026	4,416,500	4,819,153
Public Services	8,145,956	9,834,764	10,359,134	10,610,540
Interest on Long-term Debt	<u>7,674,342</u>	<u>8,835,312</u>	<u>6,451,470</u>	<u>6,330,889</u>
Total Governmental Activities Expenses	<u>58,876,917</u>	<u>54,525,285</u>	<u>52,988,370</u>	<u>53,162,931</u>
Business-type Activities:				
Launch Pointe	-	-	-	-
Total Business-type Activities Expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Primary Government Expenses	<u>\$ 58,876,917</u>	<u>\$ 54,525,285</u>	<u>\$ 52,988,370</u>	<u>\$ 53,162,931</u>
PROGRAM REVENUES				
Governmental Activities:				
Charges for Services:				
General Government	3,167,346	3,035,324	456,760	460,808
Public Safety	-	-	700,069	1,067,440
Community Development	1,508,526	1,247,117	4,381,899	5,018,102
Community Services	1,586,602	1,578,318	2,822,458	3,112,662
Public Services	-	-	1,117,800	1,574,245
Operating Grants and Contributions	3,292,972	3,306,452	12,172,208	20,954,573
Capital Grants and Contributions	6,573,426	4,539,293	9,587,008	6,485,279
Total Governmental Activities Program Revenues	<u>16,128,872</u>	<u>13,706,504</u>	<u>31,238,202</u>	<u>38,673,109</u>
Business-type Activities:				
Launch Pointe	-	-	-	-
Total Business-type Activities Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Primary Government Revenues	<u>\$ 16,128,872</u>	<u>\$ 13,706,504</u>	<u>\$ 31,238,202</u>	<u>\$ 38,673,109</u>
NET REVENUES (EXPENSES)				
Governmental Activities	(42,748,045)	(40,818,781)	(21,750,168)	(14,489,822)
Business-type Activities	-	-	-	-
Total Net Revenues (Expenses)	<u>\$ (42,748,045)</u>	<u>\$ (40,818,781)</u>	<u>\$ (21,750,168)</u>	<u>\$ (14,489,822)</u>

Source: City Finance Department

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

Fiscal Year						
	2015	2016	2017	2018	2019	2020
\$	8,617,841	\$ 6,477,776	\$ 8,904,130	\$ 5,856,845	\$ 5,497,097	\$ 7,415,903
18,626,488	19,098,659	21,218,964	20,963,229	21,143,285	22,051,425	
7,391,688	4,005,355	4,807,685	5,000,426	5,257,082	4,874,909	
4,652,536	5,411,152	9,791,967	3,313,875	3,003,809	2,751,936	
11,162,854	18,668,180	14,148,801	43,153,162	23,303,523	21,486,942	
8,097,248	11,204,357	11,832,732	11,463,403	11,340,371	14,659,186	
58,548,655	64,865,479	70,704,279	89,750,940	69,545,167	73,240,301	
-	-	-	-	-	1,588,992	4,219,772
-	-	-	-	-	1,588,992	4,219,772
\$ 58,548,655	\$ 64,865,479	\$ 70,704,279	\$ 89,750,940	\$ 71,134,159	\$ 77,460,073	
1,464,689	734,034	1,726,741	2,666,057	1,478,132	2,288,038	
1,427,632	1,922,602	2,665,603	1,716,350	1,605,806	1,468,446	
3,905,472	4,660,580	8,727,675	9,727,246	7,534,732	7,916,155	
2,405,100	2,977,699	858,119	759,254	490,827	435,120	
2,329,172	2,977,138	5,504,572	2,609,931	2,494,149	4,146,898	
20,141,320	19,883,338	5,496,146	8,599,061	10,045,467	16,522,110	
21,044,552	5,901,491	30,389,367	30,754,329	20,188,402	11,440,911	
52,717,937	39,056,882	55,368,223	56,832,228	43,837,515	44,217,678	
-	-	-	-	-	249,194	2,105,505
-	-	-	-	-	249,194	2,105,505
\$ 52,717,937	\$ 39,056,882	\$ 55,368,223	\$ 56,832,228	\$ 44,086,709	\$ 46,323,183	
(5,830,718)	(25,808,597)	(15,336,056)	(32,918,712)	(25,707,652)	(29,022,623)	
-	-	-	-	(1,339,798)	(2,114,267)	
\$ (5,830,718)	\$ (25,808,597)	\$ (15,336,056)	\$ (32,918,712)	\$ (27,047,450)	\$ (31,136,890)	

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

	Fiscal Year			
	2011	2012	2013	2014
GENERAL REVENUES				
Governmental Activities				
Taxes				
Property Taxes	\$ 24,237,023	\$ 14,698,032	\$ 5,804,265	\$ 5,487,743
Sales Taxes	7,190,695	7,444,947	6,935,215	8,031,486
Franchise Taxes	1,913,807	2,002,550	2,097,081	2,275,619
Other Taxes	483,556	538,402	567,560	760,203
Fines, Forfeitures and Penalties	972,457	1,850,398	592,185	507,265
Investment Earnings	7,782,639	8,031,256	689,149	574,477
Miscellaneous	5,705,412	6,992,813	688,105	1,054,958
Special Item				
Loss on CFD and AD Investments	-	-	-	(9,880,891)
Extraordinary Item				
Gain on Dissolution of Redevelopment Agency	-	61,700,316	-	-
Total Governmental Activities	<u>48,285,589</u>	<u>103,258,714</u>	<u>17,373,560</u>	<u>8,810,860</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>48,285,589</u>	<u>103,258,714</u>	<u>17,373,560</u>	<u>8,810,860</u>
CHANGES IN NET POSITION				
Governmental Activities	5,537,544	62,439,933	(4,376,008)	(5,678,962)
Business-type Activities	-	-	-	-
Total Changes in Net Position	<u>\$ 5,537,544</u>	<u>\$ 62,439,933</u>	<u>\$ (4,376,008)</u>	<u>\$ (5,678,962)</u>

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

Fiscal Year						
	2015	2016	2017	2018	2019	2020
\$	6,276,548	\$ 6,537,540	\$ 7,380,594	\$ 8,030,862	\$ 7,986,053	\$ 8,990,543
8,572,066	9,939,637	9,745,714	10,071,435	11,057,497	10,896,995	
2,389,413	2,423,707	2,297,401	2,477,400	2,553,006	2,587,128	
767,058	838,364	598,126	560,150	577,805	654,044	
683,573	-	-	-	-	-	
966,365	925,517	11,247,531	13,191,802	12,468,683	11,258,137	
1,022,472	706,094	2,745,222	3,026,724	3,785,183	2,960,909	
(4,502,385)	-	-	-	-	-	
-	16,175,110	21,370,859	34,014,588	37,358,373	38,428,227	37,347,756
-	-	-	-	-	160	255
-	-	-	-	-	636	6,107
-	-	-	-	-	796	6,362
16,175,110	21,370,859	34,014,588	37,358,373	38,429,023	37,354,118	
10,344,392	(4,437,738)	18,678,532	4,439,661	12,720,575	6,352,063	
-	-	-	-	(1,339,002)	(134,833)	
\$ 10,344,392	\$ (4,437,738)	\$ 18,678,532	\$ 4,439,661	\$ 11,381,573	\$ 6,217,230	

City of Lake Elsinore, California
Fund Balances of Governmental Funds

Last Ten Fiscal Years
 (modified accrual basis of accounting)

	Fiscal Year			
	2011	2012	2013	2014
GENERAL FUND				
Nonspendable	\$ 4,027,179	\$ 2,505,503	\$ 1,821,906	\$ 1,264,392
Unassigned	10,788,602	11,826,885	12,017,317	10,488,843
Total General Fund	<u>\$ 14,815,781</u>	<u>\$ 14,332,388</u>	<u>\$ 13,839,223</u>	<u>\$ 11,753,235</u>
ALL OTHER GOVERNMENTAL FUNDS				
Nonspendable	\$ 84,348,929	\$ 76,688,811	\$ 20,003	\$ 20,003
Restricted	105,281,543	79,292,713	202,134,812	199,162,404
Assigned	11,255,852	12,548,403	1,034,681	1,232,105
Unassigned	(38,062,318)	(987,601)	(905,426)	(1,014,226)
Total All Other Governmental Funds	<u>\$ 162,824,006.00</u>	<u>\$ 167,542,326</u>	<u>\$ 202,284,070</u>	<u>\$ 199,400,286</u>

Source: City Finance Department

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

Fiscal Year					
2015	2016	2017	2018	2019	2020
\$ 1,016,468 10,954,475	\$ 1,029,015 11,365,894	\$ 1,096,846 11,512,307	\$ 1,031,385 10,807,854	\$ 1,077,168 11,067,741	\$ 1,023,165 11,035,706
\$ 11,970,943	\$ 12,394,909	\$ 12,609,153	\$ 11,839,239	\$ 12,144,909	\$ 12,058,871

\$ 132,037 335,415,122 1,929,497 (1,316,398)	\$ 124,177 303,860,121 1,548,764 (891)	\$ 979,130 302,110,933 9,313,282 (94,936)	\$ 182,018 293,344,990 17,628,221 -	\$ 171,532 267,464,772 13,188,627 (770,278)	\$ 239,195 246,825,586 11,342,404 (708,284)
\$ 336,160,258	\$ 305,532,171	\$ 312,308,409	\$ 311,155,229	\$ 280,054,653	\$ 257,698,901

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

	Fiscal Year			
	2011	2012	2013	2014
REVENUES				
Property Taxes	\$ 24,443,046	\$ 14,738,584	\$ 5,844,498	\$ 5,495,091
Other Taxes	9,557,873	9,911,400	9,572,675	11,043,792
Special Assessments	1,586,602	1,578,318	1,585,606	1,641,557
Licenses, Permits and Fees	3,291,938	2,908,091	4,999,154	5,936,900
Intergovernmental Revenues	4,680,095	6,193,777	5,055,511	5,582,705
Charges for Services	1,383,934	1,374,351	1,746,713	2,409,558
Fines, Forfeitures and Penalties	972,457	1,850,398	927,315	931,168
Investment Earnings	7,147,497	7,180,018	12,122,739	10,315,842
Contributions from Property Owners	5,352,614	1,221,184	8,079,739	5,985,053
Miscellaneous	5,608,837	7,384,749	3,469,837	3,545,812
Total Revenues	64,024,893	54,340,870	53,403,787	52,887,478
EXPENDITURES				
Current:				
General Government	8,904,165	7,467,755	5,871,649	4,788,505
Public Safety	11,212,605	11,911,364	12,339,592	14,093,095
Community Development	18,805,484	1,608,782	2,925,329	3,407,415
Community Services	3,714,646	5,963,873	4,281,401	4,363,257
Public Services	6,221,286	7,800,095	6,772,010	7,107,120
Pass-through Payments	7,655,170	3,542,473	-	-
Set Aside Suspension	-	-	-	-
SERAFF Payments	1,436,411	-	-	-
Capital Outlay	2,931,038	10,268,753	10,889,810	8,992,686
Debt Service:				
Payment to Escrow Agent	1,832,080	-	-	-
Bond Issuance Costs	1,874,527	238,290	1,260,059	1,485,399
Principal Retirement	6,928,822	6,091,578	5,725,000	18,385,000
Interest and Fiscal Charges	9,046,095	7,951,971	6,081,766	6,091,389
Total Expenditures	80,562,329	62,844,934	56,146,616	68,713,866
Excess (Deficiency) of Revenues Over (Under) Expenditures	(16,537,436)	(8,504,064)	(2,742,829)	(15,826,388)
OTHER FINANCING SOURCES (USES)				
Transfers In	6,186,205	2,509,613	2,235,297	1,851,084
Transfers Out	(6,186,205)	(2,509,613)	(2,235,297)	(1,851,084)
Debt Issuance	-	-	-	-
Loans Issued	47,780,000	-	-	-
Loan Payments	(27,495,000)	-	-	-
Premiums	-	-	120,640	14,460,000
Discounts	(621,302)	(30,000)	(23,125)	(149,044)
Refunding Bonds Issued	29,435,000	1,405,000	27,760,000	25,335,000
Certificates of Participation Issued	-	-	-	-
Capital Leases	-	-	-	-
Tax Allocation Bonds Issued	10,160,000	-	-	-
Sale of Capital Assets	-	-	-	-
Payment to Refunded Bond Escrow Agent	(25,662,920)	(1,345,000)	(3,244,386)	(19,013,502)
Total Other Financing Sources (Uses)	33,595,778	30,000	24,613,129	20,632,454
Net Change in Fund Balances before Special and Extraordinary Items	17,058,342	(8,474,064)	21,870,300	4,806,066
Extraordinary/Special Items	-	11,708,991	-	(9,880,891)
Net Change in Fund Balances	\$ 17,058,342	\$ 3,234,927	\$ 21,870,300	\$ (5,074,825)
Debt Service as a Percentage of Noncapital Expenditures	25%	27%	29%	40%

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						
	2015	2016	2017	2018	2019	2020
\$	6,249,786	\$ 6,551,939	\$ 7,380,594	\$ 8,030,862	\$ 7,986,053	\$ 8,990,543
11,705,293	13,178,135	12,697,359	13,108,985	14,188,308	14,138,167	
1,671,595	1,680,980	1,790,941	2,407,266	4,140,542	4,387,754	
4,655,325	6,894,107	7,465,474	4,524,328	3,582,357	5,429,574	
5,812,486	6,807,169	6,846,125	9,585,606	9,627,086	11,276,362	
3,189,138	2,453,380	2,826,491	5,402,235	3,349,474	4,289,633	
1,088,411	1,103,154	2,289,357	913,658	874,765	714,922	
7,972,858	11,117,857	10,410,765	10,364,291	13,644,848	11,677,989	
22,535,167	6,219,934	29,339,769	28,853,494	17,974,870	13,222,683	
4,099,189	3,574,278	6,630,285	8,102,050	7,316,907	7,773,055	
68,979,248	59,580,933	87,677,160	91,292,775	82,685,210	81,900,682	
4,611,722	5,318,933	6,345,498	5,233,031	5,323,480	6,408,283	
18,163,150	18,614,077	20,751,331	20,507,870	20,724,268	21,627,645	
6,200,761	4,164,059	4,395,026	4,730,692	5,198,035	4,911,754	
4,174,545	4,984,422	3,963,912	2,577,291	2,242,136	2,433,529	
6,551,578	6,345,398	13,968,654	34,578,033	16,849,015	14,483,225	
-	-	-	-	-	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
11,123,256	20,106,238	21,241,461	13,364,601	31,718,978	21,291,104	
-	982,386	-	-	-	-	
2,445,261	6,515	-	-	-	-	
7,165,000	7,375,000	8,315,000	8,935,000	34,065,000	40,110,811	
6,231,581	11,468,287	11,797,719	11,882,322	11,796,303	14,406,554	
66,666,854	79,365,315	90,778,601	101,808,840	127,917,215	125,672,905	
2,312,394	(19,784,382)	(3,101,441)	(10,516,065)	(45,232,005)	(43,772,223)	
10,947,946	18,142,559	24,483,943	11,523,931	16,851,815	12,958,707	
(10,947,946)	(19,791,262)	(24,802,020)	(11,523,931)	(8,510,790)	(14,658,799)	
-	-	10,410,000	7,975,000	-	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
12,151,673	-	-	-	-	2,715,525	
(96,307)	-	-	-	-	-	
137,845,000	-	-	-	-	20,020,000	
7,965,000	-	-	-	3,459,380	-	
-	-	-	-	-	-	
13,362	14,743	-	14,502	3,557,379	-	
(18,542,280)	-	-	-	-	-	
139,336,448	(1,633,960)	10,091,923	7,989,502	15,357,784	21,035,433	
141,648,842	(21,418,342)	6,990,482	(2,526,563)	(29,874,221)	(22,736,790)	
(4,502,385)	(7,319,955)	-	-	-	-	
\$ 137,146,457	\$ (28,738,297)	\$ 6,990,482	\$ (2,526,563)	\$ (29,874,221)	\$ (22,736,790)	

24%

28%

29%

23%

48%

52%



► Eat, Drink & Shop

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
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
2020	8,990,543	10,896,995	2,587,128	654,044	23,128,710

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
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
2020	2,887,048	1,681,429	666,683	1,142,999	1,029,994

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
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
1,088,448	693,530	(12,093)	9,178,038

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

AGENCY	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
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	0.01900	0.01900	0.01900	0.01900
Menifee School Dist.	0.03436	0.03486	0.03543	0.03421	0.03275	0.03010	0.03269	0.06080	0.06303	0.06277
Metro Water East	0.00370	0.00370	0.00350	0.00350	0.00350	0.00350	0.00000	-	-	-
Metro Water West	0.00370	0.00370	0.00350	0.00350	0.00350	0.00350	0.00000	-	-	-
Metro Water Original Area	-	-	-	-	-	-	0.00	0.00350	0.00350	0.00350
Mt. San Jacinto Jr. College	-	-	-	-	-	0.01	0.01320	0.01320	0.01320	0.01320
Perris School Dist.	0.01983	0.01983	0.01800	0.02524	0.05588	0.04699	0.05491	0.06000	0.05754	0.05867
Perris Union High School	0.03126	0.03429	0.03429	0.06970	0.06303	0.06236	0.06092	0.05675	0.05243	0.08244
Total Direct & Overlapping ² Tax Rates	1.09285	1.09638	1.09472	1.13615	1.15866	1.16039	1.16522	1.21325	1.20870	1.23958
City's Share of 1% Levy Per Prop 13 ³	0.17415	0.17415	0.17415	0.17415	0.17415	0.17415	0.17415	0.07576	0.05007	0.05007
GENERAL OBLIGATION DEBT RATE										
RDA Basic Rate ⁴	1.00370	1.00370	0.00000	-	-	-	-	-	-	-
Total Direct Rate ⁵	0.53306	0.52110	0.51923	0.08908	0.08528	0.08349	0.08181	0.08025	0.07862	0.07821

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 2010/11 - 2019/20 Tax Rate Table

City of Lake Elsinore, California
Principal Property Tax Payers
 Current Year Compared to 2011

TAXPAYER	Fiscal Year 2020			Fiscal Year 2011		
	Taxable Assessed Value	Rank	Percent of Total City Taxable Assessed Value⁽¹⁾	Taxable Assessed Value	Rank	Percent of Total City Taxable Assessed Value⁽²⁾
Ridgestone Partners LP	\$ 50,868,873	1	0.78%	\$	-	0.00%
Pacific Castle Lake Elsinore Partners	30,895,279	2	0.47%		-	0.00%
Rivers Edge Apartments	26,486,818	3	0.40%		-	0.00%
Half Canyon Hills Market Place I	25,351,414	4	0.39%		-	0.00%
Walmart Stores Inc	25,107,553	5	0.38%		-	0.00%
Mohr Affinity, LLC	25,023,320	6	0.38%		-	0.00%
HGEF Holding Company LLC	24,986,976	7	0.38%		-	0.00%
Costco Wholesale Corporation	18,991,113	8	0.29%		-	0.00%
Castle and Cooke Lake Elsinore West Inc.	17,877,569	9	0.27%		-	0.00%
Lowes HIW Inc	16,881,505	10	0.26%		-	0.00%
100 East Wisconsin Avenue JV	-		0.00%	50,489,413	1	1.29%
Castle and Cooke Lake Elsinore Outlet	-		0.00%	43,437,742	2	1.11%
Pacific Aggregates Inc	-		0.00%	42,463,999	3	1.08%
Castle and Cooke Lake Elsinore West	-		0.00%	38,144,168	4	0.97%
Broadstone Rivers Edge	-		0.00%	28,042,552	5	0.71%
JPMCC 2006-LDP6 Lake Elsinore	-		0.00%	24,847,661	6	0.63%
Pacific Clay Products Inc	-		0.00%	19,525,386	7	0.50%
McMillin Summerly LLC	-		0.00%	18,368,067	9	0.47%
Federal National Mortgage Association	-		0.00%	17,159,617	10	0.44%
Centex Homes	-		0.00%	17,084,122		0.43%
	\$ 262,470,420		4.01%	\$ 299,562,727		7.62%

(1) 2019-20 Total City Taxable Assessed Valuation: \$ 6,552,949,033

(2) 2010-11 Total City Taxable Assessed Valuation \$ 3,928,751,948

Source: Riverside County Assessor 2019/20 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
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%	50,111	2,688,349	98.85%
2020	3,032,233	2,910,460	95.98%	-	2,910,460	95.98%

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	
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
2020	6,550,002,491	117,440,229	(114,493,687)	6,552,949,033

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 2019/20 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>
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%
n/a	n/a	n/a	n/a	7.82100%

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

Fiscal Year Ended June 30	Governmental Activities				
	Local Agency Revenue Bonds	Tax Allocation Bonds	Subordinate Tax Allocation Bonds	Revenue/ Revenue Refunding Bonds	Developer/ Owner Agreements
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	-
2020	166,796,580	15,590,525	-	19,889,578	-

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
-	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%	4,121
6,946,903	-	3,459,380	230,024,775	19.40%	3,654
6,697,558	-	3,403,569	212,377,810	17.91%	3,347

City of Lake Elsinore, California
Direct and Overlapping Bonded Debt
June 30, 2020

2019-20 Assessed Valuation	\$ 6,552,949,033	Percentage Applicable (1)	Outstanding Debt 6/30/20	City's Share of Overlapping Debt 6/30/20
OVERLAPPING TAX AND ASSESSMENT DEBT:				
DIRECT OVERLAPPING TAX AND ASSESSMENT DEBT				
City of Lake Elsinore Community Facilities District No.88-3	100%	2,235,000	2,235,000	
City of Lake Elsinore Community Facilities District No. 90-2	100%	4,890,000	4,890,000	
City of Lake Elsinore Community Facilities District No. 95-1	100%	660,000	660,000	
City of Lake Elsinore Community Facilities District No. 98-1	100%	10,590,000	10,590,000	
City of Lake Elsinore Community Facilities District No. 2003-2 I-A A, B, C, D & E	100%	67,430,000	67,430,000	
City of Lake Elsinore Community Facilities District No. 2004-3	100%	40,380,000	40,380,000	
City of Lake Elsinore Community Facilities District No. 2005-1	100%	7,005,000	7,005,000	
City of Lake Elsinore Community Facilities District No. 2005-2	100%	19,565,000	19,565,000	
City of Lake Elsinore Community Facilities District No. 2005-5	100%	3,025,000	3,025,000	
City of Lake Elsinore Community Facilities District No. 2005-6	100%	2,565,000	2,565,000	
City of Lake Elsinore Community Facilities District No. 2006-1 Improvement Areas	100%	28,940,000	28,940,000	
City of Lake Elsinore Community Facilities District No. 2006-2	100%	5,345,000	5,345,000	
City of Lake Elsinore Community Facilities District No. 2007-4	68.670%	2,635,000	1,809,455	
City of Lake Elsinore Community Facilities District No. 2007-5	100%	1,720,000	1,720,000	
City of Lake Elsinore Community Facilities District No. 2015-5	100%	2,165,000	2,165,000	
City of Lake Elsinore Community Facilities District No. 2016-2	100%	19,690,000	19,690,000	
City of Lake Elsinore 1915 Act Bonds	100%	11,330,000	11,330,000	
TOTAL DIRECT OVERLAPPING TAX AND ASSESSMENT DEBT				
OTHER OVERLAPPING TAX AND ASSESSMENT DEBT				
Riverside County Flood Control District, Zone No. 4	0.899%	12,530,000	112,645	
Metropolitan Water District	0.213%	37,300,000	79,449	
Mount San Jacinto Community College District	6.855%	164,385,000	11,268,592	
Perris Union High School District	2.919%	246,840,871	7,205,285	
Menifee Union School District	4.692%	93,889,720	4,405,306	
Perris School District	0.068%	36,286,242	24,675	
Lake Elsinore Unified School District CFDs	45.007%	51,070,000	22,985,075	
Lake Elsinore Unified School District Community Facilities Districts	100%	58,166,576	58,166,576	
Perris Union High School District CFD No. 92-1	8.474%	33,400,000	2,830,316	
Elsinore Valley Metropolitan Water District CFD No. 2003-1	100%	2,904,000	2,904,000	
TOTAL OTHER OVERLAPPING TAX AND ASSESSMENT DEBT				
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT				
DIRECT AND OVERLAPPING GENERAL FUND DEBT:				
DIRECT GENERAL FUND DEBT				
City of Lake Elsinore General Fund Obligation	100%	\$ 212,377,810	\$ 212,377,810	
TOTAL DIRECT GENERAL FUND DEBT				
OVERLAPPING GENERAL FUND DEBT				
Riverside County General Fund Obligations	2.230%	\$ 759,807,924	\$ 16,943,717	
Riverside County Pension Obligations	2.230%	938,825,000	20,935,798	
Perris Union High School District General Fund Obligations	2.919%	41,287,307	1,205,176	
Menifee and Perris School District Certificates of Participation	4.692 & 0.068%	52,140,612	2,205,296	
Western Municipal Water District	4.77%	7,817,855	372,834	
TOTAL OVERLAPPING GENERAL FUND DEBT				
TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT				
OVERLAPPING TAX INCREMENT DEBT (SUCCESSOR AGENCY):				
Total Direct General Fund Debt				\$ 212,377,810
Total Gross Overlapping Debt				\$ 417,604,192
Gross Combined Total Debt (2)				\$ 629,982,002

Ratios to 2019-20 Assessed Valuation:

Total Direct Debt (\$212,377,810)	3.24%
Gross Combined Total Debt	6.37%
Net Combined Total Debt	9.61%

Ratios to Redevelopment Incremental Valuation (\$2,923,134,923):

Total Overlapping Tax Increment Debt	1.25%
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City of Lake Elsinore, California
Direct and Overlapping Bonded Debt
June 30, 2020

Direct and Overlapping Bonded Debt (continued)

Notes:

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

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

Source: California Municipal Statistics

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

	Fiscal Year			
	2011	2012	2013	2014
Assessed Valuation	\$ 3,928,751,948	\$ 3,923,526,176	\$ 3,834,397,783	\$ 4,031,499,407
Conversion Percentage	25%	25%	25%	25%
Adjusted Assessed Valuation	982,187,987	980,881,544	958,599,446	1,007,874,852
Debt Limit Percentage	15%	15%	15%	15%
Debt Limit	147,328,198	147,132,232	143,789,917	151,181,228
Total Net Debt Applicable to Limitation	-	-	-	-
Legal Debt Margin	<u>\$ 147,328,198</u>	<u>\$ 147,132,232</u>	<u>\$ 143,789,917</u>	<u>\$ 151,181,228</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					
2015	2016	2017	2018	2019	2020
\$ 4,494,905,138	\$ 4,804,948,961	\$ 5,212,031,340	\$ 5,598,768,413	\$ 6,143,510,436	\$ 6,552,949,033
25%	25%	25%	25%	25%	25%
1,123,726,285	1,201,237,240	1,303,007,835	1,399,692,103	1,535,877,609	1,638,237,258
15%	15%	15%	15%	15%	15%
168,558,943	180,185,586	195,451,175	209,953,815	230,381,641	245,735,589
-	-	-	-	-	-
\$ 180,185,586	\$ 180,185,586	\$ 195,451,175	\$ 209,953,815	\$ 230,381,641	\$ 245,735,589
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			Tax Allocation Bonds	
		Debt Service		Coverage		
		Principal	Interest			
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	
2020	13,699,276	26,340,000	2,661,996	0.47	36,615,000	

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)
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%
2020	63,453	1,449,105	22,837	3.9%

Sources:

HDL, Coren & Cone

(1) Population: California State Department of Finance

(2, 3) Income Data: ESRI - Demographic Estimates are based on the last available Census. Projections are developed by incorporating all of the prior census data released to date.

(4) Unemployment Date: California State Employment Development Department

City of Lake Elsinore, California

Principal Employers

Current Year Compared to 2011

	2020		2011	
	Number of Employees	Percent of Total Employment*	Number of Employees	Percent of Total Employment*
EMPLOYMENT				
Estimated Total Employment	30,600 (1)		24,300 (1)	
EMPLOYER				
Lake Elsinore Unified School District	2,598	8.49%	1,526	6.28%
M & M Framing	500	1.63%	- (2)	0.00%
Stater Bros (3 locations)	293	0.96%	305	1.26%
Lake Elsinore Hotel & Casino	230	0.75%	150	0.62%
Costco	311	1.02%	201	0.83%
Walmart Store	250	0.82%	245	1.01%
Riverside County - Department of Social Services	166	0.54%	160	0.66%
EVMWD (Elsinore Valley Mun Water Dist)	154	0.50%	170	0.70%
Home Depot	143	0.47%	160	0.66%
Target	135	0.44%	150	0.62%
Total Top 10 Employers	4,780	15.62%	3,067	12.62%

Notes:

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

(2) Data not available or Company not in business for 2011

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	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Government	17	24	22	24	20	20	21	22	19	21
Community Services (Includes Public Works)	47	42	43	47	45	51	61	53	72	59
Community Development	11	10	14	14	18	20	19	21	28	25
Total	75	76	79	85	83	91	101	96	101	105

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			
	2011	2012	2013	2014
Police				
Lake Related Boating Enforcement Citations	244	384	204	425
Hazardous Traffic Violations	1,200	1,358	2,155	2,848
DUI Arrests	n/a	241	216	197
Fire				
Calls	3,950	3,944	4,554	4,484
Fire Suppression Equipment	3	3	4	4
Public Works				
Centerline Miles of Paved Surface Streets Maintained	173	174	189	189
Centerline Miles of Dirt Surface Streets Maintained	9	9	9	9
Weed Abatement-Lots Cleaned	470	452	360	414
Community Development				
Construction Permits Issued	829	760	909	972
Property Value Per Permits (Estimated in 000's)	\$ 50,899	\$ 43,381	\$ 124,755	\$ 121,773
New Home Building Permits Issued	223	210	660	626
Parks and Recreation				
Daily Lake Use Passes Sold	19,577	20,702	21,413	20,183

n/a=not available

Source: City of Lake Elsinore, Various Departments

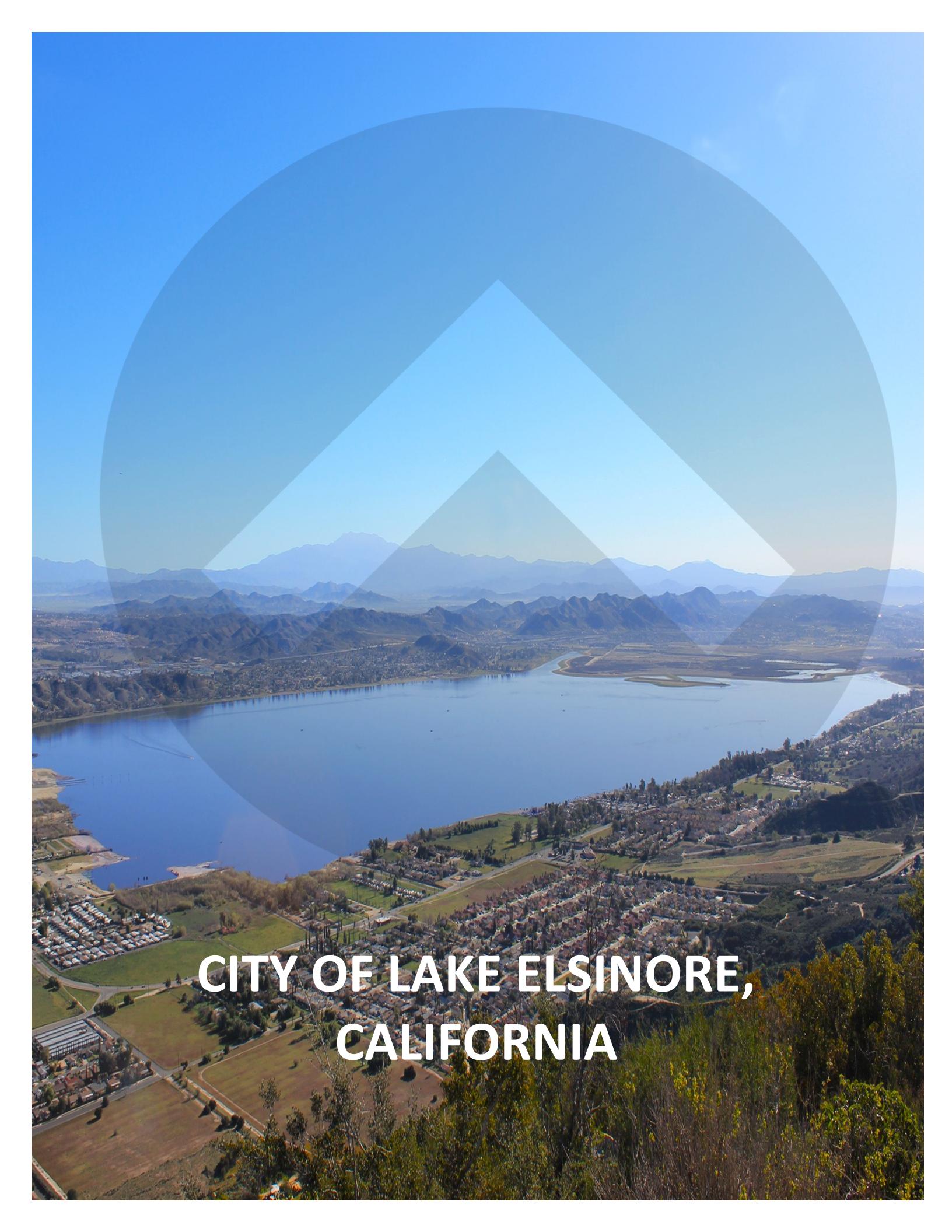
City of Lake Elsinore, California
Operating Indicators by Function (continued)

Fiscal Year						
2015	2016	2017	2018	2019	2020	
419	597	134	51	105	203	
3,338	3,711	4,141	2,821	3,445	2,229	
179	137	140	111	133	204	
4,456	5,110	5,249	5,868	5,923	6,149	
4	4	3	3	3	3	
189	254	254	254	254	254	
9	9	9	9	9	9	
227	204	116	68	54	176	
735	2,022	2,933	3,455	2,174	2,262	
\$ 71,664	\$ 104,923	\$ 188,892	\$ 195,698	\$ 90,379	\$ 126,878	
346	410	449	534	143	253	
14,996	11,427	11,278	14,394	10,319	23,024	

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

FUNCTION	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Police Stations	1	1	1	1	1	1	1	1	1	1
Fire Fire Stations	3	3	4	4	4	4	4	3	3	3
Public Works Street Miles	157	157	157	157	157	254	254	254	254	254
Lake, Parks & Recreation Parks and River Walk	17	17	17	17	17	18	18	18	19	20
Beaches and Recreation Facilities	10	10	10	10	10	10	10	10	10	11
Libraries	2	2	2	2	2	2	2	2	2	2
Stadium Amphitheater Seats	6,600	6,600	6,600	6,600	6,600	6,600	6,600	6,600	6,600	6,600
Lake Surface Acres	3,300	3,300	3,300	3,300	3,300	3,300	3,300	3,300	3,300	3,300
Lakeshore Miles	10.5	10.5	10.5	10.5	10.5	10.5	10.5	10.5	10.5	10.5

Source: City of Lake Elsinore, Various Departments



A large, semi-transparent graphic element is overlaid on the image. It consists of a circle with a triangular cutout in the center, creating a shape reminiscent of a stylized eye or a target. The circle is a light blue color, and the triangular cutout is a slightly darker shade of blue. The graphic is positioned in the upper half of the image, centered over the lake and mountains.

CITY OF LAKE ELSINORE, CALIFORNIA