

**CITY OF LAKE ELSINORE,  
CALIFORNIA  
ANNUAL COMPREHENSIVE  
FINANCIAL REPORT  
FISCAL YEAR ENDED  
JUNE 30, 2021**



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



Cover is a picture of Walker Canyon during Lake Elsinore's 2019 Poppy Super Bloom.

CITY OF LAKE ELSINORE, CALIFORNIA  
ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE YEAR ENDED  
JUNE 30, 2021

Prepared by:  
Department of Administrative Services  
Finance Division



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CITY OF LAKE ELSINORE  
ANNUAL COMPREHENSIVE FINANCIAL REPORT  
FOR THE YEAR ENDED JUNE 30, 2021

TABLE OF CONTENTS

	<u>Page(s)</u>
INTRODUCTORY SECTION	
Letter of Transmittal .....	i
Governmental Finance Officers Association Certificate of Achievement For Excellence in Financial Reporting .....	xix
Organization Chart .....	xx
Directory of City Officials .....	xxi
Location Map .....	xxii
FINANCIAL SECTION	
Independent Auditors' Report .....	1
Management's Discussion and Analysis (Unaudited) .....	7
BASIC FINANCIAL STATEMENTS	
Government-Wide Financial Statements	
Statement of Net Position .....	21
Statement of Activities .....	22
Fund Financial Statements	
Governmental Fund Financial Statements	
Balance Sheet – Governmental Funds .....	24
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position .....	27
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds .....	28
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities and Changes in Net Position .....	31
Proprietary Fund Financial Statements	
Statement of Net Position – Proprietary Funds .....	32
Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds .....	33
Statement of Cash Flows – Proprietary Funds .....	34

CITY OF LAKE ELSINORE  
ANNUAL COMPREHENSIVE FINANCIAL REPORT  
FOR THE YEAR ENDED JUNE 30, 2021

TABLE OF CONTENTS

	<u>Page(s)</u>
Fiduciary Fund Financial Statements	
Statement of Net Position – Fiduciary Funds.....	35
Statement of Changes in Net Position – Fiduciary Funds .....	36
Notes to Basic Financial Statements .....	39
REQUIRED SUPPLEMENTARY INFORMATION (Unaudited):	
Budgetary Comparison Schedule Budget and Actual – General Fund.....	99
Budgetary Comparison Schedule Budget and Actual – Low- and Moderate-Income Housing....	100
Schedule of Proportionate Share of the Net Pension Liability – CalPERS Pension Plan.....	101
Schedule of Plan Contributions – CalPERS Pension Plan .....	102
Schedule of Changes in the Total OPEB Liability and Ratios .....	103
Notes to Required Supplementary Information .....	104
SUPPLEMENTARY INFORMATION	
Combining Balance Sheet – Nonmajor Governmental Funds .....	110
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds .....	120
Budgetary Comparison Schedules – Special Revenue Funds:	
Supplemental Law Enforcement Service .....	129
Traffic Offender.....	130
Gas Tax .....	131
Transportation Measure A .....	132
SB1186 CAS Education .....	133
Traffic Safety.....	134
City-Wide Lighting and Landscaping .....	135
L.L.M.D No. 1.....	136
Geothermal .....	137
AB2766 Air Pollution.....	138
C.D.B.G .....	139
Developer Agreement Revenue/Trust.....	140
Affordable Housing In-Lieu .....	141
City Hall / Public Works .....	142
Community Center .....	143
Lakeside Facilities .....	144
Animal Shelter .....	145
N.P.D.E.S .....	146
PEG Grant .....	147
Pedestrian Sidewalk .....	148

CITY OF LAKE ELSINORE  
ANNUAL COMPREHENSIVE FINANCIAL REPORT  
FOR THE YEAR ENDED JUNE 30, 2021

TABLE OF CONTENTS

	<u>Page(s)</u>
Lake Destratification and Water Fund .....	149
Budgetary Comparison Schedules – Capital Projects Funds:	
Capital Improvement Plan .....	150
Miscellaneous General Project.....	151
Park Quimby Development.....	152
Storm Drains.....	153
Library Facilities.....	154
Traffic Impact .....	155
Fire Facilities.....	156
Public Improvement In-Lieu .....	157
Total Road Improvement Program .....	158
TUMF .....	159
Budgetary Comparison Schedules – Debt Service Funds:	
Public Financing Authority .....	160
Recreation Authority .....	161
Facilities Financing Authority .....	162
Budgetary Comparison Schedules – Permanent Funds:	
Endowment Trust – Adolph Korn.....	163
Internal Service Funds:	
Combining Statement of Net Position.....	166
Combining Statement of Revenues, Expenditures, and Changes in Net Position.....	168
Combining Statement of Cash Flows .....	170
Fiduciary Funds:	
Combining Statement of Fiduciary Net Position – Private-Purpose Funds.....	174
Combining Statement of Changes in Net Position – Private-Purpose Funds .....	175

CITY OF LAKE ELSINORE  
ANNUAL COMPREHENSIVE FINANCIAL REPORT  
FOR THE YEAR ENDED JUNE 30, 2021

TABLE OF CONTENTS

	<u>Page(s)</u>
STATISTICAL SECTION (Unaudited)	
Net Position by Component.....	180
Changes in Net Position .....	182
Fund Balances, Governmental Funds.....	186
Changes in Fund Balances, Governmental Funds.....	188
Tax Revenues by Source, Governmental Funds .....	191
Taxable Sales by Major Industry Groups .....	192
Direct and Overlapping Property Tax Rates.....	194
Principal Property Taxpayers .....	195
Property Tax Levies and Collections .....	197
Assessed Value and Estimated Value of Taxable Property .....	198
Ratios of Outstanding Debt by Type.....	200
Direct and Overlapping Bonded Debt.....	202
Legal Debt Margin Information .....	204
Pledged-Revenue Coverage – Sanitary District Fund.....	206
Demographic and Economic Statistics .....	207
Principal Employers .....	208
Full-time Equivalent City Government Employees by Function/Program .....	209
Operating Indicators by Function/Program.....	210
Capital Asset Statistics by Function/Program .....	213



# **INTRODUCTORY SECTION**







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December 29, 2021

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, 2021, Annual Comprehensive Financial Report (ACFR) for the City of Lake Elsinore (City). This report is published in accordance with local ordinance and state law requirements that financial statements be presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by an independent public accounting firm of licensed certified public accountants.

The City has adopted the reporting provisions of Governmental Accounting Standards (GASB) Statement No. 1, which established the authoritative status of the pronouncements of its predecessor, the National Council on Governmental Accounting (NCGA), as well as, the accounting and financial reporting guidance contained in the Industry Audit Guide, *Audits of State and Local Governmental Units*, issued by the American Institute of Certified Public Accountants. Through widespread acceptance, pronouncements of the NCGA, GASB and the AICPA through its Industry Audit Guide, have long been acknowledged as the primary authoritative statements of GAAP applicable to state and local government.

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

The significant accounting policies of the City are described in the notes to the financial statements. These accounting policies have been reviewed by the City's independent certified public accountants and conform to the recommendations of GASB.

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

### **Independent Audit**

State statutes require an annual audit by independent certified public accountants. Lance, Soll, & Lunghard (LSL), LLP., a firm of licensed certified public accountants, has audited the City's financial statements. The

goal of the independent audit is to provide reasonable assurance that the City's financial statements are free of material misstatement. The independent audit firm has concluded that there was a reasonable basis for rendering an unmodified opinion that the City of Lake Elsinore's financial statements for the year ended June 30, 2021, 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. 18).

### **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 64,762, the city limits fall on the Easterly shores of Lake Elsinore, the largest natural freshwater lake of Southern California. The City currently occupies 42 square miles with 5 square miles being water. Residents enjoy perfect climate, blue sky, clean air, world-famous thermal winds for aerial sports, water sports, and off-road motor sports. All of this is set against the spectacular Cleveland National Forest, providing opportunities for hiking, biking, bird watching or relaxing in the beauty that abounds in this outdoor recreation destination.

The City is incorporated as a general law city with a council/manager form of municipal government, which consists of five council members who are elected to four-year staggered terms. The City is a By-District election system with five Districts. The mayor and mayor pro-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 has been 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 out 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.

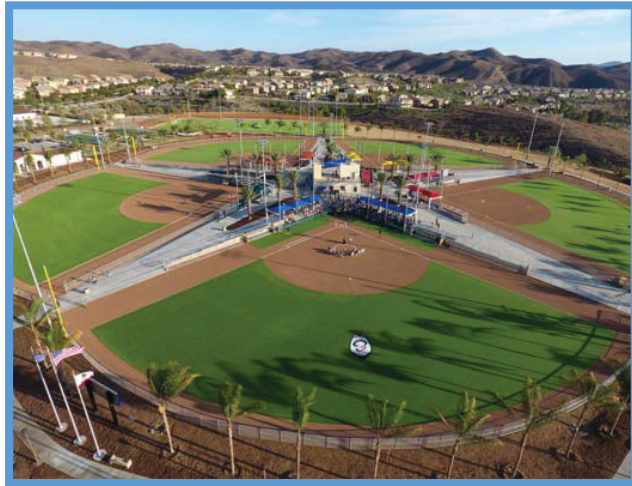
Within the city limits, citizens and visitors can play at the: Skylark Field Airport (CA89), an airport for skydiving, airplane gliding, and airplane flying. Links at Summerly, a championship 18-hole “Scottish Links” golf course, dining, and an event venue for celebrations.



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



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



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





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



Launch Pointe Recreation Destination & RV Park

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



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.

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





Lake Elsinore Summerly Skate Park



Lake Elsinore Serenity Skate Park

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

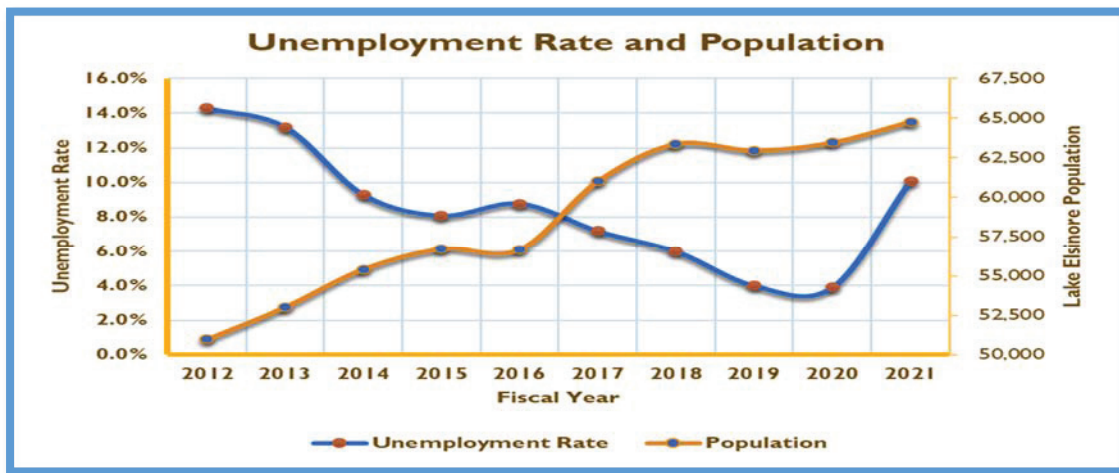


Lake Elsinore's 2019 Super Bloom of California Poppies at Walker Canyon

## Local Economy

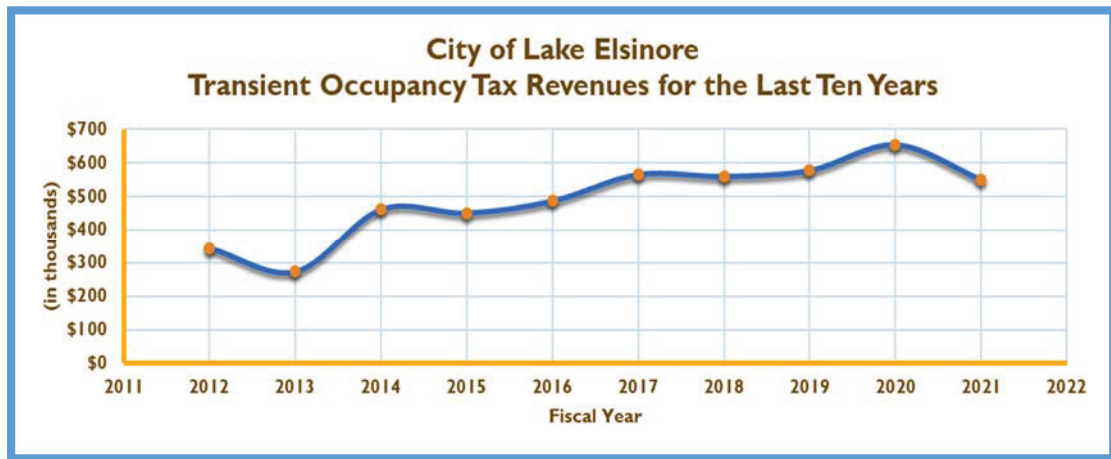
The City offers easy access to major freeways, available industrial and commercial land, quality labor force of both skilled and semi-skilled workers, and an economic philosophy of assisting local businesses for future growth. The region's geographic location, competitive cost structure and sophisticated logistics facilitates one of the fastest growing communities in the area. The City's median age is 30.6 with a per capital personal income of \$24,169. As shown in Chart 1, this is a slight increase from the prior year of \$22,837 with the unemployment rate at 10.1%, which is up from the prior year of 3.9%. The median housing price in the City is approximately \$485,000, which is a median increase of 16.87% from the prior year. The median price paid for Riverside County homes is in the \$537,500 range, which is a 27.36% increase from \$422,000 in June 2020.

Chart 1.



The TOT revenue is the City's 10% tax received for short-term rental properties such as (but not limited to) hotels, motels, vacation homes, and RV parks. The City experienced a decrease of 15.83% in the transient occupancy tax (TOT) revenues for a total of \$550,508 for the fiscal year from \$654,044 of the prior year (shown in Chart 2 ); however, the prior year experienced a one-time payment of \$155,000. This concludes that for the prior year the TOT revenue was not the norm and is more inline this year.

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 significant increase of sales overall of 66% as shown in Chart 3. Of the total amount of \$18 million includes the City's new Measure Z sales and use tax as well as an increase in Retail Sales Tax shown in Chart 4.

Chart 3.

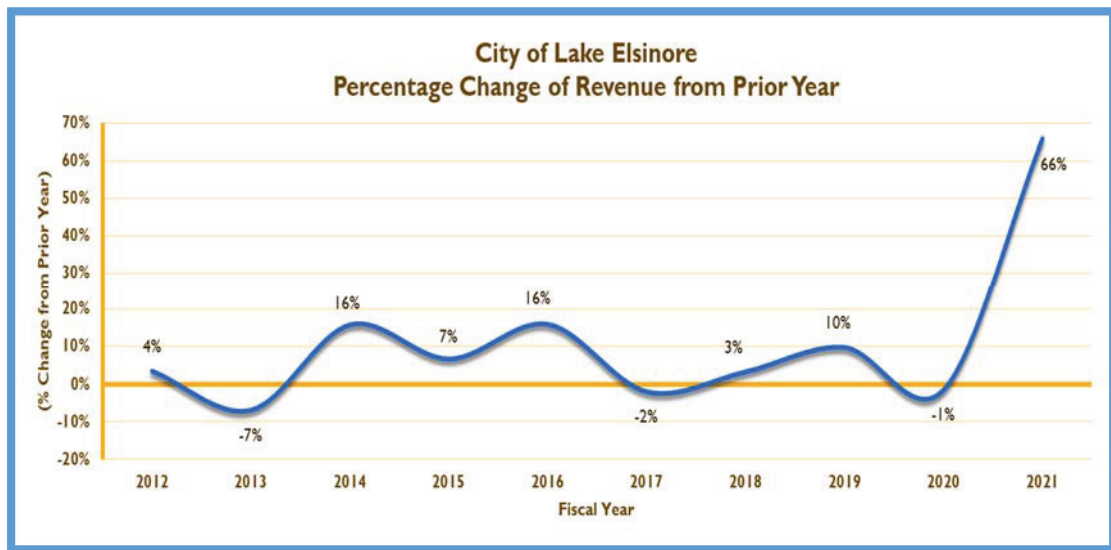
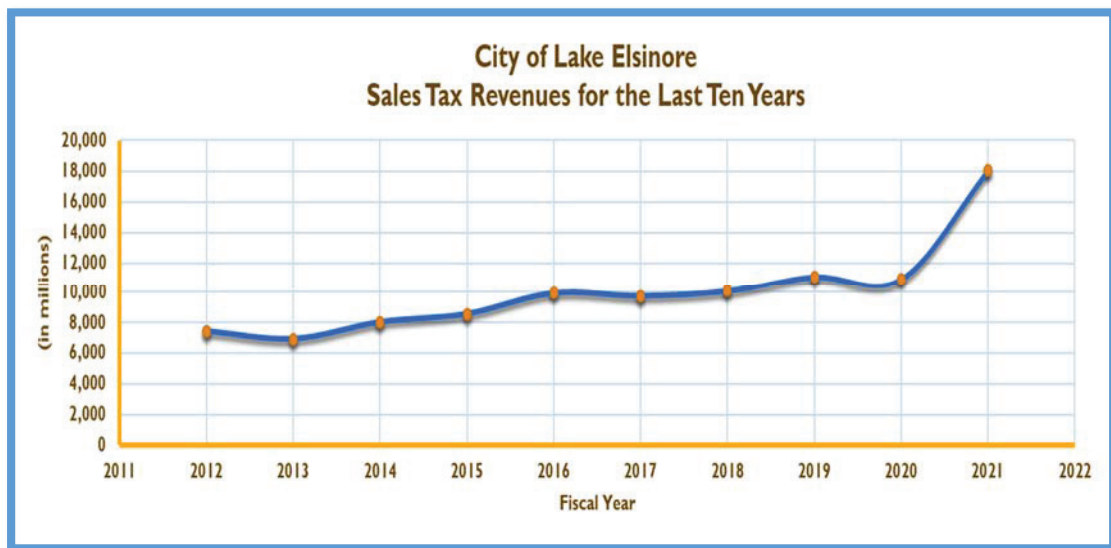
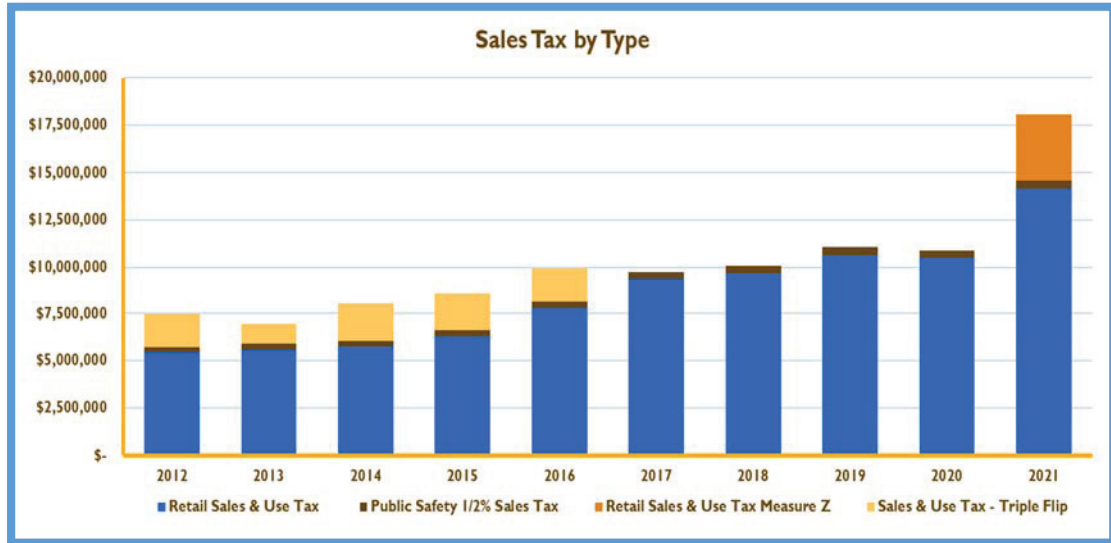


Chart 4.



On the November 3<sup>rd</sup>, 2020 ballot, the City of Lake Elsinore Citizens voted in favor of Measure Z, a locally controlled one-percent on transactions and use tax to generate unrestricted general fund dollars to address city service, public safety, and local recovery needs. Measure Z added \$3.5 million of additional revenue and Retail Sales Tax added an additional \$3.7 million from the prior year as shown in Chart 5.

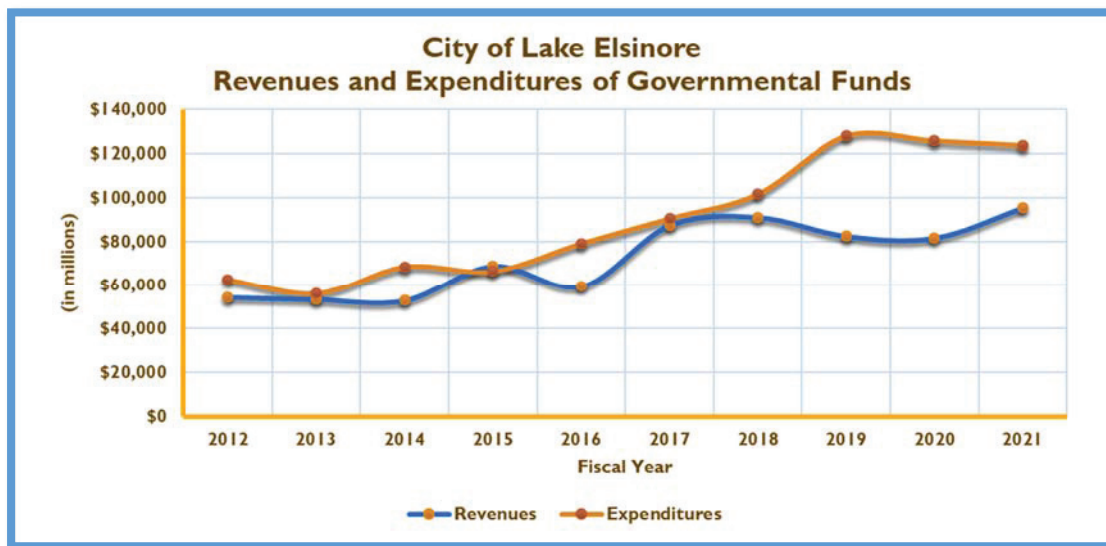
Chart 5.



The City's total governmental funds experienced an increase in net position because of a decrease in expenditures and an increase in revenue overall as reflected in the Chart 6. The decrease in expenditure resulted from a reduction in debt service by \$6.6 million from the refunding of several bond issues as discussed in Note 8 while the increase in revenue resulted from the increase in retail sales tax.

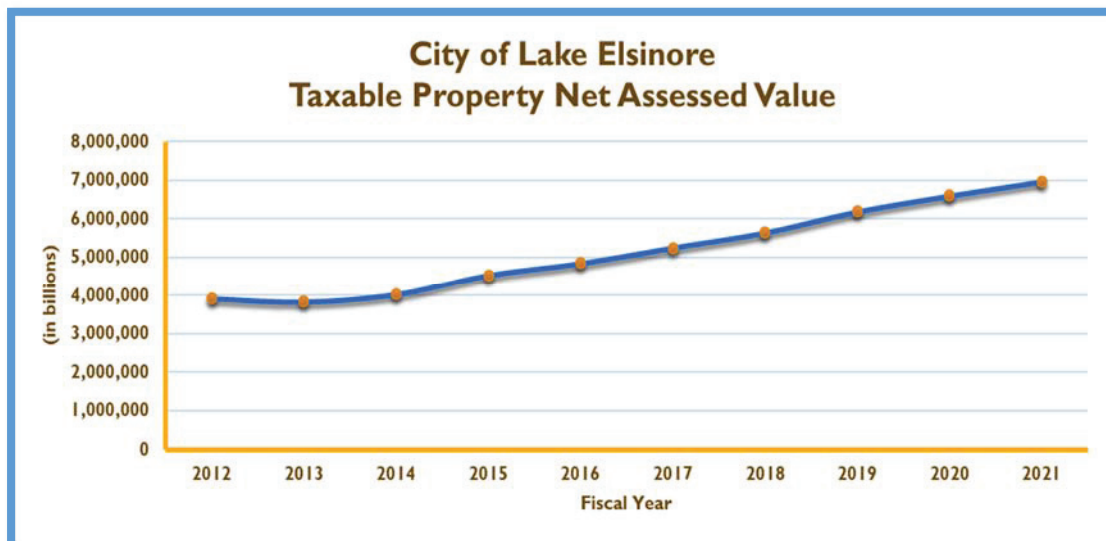


Chart 6.



Taxable property net assessed values continue to grow with only a little more than 1/3 built out as shown in Chart 7. The 2/3 of vacant land includes open frontage along California's Interstate 15 Highway available for commercial development. This continual rise constitutes a 5.58% increase from prior year.

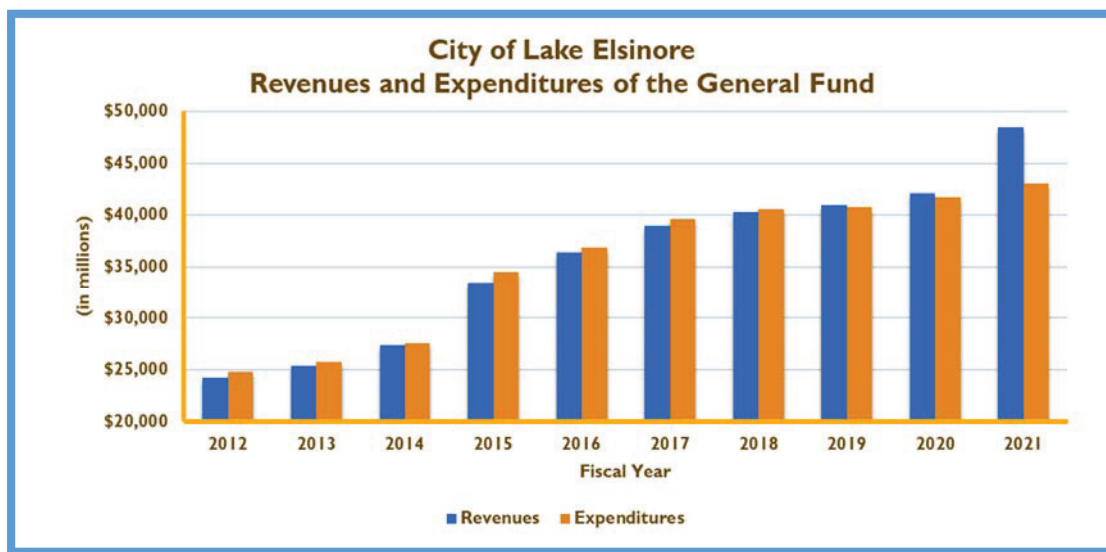
Chart 7.



The City's General Fund, the main operating fund used to account and report financial resources not accounted for in another fund experienced an increase in revenues by 15% while the general fund expenditures increased by 3% for the fiscal year as shown by Chart 8 below. This chart reflects how the City experiences continued growth of the local economy. As the City grows, revenue increases as does the required level of service to the Citizens. This chart also demonstrates compliance with budgetary controls by "living within the means."



Chart 8.



### Coronavirus Pandemic

In FY19-20, the City took immediate and dramatic steps to address the COVID-19 pandemic, this included measures to contain the virus and to mitigate its impacts including the financial hardships created by unemployment's and lost business opportunities. Costs for the City increased as the City modified all facilities to address possible health and safety issues that may rise from the pandemic.

At the close of FY20-21 the City experienced ongoing financial challenges created by the COVID-19 pandemic resulting from the statewide Stay-at-Home order to reduce the spread of COVID-19. With the Stay-at-Home order, the City experience an increase in unemployment; contrarywise, sales tax revenue in all major industry groups increased. The largest industry was general consumer goods with auto sales move down to second (normally first). Some industry with the lower increase was fuel and service stations which is related to less people commuting and staying home. The City fared well compared to other Cities within the Riverside County.

As we move forward in the FY21-22, the City has been and will continue to monitor any changes to pandemic assumptions and economic factors and will adjust. The City anticipates economic factors will reduce City revenues, which will result in scaling back on capital projects. The City will continue to follow State mandated orders that address the pandemic.

### Things to Come

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 Interstate 215. Currently the new north bound off ramp is complete and in use with the new north bound on ramp is nearing completion.

The Downtown Active Transportation Connections and Urban Greening Project will cure existing infrastructure gaps and vacant parkways with the planning of 272 high carbon sequestering shade trees, water efficient vegetation, and drainage infrastructure in parkways. In addition, this project will complete a one-mile loop around downtown core extending from Main Street to Pottery Street, across the proposed bridge to the Riverwalk Trail, down the Riverwalk Trail to Graham Avenue, and back to Main Street. This project will also include lighting for Spring Street which will assist with the safety and mobility of improvements to the area.

The Main Street Interchange project will provide improvements to Main Street from two (2) lanes to four (4), improvements to the Interstate 15 off-ramps and on-ramps, widening the intersection of the southbound off-ramp. Additionally, traffic signals will be installed at the ramps, and at the intersection of Camino Del Norte and Main Street.

The Collier Avenue pavement rehabilitation project includes grind and overlay, pavement reconstruction, and striping along Collier Avenue between Riverside Drive and Nichols Road.

### **Vision Statement and Major Initiatives**

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

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

Council's "*Dream Extreme*" motto coupled with economic development facilitates goals to become the ultimate lake destination. After all, we are the *Action Sports Capital of the World* where our residents and visitors can *Dream Extreme*. The City Council's budgetary and legislative priorities are updated annually and are included in the Operating Budget. With the vision statement of focus on the "lake" and "play," Council's directive includes building recreation facilities and supporting sport venues. The budget guidelines for FY20-21 were presented in the Operating Budget as fiscal stability and community responsibility as they relate to the City's vision statement and Council's established strategic key initiatives for the fiscal year.

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

## **Long-Term Financial Planning**

### **Dream Extreme 2040 Plan**

Each fiscal year, the annual operating budget is proposed after a considerable review process in which staff and Council identify budget priorities, immediate and future fiscal issues, community needs, and the resources required to enhance capital programs and services within the City 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 communication tool outlining the City Council's vision and key initiatives for the year that make the City the desirable place as the vision statement outlines.

The City Council previously identified an objective of developing and maintaining a reserve in the General Fund for economic uncertainties and contingencies. This is reviewed during the budget process with the revenue and expenditure forecasting and is currently set at 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, Capital Improvement Project Funds, and Enterprise Fund. The annual five-year budget is presented to Council for adoption prior to the beginning of each fiscal year. The budget is prepared by fund, function (e.g. community services), and department (e.g., recreation). The level of budgetary control is maintained at the department level in which Department heads may transfer resources within a department as they see fit. Transfers between departments or funds; however, need special approval from Council.

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

### **Internal Controls**

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

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

### **Awards and Acknowledgements**

Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Lake Elsinore for its comprehensive annual financial report for the fiscal year ended June 30, 2021. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

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

Respectfully submitted,



Jason Simpson  
City Manager







Government Finance Officers Association

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

Presented to

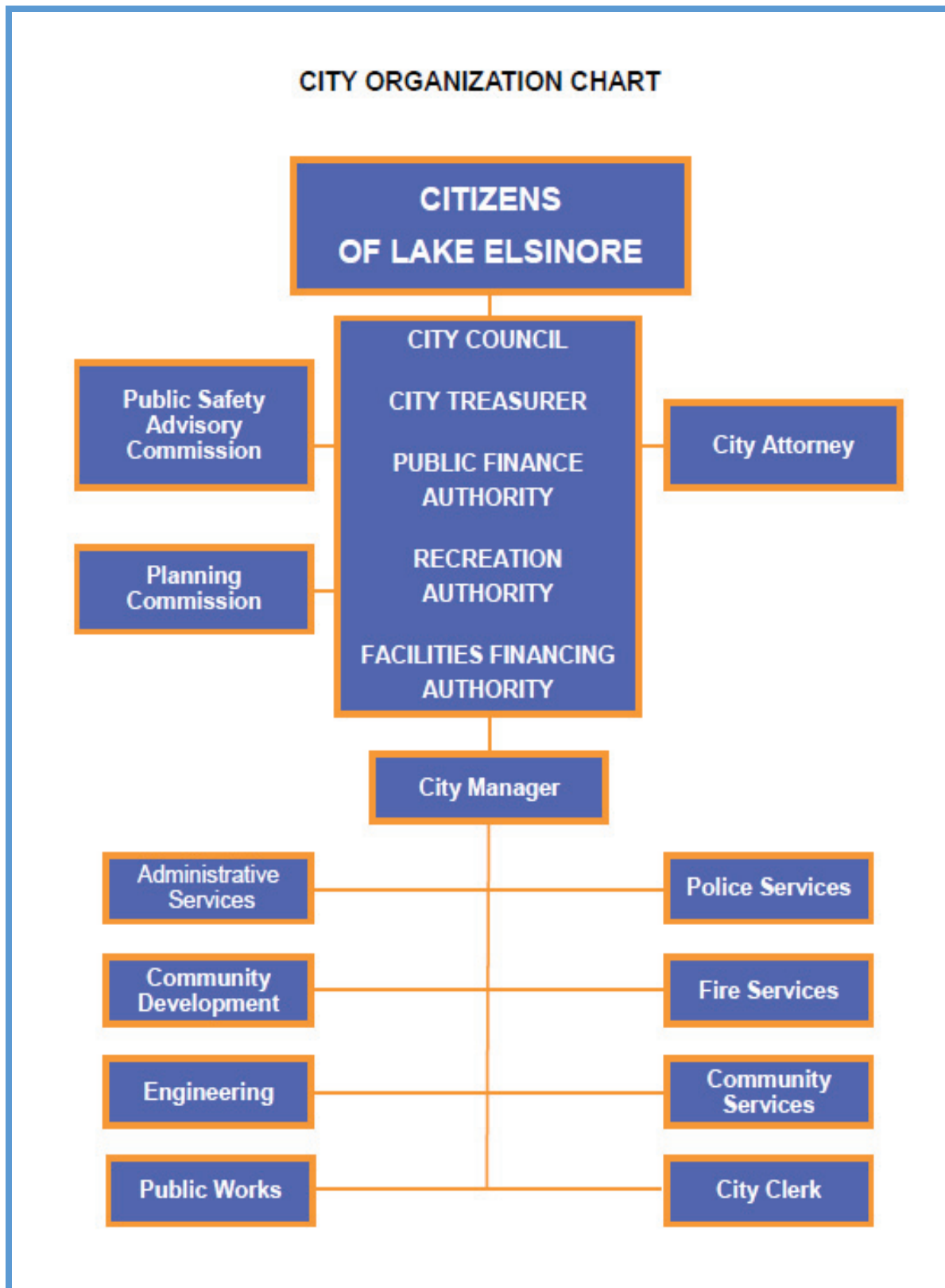
**City of Lake Elsinore  
California**

For its Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

June 30, 2020

*Christopher P. Morill*

Executive Director/CEO



## **CITY OF LAKE ELSINORE DIRECTORY**

### **ELECTED OFFICIALS**

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

### **ADMINISTRATION**

Jason Simpson, City Manager  
Nicole Dailey, Deputy City Manager  
Barbara Leibold, City Attorney  
Candice Alvarez, City Clerk  
Andrew Elias, Police Chief  
Lonny Olson, Fire Chief  
Remon Habib, City Engineer  
Johnathan Skinner, Director of Community Services  
Vacant Position, Director of Community Development

### **ACFR TEAM**

Jason Simpson, City Manager  
Shannon Buckley, Administrative Services Director  
Nancy Lassey, Finance Manager  
Andrew Zavala, Sr. Accountant  
Domenico Piazza, Sr. Accountant

\*As of December 2021





# **FINANCIAL SECTION**







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## INDEPENDENT AUDITORS' REPORT

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

### Report on the Financial Statements

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Lake Elsinore, California, (the City) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the 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, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

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

#### ***Responsibilities of Management 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; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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



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

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

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

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

### ***Other Reporting Responsibilities***

#### ***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 is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



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

### *Supplementary Information*

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

### *Other Information*

Management is responsible for the other information included in the annual report. The other information comprises the introductory section and statistical section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 29, 2021 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 cursive script that reads "Lance, Soll &amp; Lughard, LLP".

Brea, California  
December 29, 2021







# **MANAGEMENT'S DISCUSSION AND ANALYSIS**







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**City of Lake Elsinore, California**  
**Management's Discussion and Analysis**  
**June 30, 2021**

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, 2021. We encourage readers to consider the information presented here in conjunction with the transmittal letter already presented at the front of this report and the City's financial statements immediately following this section.

**FINANCIAL HIGHLIGHTS**

- The Measure Z Sales and Use Tax passed and went into effect on April 1, 2021. The City received \$3.5 million for the last quarter of the fiscal year.
- The City's capital asset, net of depreciation, increased by \$3.8 million resulting from increased road improvements, park improvements, infrastructure improvements. Extraordinary facility improvements were completed because of health and safety reasons resulting from the Coronavirus.
- Capital assets, construction in progress increased 137.0% resulting from the purchase and rehab of housing property and the purchase and remodel of industrial property. The housing project funded by the Homeless Emergency Aid Program and Project Homekey grants. The industrial property, located next-door to our Public Works Yard, is in the process of being remodeled for the future Public Works Administration Building.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$13.7 million or 32.8% of total General Fund expenditures. City Council has designated 17.5% or \$2.5 million of the \$13.7 million for future contingencies.
- The City of Lake Elsinore's total long-term debt had a net decrease of \$13.7 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 \$265,033,416, which is 9.9% increase in net position.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis section is intended to serve as an introduction to the City's basic financial statement, designed to communicate the information in an easily readable form. The City's Annual Comprehensive Financial Report (ACFR) is intended to provide the reader with information 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 - Continued**

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

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

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

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 17-19 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.

### **Governmental Funds – Continued**

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 20-27 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.

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

*Proprietary funds.* The City maintains two types of proprietary funds to report: an enterprise fund and various internal service funds. The City uses an enterprise fund to account for the Launch Pointe Recreation Destination & RV Park in which fees are charged to external users for goods or services that are designed to cover costs of providing these goods and services. Enterprise funds are used to report business-type activities in the government-wide financial statements. The basic proprietary fund financial statements can be found on pages 28-30 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 28-30 of this report. Individual fund data for the internal service funds is provided in the form of combining statements on pages 156-162 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 35-36 of this report.

### **Notes to the Basic Financial Statements**

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 39-96 of this report.

### **Other Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information*. Required supplementary information can be found starting on pages 99-104 of this report. Immediately following the required supplementary information, the *supplementary schedules* present the governmental fund statements. Combining and individual fund statements and schedules can be found on pages 110-118 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 \$265.0 million at the close of the most recent fiscal year. For the City, 67.9% of the net position reflects its investment in capital assets (e.g., land, buildings, machinery, equipment, and infrastructure), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position, 99.4%, represents resources that are subject to external restrictions on how they may be used. The deficit balance of \$178.4 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 \$23.7 million primarily a result from capital improvement construction such as The Anchor and the Public Works Administration Building. The increase in current and other assets by \$1.5 million is a result of increased improvements of the City's facilities, capital improvement projects. Some improvements relate to the Coronavirus pandemic building safety measures.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued**

City of Lake Elsinore						
Table 1						
Condensed Statement of Net Position						
(in thousands)						
	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
<b>Assets:</b>						
Current and other assets	\$ 316,519,758	\$ 316,494,274	\$ (8,278,190)	\$ (9,741,832)	\$ 308,241,568	\$ 306,752,442
Capital assets	186,312,196	182,010,207	26,613,234	27,049,079	212,925,430	209,059,286
Total Assets	502,831,954	498,504,481	18,335,044	17,307,247	521,166,998	515,811,728
Deferred Outflows of Resources	11,321,847	7,089,686	173,094	71,855	11,494,941	7,161,541
<b>Liabilities:</b>						
Long-term liabilities	237,970,750	248,530,953	1,067,514	481,260	239,038,264	249,012,213
Other liabilities	26,015,043	32,002,125	347,065	224,805	26,362,108	32,226,930
Total Liabilities	263,985,793	280,533,078	1,414,579	706,065	265,400,372	281,239,143
Deferred Inflows of Resources	2,179,084	3,221,156	49,067	58,274	2,228,151	3,279,430
<b>Net Position:</b>						
Net investment in capital	153,408,107	147,522,397	26,613,234	27,049,079	180,021,341	174,571,476
Restricted	263,683,834	105,362,660	-	-	263,683,834	105,362,660
Unrestricted	(169,103,017)	(31,045,124)	(9,568,742)	(10,434,316)	(178,671,759)	(41,479,440)
<b>Total Net Position</b>	<b>\$ 247,988,924</b>	<b>\$ 221,839,933</b>	<b>\$ 17,044,492</b>	<b>\$ 16,614,763</b>	<b>\$ 265,033,416</b>	<b>\$ 238,454,696</b>

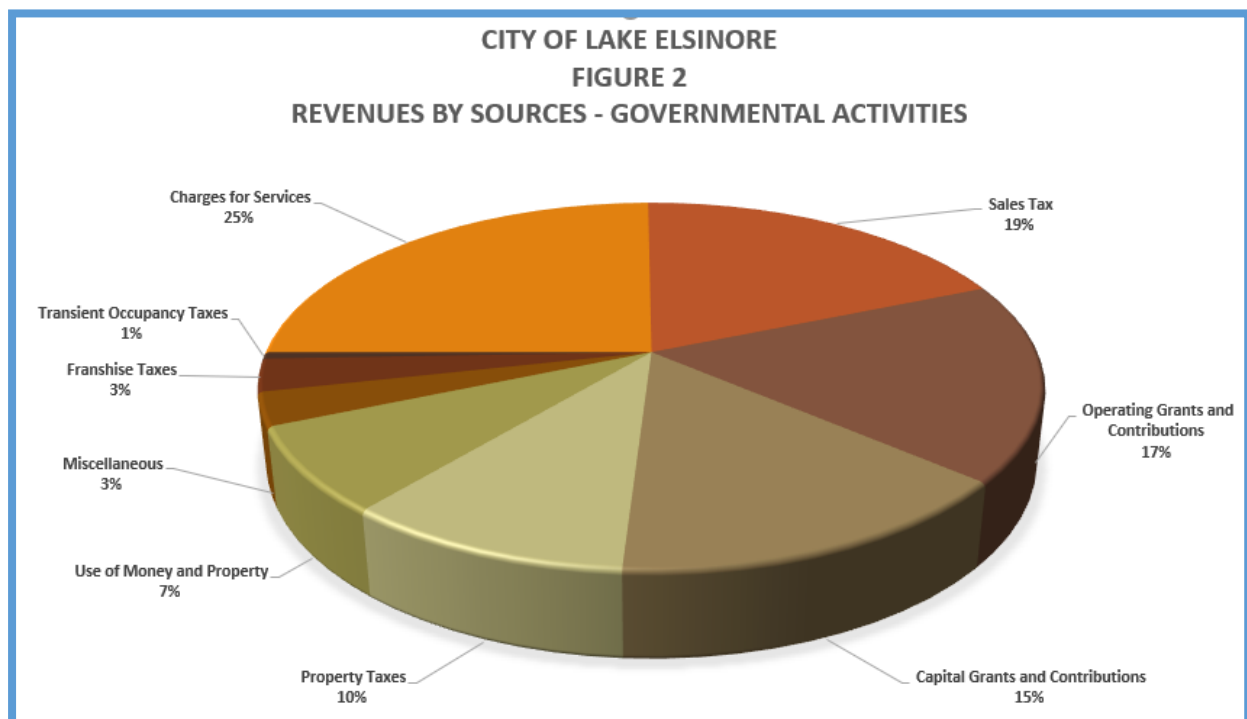
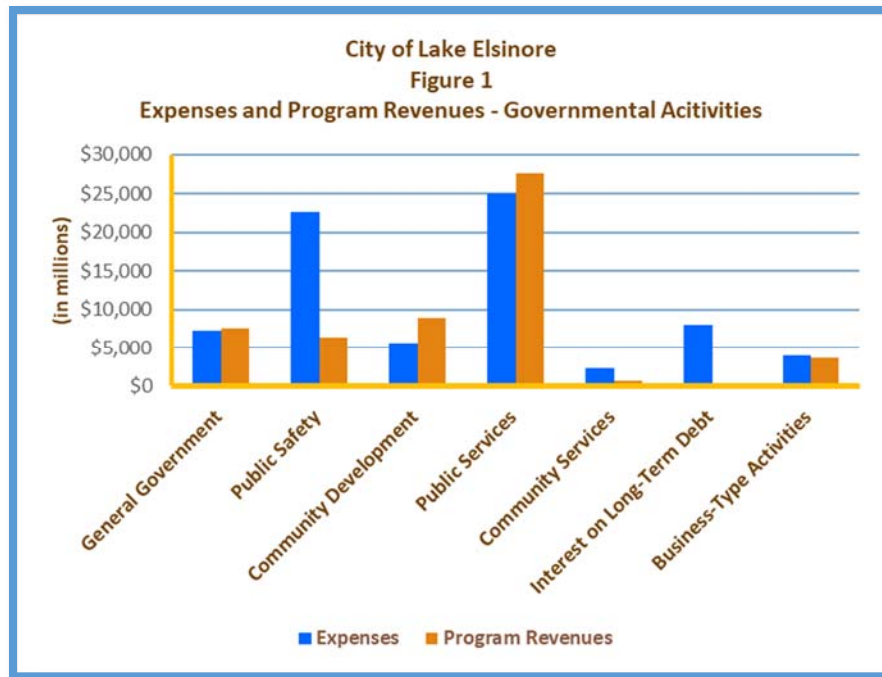
Table 2 presents the Statement of Activities and provides details of how the City's net position changed from the prior year from governmental activities. Generally, it indicates whether the financial health of the City is better or worse from the prior year. The cost of all governmental activities in fiscal year 2021 was \$74.7 million, which was recovered through program revenues, taxes, and investment earnings of \$95.8 million. Figure 1 shows expenses in relation to program revenues while Figure 2 shows the makeup of revenues. Revenue increased by \$12 million overall with a significant increase in funding from contributions and charges for services.

Property, sales, transient occupancy, and franchise tax revenues increased overall by \$7.9 million, the Measure Z sales tax contributed mostly to the increase. Even though expenses decreased overall by 3.30%, revenues also increased overall facilitating the increase in net position by 12.14%.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued**

City of Lake Elsinore						
Table 2						
Statement of Activities						
(in thousands)						
	Governmental Activities		Business-Type Activities		Total	
	2020	2021	2020	2021	2020	2021
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$ 16,254,657	\$ 20,053,929	\$ 2,105,505	\$ 3,728,501	\$ 18,360,162	\$ 20,053,929
Operating contributions and grants	16,522,110	16,799,986	-	-	16,522,110	16,799,986
Capital contributions and grants	11,440,911	14,106,537	-	-	11,440,911	14,106,537
General revenues:						
Property taxes	8,990,543	9,677,646	-	-	8,990,543	9,677,646
Transient occupancy taxes	654,044	550,508	-	-	654,044	550,508
Sales taxes	10,896,995	18,068,365	-	-	10,896,995	18,068,365
Franchise taxes	2,587,128	2,762,724	-	967	2,587,128	2,762,724
Investment earnings	11,258,137	7,205,149	6,107	14,559	11,264,244	7,205,149
Miscellaneous	2,960,909	2,794,609	-	-	2,960,909	2,794,609
Transfers	(1,973,072)	(653,165)	1,973,072	653,165	-	-
Total revenues	79,592,362	91,366,288	4,084,684	4,397,192	83,677,046	92,019,453
<b>Expenses:</b>						
General Government	7,415,901	7,192,106	-	-	7,415,901	7,192,106
Public Safety	22,051,425	22,583,417	-	-	22,051,425	22,583,417
Community Development	4,874,909	5,675,292	-	-	4,874,909	5,675,292
Community Services	2,751,936	2,359,364	-	-	2,751,936	2,359,364
Public Services	21,486,942	24,952,498	-	-	21,486,942	24,952,498
Interest on long-term debt	14,659,186	5,151,588	-	-	14,659,186	5,151,588
Launch Pointe RV Resort	-	-	4,219,772	3,967,463	4,219,772	3,967,463
Total expenses	73,240,299	67,914,265	4,219,772	3,967,463	77,460,071	71,881,728
Changes in net position	6,352,063	23,452,023	(134,833)	429,729	6,217,230	23,881,752
Restatement of net position	295,000	2,696,968	-	-	295,000	2,696,968
Net position, beginning of year	215,192,870	221,839,933	16,749,596	16,614,763	231,942,466	238,454,696
<b>Net position, end of year</b>	<b>\$ 221,839,933</b>	<b>\$ 247,988,924</b>	<b>\$ 16,614,763</b>	<b>\$ 17,044,492</b>	<b>\$ 238,454,696</b>	<b>\$ 265,033,416</b>

## GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued



## FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

### Governmental Funds

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

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$264 million, a decrease of \$5.6 million in comparison with the prior year. Of the \$264 million ending fund balance, a net \$16.8 million, constitutes *unassigned fund balance*, which is available for spending at the government's discretion. The remainder of fund balance is nonspendable by \$1.5 million; restricted by \$246 million; and assigned by \$209 thousand. informational purposes. For additional information, please see Note 12 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 \$14.0 million, while total fund balance was \$18.0 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 32.60% of total General Fund expenditures, while total fund balance represents 41.49% of that same amount. The fund balance, of the City's General Fund experienced a increase of by \$5.8 million during the current fiscal year. The primary factor for this overall 48.15% increase is because of increased sales tax, property tax, and charges for services.

For the major funds, the Public Financing Authority Debt Service Funds restricted fund balance decreased by \$11.5 million as the result of the annual debt service retirements and defeasance of bonds. The Low-and-Moderate Income Housing Fund increased by \$6.9 million in the restricted fund balance from a new loan receivable and increased interest receivables for affordable housing development. The Recreation Authority experienced a decrease in fund balance by \$21 thousand resulting from annual debt service retirements. The Capital Improvement Plan had a decrease of fund balance by \$722 thousand resulting from increased project costs.

### GENERAL FUND BUDGETARY HIGHLIGHTS

Original - versus - Final: The original general fund budget versus the final budget reflects increases in revenue of \$1.8 million and increases in expenditures of \$415 thousand. Budget adjustments are completed to match shortfalls in estimated revenue and increased costs. The final budgeted expenditures of \$50.1 million is \$2.8 million greater from the prior year, while the actual expenditures of \$46.4 million of this year is more than the prior year by \$4.1 million.



## **GENERAL FUND BUDGETARY HIGHLIGHTS – Continued**

Revenue Variances: Use of money and property was less than estimated by \$169 thousand of the final budget resulting in reduced interest rates and a reduction in the market value of investments. Intergovernmental revenues fell short of the final budgeted amount by \$1 million. Charges for services increased from budgeted by \$482 thousand resulting from fewer costs to recoup from the internal service funds.

Expenditure Variances: General fund actual expenditures were less than budgeted by \$3.7 million. The is partially because expenditures were less than budgeted in most all departments because of staff retirements, staff resignations, reduced spending as well as good budgetary controls. The costs for services for Animal Control and Graffiti Enforcement were higher than budgeted by \$13 thousand and Contributions to the Capital Improvement program where higher by \$2.5 million.

## **CAPITAL ASSETS AND DEBT ADMINISTRATION**

### **Capital Assets**

The City's investment in capital assets for its governmental activities as of June 30, 2021 amounts to \$186 million (net of accumulated depreciation), which is an increase of \$4.3 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 2.4%. Major or notable capital asset events during the current fiscal year included the following:

- Neighborhood Center Facility
- I-15 / Railroad Canyon Full Lane Addition
- City Yard Expansion
- Camino Del Norte Link to Main Street
- Canyon Hills Park Upgrades
- The Anchor
- City-wide Street Improvements
- City-wide Curb & Gutter Improvements



## Capital Assets - Continued

City of Lake Elsinore Table 3 Capital Assets at Year-End (net of depreciation) (in thousands)			
	Fiscal Year		
	2021	2020	% Change
Land	\$ 4,554,901	\$ 4,345,218	4.8
Construction in progress	46,064,556	36,160,575	27.4
Buildings and structures	12,974,072	12,757,020	1.7
Improvements other than buildings	2,281,575	2,442,652	(6.6)
Machinery and equipment	770,606	918,831	(16.1)
Furniture and fixtures	260,389	378,997	(31.3)
Automotive equipment	1,266,195	1,493,532	(15.2)
Technology Equipment	170,293	178,889	(4.8)
Infrastructure	117,969,609	123,334,493	(4.3)
<b>Total Capital Assets</b>	<b>\$ 186,312,196</b>	<b>\$ 182,010,207</b>	<b>2.4</b>

Additional information on the City of Lake Elsinore's capital assets can be found in Note 7 in the Notes to Basic Financial Statements section of this report.

## Long-Term Debt

At year-end, the City had total outstanding long-term liabilities of \$198,367 million as shown below in Table 4. Changes in long-term bonds resulted from the reduction of \$13.9 million in debt through principal and interest payments as well as a partial defeasance of certain tax allocation revenue bonds, revenue refunding bonds, and certificate of participation bonds. Additional information on the City of Lake Elsinore's long-term debt can be found in Note 8 in the Notes to the Basic Financial Statements section of this report.

At year-end, the City's other long-term obligations for pension and compensated absences was \$13.2 million. The City experienced a reduction of these obligations of \$540 thousand, which is largely a result from the reduction of compensated absences because of retirements and resignations.



**Long-Term Debt – Continued**

City of Lake Elsinore			
Table 4			
Outstanding Debt at Year-End (in thousands)			
	Fiscal Year		
	2021	2020	% Change
Local agency revenue bonds	\$ 146,370,000	\$ 157,925,000	(7.3)
Tax allocation revenue bonds	12,875,000	12,875,000	-
Lease revenue bonds	18,905,000	19,835,000	(4.7)
Certificate of participation bonds	6,270,000	6,520,000	(3.8)
Net of bond discounts and premiums	11,012,694	11,819,241	(6.8)
Capital Lease - Street Lights	3,228,855	3,403,569	(5.1)
<b>Total Outstanding Debt</b>	<b>\$ 198,661,549</b>	<b>\$ 212,377,810</b>	<b>(6.5)</b>
Other Liabilities at Year-End (in thousands)			
	Fiscal Year		
	2021	2020	% Change
Net pension liability	\$ 13,038,918	\$ 12,380,535	5.3
Total OPEB liability	25,993,922	22,922,250	13.4
Compensated absences	1,343,875	1,331,619	0.9
<b>Total Outstanding Debt</b>	<b>\$ 40,376,715</b>	<b>\$ 36,634,404</b>	<b>10.2</b>

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 18.

City of Lake Elsinore				
Table 5				
Changes in Credit Ratings for the Successor Agency to the Lake Elsinore Redevelopment Agency				
Debt Issue	At Issue	2018	2019	2020
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	A+	A+	A+
Tax Allocation Refunding Bonds, Series 2020B	N/A	N/A	N/A	A
Tax Allocation Refunding Bonds, Series 2020C	N/A	N/A	N/A	A

## **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 to implement expenditure reduction measures and revenue enhancement implementation to mitigate the issue.

These factors were considered in preparing the City of Lake Elsinore's budget for fiscal year 2021-22.

## **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](http://www.lake-elsinore.org).





# **BASIC FINANCIAL STATEMENT**







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## CITY OF LAKE ELSINORE

STATEMENT OF NET POSITION  
JUNE 30, 2021

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>Assets:</b>			
Cash and investments	\$ 54,724,762	\$ 1,015,842	\$ 55,740,604
Receivables:			
Accounts	1,642,372	2,026	1,644,398
Notes and loans	46,798,940	-	46,798,940
Accrued interest	11,757,895	309	11,758,204
Internal balances	9,340,000	(9,340,000)	-
Prepaid costs	498,149	-	498,149
Due from other governments	24,991,870	-	24,991,870
Inventories	-	43,633	43,633
Land held for resale	768,369	-	768,369
Restricted assets:			
Cash with fiscal agent	14,716,793	-	14,716,793
Investment in bonds	151,280,608	-	151,280,608
Capital assets not being depreciated	50,619,457	19,099,170	69,718,627
Capital assets, net of depreciation	135,692,739	7,514,064	143,206,803
<b>Total Assets</b>	<b>502,831,954</b>	<b>18,335,044</b>	<b>521,166,998</b>
<b>Deferred Outflows of Resources:</b>			
Deferred charge on refunding	4,864,304	-	4,864,304
Pension related items	2,656,414	109,430	2,765,844
OPEB related items	3,801,129	63,664	3,864,793
<b>Total Deferred Outflows of Resources</b>	<b>11,321,847</b>	<b>173,094</b>	<b>11,494,941</b>
<b>Liabilities:</b>			
Accounts payable	7,219,211	171,715	7,390,926
Accrued liabilities	1,047,454	16,076	1,063,530
Accrued interest	2,269,016	75,597	2,344,613
Unearned revenue	15,870	-	15,870
Deposits payable	15,463,492	83,677	15,547,169
Noncurrent liabilities:			
Due within on year			
Compensated absences	137,744	-	137,744
Capital lease	184,598	-	184,598
Bonds payable	5,890,000	-	5,890,000
Due in more than one year			
Compensated absences	1,206,131	-	1,206,131
Capital lease	3,044,257	-	3,044,257
Bonds payable	189,542,694	-	189,542,694
Total OPEB liability	25,474,043	519,879	25,993,922
Net pension liability	12,491,283	547,635	13,038,918
<b>Total Liabilities</b>	<b>263,985,793</b>	<b>1,414,579</b>	<b>265,400,372</b>
<b>Deferred Inflows of Resources:</b>			
Pension related items	196,088	8,597	204,685
OPEB related items	1,982,996	40,470	2,023,466
<b>Total Deferred Inflows of Resources</b>	<b>2,179,084</b>	<b>49,067</b>	<b>2,228,151</b>
<b>Net Position:</b>			
Net investment in capital assets	153,408,107	26,613,234	180,021,341
Restricted for:			
Public works	7,625,303	-	7,625,303
Capital projects	24,289	-	24,289
Debt service	113,426,340	-	113,426,340
Low & moderate income housing	72,114,567	-	72,114,567
Public facilities & improvements	70,057,568	-	70,057,568
Lighting & landscape maintenance	386,014	-	386,014
Development	124	-	124
Other purposes	49,629	-	49,629
Unrestricted	(169,103,017)	(9,568,742)	(178,671,759)
<b>Total Net Position</b>	<b>\$ 247,988,924</b>	<b>\$ 17,044,492</b>	<b>\$ 265,033,416</b>

## CITY OF LAKE ELSINORE

STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2021

		Program Revenues		
		Charges for	Operating	Capital
	Expenses	Services	Contributions and Grants	Contributions and Grants
<b>Functions/Programs</b>				
<b>Primary Government:</b>				
Governmental Activities:				
General government	\$ 7,192,106	\$ 1,901,893	\$ 5,628,160	\$ -
Public safety	22,583,417	1,546,880	4,766,577	-
Community development	5,675,292	8,564,938	375,562	-
Community services	2,359,364	605,248	1,500	-
Public services	24,952,498	7,434,970	6,028,187	14,106,537
Interest on long-term debt	5,151,588	-	-	-
<b>Total Governmental Activities</b>	<b>67,914,265</b>	<b>20,053,929</b>	<b>16,799,986</b>	<b>14,106,537</b>
Business-Type Activities:				
Launch Pointe	3,967,463	3,728,501	-	-
<b>Total Business-Type Activities</b>	<b>3,967,463</b>	<b>3,728,501</b>	<b>-</b>	<b>-</b>
<b>Total Primary Government</b>	<b>\$ 71,881,728</b>	<b>\$ 23,782,430</b>	<b>\$ 16,799,986</b>	<b>\$ 14,106,537</b>
<b>General Revenues:</b>				
Taxes:				
Property taxes, levied for general purpose				
Transient occupancy taxes				
Sales taxes				
Franchise taxes				
Use of money and property				
Miscellaneous				
<b>Transfers</b>				
<b>Total General Revenues and Transfers</b>				
Change in Net Position				
Net Position at Beginning of Year				
Restatement of Net Position				
Net Position, Beginning of Year, as restated				
<b>Net Position at End of Year</b>				

Net (Expenses) Revenues and Changes in Net Position		
Primary Government		
Governmental Activities	Business-Type Activities	Total
\$ 337,947	\$ -	\$ 337,947
(16,269,960)	-	(16,269,960)
3,265,208	-	3,265,208
(1,752,616)	-	(1,752,616)
2,617,196	-	2,617,196
(5,151,588)	-	(5,151,588)
<b>(16,953,813)</b>	<b>-</b>	<b>(16,953,813)</b>
-	(238,962)	(238,962)
-	<b>(238,962)</b>	<b>(238,962)</b>
<b>(16,953,813)</b>	<b>(238,962)</b>	<b>(17,192,775)</b>
9,677,646	-	9,677,646
550,508	-	550,508
18,068,365	-	18,068,365
2,762,724	-	2,762,724
7,205,149	967	7,206,116
2,794,609	14,559	2,809,168
(653,165)	653,165	-
<b>40,405,836</b>	<b>668,691</b>	<b>41,074,527</b>
23,452,023	429,729	23,881,752
221,839,933	16,614,763	238,454,696
2,696,968	-	2,696,968
224,536,901	16,614,763	241,151,664
<b>\$ 247,988,924</b>	<b>\$ 17,044,492</b>	<b>\$ 265,033,416</b>

## CITY OF LAKE ELSINORE

BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2021

		Special Revenue Funds		Capital Projects Funds
	General	Cost Recovery System	Low and Moderate Income Housing	Capital Improvement Plan
<b>Assets:</b>				
Pooled cash and investments	\$ 14,766,655	\$ 4,157,840	\$ 7,422,938	\$ 12,949,293
Receivables:				
Accounts	1,207,370	404,347	-	-
Notes and loans	1,000,000	-	42,456,716	-
Accrued interest	349,300	-	8,865,806	8,192
Prepaid costs	31,847	-	-	-
Due from other governments	3,171,466	-	438,760	1,350,232
Due from other funds	210,091	-	-	-
Advances to other funds	-	-	-	-
Land held for resale	-	-	768,369	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Investment in bonds	-	-	-	-
<b>Total Assets</b>	<b>\$ 20,736,729</b>	<b>\$ 4,562,187</b>	<b>\$ 59,952,589</b>	<b>\$ 14,307,717</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 4,595,376	\$ 16,855	\$ 180,045	\$ 1,689,256
Accrued liabilities	1,016,435	-	-	-
Unearned revenues	15,870	-	-	-
Deposits payable	-	4,545,332	741	-
Due to other funds	-	-	-	-
<b>Total Liabilities</b>	<b>5,627,681</b>	<b>4,562,187</b>	<b>180,786</b>	<b>1,689,256</b>
<b>Deferred Inflows of Resources:</b>				
Unavailable revenues	362,123	-	7,775,632	657,909
<b>Total Deferred Inflows of Resources</b>	<b>362,123</b>	<b>-</b>	<b>7,775,632</b>	<b>657,909</b>
<b>Fund Balances:</b>				
Nonspendable	1,031,847	-	-	-
Restricted	-	-	51,996,171	-
Assigned	-	-	-	11,960,552
Unassigned	13,715,078	-	-	-
<b>Total Fund Balances</b>	<b>14,746,925</b>	<b>-</b>	<b>51,996,171</b>	<b>11,960,552</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 20,736,729</b>	<b>\$ 4,562,187</b>	<b>\$ 59,952,589</b>	<b>\$ 14,307,717</b>



## CITY OF LAKE ELSINORE

BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2021

	Debt Service Funds				
	Public Financing Authority	Recreation Authority	Facilities Financing Authority	Other Governmental Funds	Total Governmental Funds
<b>Assets:</b>					
Pooled cash and investments	\$ -	\$ -	\$ -	\$ 10,620,873	\$ 49,917,599
Receivables:					
Accounts	-	-	-	30,655	1,642,372
Notes and loans	-	-	-	3,342,224	46,798,940
Accrued interest	-	-	-	102,425	9,325,723
Prepaid costs	-	90,839	324,281	46,527	493,494
Due from other governments	-	-	15,318,973	4,712,439	24,991,870
Due from other funds	-	-	-	-	210,091
Advances to other funds	-	-	9,340,000	-	9,340,000
Land held for resale	-	-	-	-	768,369
Restricted assets:					
Cash and investments with fiscal agents	10,640,700	7	1,454,393	2,621,693	14,716,793
Investment in bonds	113,404,847	-	37,875,761	-	151,280,608
<b>Total Assets</b>	<b>\$ 124,045,547</b>	<b>\$ 90,846</b>	<b>\$ 64,313,408</b>	<b>\$ 21,476,836</b>	<b>\$ 309,485,859</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances:</b>					
<b>Liabilities:</b>					
Accounts payable	\$ -	\$ -	\$ -	\$ 637,269	\$ 7,118,801
Accrued liabilities	-	-	-	-	1,016,435
Unearned revenues	-	-	-	-	15,870
Deposits payable	10,619,214	-	295,382	2,823	15,463,492
Due to other funds	-	-	-	210,091	210,091
<b>Total Liabilities</b>	<b>10,619,214</b>	<b>-</b>	<b>295,382</b>	<b>850,183</b>	<b>23,824,689</b>
<b>Deferred Inflows of Resources:</b>					
Unavailable revenues	-	-	-	755,457	9,551,121
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>755,457</b>	<b>9,551,121</b>
<b>Fund Balances:</b>					
Nonspendable	-	90,839	324,281	66,527	1,513,494
Restricted	113,426,333	7	63,693,745	19,595,445	248,711,701
Assigned	-	-	-	209,224	12,169,776
Unassigned	-	-	-	-	13,715,078
<b>Total Fund Balances</b>	<b>113,426,333</b>	<b>90,846</b>	<b>64,018,026</b>	<b>19,871,196</b>	<b>276,110,049</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 124,045,547</b>	<b>\$ 90,846</b>	<b>\$ 64,313,408</b>	<b>\$ 21,476,836</b>	<b>\$ 309,485,859</b>



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CITY OF LAKE ELSINORE

**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET POSITION  
JUNE 30, 2021**

Fund balances of governmental funds		\$ 276,110,049
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.		184,476,439
Deferred outflow of resources reported are:		
Pension related items:		
Contributions made subsequent to measurement date	\$ 1,408,548	
Differences between Expected & Actual Experience	565,107	
Adjustment due to Differences in Proportions	61,379	
Net Difference between Projected and Actual Earnings on Pension Plan Investments	325,158	
Difference in actual to proportionate share contribution	877	2,361,069
Deferred outflow of resources reported are:		
OPEB related items:		
Changes of Assumptions	2,792,493	
Contributions made subsequent to measurement date	655,522	3,448,015
Long-term debt, compensated absences, total OPEB liability and total net pension liability are not included in the governmental fund activity:		
Bonds payable	(184,420,000)	
Capital Equipment Lease	(3,228,855)	
Unamortized bond premiums/discounts	(11,012,694)	
Deferred charges on refunding	4,864,304	
Total OPEB liability	(22,874,650)	
Net pension liability	(10,952,688)	
Compensated Absences	(1,343,875)	(228,968,458)
Deferred inflow of resources reported are:		
Pension related items:		
Adjustment due to Differences in Proportions	(93,914)	
Changes of Assumptions	(78,019)	(171,933)
Deferred inflow of resources reported are:		
OPEB related items:		
Changes of Assumptions	(940,733)	
Differences between Expected & Actual Experience	(839,916)	(1,780,649)
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.		(2,269,016)
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.		9,551,121
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.		2,802,950
<b>Net Position of Governmental Activities</b>		<b>\$ 247,988,924</b>

## CITY OF LAKE ELSINORE

STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2021

	Special Revenue Funds			Capital Projects Funds
	General	Cost Recovery System	Low and Moderate Income Housing	Capital Improvement Plan
<b>Revenues:</b>				
Taxes	\$ 27,591,090	\$ -	\$ -	\$ -
Special assessments	-	-	5,566,378	-
Licenses and permits	2,466,569	-	-	-
Intergovernmental	4,645,676	-	-	-
Charges for services	3,395,047	-	-	610,773
Investment earnings	63,426	-	104,030	23,065
Fines and forfeitures	250,930	-	-	-
Contributions	172,486	-	-	11,811,990
Miscellaneous	8,288,753	-	2,400	5,644
<b>Total Revenues</b>	<b>46,873,977</b>	<b>-</b>	<b>5,672,808</b>	<b>12,451,472</b>
<b>Expenditures:</b>				
Current:				
General government	4,870,588	-	-	-
Public safety	21,819,012	-	-	-
Community development	4,592,719	-	1,029,553	-
Community services	2,005,140	-	-	-
Public services	8,559,939	-	-	4,507,507
Capital outlay	-	-	-	11,984,842
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-
<b>Total Expenditures</b>	<b>41,847,398</b>	<b>-</b>	<b>1,029,553</b>	<b>16,492,349</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	5,026,579	-	4,643,255	(4,040,877)
<b>Other Financing Sources (Uses):</b>				
Transfers in	1,008,207	-	2,255,171	8,113,086
Transfers out	(3,354,994)	-	-	(3,350,455)
Refunding bonds issued	-	-	-	-
Proceeds from sale of capital asset	8,262	-	-	-
Payment to refunded bond escrow agent	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>(2,338,525)</b>	<b>-</b>	<b>2,255,171</b>	<b>4,762,631</b>
Net Change in Fund Balances	2,688,054	-	6,898,426	721,754
Fund Balances, Beginning of Year, as previously reported	12,058,871	-	45,097,745	11,238,798
Restatements	-	-	-	-
Fund Balances, Beginning of Year, as restated	12,058,871	-	45,097,745	11,238,798
<b>Fund Balances, End of Year</b>	<b>\$ 14,746,925</b>	<b>\$ -</b>	<b>\$ 51,996,171</b>	<b>\$ 11,960,552</b>

## CITY OF LAKE ELSINORE

STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND B/  
GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2021

	Debt Service Funds				
	Public Financing Authority	Recreation Authority	Facilities Financing Authority	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>					
Taxes	\$ -	\$ -	\$ -	\$ 3,468,153	\$ 31,059,243
Special assessments	-	-	-	2,547,334	8,113,712
Licenses and permits	-	-	-	3,809,367	6,275,936
Intergovernmental	-	-	-	7,846,759	12,492,435
Charges for services	-	-	-	1,633,010	5,638,830
Investment earnings	8,580,253	1,129,068	1,141,078	64,806	11,105,726
Fines and forfeitures	-	-	-	196,501	447,431
Contributions	-	-	-	-	11,984,476
Miscellaneous	-	-	-	176,794	8,473,591
<b>Total Revenues</b>	<b>8,580,253</b>	<b>1,129,068</b>	<b>1,141,078</b>	<b>19,742,724</b>	<b>95,591,380</b>
<b>Expenditures:</b>					
Current:					
General government	86,159	21,072	6,525	1,085,058	6,069,402
Public safety	-	-	-	365,853	22,184,865
Community development	-	-	-	115,599	5,737,871
Community services	-	-	-	38,567	2,043,707
Public services	-	-	-	5,196,574	18,264,020
Capital outlay	-	-	-	-	11,984,842
Debt service:					
Principal retirement	17,355,000	675,000	390,000	424,713	18,844,713
Interest and fiscal charges	4,115,238	454,400	1,369,828	433,453	6,372,919
Payment to refunded bond escrow agent	3,888,944	-	-	-	3,888,944
<b>Total Expenditures</b>	<b>25,445,341</b>	<b>1,150,472</b>	<b>1,766,353</b>	<b>7,659,817</b>	<b>95,391,283</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(16,865,088)	(21,404)	(625,275)	12,082,907	200,097
<b>Other Financing Sources (Uses):</b>					
Transfers in	-	-	-	1,724,260	13,100,724
Transfers out	-	-	-	(9,648,440)	(16,353,889)
Refunding bonds issued	-	-	34,970,000	-	34,970,000
Proceeds from sale of capital asset	-	-	-	-	8,262
Payment to refunded bond escrow agent	(28,269,885)	-	-	-	(28,269,885)
<b>Total Other Financing Sources (Uses)</b>	<b>(28,269,885)</b>	<b>-</b>	<b>34,970,000</b>	<b>(7,924,180)</b>	<b>3,455,212</b>
Net Change in Fund Balances	(45,134,973)	(21,404)	34,344,725	4,158,727	3,655,309
Fund Balances, Beginning of Year, as previously reported	158,561,306	112,250	29,673,301	13,015,501	269,757,772
Restatements	-	-	-	2,696,968	2,696,968
Fund Balances, Beginning of Year, as restated	158,561,306	112,250	29,673,301	15,712,469	272,454,740
<b>Fund Balances, End of Year</b>	<b>\$ 113,426,333</b>	<b>\$ 90,846</b>	<b>\$ 64,018,026</b>	<b>\$ 19,871,196</b>	<b>\$ 276,110,049</b>





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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, 2021**

Net change in fund balances - total governmental funds		\$ 3,655,309
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.		
Capital outlay	\$ 11,945,320	
Depreciation	(7,310,943)	
Gain/(loss) on sale of capital assets	<u>(2,321)</u>	4,632,056
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	19,440,000	
Capital leases	174,714	
Advanced refunding	(34,970,000)	
Payment to refunded bond escrow	32,158,829	
Amortization of bond premiums/discounts	<u>(120,787)</u>	16,682,756
Accrued interest for long-term liabilities. This is the net change in accrued interest for the current period.		572,117
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.		(12,256)
OPEB liability expenses is an expenditure in the governmental funds, but reduce the Total OPEB Liability in the statement of net position.		(13,536)
Pension obligation expenses is an expenditure in the governmental funds, but reduce the Net Pension Liability in the statement of net position.		203,438
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.		(3,591,302)
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>1,323,441</u>
<b>Change in Net Position of Governmental Activities</b>		<b><u>\$ 23,452,023</u></b>

## CITY OF LAKE ELSINORE

STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2021

	Business-Type Activities Enterprise Fund	Governmental Activities
	Launch Pointe	Internal Service Funds
<b>Assets:</b>		
Current:		
Cash and investments	\$ 1,015,842	\$ 4,807,163
Receivables:		
Accounts	2,026	-
Accrued interest	309	2,835
Prepaid costs	-	4,655
Inventories	43,633	-
<b>Total Current Assets</b>	<b>1,061,810</b>	<b>4,814,653</b>
Noncurrent:		
Capital assets - net of accumulated depreciation	26,613,234	1,835,757
<b>Total Noncurrent Assets</b>	<b>26,613,234</b>	<b>1,835,757</b>
<b>Total Assets</b>	<b>27,675,044</b>	<b>6,650,410</b>
<b>Deferred Outflows of Resources:</b>		
Pension related items	109,430	295,345
OPEB related items	63,664	353,114
<b>Total Deferred Outflows of Resources</b>	<b>173,094</b>	<b>648,459</b>
<b>Total Assets and Deferred Outflows of Resources</b>	<b>\$ 27,848,138</b>	<b>\$ 7,298,869</b>
<b>Liabilities, Deferred Inflows of Resources, and Net Position:</b>		
<b>Liabilities:</b>		
Current:		
Accounts payable	\$ 171,715	\$ 100,410
Accrued liabilities	16,076	31,019
Accrued interest	75,597	-
Deposits payable	83,677	-
<b>Total Current Liabilities</b>	<b>347,065</b>	<b>131,429</b>
Noncurrent:		
Advances from other funds	9,340,000	-
Net pension liability	547,635	1,538,595
Total OPEB liability	519,879	2,599,393
<b>Total Noncurrent Liabilities</b>	<b>10,407,514</b>	<b>4,137,988</b>
<b>Total Liabilities</b>	<b>10,754,579</b>	<b>4,269,417</b>
<b>Deferred Inflows of Resources:</b>		
Pension related items	8,597	24,155
OPEB related items	40,470	202,347
<b>Total Deferred Inflows of Resources</b>	<b>49,067</b>	<b>226,502</b>
<b>Net Position:</b>		
Invested in capital assets	26,613,234	1,835,757
Unrestricted	(9,568,742)	967,193
<b>Total Net Position</b>	<b>17,044,492</b>	<b>2,802,950</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Net Position</b>	<b>\$ 27,848,138</b>	<b>\$ 7,298,869</b>

## CITY OF LAKE ELSINORE

STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN FUND NET POSITION  
PROPRIETARY FUNDS  
YEAR ENDED JUNE 30, 2021

	Business-Type Activities Enterprise Fund	Governmental Activities
	Launch Pointe	Internal Service Funds
<b>Operating Revenues:</b>		
Sales and service charges	\$ 3,728,501	\$ 3,481,259
Miscellaneous	14,559	170,584
<b>Total Operating Revenues</b>	<b>3,743,060</b>	<b>3,651,843</b>
<b>Operating Expenses:</b>		
Personnel services	845,513	2,235,566
Contractual services	431,835	322,208
Utilities	607,969	228,285
Maintenance and operation	921,685	942,942
Cost of sales and services	343,520	-
Depreciation expense	511,685	555,768
Insurance	-	654,746
<b>Total Operating Expenses</b>	<b>3,662,207</b>	<b>4,939,515</b>
Operating Income (Loss)	80,853	(1,287,672)
<b>Nonoperating Revenues (Expenses):</b>		
Interest revenue	967	11,113
Interest expense	(305,256)	-
<b>Total Nonoperating Revenues (Expenses)</b>	<b>(304,289)</b>	<b>11,113</b>
Income (Loss) Before Transfers	(223,436)	(1,276,559)
Transfers in	653,165	2,600,000
Changes in Net Position	429,729	1,323,441
<b>Net Position:</b>		
Beginning of Year	16,614,763	1,479,509
<b>End of Fiscal Year</b>	<b>\$ 17,044,492</b>	<b>\$ 2,802,950</b>

## CITY OF LAKE ELSINORE

**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**YEAR ENDED JUNE 30, 2021**

	Business-Type Activities Enterprise Fund	Governmental Activities
	Launch Pointe	Internal Service Funds
<b>Cash Flows from Operating Activities:</b>		
Cash received from customers and users	\$ 3,425,900	\$ 4,419,236
Cash paid to suppliers for goods and services	(951,343)	(3,555,542)
Cash paid to employees for services	(1,279,284)	(1,078,821)
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>1,195,273</b>	<b>(215,127)</b>
<b>Cash Flows from Non-Capital Financing Activities:</b>		
Cash transfers in	653,165	2,600,000
Repayment made to other funds	-	225,930
Advance from other funds	(196,652)	(225,930)
<b>Net Cash Provided (Used) by Non-Capital Financing Activities</b>	<b>456,513</b>	<b>2,600,000</b>
<b>Cash Flows from Capital and Related Financing Activities:</b>		
Acquisition and construction of capital assets	(75,840)	(225,701)
Repayment of advance from other funds	(255,000)	-
Interest paid on capital debt	(306,214)	-
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	<b>(637,054)</b>	<b>(225,701)</b>
<b>Cash Flows from Investing Activities:</b>		
Interest received	660	13,088
<b>Net Cash Provided (Used) by Investing Activities</b>	<b>660</b>	<b>13,088</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>1,015,392</b>	<b>2,172,260</b>
Cash and Cash Equivalents at Beginning of Year	450	2,634,903
<b>Cash and Cash Equivalents at End of Year</b>	<b>\$ 1,015,842</b>	<b>\$ 4,807,163</b>
<b>Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:</b>		
Operating income (loss)	\$ 80,853	\$ (1,287,672)
<b>Adjustments to Reconcile Operating Income (loss) Net Cash Provided (used) by Operating Activities:</b>		
Depreciation	511,685	555,768
(Increase) decrease in accounts receivable	1,297	-
(Increase) decrease in prepaid expense	-	25,852
(Increase) decrease in inventory	2,414	-
(Increase) decrease in Pension related outflows	(76,007)	5,450
(Increase) decrease in OPEB related outflows	(25,232)	(199,388)
Increase (decrease) in accounts payable	86,047	(427,461)
Increase (decrease) in accrued liabilities	12,106	(107,580)
Increase (decrease) in deposits payable	25,063	-
Increase (decrease) in net pension liability	524,820	497,460
Increase (decrease) in Total OPEB liability	61,434	765,612
Increase (decrease) in deferred inflows from OPEB	(10,489)	(1,488)
Increase (decrease) in deferred inflows from pensions	1,282	(41,680)
<b>Total Adjustments</b>	<b>1,114,420</b>	<b>1,072,545</b>
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$ 1,195,273</b>	<b>\$ (215,127)</b>
<b>Non-Cash Investing, Capital, and Financing Activities:</b>		
Unrealized gain(loss) due to GASB 31 adjustment	\$ 967	\$ (8,402)

See Notes to Financial Statements.



## CITY OF LAKE ELSINORE

STATEMENT OF FIDUCIARY NET POSITION  
 FIDUCIARY FUNDS  
 JUNE 30, 2021

	<u>Custodial Funds</u>	
	<u>Assessment Districts</u>	<u>Private-Purpose Trust Funds</u>
<b>Assets:</b>		
Pooled cash and investments	\$ 11,308,610	\$ 11,898,539
Receivables:		
Accounts	8,844	-
Accrued interest	14,408	14,526
Prepaid costs	59,728	351,112
Due from other governments	442,501	-
Land held for resale	-	6,071,897
Restricted assets:		
Cash and investments with fiscal agents	19,851,448	26,568
Capital assets:		
Capital assets, not being depreciated	-	2,004,419
Capital assets, net of accumulated depreciation	-	14,981,931
Deposits with Other Agencies	10,914,596	-
<b>Total Assets</b>	<b>\$ 42,600,135</b>	<b>\$ 35,348,992</b>
<b>Deferred Outflows of Resources:</b>		
Deferred charge on refunding	-	1,667,222
<b>Total Deferred Outflows of Resources</b>	<b>\$ -</b>	<b>\$ 1,667,222</b>
<b>Liabilities:</b>		
Accounts payable	\$ 19,739	\$ 117,794
Accrued interest	17,494,519	587,461
Deposits payable	957,064	-
Bonds and loans payable due in one year	5,745,000	2,620,000
Long-term liabilities:		
Bonds and loans payable due in more than one year	226,499,000	70,414,901
Due to Bondholders	6,073,468	-
<b>Total Liabilities</b>	<b>\$ 256,788,790</b>	<b>\$ 73,740,156</b>
<b>Net Position:</b>		
Restricted for organizations and other governments	\$ (214,188,655)	\$ (36,723,942)
<b>Total Net Position</b>	<b>\$ (214,188,655)</b>	<b>\$ (36,723,942)</b>

## CITY OF LAKE ELSINORE

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
 FIDUCIARY FUNDS  
 YEAR ENDED JUNE 30, 2021

	<u>Custodial Funds</u> <u>Assessment</u> <u>Districts</u>	<u>Private-Purpose</u> <u>Trust Funds</u>
<b>Additions:</b>		
Collection of special taxes	\$ 26,004,814	\$ -
Taxes	-	15,054,596
Investment earnings	107,522	18,132
Miscellaneous	30,611	350
<b>Total Additions</b>	<b>26,142,947</b>	<b>15,073,078</b>
<b>Deductions:</b>		
Contractual services	4,082,932	14,269,918
Interest expense	8,471,656	2,123,508
Depreciation expense	-	1,767,846
Contributions to other governments	9,832	-
Costs of issuance	-	328,221
<b>Total Deductions</b>	<b>12,858,749</b>	<b>18,489,494</b>
<b>Changes in Net Position</b>	<b>13,284,198</b>	<b>(3,416,416)</b>
Net Position - Beginning of the Year	38,214,086	(33,307,526)
Restatements	(265,686,939)	-
Beginning of Fiscal Year, as restated	(227,472,853)	(33,307,526)
<b>Net Position - End of the Year</b>	<b>\$ (214,188,655)</b>	<b>\$ (36,723,942)</b>



# **NOTES TO BASIC FINANCIAL STATEMENTS**







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**I. SIGNIFICANT ACCOUNTING POLICIES**

**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, 2021, 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.



NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2021

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**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.

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2021

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**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 custodial funds.

**c. Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary funds and private-purpose trust fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, except for principal and interest on general long-term liabilities and compensated absences which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term liabilities are reported as other financing sources.

Property taxes, franchise taxes, intergovernmental revenues, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and are therefore recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

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.

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2021

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

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

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

The Launch Pointe 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 Custodial 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.

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2021

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**Note 1: Summary of Significant Accounting Policies (Continued)**

**d. 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.

**e. 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, 2021, was \$1,343,875.

**f. 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.

**g. 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").

**h. 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.

**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2021**


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**Note 1: Summary of Significant Accounting Policies (Continued)**

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:

<b>Assets</b>	<b>Years</b>
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

**i. 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.

**j. Miscellaneous Revenues**

Included in miscellaneous revenues for the governmental funds is \$3,350,298 of fire service tax credits, \$3,481,613 reimbursed revenues, \$3,000 in donations, \$43,136 in recoverable expenditures and, \$335,792 in other revenues. Miscellaneous revenues for the Statement of Activities include \$2,794,109 reimbursed revenues and \$500 other revenues.

**k. 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



**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2021**

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**Note 1: Summary of Significant Accounting Policies (Continued)**

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 13), 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 14).

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 14).

**I. Other Post-Employment Benefits (OPEB)**

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

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

Valuation Date	June 30, 2019
Measurement Date	June 30, 2020
Measurement Period	July 1, 2019 to June 30, 2020

**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.

**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2021**

**Note 1: Summary of Significant Accounting Policies (Continued)**

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

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

**m. 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.

**II. STEWARDSHIP****Note 2: Stewardship, Compliance and Accountability****a. Encumbrances**

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

The following funds have encumbrances at June 30, 2021:

	<u>Encumbrances</u>
Major Fund	
Capital Improvement Plan	547,112
Non-Major Funds	259,965

**b. Excess of Expenditures over Appropriations**

Excess expenditures over appropriations were as follows:

<u>Fund</u>	<u>Expenditures</u>	<u>Appropriations</u>	<u>Excess</u>
Major Funds:			
General Fund			
Transfers out	\$ 3,354,994	\$ 643,690	\$ (2,711,304)
Low and Moderate Income Housing			
Community development	1,029,553	505,000	(524,553)

**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2021**

**III. DETAILED NOTES ON ALL FUNDS**

**Note 3: Cash and Investments**

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

	Fair Value 2021
Statement of Net Position:	
Cash and investments	\$ 55,740,604
Restricted Cash with fiscal agent	165,997,401
Statement of Fiduciary Net Position	
Cash and investments	23,207,149
Restricted Cash and Investments with Fiscal Agent	19,878,016
Total Cash and Investments	<u>\$ 264,823,170</u>

Cash and investments consist of the following:

Petty Cash	\$ 4,750
Deposits in Financial Institution	2,768,624
Investments	262,049,796
Total Cash and Investments	<u>\$ 264,823,170</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 Deposits	5 years	None	5%
Commercial Paper	270 days	25%	10%
Negotiable Certificates of Deposit	5 years	30%	5%
Repurchase Agreements	30 days	None	5%
Reverse Repurchase Agreements	92 days	10%	5%
Medium-Term Corporate Notes	5 years	30%	5%
Local Agency Investment Fund (LAIF)	N/A	None	\$75,000,000
California Asset Management Program (CAMP)	N/A	None	5%
Money Market Fund	N/A	20%	5%
Supranational	5 years	30%	5%
Asset Backed Securities	5 years	20%	5%

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

CITY OF LAKE ELSINORE

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2021

**Note 3: Cash and Investments (Continued)**

Investments Authorized by Debt Agreements

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

Disclosures Relating to Interest Rate Risk

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

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

Investment Type	Total	Investment Maturities (in Years)			
		12 Months or Less	13 to 24 Months	25 to 60 Months	More Than 60 Months
Local Agency Investment Fund	\$ 43,632,610	\$ 43,632,610	\$ -	\$ -	\$ -
Corporate Notes	6,066,727	-	2,203,910	3,071,917	790,900
Asset Backed Securities	2,477,581	-	741,300	933,537	802,744
Federal Agency Securities	6,648,341	5,394	3,345,379	1,052,651	2,244,917
U.S. Treasury Notes	11,515,148	-	7,882,726	3,289,094	343,328
Supra - National Agency Bonds	742,968	-	742,968	-	-
Municipal Bonds	1,337,181	-	-	654,622	682,559
Commercial Paper	1,899,043	1,899,043	-	-	-
Certificates of Deposits	941,179	283,076	658,103	-	-
California Asset Management Program Pool (CAMP)	913,601	913,601	-	-	-
Investments with Fiscal Agents:					
Money Market Funds	34,103,776	34,103,776	-	-	-
Local Obligation Bonds	151,771,641	151,771,641	-	-	-
<b>Total</b>	<b>\$ 262,049,796</b>	<b>\$ 232,609,141</b>	<b>\$ 15,574,386</b>	<b>\$ 9,001,821</b>	<b>\$ 4,864,448</b>

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, 2021**

**Note 3: 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	\$ 43,632,610	N/A	\$ -	\$ -	\$ -	\$ 43,632,610	\$ -
Corporate Notes	6,066,726	AA	-	556,307	5,510,419	-	-
Asset Backed Securities	2,477,582	N/A	2,282,738	-	-	194,844	-
Federal Agency Securities	6,648,341	N/A	-	6,648,341	-	-	-
US Treasury Notes	11,515,148	N/A	-	11,515,148	-	-	-
Supra-National Agency Bonds	742,968	N/A	742,968	-	-	-	-
Municipal Bonds	1,337,181	N/A	99,611	463,658	644,094	129,818	-
Certificate of Deposit	941,179	N/A	-	-	941,179	-	-
Commercial Paper	1,899,043	N/A	-	-	1,899,043	-	-
California Asset Management Program Pool (CAMP)	913,601	N/A	-	-	-	-	913,601
Held by Bond Trustee:							
Money Market Mutual Funds	34,103,776		-	-	-	34,103,776	-
Local Obligation Bonds	151,771,641		-	-	-	151,771,641	-
<b>Total</b>	<b>\$ 262,049,796</b>		<b>\$ 3,125,317</b>	<b>\$ 19,183,454</b>	<b>\$ 8,994,735</b>	<b>\$ 229,832,689</b>	<b>\$ 913,601</b>

The ratings for the other above are as follow s:

Other:	
AA	\$ 873,851
AA-	103,709
A-1	1,899,043
A+	2,004,221
A	750,755
A-	1,838,903
BBB+	1,524,253
	<u>\$ 8,994,735</u>

**Concentration of Credit Risk**

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

Issuer	Investment Type	Amount
CFD 2003-2 Special Tax Bonds, 2014 Series B (Improvement Area A and C)	Local Obligation Bonds	\$ 15,999,099
CFD 2003-2 Special Tax Bonds, 2015 Series (Improvement Area B)	Local Obligation Bonds	20,894,992
CFD 2004-3-1 Special Tax Bonds, 2015 Series (Improvement Area 1)	Local Obligation Bonds	16,908,555
CFD 2004-3-2 Special Tax Bonds, 2015 Series (Improvement Area 2)	Local Obligation Bonds	18,698,969
CFD 2005-2 Special Tax Bonds, 2015 Series (Improvement Area 2)	Local Obligation Bonds	17,002,787



NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2021

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**Note 3: Cash and Investments (Continued)**

**Custodial Credit Risk**

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

The California Government Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local government units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The fair value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. As of June 30, 2021, \$2,768,624 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 \$75,000,000 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, 2021, was 0.26%. The carrying value and estimated fair value of the LAIF Pool at June 30, 2021, was \$42,755,064 and \$43,632,610, respectively. The City's share of the Pool at June 30, 2021, was approximately 0.117 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 \$425,457,019 and asset-backed securities totaling \$11,098,045,565. 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, 2021

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#### Note 3: 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](http://www.finra.org)) and Securities Investor Protection Corporation (SIPC) ([www.sipc.org](http://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
CFD 2003-2 Special Tax Bonds, 2014 Series B (Improvement Area A and C)	\$ 15,999,099
CFD 95-1 Special Tax Bonds, 2015 Series	839,897
CFD 2003-2 Special Tax Bonds, 2015 Series (Improvement Area B)	20,894,992
CFD 2004-3-1 Special Tax Bonds, 2015 Series (Improvement Area 1)	16,908,555
CFD 2004-3-2 Special Tax Bonds, 2015 Series (Improvement Area 2)	18,698,969
CFD 2005-1 Special Tax Bonds, 2015 Series	6,522,515
CFD 2005-2 Special Tax Bonds, 2015 Series (Improvement Area 2)	17,002,787
CFD 2005-6 Special Tax Bonds, 2015 Series	2,265,673
CFD 2006-2 Special Tax Bonds, 2015 Series	4,695,228
CFD 2006-1 Special Tax Bonds, 2015 A Series (Improvement Area B)	2,752,132
CFD 2005-2 Special Tax Bonds, 2019 Series A (Improvement Area 2)	6,825,000
	<u>\$ 113,404,847</u>

CITY OF LAKE ELSINORE

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2021

**Note 3: 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)	\$ 3,752,880
CFD 98-1 Lease Revenue Bonds, Series 2021	11,411,699
CFD 2003-2 Lease Revenue Bonds, Series 2021 (Improvement Area C)	6,108,357
CFD 2003-2 Lease Revenue Bonds, Series 2021 (Improvement Area D)	9,225,960
CFD 2005-5 Lease Revenue Bonds, Series 2021	3,381,063
CFD 2006-1 Lease Revenue Bonds, Series 2021 (Improvement Area A)	3,995,802
	<u>\$ 37,875,761</u>

**Note 4: Fair Value Measurements**

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

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

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

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

- Quoted prices for similar assets or liabilities in active markets.
- Quoted prices for identical or similar assets or liabilities in markets that are not active.
- 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).
- 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, 2021**

**Note 4: Fair Value Measurements (Continued)**

Fair value of assets measured on a recurring basis at June 30, 2021, are as follows:

	Fair Value	Significant Other Observable Inputs (Level 2)	Uncategorized
Local Agency Investment Fund	\$ 43,632,610	\$ -	\$ 43,632,610
Corporate Notes	6,066,727	6,066,727	-
Asset Backed Securities	2,477,581	2,477,581	-
Commercial Paper	1,899,043	1,899,043	-
Federal Agency Securities	6,648,341	6,648,341	-
US Treasury Notes	11,515,148	11,515,148	-
Supra-National Agency Bonds	742,968	742,968	-
Municipal Bonds	1,337,181	1,337,181	-
Certificate of Deposits	941,179	941,179	-
California Asset Management Program Pool (CAMP)	913,601	-	913,601
Held by Bond Trustee:			
Money Market Mutual Bonds	34,103,776	34,103,776	-
Local Obligations Bonds	151,771,641	151,771,641	-
Total	<u>\$ 262,049,796</u>	<u>\$ 217,503,585</u>	<u>\$ 44,546,211</u>

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

**Note 5: Loans Receivable from Successor Agency**

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

**1995 Loan from Housing Fund**

As of June 30, 2021, the Successor Agency owed the City, in its capacity as housing successor agency, \$23,705,352. 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 \$5,664,912. During the fiscal year, accrued interest of \$458,750 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, 2021

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**Note 5: 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.

**Public Finance Authority Loan Agreements**

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

The following table represents the outstanding balance of loans receivable from the Successor Agency at June 30, 2021:

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

**Note 6: Notes Receivable**

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



**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2021**

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**Note 6: 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, 2021, the total outstanding balance of \$1,330,000 includes accrued interest of \$330,000.

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, 2021, the total outstanding balance of \$12,461,905 includes interest of \$2,724,905.

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, 2021, the total outstanding balance of \$1,109,910 includes interest of \$9,910.

The City's Affordable Housing Special Revenue Fund has a note receivable in the amount of \$695,250 from Mission Trail LE, LP dated May 1, 2018. The loan was given for the purpose of providing construction and permanent financing for the development of the Mission Trail Apartments Affordable Housing Project. The Borrower shall make annual repayments of the Loan on June 30 of each year following completion of construction of the Improvements. The City Land Loan shall be repayable from 50 percent of the residual receipts paid annually after completion of the Development. All residual receipts payments to the City shall be paid toward the Loan until the Loan is paid in full.

Notwithstanding any other provision, unless the loan is repaid earlier, the outstanding principal and accrued interest is payable 55 years from the date of recordation of a Notice of Completion for the Development. At June 30, 2021, the total outstanding balance of \$706,031 includes accrued interest of \$10,781.

**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2021**

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**Note 6: 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 Loan until the Loan is paid in full. After the Loan is completely repaid, all residual receipts payments to the City shall be paid to the City Land Loan. At June 30, 2021, the total outstanding balance of \$2,031,014 includes accrued interest of \$31,014.

The City's Low and Moderate-Income Housing Asset Special Revenue Fund has a note receivable in the amount of \$7,520,000 from Mission Trail LE, LP dated May 1, 2018. The loan was given for the purpose of providing construction and permanent financing for the development of the Mission Trail Apartments Affordable Housing Project. The City LMIHAF Loan shall be repayable from 50 percent of the residual receipts paid annually after completion of the Development. All residual receipts payments to the City shall be paid toward the Loan until the Loan is paid in full. After the Loan is completely repaid, all residual receipts payments to the City shall be paid to the City Land Loan. After the City Land Loan is completely repaid, all residual payments shall be applied to the City LMIHAF Loan. At June 30, 2021, the total outstanding balance of \$7,636,612 includes accrued interest of \$116,612.

The City's Low and Moderate-Income Housing Asset Special Revenue Fund has a note receivable in the amount of \$5,074,276 due from Mission Cottages LP dated April 1, 2019. The loan was given for the purpose of repaying the Predevelopment Loan, to pay for property and for the payment of project costs for the Cottages at Mission Trail Affordable Housing Project. The City's LMIHAF Loan shall be repayable from fifty percent (50%) of the residual receipts paid annually on or before June 30 each year following completion of the Development. All residual receipts payments to the City shall be paid toward the Loan until the Loan is completely repaid, all residual receipt payments to the City shall be paid to the LMIHAF Loan. Payments on the City's LMIHAF Loan shall be credited toward accrued interest first and then outstanding principal. The term of this loan shall commence on April 1, 2019 and shall continue until the fifty-fifth (55<sup>th</sup>) anniversary of the date of recording the Notice of Completion for the Development. At June 30, 2021 the total outstanding balance of \$5,416,685 includes accrued interest of \$342,409.

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

**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2021**

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**Note 6: Notes Receivable (Continued)**

At June 30, 2021, the total outstanding balance of \$690,631 includes accrued interest of \$43,657.

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, 2021, the total outstanding balance is \$0.

The City's Low and Moderate-Income Housing Asset Special Revenue Fund has a note receivable in the amount of \$35,000 to the qualified buyer of the affordable unit and is secured by the affordable unit. The agreement was approved August 14, 2018 with the promissory note completed and recorded on October 7, 2020. The purpose for assistance was to supply a portion of the purchase price of the property to the qualified buyer. The First Mortgage was entered into concurrently with the sale of the affordable unit to the qualified buyer. The Second Mortgage Assistance by the Habitat for Humanity and the City's Third Mortgage Assistance did not result in any cash proceeds to the Developer. The affordable Unit was built on the City's property for the appraised value of \$35,000. The City assistance was converted to a grant upon completion of construction and sale to the qualified buyer. The City Third Lien Loan bears no interest and payments are not due during the dwelling's affordability covenants period of forty-five (45) years unless an event of acceleration occurs such as a prohibited transfer of property. As of June 30, 2021, the total outstanding balance is \$35,000.

The City's Low and Moderate-Income Housing Asset Special Revenue Fund has a note receivable in the amount of \$950,000 due from Mission Cottages LP. The agreement is dated December 8, 2020 with funding provided on April 12, 2021. The loan was given for the purpose of filling the developer's short-term gap in project funding due to the requirement that the construction contract would be repaid in full prior to or concurrent with the funding of permanent financing. The developer required financial assistance of the City by way of the Bridge Loan to repay the construction contract in a timely manner. Proceeds of the Bridge Loan were used solely for payment of the construction loan. Due to an anticipated increase in the amount of the Project's permanent loan, the Project developer anticipates payment in full in November 2021 upon conversion to permanent financing. The outstanding principal balance bears simple interest at the rate of three percent (3%) per annum until funds are repaid in full. As of June 30, 2021, the total outstanding balance is \$950,000.

## CITY OF LAKE ELSINORE

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2021

## Note 7: Capital Assets

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

	Beginning Balance	Transfer	Additions	Deletions	Ending Balance
<b><u>Governmental Activities:</u></b>					
Capital assets, not being depreciated:					
Land	\$ 4,345,218	\$ -	\$ 209,683	\$ -	\$ 4,554,901
Construction-in-progress	36,160,575	(859,261)	10,763,242	-	46,064,556
Total Capital Assets, Not Being Depreciated	40,505,793	(859,261)	10,972,925	-	50,619,457
Capital assets, being depreciated:					
Building and Structures	20,216,263	-	838,732	-	21,054,995
Improvement other than buildings	9,119,569	-	133,663	-	9,253,232
Machinery and Equipment	2,340,258	-	48,519	(9,286)	2,379,491
Furniture and Fixtures	957,742	-	2,683	-	960,425
Automotive Equipment	3,794,028	-	116,544	(28,918)	3,881,654
Technology Equipment and Software	879,190	-	57,955	-	937,145
Infrastructure	236,473,721	859,261	-	-	237,332,982
Total Capital Assets, Being Depreciated	273,780,771	859,261	1,198,096	(38,204)	275,799,924
Less accumulated depreciation:					
Building and Structures	(7,459,243)	-	(621,680)	-	(8,080,923)
Improvement other than buildings	(6,676,917)	-	(294,740)	-	(6,971,657)
Machinery and Equipment	(1,421,427)	-	(194,423)	6,965	(1,608,885)
Furniture and Fixtures	(578,745)	-	(121,291)	-	(700,036)
Automotive Equipment	(2,300,496)	-	(343,881)	28,918	(2,615,459)
Technology Equipment and Software	(700,301)	-	(66,551)	-	(766,852)
Infrastructure	(113,139,228)	-	(6,224,145)	-	(119,363,373)
Total Accumulated Depreciation	(132,276,357)	-	(7,866,711)	35,883	(140,107,185)
Total Capital Assets, Being Depreciated, Net	141,504,414	859,261	(6,668,615)	(2,321)	135,692,739
Governmental Activities Capital Assets, Net	\$ 182,010,207	\$ -	\$ 4,304,310	\$ (2,321)	\$ 186,312,196

## CITY OF LAKE ELSINORE

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2021

## Note 7: Capital Assets (Continued)

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

Governmental Activities	
General Government	\$ 194,294
Public Safety	398,552
Public Services	6,413,020
Community Services	305,077
Internal Service Fund	555,768
	<u>\$ 7,866,711</u>

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

	Beginning Balance	Additions	Deletions	Ending Balance
<b><u>Business-type Activities:</u></b>				
Capital assets, not being depreciated:				
Construction-in-progress	\$ 19,099,170	\$ -	\$ -	\$ 19,099,170
Total Capital Assets, Not Being Depreciated	19,099,170	-	-	19,099,170
Capital assets, being depreciated:				
Building and Structures	470,767	-	-	470,767
Improvement other than buildings	8,822,847	-	-	8,822,847
Machinery and Equipment	588,211	28,196	-	616,407
Furniture and Fixtures	350,924	47,644	-	398,568
Automotive Equipment	425,011	-	-	425,011
Total Capital Assets, Being Depreciated	10,657,760	75,840	-	10,733,600
Less accumulated depreciation:				
Building and Structures	(61,567)	(21,447)	-	(83,014)
Improvement other than buildings	(2,469,426)	(352,914)	-	(2,822,340)
Machinery and Equipment	(96,536)	(83,259)	-	(179,795)
Furniture and Fixtures	(39,744)	(39,898)	-	(79,642)
Automotive Equipment	(40,578)	(14,167)	-	(54,745)
Total Accumulated Depreciation	(2,707,851)	(511,685)	-	(3,219,536)
Total Capital Assets, Being Depreciated, Net	7,949,909	(435,845)	-	7,514,064
Governmental Activities Capital Assets, Net	<u>\$ 27,049,079</u>	<u>\$ (435,845)</u>	<u>\$ -</u>	<u>\$ 26,613,234</u>

\* Adjustment was made to properly classify assets

Business-type activities depreciation expense for capital assets for year ended June 30, 2021, is \$511,685.

## CITY OF LAKE ELSINORE

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2021**Note 8: 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
2021 Series	5/21	2021-2044	0.21 - 3.21%	34,970,000
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, 2021

**Note 8: 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
<b>Bonds Payable (Direct Borrowings):</b>					
Public Financing Authority:					
Local Agency Revenue Bonds:					
2012 Series A	\$ 3,025,000	\$ -	\$ (3,025,000)	\$ -	\$ -
2012 Series B	11,330,000	-	(11,330,000)	-	-
2012 Series C	5,275,000	-	(5,275,000)	-	-
2013 Series A	3,495,000	-	(3,495,000)	-	-
2013 Series B	425,000	-	(425,000)	-	-
2013 Series C	10,590,000	-	(10,590,000)	-	-
2014 Series A	7,405,000	-	(7,405,000)	-	-
2014 Series B	16,265,000	-	(530,000)	15,735,000	575,000
2015 Series	83,370,000	-	(2,140,000)	81,230,000	2,360,000
2015 Series A	3,055,000	-	(45,000)	3,010,000	50,000
2015 Series B	1,810,000	-	(1,810,000)	-	-
2019 Series A	7,145,000	-	(320,000)	6,825,000	260,000
Recreation Financing Authority:					
Lease Revenue Bonds:					
2013 Series A	10,240,000	-	(675,000)	9,565,000	700,000
Facilities Financing Authority:					
Local Agency Revenue Bonds:					
2017 Series	4,735,000	-	(135,000)	4,600,000	140,000
Lease Revenue Bonds:					
2016 Series A	9,595,000	-	(255,000)	9,340,000	255,000
Tax Allocation Revenue Refunding Bonds:					
2020 Series A	12,875,000	-	-	12,875,000	-
Local Agency Revenue Refunding Bonds:					
2021 Series	-	34,970,000	-	34,970,000	1,295,000
Certificates of Participation :					
2014 Series A	6,520,000	-	(250,000)	6,270,000	255,000
Subtotal	197,155,000	34,970,000	(47,705,000)	184,420,000	5,890,000
Add (Less) Deferred Amounts:					
Bond Premiums	12,016,361	-	(879,738)	11,136,623	-
Bond Discounts	(197,120)	-	73,191	(123,929)	-
Subtotal	11,819,241	-	(806,547)	11,012,694	-
<b>Total Bonds</b>	<b>\$ 208,974,241</b>	<b>\$ 34,970,000</b>	<b>\$ (48,511,547)</b>	<b>\$ 195,432,694</b>	<b>\$ 5,890,000</b>
<b>Capital Leases Payable (Direct borrowings):</b>					
Capital Lease - Street Lights	\$ 3,403,569	\$ -	\$ (174,714)	\$ 3,228,855	\$ 184,598
<b>Total Capital Leases</b>	<b>\$ 3,403,569</b>	<b>\$ -</b>	<b>\$ (174,714)</b>	<b>\$ 3,228,855</b>	<b>\$ 184,598</b>

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2021

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**Note 8: 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%. The bond was fully refunded at June 30, 2021.

**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. The bond was fully refunded at June 30, 2021.

**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. The bond was fully refunded at June 30, 2021.

**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. The bond was fully refunded at June 30, 2021.

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2021

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**Note 8: 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. The bond was fully refunded at June 30, 2021.

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. The bond was fully refunded at June 30, 2021.

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. The bond was fully refunded at June 30, 2021.

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, 2021, the Authority has a cash reserve balance for debt service of \$1,462,311, which is sufficient to cover the Bond Indenture Reserve Requirement of \$1,444,538.

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, 2021

## Note 8: Long-Term Liabilities (Continued)

Year Ending June 30	2014B Local Agency Revenue Bonds		
	Principal	Interest	Total
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	765,000	580,403	1,345,403
2026-2031	4,475,000	2,438,934	6,913,934
2031-2036	5,050,000	1,258,019	6,308,019
2036-2041	2,850,000	375,663	3,225,663
Totals	<u>\$ 15,735,000</u>	<u>\$ 7,297,646</u>	<u>\$ 23,032,646</u>

## 2015 Series

In February 2015, \$108,845,000 principal amount of 2015 Series Local Agency Revenue Bonds, was issued in accordance with the indenture. The bonds are due in annual installments of \$655,000 to \$8,405,000 from September 1, 2015 through September 1, 2040. Interest payments ranging from 2.0% to 5.0% are due from September 1, 2015 through September 1, 2040. The bonds are subject to call and redemption prior to their stated maturity commencing September 1, 2025 at specified redemption prices. On September 1, 2018, the bonds were partially redeemed in the amount of \$9,415,000. On December 24, 2019, the bonds were partially redeemed in the amount of \$6,780,000. At June 30, 2021, the Authority has a cash reserve balance for debt service of \$8,599,096, which is sufficient to cover the Bond Indenture Reserve Requirement of \$8,256,847.

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
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	3,410,000	3,430,250	6,840,250
2026-2031	21,315,000	14,229,375	35,544,375
2031-2036	31,225,000	7,715,875	38,940,875
2036-2041	14,360,000	1,227,750	15,587,750
Totals	<u>\$ 81,230,000</u>	<u>\$ 41,821,250</u>	<u>\$ 123,051,250</u>

CITY OF LAKE ELSINORE

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2021

**Note 8: 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, 2021, the Authority has a cash reserve balance for debt service of \$277,678, which is sufficient to cover the Bond Indenture Reserve Requirement of \$239,259.

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
2022	\$ 50,000	\$ 102,538	\$ 148,519
2023	55,000	101,388	152,538
2024	60,000	100,019	156,388
2025	65,000	98,294	160,019
2026	70,000	96,269	163,294
2026-2031	430,000	444,566	857,572
2031-2036	595,000	359,822	939,641
2036-2041	825,000	234,266	1,038,181
2041-2046	860,000	64,706	1,144,234
Totals	<u>\$ 3,010,000</u>	<u>\$ 1,601,868</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, 2021, the Reserve Fund is fully funded by the deposit of the Reserve Surety Policy. The bond was fully paid at June 30, 2021.

**CITY OF LAKE ELSINORE**

**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2021**

**Note 8: 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, 2021, the Reserve Fund is fully funded by the deposit of the Reserve Surety Policy. The City completed the refunding to reduce its total service payments by \$585,098 and to obtain an economic gain (difference between the present value of the old and new debt service payments) of \$469,849.

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

Year Ending June 30	2019 Local Agency Revenue Refunding Bonds		
	Principal	Interest	Total
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	340,000	149,877	489,877
2026-2031	2,050,000	592,820	2,642,820
2031-2036	2,670,000	270,680	2,940,680
2036-2041	600,000	8,190	608,190
Totals	<u>\$ 6,825,000</u>	<u>\$ 1,705,910</u>	<u>\$ 8,530,910</u>

2017 Series

On December 21, 2017 \$7,975,000 principal amount of Lease Revenue Bonds, Series 2017, was issued by the Lake Elsinore Facilities Financing Authority to finance the acquisition, construction and installation of certain capital improvements owned by the City for Community Facilities District 2003-2 (Canyon Hills) Improvement Area B. The bonds are due in annual installments of \$105,000 to \$450,000 from September 1, 2018 through September 1, 2044. Interest payments ranging from 2.00% to 4.00% are due from March 1, 2018 through March 1, 2044. The bonds are subject to call and redemption prior to their stated maturity commencing March 1, 2038 at specified redemption prices. On September 1, 2018, the bonds were partially redeemed in the amount of \$3,005,000. At June 30, 2021, the cash reserve balance of \$295,383 is sufficient to cover the Reserve Requirement of \$295,331.



## CITY OF LAKE ELSINORE

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2021**Note 8: Long-Term Liabilities (Continued)**

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

Year Ending June 30	2017 Local Agency Revenue Bonds		
	Principal	Interest	Total
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	150,000	139,894	289,894
2026-2031	810,000	634,409	1,444,409
2031-2036	935,000	496,513	1,431,513
2036-2041	1,090,000	317,913	1,407,913
2041-2046	1,040,000	85,200	1,125,200
Totals	<u>\$ 4,600,000</u>	<u>\$ 2,267,230</u>	<u>\$ 6,867,230</u>

**2020 Series A**

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

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

Year Ending June 30	2020A Tax Allocation Revenue Bonds		
	Principal	Interest	Total
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	1,750,000	429,200	2,179,200
2026-2031	9,855,000	1,016,300	10,871,300
Totals	<u>\$ 12,875,000</u>	<u>\$ 3,480,100</u>	<u>\$ 16,355,100</u>

**CITY OF LAKE ELSINORE**

**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2021**

**Note 8: Long-Term Liabilities (Continued)**

2021 Series A

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

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

Year Ending June 30	2021 Local Agency Revenue Refunding Bonds		
	Principal	Interest	Total
2022	\$ 1,295,000	\$ 200,777	\$ 1,495,777
2023	1,430,000	766,187	2,196,187
2024	1,455,000	761,726	2,216,726
2025	1,500,000	754,276	2,254,276
2026	1,525,000	743,491	2,268,491
2026-2031	8,355,000	3,372,881	11,727,881
2031-2036	7,830,000	2,410,154	10,240,154
2036-2041	5,805,000	1,478,805	7,283,805
2041-2046	5,775,000	382,067	6,157,067
Totals	<u>\$ 34,970,000</u>	<u>\$10,870,364</u>	<u>\$ 45,840,364</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, 2021, 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, 2021**Note 8: Long-Term Liabilities (Continued)**

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

Year Ending June 30	2013A Lease Revenue Refunding Bonds		
	Principal	Interest	Total
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	820,000	307,213	1,127,213
2026-2031	4,690,000	955,988	5,645,988
2031-2036	1,075,000	53,750	1,128,750
Totals	<u>\$ 9,565,000</u>	<u>\$ 2,853,751</u>	<u>\$ 12,418,751</u>

**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
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	275,000	283,313	558,313
2026-2031	1,550,000	1,245,413	2,795,413
2031-2036	1,815,000	976,169	2,791,169
2036-2041	2,130,000	661,388	2,791,388
2041-2046	2,520,000	270,725	2,790,725
Totals	<u>\$ 9,340,000</u>	<u>\$ 4,620,685</u>	<u>\$ 13,960,685</u>

**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2021**
**Note 8: Long-Term Liabilities (Continued)****Certificates of Participation**

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

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

Year Ending June 30	2014 Certificates of Participation		
	Principal	Interest	Total
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	280,000	215,800	495,800
2026-2031	1,580,000	909,200	2,489,200
2031-2036	1,975,000	519,000	2,494,000
2036-2041	1,380,000	112,000	1,492,000
Totals	<u>\$ 6,270,000</u>	<u>\$ 2,686,127</u>	<u>\$ 7,464,127</u>

**Revenues Pledged**

The City has pledged a portion of future Measure A revenues to repay the Certificates of Participation 2014 Series A. The City's certificates of participation are payable solely from the Measure A revenues. Total principal and interest remaining on the certificates of participation is \$8,956,127, payable through fiscal year 2039. For the current year, principal and interest paid by Measure A revenues were \$250,000 and \$245,938, respectively.

**Capital Lease**

On May 30, 2017 the City entered into a Purchase and Sale Agreement with Southern California Edison with the intent to purchase 3,186 LS-1 electric streetlight facilities located within the City of Lake Elsinore. On November 1, 2018, the City entered into an Equipment Lease/Purchase Agreement with Banc of America Leasing & Capital, LLC to finance the acquisition, installation, and retrofitting of these streetlights. The acquisition amount is \$3,459,380 with payments due in bi-annual installments of \$362,229 from December 1, 2019 through December 1, 2033. The contract rate is 5.58% per annum. The balance on the lease payable at June 30, 2021, was \$3,228,855.

**CITY OF LAKE ELSINORE**

**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2021**

**Note 8: Long-Term Liabilities (Continued)**

Future debt requirements for the capital lease are as follows:

Year Ending June 30	2020A Lease Revenue Bonds		
	Principal	Interest	Total
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	230,057	132,172	362,229
2026-2031	1,360,895	450,249	1,811,144
2031-2034	834,447	71,124	905,571
Totals	<u>\$ 3,228,855</u>	<u>\$ 1,299,005</u>	<u>\$ 4,527,860</u>

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

	June 30, 2021
Equipment under capitalized lease, at cost	\$ 3,459,380
Accumulated depreciation	(115,716)
Equipment under capitalized lease, net	<u>\$ 3,343,664</u>

**Compensated Absences**

The following is a summary of changes in compensated absences for the year ended June 30, 2021:

	Balance at July 1, 2020	Additions	Deletions	Balance at June 30, 2021	Due Within One Year
Governmental Activities	\$ 1,331,619	\$ 550,211	\$ 537,955	\$ 1,343,875	\$ 137,744
Total	<u>\$ 1,331,619</u>	<u>\$ 550,211</u>	<u>\$ 537,955</u>	<u>\$ 1,343,875</u>	<u>\$ 137,744</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 9: 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:

**CITY OF LAKE ELSINORE**

**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2021**

**Note 9: Special Assessment District Bonds (Continued)**

	<u>Original Issue</u>	<u>Outstanding at June 30, 2021</u>
Assessment District NO. 93-1 Refunding Improvement Bonds, 2012 Series B	\$ 15,345,000	\$ 10,560,000
Total Assessment District Bonds		<u>\$ 10,560,000</u>

**Note 10: 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:

	<u>Original Issue</u>	<u>Outstanding Amount at June 30, 2021</u>
Community Facilities District 90-2 Tuscany Hills (2007 Series A)	\$ 7,340,000	\$ 3,995,000
Community Facilities District 2005-5 Wasson Canyon (2012A Series)	3,450,000	2,945,000
Community Facilities District 2006-1 Summerly (2013 Series)	3,620,000	3,455,000
Community Facilities District 2003-2 Canyon Hills IA-C (2012 Series C)	5,345,000	5,245,000
Community Facilities District 98-1 Summerhill (2013C Series)	13,615,000	504,000
Community Facilities District 2003-2 Canyon Hills IA-D (2014A Series)	7,505,000	7,395,000
Community Facilities District 2003-2 IA-D Canyon Hills (2016 Series A)	16,495,000	15,980,000
Community Facilities District 2003-2 IA-A Canyon Hills (2014 Series)	10,895,000	9,235,000
Community Facilities District 2003-2 IA-C Canyon Hills (2014 Series)	7,315,000	6,885,000
Community Facilities District 95-1 Lake Elsinore City Center (2015 Series)	1,030,000	560,000
Community Facilities District 2003-2 IA-B Canyon Hills (2015 Series)	25,795,000	14,735,000
Community Facilities District 2004-3-1 IA-1 Rosetta Canyon (2015 Series)	21,005,000	18,265,000
Community Facilities District 2004-3-1 IA-2 Rosetta Canyon (2015 Series)	23,115,000	21,120,000
Community Facilities District 2005-1 Serenity (2015 Series)	8,165,000	6,730,000
Community Facilities District 2005-2 IA-A Alberhill Ranch (2015 Series)	21,095,000	12,110,000
Community Facilities District 2005-2 IA-A Alberhill Ranch (2019 Series A)	7,145,000	6,825,000
Community Facilities District 2005-6 City Center Townhomes (2015 Series)	2,815,000	2,495,000
Community Facilities District 2006-2 Viscaya (2015 Series)	5,825,000	5,215,000
Community Facilities District 2006-1 IA-B Summerly (2015 Series)	3,200,000	3,010,000
Community Facilities District 2006-1 IA-CC (2016 Series A)	3,000,000	2,840,000
Community Facilities District 2006-1 IA-EE Summerly (2017 Series A)	5,070,000	5,020,000
Community Facilities District 2006-1 IA-FF Summerly (2016 Series B)	3,785,000	3,685,000
Community Facilities District 2003-2 IA-B Canyon Hills (2017 Series)	7,975,000	4,600,000
Community Facilities District 2015-5 Trieste (2017 Series)	2,240,000	2,125,000
Community Facilities District 2003-2 IA-E Canyon Hills (2018 Series)	2,655,000	2,575,000
Community Facilities District 2007-5 Red Kite (2018 Series)	1,740,000	1,685,000
Community Facilities District 2016-2 Canyon Hills (2018 Series)	19,745,000	19,600,000
Community Facilities District 2007-4 Makenna Court (2018 Series)	2,645,000	2,620,000
Community Facilities District 2006-1 IA-JJ Summerly (2018 Series)	5,370,000	5,340,000
Community Facilities District 2006-1 IA-HH Summerly (2019 Series)	5,395,000	5,395,000
Community Facilities District 2006-1 IA-II Summerly (2019 Series)	7,790,000	7,790,000
Community Facilities District 2006-1 IA-KK Summerly (Special Tax Bonds 2021 Se	5,265,000	5,265,000
Community Facilities District 2019-1 Westlak (Special Tax Bonds 2021 Series)	6,610,000	6,610,000
Total Community Facilities District Bonds	<u>\$ 285,860,000</u>	<u>\$ 221,854,000</u>



**CITY OF LAKE ELSINORE**

**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2021**

**Note 11: 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	\$ 210,091

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

Transfers In/Out

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

Transfers In	Transfers Out	Amount
General Fund	Other Governmental Funds	\$ 1,008,207
Low and Moderate Income Housing	Capital Improvement Plan Fund	2,255,171
Other Governmental Funds	General Fund	754,994
Other Governmental Funds	Other Governmental Funds	527,147
Other Governmental Funds	Capital Improvement Plan Fund	442,119
Capital Improvement Plan Fund	Other Governmental Funds	8,113,086
Launch Pointe Fund	Capital Improvement Plan Fund	653,165
Internal Service Funds	General Fund	1,100,000
Internal Service Funds	General Fund	1,500,000
	Total	<u>\$ 16,353,889</u>

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

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2021

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**Note 11: 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, was established. The proceeds of the bonds were loaned to the Launch Pointe in the principal amounts of the bonds. Principal and interest are payable in payments not less than three business days prior to the due dates of the bonds. The bonds are due in annual installments of \$80,000 to \$540,000 from April 1, 2017 through April 1, 2046. Interest payments ranging from 1.25% to 3.75% are due from April 1, 2017 through April 1, 2046. The loan balance at June 30, 2021 is \$9,340,000.

**Note 12: 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, 2021

## Note 12: Fund Balance and Net Position (Continued)

The details of the fund balances as of June 30, 2021, are presented below:

	General Fund	Cost Recovery System	Moderate Income Housing Special Revenue Fund	Capital Improvement Plan Capital Projects Fund	Public Financing Authority Debt Service Fund
<b>Fund balances:</b>					
<b>Nonspendable:</b>					
Prepaid items	\$ 31,847	\$ -	\$ -	\$ -	\$ -
Notes Receivable	1,000,000	-	-	-	-
<b>Restricted for:</b>					
Debt Service	-	-	-	-	113,426,333
Low & Moderate Income Housing	-	-	51,996,171	-	-
<b>Assigned for:</b>					
Construction	-	-	-	11,960,552	-
<b>Unassigned</b>	13,715,078	-	-	-	-
Total fund balances	<u>\$ 14,746,925</u>	<u>\$ -</u>	<u>\$ 51,996,171</u>	<u>\$ 11,960,552</u>	<u>\$ 113,426,333</u>
	Recreation Authority Debt Service Fund	Facilities Financing Authority	Non - Major Governmental Funds	Total Governmental Funds	
<b>Fund balances:</b>					
<b>Nonspendable:</b>					
Prepaid items	\$ 90,839	\$ 324,281	\$ 46,527	\$ 493,494	
Notes Receivable	-	-	-	1,000,000	
Endowment Principal	-	-	20,000	20,000	
<b>Restricted for:</b>					
Debt Service	7	-	-	113,426,340	
Low & Moderate Income Housing	-	-	3,588,377	55,584,548	
Transportation & Public Works	-	-	2,323,631	2,323,631	
Capital Projects	-	-	5,693,398	5,693,398	
Lighting & Landscape Maintenance	-	-	971,996	971,996	
Public Facilities and Improvements	-	63,693,745	6,982,322	70,676,067	
Other purposes	-	-	35,721	35,721	
<b>Assigned for:</b>					
Construction	-	-	195,003	12,155,555	
Scholarships	-	-	14,221	14,221	
<b>Unassigned</b>	-	-	-	13,715,078	
Total fund balances	<u>\$ 90,846</u>	<u>\$ 64,018,026</u>	<u>\$ 19,871,196</u>	<u>\$ 276,110,049</u>	

CITY OF LAKE ELSINORE

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2021

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**Note 12: Fund Balance and Net Position (Continued)**

The details of other restricted purposes in the Statement of Net Position as of June 30, 2021, are presented below:

Geothermal	\$	13,908
Education		35,721
Total Net Position - Other Restricted Purposes	\$	49,629

**Note 13: 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, 2021**

**Note 13: Pension Plan (Continued)**

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

<b>City Miscellaneous Plan</b>			
	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%	6.750%
Required normal employer contribution rates	13.146%	8.794%	7.732%
Required employer payment of unfunded liability	781,582	37,395	23,322

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

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

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

CITY OF LAKE ELSINORE

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2021

**Note 13: Pension Plan (Continued)**

For the year ended June 30, 2021, the employer contributions recognized as a reduction to the net position liability for all the Plans was \$1,762,390.

As of June 30, 2021, the City reported a net pension liability for its proportionate share of the net pension liability of the Plan of \$13,038,918.

**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, 2020, 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, 2019, rolled forward to June 30, 2020, 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, 2019 and 2020, were as follows:

<u>June 30,2020</u>	<u>June 30,2019</u>	<u>Increase (Decrease)</u>
0.11984%	0.12082%	-0.00098%

For the year ended June 30, 2021, the City recognized pension expense (credit) of \$2,297,717. At June 30, 2021, City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Current year contributions that occurred after the measurement date of June 30, 2020	\$ 1,631,890	\$ -
Change of Assumption	-	92,880
Difference between Expected and Actual Experiences	672,747	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments	387,093	-
Adjustment due to differences in proportions	1,044	111,805
Difference in proportionate share	73,070	-
<b>Total</b>	<b>\$ 2,765,844</b>	<b>\$ 204,685</b>



CITY OF LAKE ELSINORE

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2021

Note 13: Pension Plan (Continued)

The \$1,631,890 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:

Year Ending June 30	
2022	\$ 84,793
2023	367,427
2024	291,374
2025	185,675
2026	-
Thereafter	-
Total	<u>\$ 929,269</u>

For the measurement period ended June 30, 2020, the total pension liability was determined by rolling forward the June 30, 2019, total pension liability. The June 30, 2019, and the June 30, 2020, 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, 2019, 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.

**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2021**


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**Note 13: 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:

<b>Asset Class</b>	<b>Strategic Allocation</b>	<b>Real Return Years 1-10*</b>	<b>Real Return Years 11+**</b>
Global Equity	50.00%	4.80%	5.98%
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.

**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2021**


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**Note 13: 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	\$ 19,739,348	\$ 13,038,918	\$ 7,502,598

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

**Note 14: 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
	<u>128</u>

**Contributions**

The Plan and its contribution requirements are established by Memoranda of Understanding with the applicable employee bargaining units and may be amended by agreements between the City and the bargaining units. The annual contribution is based on the actuarially determined contribution. For the measurement date ended June 30, 2020, the City's cash contributions were \$721,083 in total payments, which were recognized as a reduction to the OPEB liability.

**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2021**


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**Note 14: Other Post-Employment Benefits (Continued)****Total OPEB Liability**

The City's Total OPEB liability was measured as of June 30, 2020, 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	2.45%
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 2.45 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 3.13% to 2.45% 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, 2019 (Measurement Date)	\$ 22,922,250
Changes recognized for the measurement period:	
Service Cost	728,572
Interest	726,138
Differences between expected and actual experience	(43,169)
Changes in Assumptions	2,563,159
Benefit payments	(903,028)
Net Changes	3,071,672
Balance at June 30, 2020 (Measurement Date)	\$ 25,993,922

**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2021**

**Note 14: 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, 2020:

	<b>1% Decrease (1.45%)</b>	<b>Current Discount Rate (2.45%)</b>	<b>1% Increase (3.45%)</b>
Total OPEB Liability	\$ 30,572,009	\$ 25,993,922	\$ 22,352,585

**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, 2020:

	<b>1% Decrease</b>	<b>Current Healthcare Cost Trend Rates</b>	<b>1% Increase</b>
Total OPEB Liability	\$ 21,774,324	\$ 25,993,922	\$ 31,438,579

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

For the fiscal year ended June 30, 2021, the City recognized OPEB expense of \$1,477,435. As of fiscal year ended June 30, 2021, the City reported deferred outflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Contributions subsequent to the measurement date	\$ 691,505	\$ -
Changes of assumptions	3,173,288	1,069,015
Difference between projected and actual liability	-	954,451
Total	<u>\$ 3,864,793</u>	<u>\$ 2,023,466</u>

The \$691,505 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, 2022. 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>	
2022	\$ 22,725
2023	22,725
2024	80,083
2025	365,200
2026	385,751
Thereafter	273,338
Total	<u>\$ 1,149,822</u>

**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2021**

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**Note 15: Deferred Compensation**

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code 457. On August 20, 1996, the provisions of Internal Revenue Code (IRC) Section 457 were amended to require new plans to place all assets and income of the plans in trust for the exclusive benefit of participants and their beneficiaries. Plans in existence as of the date of this change must place the Plan assets and income in trust by January 1, 1999. Once the assets and income are placed in trust the City no longer owns the amounts deferred by employees and related income. Prior to this IRC Section 457 Amendment, the deferred amounts and related income remained as property of the City until withdrawn by the employee.

During the 1997-98 fiscal year, the City placed its Deferred Compensation Plan assets and related income in trust as allowed by IRC Section 457 and as a result the asset and corresponding liability are no longer presented in these financial statements. This change had no impact on the City's fund equity.

**Note 16: Liability, Property and Protection**

The City of Lake Elsinore is a member of the CALIFORNIA JOINT POWERS INSURANCE AUTHORITY (Authority). The Authority is composed of 123 California public entities and is organized under a joint powers agreement pursuant to California Government Code §6500 et seq. The purpose of the Authority is to arrange and administer programs for the pooling of self-insured losses, to purchase excess insurance or reinsurance, and to arrange for group purchased insurance for property and other lines of coverage. The California JPIA began covering claims of its members in 1978. Each member government has an elected official as its representative on the Board of Directors. The Board operates through a nine-member Executive Committee.

**Primary Self-insurance Programs of the Authority**

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

**Primary Liability Program**

Claims are pooled separately between police and general government exposures. (1) The payroll of each member is evaluated relative to the payroll of other members. A variable credibility factor is determined for each member, which establishes the weight applied to payroll and the weight applied to losses within the formula. (2) The first layer of losses includes incurred costs up to \$100,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the first layer. (3) The second layer of losses includes incurred costs from \$100,000 to \$500,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the second layer. (4) Incurred costs from \$500,000 to \$50 million, are distributed based on the outcome of cost allocation within the first and second loss layers.

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

**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2021**

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**Note 16: Liability, Property and Protection (Continued)**

**Primary Workers' Compensation Program**

Claims are pooled separately between public safety (police and fire) and general government exposures. (1) The payroll of each member is evaluated relative to the payroll of other members. A variable credibility factor is determined for each member, which establishes the weight applied to payroll and the weight applied to losses within the formula. (2) The first layer of losses includes incurred costs up to \$75,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the first layer. (3) The second layer of losses includes incurred costs from \$75,000 to \$200,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the second layer. (4) Incurred costs from \$200,000 to statutory limits are distributed based on the outcome of cost allocation within the first and second loss layers.

For 2020-21 the Authority's pooled retention is \$1 million per occurrence, with reinsurance to statutory limits under California Workers' Compensation Law. Employer's Liability losses are pooled among members to \$1 million. Coverage from \$1 million to \$5 million is purchased through reinsurance policies, and Employer's Liability losses from \$5 million to \$10 million are pooled among members.

**Property Insurance**

The City 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 \$114,690,344. There is a \$10,000 deductible per occurrence except for non-emergency vehicle insurance which has a \$2,500 deductible.

**Crime Insurance**

The City of Lake Elsinore purchases crime insurance coverage in the amount of \$1,000,000 with a \$2,500 deductible. The fidelity coverage is provided through the Authority.

**Pollution Liability Insurance**

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

**Adequacy of Protection**

During the past three fiscal years, none of the above programs of protection experienced settlements or judgments that exceeded pooled or insured coverage. There were also no significant reductions in pooled or insured liability coverage in 2020-21.



**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2021**

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**Note 17: Litigation**

The City is defendant in several other pending lawsuits of a nature common to many similar jurisdictions. City Management estimates that the potential claims against the City not covered by insurance resulting from such litigation would not materially affect the basic financial statements of the City.

**Note 18: 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, 2021**

**Note 18: Successor Agency Trust Disclosures (Continued)**

**Successor Agency Capital Assets**

Capital assets activity was as follows:

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Deletions</b>	<b>Ending Balance</b>
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	26,471,558	117,140	-	26,588,698
Improvement other than buildings	531,302	-	-	531,302
Machinery and Equipment	348,895	18,375	-	367,270
Furniture and Fixtures	667,858	1,461	-	669,319
Total Capital Assets, Being Depreciated	28,019,613	136,976	-	28,156,589
Less accumulated depreciation:				
Building and Structures	(10,839,431)	(1,624,330)	-	(12,463,761)
Improvement other than buildings	(440,622)	(34,390)	-	(475,012)
Machinery and Equipment	(115,198)	(38,387)	-	(153,585)
Furniture and Fixtures	(11,561)	(70,739)	-	(82,300)
Total Accumulated Depreciation	(11,406,812)	(1,767,846)	-	(13,174,658)
Total Capital Assets, Being Depreciated, Net	16,612,801	(1,630,870)	-	14,981,931
Capital Assets, Net	\$ 18,617,220	\$ (1,630,870)	\$ -	\$ 16,986,350

**Successor Agency Long – Term Liabilities**

	<b>Date of Issue</b>	<b>Years of Maturity</b>	<b>Rate of Interest</b>	<b>Amount Authorized</b>
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				
2018A&B	02/18	2019-2038	Various	10,320,000
2020B&C	12/20	2022-2038	3.00 - 4.00%	9,390,000
Developer Agreements:				
McMillin Summerly, LLC	12/02	N/A	N/A	19,000,000

**CITY OF LAKE ELSINORE**

**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2021**

**Note 18: Successor Agency Trust Disclosures (Continued)**

Long term activity was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
<b>Loans Payable (Direct borrow ings) :</b>					
City of Lake Elsinore (Note 4)	\$ 27,012,366	\$ 458,750	\$ (3,765,764)	\$ 23,705,352	\$ -
Lake Elsinore Facilities Financing Authority	12,875,000	-	-	12,875,000	-
Subtotal	39,887,366	458,750	(3,765,764)	36,580,352	-
<b>Subordinate Tax Allocation Bonds :</b>					
2015 Series	5,105,000	-	(790,000)	4,315,000	805,000
2019 Series A	9,260,000	-	(170,000)	9,090,000	270,000
2019 Series B	4,050,000	-	(650,000)	3,400,000	655,000
Premiums	1,455,155	-	(107,200)	1,347,955	-
Subtotal	19,870,155	-	(1,717,200)	18,152,955	1,730,000
<b>Third Lien Tax Allocation Bonds :</b>					
2018 Series A&B	9,375,000	-	(520,000)	8,855,000	530,000
2020 Series B&C	-	9,390,000	(665,000)	8,725,000	360,000
Discount	(162,378)	-	8,777	(153,601)	-
Premium	-	928,237	(53,042)	875,195	-
Subtotal	9,212,622	10,318,237	(1,229,265)	18,301,594	890,000
<b>Developer Agreements (Direct borrow ings):</b>					
McMillin Summerly, LLC	1,713,381	-	(1,713,381)	-	-
Subtotal	1,713,381	-	(1,713,381)	-	-
Total	\$ 70,683,524	\$ 10,776,987	\$ (8,425,610)	\$ 73,034,901	\$ 2,620,000

<sup>(1)</sup> 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, 2021****Note 18: Successor Agency Trust Disclosures (Continued)**

At June 30, 2021, outstanding principal under loan agreements between the Successor Agency and the Authority totaled \$12,875,000 based on 2020 Series A, Tax Allocation Revenue Refunding Bonds.

**2020 Series A**

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

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:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	1,750,000	429,200	2,179,200
2027 - 2031	9,855,000	1,016,300	10,871,300
Totals	<u>\$ 12,875,000</u>	<u>\$ 3,480,100</u>	<u>\$ 16,355,100</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, 2021, is \$4,315,000.

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, 2021

## Note 18: Successor Agency Trust Disclosures (Continued)

Year Ending June 30	Principal	Interest	Total
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	250,000	97,156	347,156
2027 - 2031	1,410,000	326,013	1,736,013
2032 - 2036	1,035,000	85,434	1,120,434
2037 - 2041	130,000	7,250	137,250
Totals	<u>\$ 4,315,000</u>	<u>\$ 1,009,877</u>	<u>\$ 5,324,877</u>

**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, 2021, is \$9,090,000.

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
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	330,000	387,750	717,750
2027 - 2031	1,900,000	1,669,250	3,569,250
2032 - 2036	5,690,000	367,500	6,057,500
Totals	<u>\$ 9,090,000</u>	<u>\$ 4,129,250</u>	<u>\$ 13,219,250</u>

**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2021**


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**Note 18: 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, 2021, is \$3,400,000.

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

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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>\$ 3,400,000</u>	<u>\$ 171,738</u>	<u>\$ 3,571,738</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, 2021, is \$2,070,000.

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, 2021**Note 18: Successor Agency Trust Disclosures (Continued)**

Year Ending June 30	Principal	Interest	Total
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	105,000	50,544	155,544
2027 - 2031	555,000	212,638	767,638
2032 - 2036	840,000	115,481	955,481
2037 - 2038	170,000	8,606	178,606
Totals	<u>\$ 2,070,000</u>	<u>\$ 611,037</u>	<u>\$ 2,681,037</u>

**2018 Series B**

In February 2018, \$7,970,000 principal amount of Tax Allocation Bonds, Series B, was issued by the Successor Agency of the Redevelopment Agency. The principal and interest on the bonds are payable solely from the Pledged Tax Revenue allocated to the Agency from the Project Areas and other funds. The bonds were issued to finance certain obligations of the Agency under the Summerly DDA. The bonds are payable in annual installments of \$205,000 to \$545,000 from March 1, 2019 through March 1, 2038; interest at 2.250% to 4.000%. The balance at June 30, 2021, is \$6,785,000.

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
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	390,000	202,881	592,881
2027 - 2031	2,170,000	791,150	2,961,150
2032 - 2036	2,265,000	336,394	2,601,394
2037 - 2038	430,000	26,000	456,000
Totals	<u>\$ 6,785,000</u>	<u>\$ 2,286,094</u>	<u>\$ 9,071,094</u>

**2020 Series B**

In December 2020, \$4,835,000 principal amount of Tax Allocation Bonds, Series B, was issued by the Successor Agency of the Redevelopment Agency. The principal and interest on the bonds are payable solely from the Pledged Tax Revenue allocated to the Agency from the Project Areas and other funds. The bonds were issued to finance certain obligations of the Agency under the Summerly DDA. The bonds are payable in annual installments of \$100,000 to \$705,000 from March 1, 2022 through March 1, 2038; interest at 3.000% to 4.000%. The balance at June 30, 2021, is \$4,835,000.



**CITY OF LAKE ELSINORE**

**NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2021**

**Note 18: Successor Agency Trust Disclosures (Continued)**

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

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 100,000	\$ 191,250	\$ 291,250
2023	115,000	188,250	303,250
2024	120,000	184,800	304,800
2025	125,000	180,000	305,000
2026	130,000	175,000	305,000
2027 - 2031	870,000	793,000	1,663,000
2032 - 2036	2,880,000	415,400	3,295,400
2037 - 2038	495,000	29,800	524,800
Totals	<u>\$ 4,835,000</u>	<u>\$ 2,157,500</u>	<u>\$ 6,992,500</u>

**2020 Series C**

In December 2020, \$4,555,000 principal amount of Tax Allocation Bonds, Series C, was issued by the Successor Agency of the Redevelopment Agency. The principal and interest on the bonds are payable solely from the Pledged Tax Revenue allocated to the Agency from the Project Areas and other funds. The bonds were issued to finance certain obligations of the Agency under the Summerly DDA. The bonds are payable in annual installments of \$260,000 to \$310,000 from March 1, 2021 through March 1, 2031; interest at 0.0473% to 2.473%. The balance at June 30, 2021, is \$3,890,000.

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

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 260,000	\$ 63,204	\$ 323,204
2023	395,000	61,584	456,584
2024	400,000	58,305	458,305
2025	405,000	54,205	459,205
2026	410,000	49,447	459,447
2027 - 2031	2,020,000	131,706	2,151,706
Totals	<u>\$ 3,890,000</u>	<u>\$ 418,451</u>	<u>\$ 4,308,451</u>

**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:

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2021

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**Note 18: 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, 2021, is \$0. In addition, property tax increment accrued as of June 30, 2021 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.

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2021

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**Note 18: 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 \$725,411 for the 2020 fiscal year and \$743,544 for the 2021 fiscal year. This amount is net of payments owed to the Successor Agency pursuant to a License Agreement, as amended, and includes payments by the Successor Agency due pursuant to a Stadium Field and Maintenance Agreement, as amended, and assignment of revenues pursuant to a Concession License Agreement, as amended. The Management Agreement was amended and expires on September 30, 2022.

**Other Matters**

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

**Pledged Revenue**

The City pledged, as security for bonds issued, either directly or through the Financing Authority, a portion of tax increment revenue (including Low- and Moderate-Income Housing set-aside and pass-through allocations) that it receives. The bonds issued were to provide financing for various capital projects, accomplish Low- and Moderate-Income Housing projects and to defease previously issued bonds. Assembly Bill 1X 26 provided that upon dissolution of the Redevelopment Agency, property taxes allocated to redevelopment agencies no longer are deemed tax increment but rather property tax revenues and will be allocated first to successor agencies to make payments on the indebtedness incurred by the dissolved redevelopment agency. For the current year, the total property tax revenue recognized by the Successor Agency for the payment of indebtedness incurred by the dissolved redevelopment agency was \$15,054,596 and the required debt service obligation on the bonds was \$8,425,610.

## **CITY OF LAKE ELSINORE**

### **NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)** **YEAR ENDED JUNE 30, 2021**

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#### **Note 19: 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 20: Restatement - GASB Statement No. 84, Fiduciary Activities**

During the year ended June 30, 2021, the City adopted new accounting guidance by implementing the provisions of GASB Statement No. 84, Fiduciary Activities, which establishes criteria for identifying and reporting fiduciary activities. The implementation of this statement has resulted in changing the presentation of the financial statements by presenting funds formula identified under the agency fund description to be presented under the City's governmental activities. Beginning net position has been restated to reflect this change. A restatement in the governmental activities and Custodial Funds of \$2,696,968 and \$265,686,939, respectively, were required to implement the new standard.

#### **Note 21: Subsequent Events**

On August 5, 2021, \$10,405,000 principal amount of 2021 Local Agency Revenue Refunding Bonds, Series B, was issued by the Lake Elsinore Facilities Financing Authority in accordance with the indenture. The bonds were issued to refund four outstanding series of bonds issued by said community facilities districts, which with respect to series of such bonds, were issued in connection with the issuance by the Lake Elsinore Public Facilities Financing Authority of a series of its local agency revenue bonds. Bonds are due in annual installments of \$105,000 to \$600,000 from March 1, 2022 to September 1, 2047. Interest payments at 4.0% are due from September 1, 2022 to September 1, 2047.



# **REQUIRED SUPPLEMENTARY INFORMATION**







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## CITY OF LAKE ELSINORE

**BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
YEAR ENDED JUNE 30, 2021**

	<b>Budget Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
				<b>Positive</b>
				<b>(Negative)</b>
Budgetary Fund Balance, July 1	\$ 12,058,871	\$ 12,058,871	\$ 12,058,871	\$ -
<b>Resources (Inflows):</b>				
Taxes	22,557,050	24,819,640	27,591,090	2,771,450
Licenses and permits	2,588,780	2,663,596	2,466,569	(197,027)
Intergovernmental	5,995,720	5,896,430	4,645,676	(1,250,754)
Charges for services	3,043,900	3,526,325	3,395,047	(131,278)
Use of money and property	218,370	49,123	63,426	14,303
Fines and forfeitures	569,010	288,454	250,930	(37,524)
Contributions	618,000	442,295	172,486	(269,809)
Miscellaneous	8,774,310	8,170,261	8,288,753	118,492
Transfers in	-	268,363	1,008,207	739,844
Proceeds from sale of capital asset	-	8,263	8,262	(1)
<b>Amounts Available for Appropriations</b>	<b>56,424,011</b>	<b>58,191,621</b>	<b>59,949,317</b>	<b>1,757,696</b>
<b>Charges to Appropriation (Outflow):</b>				
General government				
City Council	221,350	221,350	205,646	15,704
Community Support	134,330	183,080	115,002	68,078
City Clerk	668,340	668,340	557,261	111,079
City Attorney	509,940	509,940	622,112	(112,172)
City Manager	952,320	1,054,450	1,123,908	(69,458)
Administrative Services	2,012,320	2,012,320	1,965,930	46,390
Public safety				
Police Services - Contracted	14,538,480	14,538,480	14,006,496	531,984
Suppression - Contracted	7,711,430	7,711,430	7,050,641	660,789
Animal Services - Contracted	754,550	754,550	761,875	(7,325)
Community development				
Planning & Zoning	1,490,520	1,551,440	1,042,751	508,689
Building & Safety	1,687,490	1,687,490	1,559,191	128,299
Code Enforcement/Graffiti	1,329,780	1,329,780	1,335,384	(5,604)
Economic Development	264,680	264,680	244,263	20,417
Fire Prevention	700,680	700,678	411,130	289,548
Community services				
Administration	979,610	979,610	773,057	206,553
Recreation	1,087,990	1,087,990	610,845	477,145
Senior Center	539,750	539,750	391,964	147,786
Neighborhood Center	465,480	314,750	229,274	85,476
Public services				
Engineering	2,467,150	2,627,982	1,978,012	649,970
Administration	3,039,920	3,039,920	2,811,503	228,417
Park Maintenance	2,916,320	2,916,320	2,637,033	279,287
Lake Services	1,263,330	1,263,330	1,133,391	129,939
Non-Departmental	199,640	392,720	280,729	111,991
Debt service:				
Principal retirement	675,000	675,000	-	675,000
Interest and fiscal charges	454,400	454,400	-	454,400
Transfers out	643,690	643,690	3,354,994	(2,711,304)
<b>Total Charges to Appropriations</b>	<b>47,708,490</b>	<b>48,123,470</b>	<b>45,202,392</b>	<b>2,921,078</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 8,715,521</b>	<b>\$ 10,068,151</b>	<b>\$ 14,746,925</b>	<b>\$ 4,678,774</b>



## CITY OF LAKE ELSINORE

**BUDGETARY COMPARISON SCHEDULE  
 LOW AND MODERATE INCOME HOUSING  
 YEAR ENDED JUNE 30, 2021**

	<b>Budget Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
				<b>Positive</b>
				<b>(Negative)</b>
Budgetary Fund Balance, July 1	\$ 45,097,745	\$ 45,097,745	\$ 45,097,745	\$ -
<b>Resources (Inflows):</b>				
Assessments	45,000	45,000	5,566,378	5,521,378
Use of money and property	75,000	75,000	104,030	29,030
Miscellaneous	-	-	2,400	2,400
Transfers in	-	-	2,255,171	2,255,171
<b>Amounts Available for Appropriations</b>	<b>45,217,745</b>	<b>45,217,745</b>	<b>53,025,724</b>	<b>7,807,979</b>
<b>Charges to Appropriation (Outflow):</b>				
Community development	505,000	505,000	1,029,553	(524,553)
<b>Total Charges to Appropriations</b>	<b>505,000</b>	<b>505,000</b>	<b>1,029,553</b>	<b>(524,553)</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 44,712,745</b>	<b>\$ 44,712,745</b>	<b>\$ 51,996,171</b>	<b>\$ 7,283,426</b>

## 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	2021
Proportion of the Net Pension Liability	0.29477%	0.32568%	0.31058%	0.30896%	0.30977%	0.30889%	0.30885%
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	\$ 13,038,918
Covered Payroll	\$ 4,537,860	\$ 4,751,199	\$ 3,804,985	\$ 5,605,231	\$ 5,975,932	\$ 6,052,501	\$ 6,349,041
Proportionate Share of the Net Pension Liability as Percentage of Covered Payroll	160.71%	188.24%	283.79%	217.46%	195.53%	204.55%	205.37%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	78.40%	79.82%	75.87%	73.31%	75.26%	75.26%	75.10%

**Notes to Schedule:**

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

Changes of Assumptions: In 2021, 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 seven 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	2021
Actuarially Determined Contribution	\$ 890,999	\$ 1,049,049	\$ 1,313,558	\$ 1,397,703	\$ 1,340,596	\$ 1,529,732	\$ 1,631,890
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)	(1,631,890)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ (245,343)	\$ (232,657)	\$ -
Covered Payroll	\$ 4,751,199	\$ 3,804,985	\$ 5,605,231	\$ 5,975,932	\$ 6,052,501	\$ 6,349,041	\$ 6,551,595
Contributions as a Percentage of Covered Payroll	18.75%	27.57%	23.43%	23.39%	26.20%	27.76%	24.91%

(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, 2018

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/	Benefit Change	Golden
	Investment	Non-investment	Method Change		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 2.50%

Payroll Growth 2.875%

Projected Salary Increases Varies by Entry Age and Service

Investment Rate of Return 7.15% (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	2021
<b>Total OPEB Liability</b>				
Service cost	\$ 841,236	\$ 747,127	\$ 764,792	\$ 728,572
Interest on the total OPEB liability	700,306	788,486	814,609	726,138
Actual and expected experience difference	-	-	(1,305,728)	(43,169)
Changes in assumptions	(2,304,484)	(203,573)	1,410,007	2,563,159
Benefit payments (2)	(964,068)	(991,074)	(999,280)	(903,028)
<b>Net change in total OPEB liability</b>	<b>(1,727,010)</b>	<b>340,966</b>	<b>684,400</b>	<b>3,071,672</b>
<b>Total OPEB liability - beginning</b>	<b>23,623,894</b>	<b>21,896,884</b>	<b>22,237,850</b>	<b>22,922,250</b>
<b>Total OPEB liability - ending</b>	<b>\$ 21,896,884</b>	<b>\$ 22,237,850</b>	<b>\$ 22,922,250</b>	<b>\$ 25,993,922</b>
 <b>Plan fiduciary net position as a percentage of the total OPEB liability</b>	 0.00%	 0.00%	 0.00%	 0.00%
 <b>Covered payroll</b>	 \$ 4,726,797	 \$ 4,962,874	 \$ 5,058,783	 \$ 7,043,350
 <b>Total OPEB liability as a percentage of covered payroll</b>	 441.21%	 470.46%	 461.87%	 513.84%

(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 \$669,634 direct subsidy payments to retirees and \$233,394 implicit subsidy costs incurred during measurement period ending June 30, 2020.

**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 3.13% to 2.45% based on updated 20-year municipal bond rates.

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)**  
**YEAR ENDED JUNE 30, 2021**

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**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 device 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, La Strada RBBB, Anchor, and Measure Z Fund did not adopt budgets. Therefore, no budgetary comparison schedule is presented as supplementary information.



# **SUPPLEMENTARY INFORMATION**







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**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 Landscaping - to account for revenues derived from annual assessments which are used to pay the costs incurred by the City for landscape maintenance and streetlight maintenance.

Lighting and Landscape Maintenance District (L.L.M.D No. 1) - 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.

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.

**CITY OF LAKE ELSINORE**  
**Non-Major Governmental Funds**

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

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

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

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

The Anchor – to account for expenditures funded by the Homeless Emergency Aid Program and Project Homekey used for crises stabilization housing complex owned by the City and operated by the Social Work Action Group serving chronic homeless individuals from the Lake Elsinore and adjacent county areas.

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

Pedestrian Sidewalk - to account for expenditures funded by the Local Transportation Commission grant funding used for the SB 821 Bicycle and Pedestrian Facility Program.

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

**Capital Project Funds**

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

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

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

Library 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.

**CITY OF LAKE ELSINORE**  
**Non-Major Governmental Funds**

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.

La Strada RBBD – to account for projects related to La Strada Road and Bridge improvements, financed by development fees.

**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 nurse's 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, 2021**

	Special Revenue Funds			
	Supplemental Law Enforcement Service	Traffic Offender	Gas Tax	Transportation Measure A
<b>Assets:</b>				
Cash and investments	\$ -	\$ -	\$ 472,222	\$ 740,466
Receivables:				
Accounts	-	-	-	-
Notes and loans	-	-	-	-
Accrued interest	-	-	1,240	1,342
Prepaid costs	-	-	-	-
Due from other governments	-	-	114,668	513,567
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
<b>Total Assets</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 588,130</b>	<b>\$ 1,255,375</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ -	\$ 30,620	\$ -
Deposits payable	-	-	-	-
Due to other funds	-	-	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>30,620</b>	<b>-</b>
<b>Deferred Inflows of Resources:</b>				
Unavailable revenues	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances:</b>				
Nonspendable	-	-	-	-
Restricted	-	-	557,510	1,255,375
Assigned	-	-	-	-
<b>Total Fund Balances</b>	<b>-</b>	<b>-</b>	<b>557,510</b>	<b>1,255,375</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 588,130</b>	<b>\$ 1,255,375</b>

## CITY OF LAKE ELSINORE

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2021

(CONTINUED)

	Special Revenue Funds			
	SB1186 CAS Education	Traffic Safety	City-wide Lighting and Landscaping	L.L.M.D No. 1
<b>Assets:</b>				
Cash and investments	\$ 35,997	\$ -	\$ 731,134	\$ 419,566
Receivables:				
Accounts	-	-	-	-
Notes and loans	-	-	-	-
Accrued interest	40	-	888	1,836
Prepaid costs	-	-	46,527	-
Due from other governments	-	27,179	76,994	12,419
Restricted assets:				
Cash and investments with fiscal agents	-	-	26,121	-
<b>Total Assets</b>	<b>\$ 36,037</b>	<b>\$ 27,179</b>	<b>\$ 881,664</b>	<b>\$ 433,821</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 316	\$ -	\$ 196,431	\$ 47,807
Deposits payable	-	-	-	-
Due to other funds	-	13,804	-	-
<b>Total Liabilities</b>	<b>316</b>	<b>13,804</b>	<b>196,431</b>	<b>47,807</b>
<b>Deferred Inflows of Resources:</b>				
Unavailable revenues	-	-	52,724	-
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>52,724</b>	<b>-</b>
<b>Fund Balances:</b>				
Nonspendable	-	-	46,527	-
Restricted	35,721	13,375	585,982	386,014
Assigned	-	-	-	-
<b>Total Fund Balances</b>	<b>35,721</b>	<b>13,375</b>	<b>632,509</b>	<b>386,014</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 36,037</b>	<b>\$ 27,179</b>	<b>\$ 881,664</b>	<b>\$ 433,821</b>

## CITY OF LAKE ELSINORE

**COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2021**

	Special Revenue Funds			
	Geothermal	AB2766 Air Pollution	C.D.B.G	Developer Agreement Revenue/Trust
<b>Assets:</b>				
Cash and investments	\$ 13,895	\$ 475,773	\$ -	\$ -
Receivables:				
Accounts	-	-	-	-
Notes and loans	-	-	-	-
Accrued interest	13	530	-	124
Prepaid costs	-	-	-	-
Due from other governments	-	21,068	18,750	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
<b>Total Assets</b>	<b>\$ 13,908</b>	<b>\$ 497,371</b>	<b>\$ 18,750</b>	<b>\$ 124</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Deposits payable	-	-	-	-
Due to other funds	-	-	9,375	-
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>9,375</b>	<b>-</b>
<b>Deferred Inflows of Resources:</b>				
Unavailable revenues	-	-	9,375	-
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>9,375</b>	<b>-</b>
<b>Fund Balances:</b>				
Nonspendable	-	-	-	-
Restricted	13,908	497,371	-	124
Assigned	-	-	-	-
<b>Total Fund Balances</b>	<b>13,908</b>	<b>497,371</b>	<b>-</b>	<b>124</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 13,908</b>	<b>\$ 497,371</b>	<b>\$ 18,750</b>	<b>\$ 124</b>

## CITY OF LAKE ELSINORE

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2021

(CONTINUED)

	Special Revenue Funds			
	Affordable Housing In-Lieu	City Hall / Public Works	Community Center	Lakeside Facilities
<b>Assets:</b>				
Cash and investments	\$ 421,465	\$ -	\$ -	\$ 13,898
Receivables:				
Accounts	-	-	-	-
Notes and loans	3,342,224	-	-	-
Accrued interest	87,384	-	-	12
Prepaid costs	-	-	-	-
Due from other governments	-	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
<b>Total Assets</b>	<b>\$ 3,851,073</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 13,910</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 174,421	\$ -	\$ -	\$ -
Deposits payable	2,823	-	-	-
Due to other funds	-	-	-	-
<b>Total Liabilities</b>	<b>177,244</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Deferred Inflows of Resources:</b>				
Unavailable revenues	85,452	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>85,452</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances:</b>				
Nonspendable	-	-	-	-
Restricted	3,588,377	-	-	13,910
Assigned	-	-	-	-
<b>Total Fund Balances</b>	<b>3,588,377</b>	<b>-</b>	<b>-</b>	<b>13,910</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 3,851,073</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 13,910</b>



## CITY OF LAKE ELSINORE

**COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2021**

	<b>Special Revenue Funds</b>			
	<b>Animal Shelter</b>	<b>N.P.D.E.S.</b>	<b>PEG Grant</b>	<b>The Anchor</b>
<b>Assets:</b>				
Cash and investments	\$ -	\$ -	\$ 46,739	\$ 259,707
Receivables:				
Accounts	-	-	4,480	-
Notes and loans	-	-	-	-
Accrued interest	27	427	53	311
Prepaid costs	-	-	-	-
Due from other governments	-	272,322	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
<b>Total Assets</b>	<b>\$ 27</b>	<b>\$ 272,749</b>	<b>\$ 51,272</b>	<b>\$ 260,018</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ 3,726	\$ -	\$ 21,687
Deposits payable	-	-	-	-
Due to other funds	-	53,598	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>57,324</b>	<b>-</b>	<b>21,687</b>
<b>Deferred Inflows of Resources:</b>				
Unavailable revenues	-	136,161	-	-
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>136,161</b>	<b>-</b>	<b>-</b>
<b>Fund Balances:</b>				
Nonspendable	-	-	-	-
Restricted	27	79,264	51,272	238,331
Assigned	-	-	-	-
<b>Total Fund Balances</b>	<b>27</b>	<b>79,264</b>	<b>51,272</b>	<b>238,331</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 27</b>	<b>\$ 272,749</b>	<b>\$ 51,272</b>	<b>\$ 260,018</b>

## CITY OF LAKE ELSINORE

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2021

(CONTINUED)

	Special Revenue Funds			Capital Projects Funds
	Measure Z	Pedestrian Sidewalk SB821	Lake Destratification and Water Fund	Miscellaneous General Project
<b>Assets:</b>				
Cash and investments	\$ 793,282	\$ -	\$ 477,000	\$ 716
Receivables:				
Accounts	-	-	26,175	-
Notes and loans	-	-	-	-
Accrued interest	175	-	544	-
Prepaid costs	-	-	-	-
Due from other governments	2,674,124	-	91,692	617,590
Restricted assets:				
Cash and investments with fiscal agents	-	-	2,581,498	-
<b>Total Assets</b>	<b>\$ 3,467,581</b>	<b>\$ -</b>	<b>\$ 3,176,909</b>	<b>\$ 618,306</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ -	\$ 71	\$ 146,524
Deposits payable	-	-	-	-
Due to other funds	-	-	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>71</b>	<b>146,524</b>
<b>Deferred Inflows of Resources:</b>				
Unavailable revenues	-	-	58,933	276,779
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>58,933</b>	<b>276,779</b>
<b>Fund Balances:</b>				
Nonspendable	-	-	-	-
Restricted	3,467,581	-	3,117,905	-
Assigned	-	-	-	195,003
<b>Total Fund Balances</b>	<b>3,467,581</b>	<b>-</b>	<b>3,117,905</b>	<b>195,003</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 3,467,581</b>	<b>\$ -</b>	<b>\$ 3,176,909</b>	<b>\$ 618,306</b>

## CITY OF LAKE ELSINORE

**COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2021**

	<b>Capital Projects Funds</b>			
	<b>Park Quimby Development</b>	<b>Storm Drains</b>	<b>Library Facilities</b>	<b>Traffic Impact</b>
<b>Assets:</b>				
Cash and investments	\$ 681,534	\$ 1,273,171	\$ 1,293,419	\$ 540,603
Receivables:				
Accounts	-	-	-	-
Notes and loans	-	-	-	-
Accrued interest	767	1,515	1,476	1,504
Prepaid costs	-	-	-	-
Due from other governments	-	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
<b>Total Assets</b>	<b>\$ 682,301</b>	<b>\$ 1,274,686</b>	<b>\$ 1,294,895</b>	<b>\$ 542,107</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ -	\$ 15,666	\$ -
Deposits payable	-	-	-	-
Due to other funds	-	-	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>15,666</b>	<b>-</b>
<b>Deferred Inflows of Resources:</b>				
Unavailable revenues	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances:</b>				
Nonspendable	-	-	-	-
Restricted	682,301	1,274,686	1,279,229	542,107
Assigned	-	-	-	-
<b>Total Fund Balances</b>	<b>682,301</b>	<b>1,274,686</b>	<b>1,279,229</b>	<b>542,107</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 682,301</b>	<b>\$ 1,274,686</b>	<b>\$ 1,294,895</b>	<b>\$ 542,107</b>

## CITY OF LAKE ELSINORE

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2021

(CONTINUED)

	Capital Projects Funds			
	Fire Facilities	Public Improvement In-Lieu	Total Road Improvement Program	TUMF
<b>Assets:</b>				
Cash and investments	\$ 285,483	\$ 1,585,878	\$ 482	\$ -
Receivables:				
Accounts	-	-	-	-
Notes and loans	-	-	-	-
Accrued interest	322	1,805	23	-
Prepaid costs	-	-	-	-
Due from other governments	-	-	-	272,066
Restricted assets:				
Cash and investments with fiscal agents	-	-	14,074	-
<b>Total Assets</b>	<b>\$ 285,805</b>	<b>\$ 1,587,683</b>	<b>\$ 14,579</b>	<b>\$ 272,066</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Deposits payable	-	-	-	-
Due to other funds	-	-	-	133,314
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>133,314</b>
<b>Deferred Inflows of Resources:</b>				
Unavailable revenues	-	-	-	136,033
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>136,033</b>
<b>Fund Balances:</b>				
Nonspendable	-	-	-	-
Restricted	285,805	1,587,683	14,579	2,719
Assigned	-	-	-	-
<b>Total Fund Balances</b>	<b>285,805</b>	<b>1,587,683</b>	<b>14,579</b>	<b>2,719</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 285,805</b>	<b>\$ 1,587,683</b>	<b>\$ 14,579</b>	<b>\$ 272,066</b>

## CITY OF LAKE ELSINORE

**COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2021**

	Capital Projects Funds	Permanent Fund	
	La Strada RBBB	Endowment Trust - Adolph Korn	Total Governmental Funds
<b>Assets:</b>			
Cash and investments	\$ 24,261	\$ 34,182	\$ 10,620,873
Receivables:			
Accounts	-	-	30,655
Notes and loans	-	-	3,342,224
Accrued interest	28	39	102,425
Prepaid costs	-	-	46,527
Due from other governments	-	-	4,712,439
Restricted assets:			
Cash and investments with fiscal agents	-	-	2,621,693
<b>Total Assets</b>	<b>\$ 24,289</b>	<b>\$ 34,221</b>	<b>\$ 21,476,836</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances:</b>			
<b>Liabilities:</b>			
Accounts payable	\$ -	\$ -	\$ 637,269
Deposits payable	-	-	2,823
Due to other funds	-	-	210,091
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>850,183</b>
<b>Deferred Inflows of Resources:</b>			
Unavailable revenues	-	-	755,457
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>755,457</b>
<b>Fund Balances:</b>			
Nonspendable	-	20,000	66,527
Restricted	24,289	-	19,595,445
Assigned	-	14,221	209,224
<b>Total Fund Balances</b>	<b>24,289</b>	<b>34,221</b>	<b>19,871,196</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 24,289</b>	<b>\$ 34,221</b>	<b>\$ 21,476,836</b>



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## CITY OF LAKE ELSINORE

COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2021

	Special Revenue Funds			
	Supplemental Law Enforcement Service	Traffic Offender	Gas Tax	Transportation Measure A
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-
Licenses and permits	-	26,000	-	-
Intergovernmental	156,727	-	2,556,677	1,780,250
Charges for services	-	-	-	-
Investment earnings	-	-	3,125	4,884
Fines and forfeitures	-	-	-	-
Miscellaneous	-	-	-	-
<b>Total Revenues</b>	<b>156,727</b>	<b>26,000</b>	<b>2,559,802</b>	<b>1,785,134</b>
<b>Expenditures:</b>				
Current:				
General government	-	-	-	-
Public safety	156,727	26,000	-	-
Community development	-	-	-	-
Community services	-	-	-	-
Public Services	-	-	419,462	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
<b>Total Expenditures</b>	<b>156,727</b>	<b>26,000</b>	<b>419,462</b>	<b>-</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	2,140,340	1,785,134
<b>Other Financing Sources (Uses):</b>				
Transfers in	-	-	-	-
Transfers out	-	-	(2,586,567)	(2,349,522)
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>(2,586,567)</b>	<b>(2,349,522)</b>
Net Change in Fund Balances	-	-	(446,227)	(564,388)
Fund Balances, Beginning of Year	-	-	1,003,737	1,819,763
Restatements	-	-	-	-
Fund Balances, Beginning of Year, as Restated	-	-	1,003,737	1,819,763
<b>Fund Balances, End of Year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 557,510</b>	<b>\$ 1,255,375</b>



## CITY OF LAKE ELSINORE

COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2021

(CONTINUED)

	Special Revenue Funds			
	SB1186 CAS Education	Traffic Safety	City-wide Lighting and Landscaping	L.L.M.D No. 1
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	1,838,853	708,481
Licenses and permits	-	-	-	-
Intergovernmental	11,624	-	-	-
Charges for services	-	-	-	-
Investment earnings	154	-	3,067	6,622
Fines and forfeitures	-	196,501	-	-
Miscellaneous	-	-	176,294	-
<b>Total Revenues</b>	<b>11,778</b>	<b>196,501</b>	<b>2,018,214</b>	<b>715,103</b>
<b>Expenditures:</b>				
Current:				
General government	-	-	-	-
Public safety	-	183,126	-	-
Community development	-	-	-	-
Community services	-	-	-	-
Public Services	1,686	-	1,834,066	1,584,035
Debt service:				
Principal retirement	-	-	174,713	-
Interest and fiscal charges	-	-	187,515	-
<b>Total Expenditures</b>	<b>1,686</b>	<b>183,126</b>	<b>2,196,294</b>	<b>1,584,035</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	10,092	13,375	(178,080)	(868,932)
<b>Other Financing Sources (Uses):</b>				
Transfers in	-	-	629,990	-
Transfers out	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>629,990</b>	<b>-</b>
Net Change in Fund Balances	10,092	13,375	451,910	(868,932)
Fund Balances, Beginning of Year	25,629	-	180,599	1,254,946
Restatements	-	-	-	-
Fund Balances, Beginning of Year, as Restated	25,629	-	180,599	1,254,946
<b>Fund Balances, End of Year</b>	<b>\$ 35,721</b>	<b>\$ 13,375</b>	<b>\$ 632,509</b>	<b>\$ 386,014</b>

## CITY OF LAKE ELSINORE

COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2021

	Special Revenue Funds			
	Geothermal	AB2766 Air Pollution	C.D.B.G	Developer Agreement Revenue/Trust
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-
Licenses and permits	-	-	-	59,000
Intergovernmental	-	82,856	94,573	-
Charges for services	-	-	-	-
Investment earnings	51	2,004	-	538
Fines and forfeitures	-	-	-	-
Miscellaneous	-	-	-	-
<b>Total Revenues</b>	<b>51</b>	<b>84,860</b>	<b>94,573</b>	<b>59,538</b>
<b>Expenditures:</b>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Community development	-	-	20,812	-
Community services	-	-	-	-
Public Services	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
<b>Total Expenditures</b>	<b>-</b>	<b>-</b>	<b>20,812</b>	<b>-</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	51	84,860	73,761	59,538
<b>Other Financing Sources (Uses):</b>				
Transfers in	-	-	-	25,580
Transfers out	-	-	(9,375)	(147,106)
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>(9,375)</b>	<b>(121,526)</b>
Net Change in Fund Balances	51	84,860	64,386	(61,988)
Fund Balances, Beginning of Year	13,857	412,511	(64,386)	62,112
Restatements	-	-	-	-
Fund Balances, Beginning of Year, as Restated	13,857	412,511	(64,386)	62,112
<b>Fund Balances, End of Year</b>	<b>\$ 13,908</b>	<b>\$ 497,371</b>	<b>\$ -</b>	<b>\$ 124</b>

## CITY OF LAKE ELSINORE

COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2021

(CONTINUED)

	Special Revenue Funds			
	Affordable Housing In-Lieu	City Hall / Public Works	Community Center	Lakeside Facilities
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-
Licenses and permits	-	64,060	40,316	58,150
Intergovernmental	545,602	-	-	-
Charges for services	-	-	-	-
Investment earnings	7,318	-	-	40
Fines and forfeitures	-	-	-	-
Miscellaneous	-	-	-	-
<b>Total Revenues</b>	<b>552,920</b>	<b>64,060</b>	<b>40,316</b>	<b>58,190</b>
<b>Expenditures:</b>				
Current:				
General government	20,029	-	-	-
Public safety	-	-	-	-
Community development	-	-	-	-
Community services	-	-	-	-
Public Services	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
<b>Total Expenditures</b>	<b>20,029</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	532,891	64,060	40,316	58,190
<b>Other Financing Sources (Uses):</b>				
Transfers in	155,000	22,556	19,137	-
Transfers out	(1,325,392)	(86,616)	(59,453)	(124,359)
<b>Total Other Financing Sources (Uses)</b>	<b>(1,170,392)</b>	<b>(64,060)</b>	<b>(40,316)</b>	<b>(124,359)</b>
Net Change in Fund Balances	(637,501)	-	-	(66,169)
Fund Balances, Beginning of Year	4,225,878	-	-	80,079
Restatements	-	-	-	-
Fund Balances, Beginning of Year, as Restated	4,225,878	-	-	80,079
<b>Fund Balances, End of Year</b>	<b>\$ 3,588,377</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 13,910</b>

## CITY OF LAKE ELSINORE

COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2021

	Special Revenue Funds			
	Animal Shelter	N.P.D.E.S.	PEG Grant	The Anchor
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-
Licenses and permits	25,654	647,018	13,747	-
Intergovernmental	-	-	-	336,000
Charges for services	-	-	-	-
Investment earnings	85	2,120	202	713
Fines and forfeitures	-	-	-	-
Miscellaneous	-	-	-	500
<b>Total Revenues</b>	<b>25,739</b>	<b>649,138</b>	<b>13,949</b>	<b>337,213</b>
<b>Expenditures:</b>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Community development	-	-	-	94,787
Community services	-	-	293	-
Public Services	-	137,147	-	4,095
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
<b>Total Expenditures</b>	<b>-</b>	<b>137,147</b>	<b>293</b>	<b>98,882</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	25,739	511,991	13,656	238,331
<b>Other Financing Sources (Uses):</b>				
Transfers in	4	-	-	-
Transfers out	(25,580)	(432,657)	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>(25,576)</b>	<b>(432,657)</b>	<b>-</b>	<b>-</b>
Net Change in Fund Balances	163	79,334	13,656	238,331
Fund Balances, Beginning of Year	(136)	(70)	37,616	-
Restatements	-	-	-	-
Fund Balances, Beginning of Year, as Restated	(136)	(70)	37,616	-
<b>Fund Balances, End of Year</b>	<b>\$ 27</b>	<b>\$ 79,264</b>	<b>\$ 51,272</b>	<b>\$ 238,331</b>

## CITY OF LAKE ELSINORE

COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2021

(CONTINUED)

	Special Revenue Funds			Capital Projects Funds
	Measure Z	Pedestrian Sidewalk SB821	Lake Destratification and Water Fund	Miscellaneous General Project
<b>Revenues:</b>				
Taxes	\$ 3,468,153	\$ -	\$ -	\$ -
Special assessments	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	1,060,675
Charges for services	-	-	1,633,010	-
Investment earnings	486	580	3,137	-
Fines and forfeitures	-	-	-	-
Miscellaneous	-	-	-	-
<b>Total Revenues</b>	<b>3,468,639</b>	<b>580</b>	<b>1,636,147</b>	<b>1,060,675</b>
<b>Expenditures:</b>				
Current:				
General government	-	-	2,105	1,062,924
Public safety	-	-	-	-
Community development	-	-	-	-
Community services	-	-	-	-
Public Services	-	-	1,213,105	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
<b>Total Expenditures</b>	<b>-</b>	<b>-</b>	<b>1,215,210</b>	<b>1,062,924</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,468,639	580	420,937	(2,249)
<b>Other Financing Sources (Uses):</b>				
Transfers in	-	245,427	-	125,000
Transfers out	(1,058)	(473,669)	-	(17,278)
<b>Total Other Financing Sources (Uses)</b>	<b>(1,058)</b>	<b>(228,242)</b>	<b>-</b>	<b>107,722</b>
Net Change in Fund Balances	3,467,581	(227,662)	420,937	105,473
Fund Balances, Beginning of Year	-	227,662	-	89,530
Restatements	-	-	2,696,968	-
Fund Balances, Beginning of Year, as Restated	-	227,662	2,696,968	89,530
<b>Fund Balances, End of Year</b>	<b>\$ 3,467,581</b>	<b>\$ -</b>	<b>\$ 3,117,905</b>	<b>\$ 195,003</b>

## CITY OF LAKE ELSINORE

COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2021

	Capital Projects Funds			
	Park Quimby Development	Storm Drains	Library Facilities	Traffic Impact
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-
Licenses and permits	213,582	1,020,319	52,200	515,029
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Investment earnings	2,924	6,728	5,491	5,296
Fines and forfeitures	-	-	-	-
Miscellaneous	-	-	-	-
<b>Total Revenues</b>	<b>216,506</b>	<b>1,027,047</b>	<b>57,691</b>	<b>520,325</b>
<b>Expenditures:</b>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Community development	-	-	-	-
Community services	-	-	38,274	-
Public Services	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
<b>Total Expenditures</b>	<b>-</b>	<b>-</b>	<b>38,274</b>	<b>-</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	216,506	1,027,047	19,417	520,325
<b>Other Financing Sources (Uses):</b>				
Transfers in	-	-	-	-
Transfers out	(52,122)	(469,101)	-	(913,221)
<b>Total Other Financing Sources (Uses)</b>	<b>(52,122)</b>	<b>(469,101)</b>	<b>-</b>	<b>(913,221)</b>
Net Change in Fund Balances	164,384	557,946	19,417	(392,896)
Fund Balances, Beginning of Year	517,917	716,740	1,259,812	935,003
Restatements	-	-	-	-
Fund Balances, Beginning of Year, as Restated	517,917	716,740	1,259,812	935,003
<b>Fund Balances, End of Year</b>	<b>\$ 682,301</b>	<b>\$ 1,274,686</b>	<b>\$ 1,279,229</b>	<b>\$ 542,107</b>

## CITY OF LAKE ELSINORE

COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2021

(CONTINUED)

	Capital Projects Funds			
	Fire Facilities	Public Improvement In-Lieu	Total Road Improvement Program	TUMF
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-
Licenses and permits	102,450	971,842	-	-
Intergovernmental	-	-	-	1,221,775
Charges for services	-	-	-	-
Investment earnings	1,222	7,415	360	-
Fines and forfeitures	-	-	-	-
Miscellaneous	-	-	-	-
<b>Total Revenues</b>	<b>103,672</b>	<b>979,257</b>	<b>360</b>	<b>1,221,775</b>
<b>Expenditures:</b>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Community development	-	-	-	-
Community services	-	-	-	-
Public Services	-	-	2,978	-
Debt service:				
Principal retirement	-	-	250,000	-
Interest and fiscal charges	-	-	245,938	-
<b>Total Expenditures</b>	<b>-</b>	<b>-</b>	<b>498,916</b>	<b>-</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	103,672	979,257	(498,556)	1,221,775
<b>Other Financing Sources (Uses):</b>				
Transfers in	-	-	501,566	-
Transfers out	-	-	-	(575,364)
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>501,566</b>	<b>(575,364)</b>
Net Change in Fund Balances	103,672	979,257	3,010	646,411
Fund Balances, Beginning of Year	182,133	608,426	11,569	(643,692)
Restatements	-	-	-	-
Fund Balances, Beginning of Year, as Restated	182,133	608,426	11,569	(643,692)
<b>Fund Balances, End of Year</b>	<b>\$ 285,805</b>	<b>\$ 1,587,683</b>	<b>\$ 14,579</b>	<b>\$ 2,719</b>



## CITY OF LAKE ELSINORE

COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2021

	Capital Projects Funds	Permanent Fund	
	La Strada RBBD	Endowment Trust - Adolph Korn	Total Governmental Funds
<b>Revenues:</b>			
Taxes	\$ -	\$ -	\$ 3,468,153
Special assessments	-	-	2,547,334
Licenses and permits	-	-	3,809,367
Intergovernmental	-	-	7,846,759
Charges for services	-	-	1,633,010
Investment earnings	99	145	64,806
Fines and forfeitures	-	-	196,501
Miscellaneous	-	-	176,794
<b>Total Revenues</b>	<b>99</b>	<b>145</b>	<b>19,742,724</b>
<b>Expenditures:</b>			
Current:			
General government	-	-	1,085,058
Public safety	-	-	365,853
Community development	-	-	115,599
Community services	-	-	38,567
Public Services	-	-	5,196,574
Debt service:			
Principal retirement	-	-	424,713
Interest and fiscal charges	-	-	433,453
<b>Total Expenditures</b>	<b>-</b>	<b>-</b>	<b>7,659,817</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	99	145	12,082,907
<b>Other Financing Sources (Uses):</b>			
Transfers in	-	-	1,724,260
Transfers out	-	-	(9,648,440)
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>(7,924,180)</b>
Net Change in Fund Balances	99	145	4,158,727
Fund Balances, Beginning of Year	24,190	34,076	13,015,501
Restatements	-	-	2,696,968
Fund Balances, Beginning of Year, as Restated	24,190	34,076	15,712,469
<b>Fund Balances, End of Year</b>	<b>\$ 24,289</b>	<b>\$ 34,221</b>	<b>\$ 19,871,196</b>

## CITY OF LAKE ELSINORE

BUDGETARY COMPARISON SCHEDULE  
 SUPPLEMENTAL LAW ENFORCEMENT SERVICE  
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	155,580	155,580	156,727	1,147
<b>Amounts Available for Appropriations</b>	<b>155,580</b>	<b>155,580</b>	<b>156,727</b>	<b>1,147</b>
<b>Charges to Appropriation (Outflow):</b>				
Public safety	-	155,580	156,727	(1,147)
<b>Total Charges to Appropriations</b>	<b>-</b>	<b>155,580</b>	<b>156,727</b>	<b>(1,147)</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 155,580</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

## CITY OF LAKE ELSINORE

BUDGETARY COMPARISON SCHEDULE  
 TRAFFIC OFFENDER  
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
<b>Resources (Inflows):</b>				
Licenses and permits	32,800	32,800	26,000	(6,800)
<b>Amounts Available for Appropriations</b>	<b>32,800</b>	<b>32,800</b>	<b>26,000</b>	<b>(6,800)</b>
<b>Charges to Appropriation (Outflow):</b>				
Public safety	-	32,800	26,000	6,800
<b>Total Charges to Appropriations</b>	<b>-</b>	<b>32,800</b>	<b>26,000</b>	<b>6,800</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 32,800</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

## CITY OF LAKE ELSINORE

## BUDGETARY COMPARISON SCHEDULE

## GAS TAX

YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ 1,003,737	\$ 1,003,737	\$ 1,003,737	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	2,567,250	2,585,232	2,556,677	(28,555)
Use of money and property	13,000	7,107	3,125	(3,982)
<b>Amounts Available for Appropriations</b>	<b>3,583,987</b>	<b>3,596,076</b>	<b>3,563,539</b>	<b>(32,537)</b>
<b>Charges to Appropriation (Outflow):</b>				
Public services	1,246,780	415,097	419,462	(4,365)
Transfers out	1,330,471	3,102,979	2,586,567	516,412
<b>Total Charges to Appropriations</b>	<b>2,577,251</b>	<b>3,518,076</b>	<b>3,006,029</b>	<b>512,047</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 1,006,736</b>	<b>\$ 78,000</b>	<b>\$ 557,510</b>	<b>\$ 479,510</b>

## CITY OF LAKE ELSINORE

**BUDGETARY COMPARISON SCHEDULE  
 TRANSPORTATION MEASURE A  
 YEAR ENDED JUNE 30, 2021**

	<b>Budget Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
				<b>Positive</b>
				<b>(Negative)</b>
Budgetary Fund Balance, July 1	\$ 1,819,763	\$ 1,819,763	\$ 1,819,763	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	1,172,000	1,172,000	1,780,250	608,250
Use of money and property	37,000	30,000	4,884	(25,116)
<b>Amounts Available for Appropriations</b>	<b>3,028,763</b>	<b>3,021,763</b>	<b>3,604,897</b>	<b>583,134</b>
<b>Charges to Appropriation (Outflow):</b>				
Transfers out	2,540,500	2,545,806	2,349,522	196,284
<b>Total Charges to Appropriations</b>	<b>2,540,500</b>	<b>2,545,806</b>	<b>2,349,522</b>	<b>196,284</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 488,263</b>	<b>\$ 475,957</b>	<b>\$ 1,255,375</b>	<b>\$ 779,418</b>

## CITY OF LAKE ELSINORE

**BUDGETARY COMPARISON SCHEDULE**  
**SB1186 CAS EDUCATION**  
**YEAR ENDED JUNE 30, 2021**

	<b>Budget Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
				<b>Positive</b>
				<b>(Negative)</b>
Budgetary Fund Balance, July 1	\$ 25,629	\$ 25,629	\$ 25,629	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	11,660	11,660	11,624	(36)
Use of money and property	1,300	1,300	154	(1,146)
<b>Amounts Available for Appropriations</b>	<b>38,589</b>	<b>38,589</b>	<b>37,407</b>	<b>(1,182)</b>
<b>Charges to Appropriation (Outflow):</b>				
Public services	-	-	1,686	(1,686)
<b>Total Charges to Appropriations</b>	<b>-</b>	<b>-</b>	<b>1,686</b>	<b>(1,686)</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 38,589</b>	<b>\$ 38,589</b>	<b>\$ 35,721</b>	<b>\$ (2,868)</b>

## CITY OF LAKE ELSINORE

BUDGETARY COMPARISON SCHEDULE  
 TRAFFIC SAFETY  
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
<b>Resources (Inflows):</b>				
Fines and forfeitures	330,450	330,450	196,501	(133,949)
<b>Amounts Available for Appropriations</b>	<b>330,450</b>	<b>330,450</b>	<b>196,501</b>	<b>(133,949)</b>
<b>Charges to Appropriation (Outflow):</b>				
Public safety	330,450	330,450	183,126	147,324
<b>Total Charges to Appropriations</b>	<b>330,450</b>	<b>330,450</b>	<b>183,126</b>	<b>147,324</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 13,375</b>	<b>\$ 13,375</b>



## CITY OF LAKE ELSINORE

**BUDGETARY COMPARISON SCHEDULE  
CITY-WIDE LIGHTING AND LANDSCAPING  
YEAR ENDED JUNE 30, 2021**

	<b>Budget Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
				<b>Positive</b>
				<b>(Negative)</b>
Budgetary Fund Balance, July 1	\$ 180,599	\$ 180,599	\$ 180,599	\$ -
<b>Resources (Inflows):</b>				
Assessments	1,649,830	1,647,832	1,838,853	191,021
Use of money and property	1,000	2,998	3,067	69
Miscellaneous	7,900	7,900	176,294	168,394
Transfers in	1,239,260	629,990	629,990	-
<b>Amounts Available for Appropriations</b>	<b>3,078,589</b>	<b>2,469,319</b>	<b>2,828,803</b>	<b>359,484</b>
<b>Charges to Appropriation (Outflow):</b>				
Public services	2,061,540	2,061,540	1,834,066	227,474
Debt service:				
Principal retirement	-	174,713	174,713	-
Interest and fiscal charges	-	187,515	187,515	-
<b>Total Charges to Appropriations</b>	<b>2,061,540</b>	<b>2,423,768</b>	<b>2,196,294</b>	<b>227,474</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 1,017,049</b>	<b>\$ 45,551</b>	<b>\$ 632,509</b>	<b>\$ 586,958</b>

## CITY OF LAKE ELSINORE

## BUDGETARY COMPARISON SCHEDULE

L.L.M.D NO. 1

YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ 1,254,946	\$ 1,254,946	\$ 1,254,946	\$ -
<b>Resources (Inflows):</b>				
Assessments	689,210	689,210	708,481	19,271
Use of money and property	11,000	11,000	6,622	(4,378)
Transfers in	13,700	13,700	-	(13,700)
<b>Amounts Available for Appropriations</b>	<b>1,968,856</b>	<b>1,968,856</b>	<b>1,970,049</b>	<b>1,193</b>
<b>Charges to Appropriation (Outflow):</b>				
Public services	591,720	545,940	1,584,035	(1,038,095)
<b>Total Charges to Appropriations</b>	<b>591,720</b>	<b>545,940</b>	<b>1,584,035</b>	<b>(1,038,095)</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 1,377,136</b>	<b>\$ 1,422,916</b>	<b>\$ 386,014</b>	<b>\$ (1,036,902)</b>

CITY OF LAKE ELSINORE

BUDGETARY COMPARISON SCHEDULE  
 GEOTHERMAL  
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ 13,857	\$ 13,857	\$ 13,857	\$ -
<b>Resources (Inflows):</b>				
Use of money and property	450	200	51	(149)
<b>Amounts Available for Appropriations</b>	<b>14,307</b>	<b>14,057</b>	<b>13,908</b>	<b>(149)</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 14,307</b>	<b>\$ 14,057</b>	<b>\$ 13,908</b>	<b>\$ (149)</b>

## CITY OF LAKE ELSINORE

BUDGETARY COMPARISON SCHEDULE  
 AB2766 AIR POLLUTION  
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ 412,511	\$ 412,511	\$ 412,511	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	75,000	50,000	82,856	32,856
Use of money and property	2,000	12,000	2,004	(9,996)
<b>Amounts Available for Appropriations</b>	<b>489,511</b>	<b>474,511</b>	<b>497,371</b>	<b>22,860</b>
<b>Charges to Appropriation (Outflow):</b>				
Public services	10,000	10,000	-	10,000
Transfers out	455,558	474,511	-	474,511
<b>Total Charges to Appropriations</b>	<b>465,558</b>	<b>484,511</b>	<b>-</b>	<b>484,511</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 23,953</b>	<b>\$ (10,000)</b>	<b>\$ 497,371</b>	<b>\$ 507,371</b>

## CITY OF LAKE ELSINORE

## BUDGETARY COMPARISON SCHEDULE

C.D.B.G

YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ (64,386)	\$ (64,386)	\$ (64,386)	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	487,000	541,101	94,573	(446,528)
<b>Amounts Available for Appropriations</b>	<b>422,614</b>	<b>476,715</b>	<b>30,187</b>	<b>(446,528)</b>
<b>Charges to Appropriation (Outflow):</b>				
Community development	20,812	20,812	20,812	-
Transfers out	466,188	455,903	9,375	446,528
<b>Total Charges to Appropriations</b>	<b>487,000</b>	<b>476,715</b>	<b>30,187</b>	<b>446,528</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ (64,386)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

## CITY OF LAKE ELSINORE

**BUDGETARY COMPARISON SCHEDULE**  
**DEVELOPER AGREEMENT REVENUE/TRUST**  
**YEAR ENDED JUNE 30, 2021**

	<b>Budget Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
				<b>Positive</b>
				<b>(Negative)</b>
Budgetary Fund Balance, July 1	\$ 62,112	\$ 62,112	\$ 62,112	\$ -
<b>Resources (Inflows):</b>				
Licenses and permits	25,000	45,000	59,000	14,000
Use of money and property	2,000	2,000	538	(1,462)
Transfers in	20,259	19,964	25,580	5,616
<b>Amounts Available for Appropriations</b>	<b>109,371</b>	<b>129,076</b>	<b>147,230</b>	<b>18,154</b>
<b>Charges to Appropriation (Outflow):</b>				
Transfers out	104,506	69,184	147,106	(77,922)
<b>Total Charges to Appropriations</b>	<b>104,506</b>	<b>69,184</b>	<b>147,106</b>	<b>(77,922)</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 4,865</b>	<b>\$ 59,892</b>	<b>\$ 124</b>	<b>\$ (59,768)</b>

## CITY OF LAKE ELSINORE

**BUDGETARY COMPARISON SCHEDULE  
 AFFORDABLE HOUSING IN-LIEU  
 YEAR ENDED JUNE 30, 2021**

	<b>Budget Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
				<b>Positive</b>
				<b>(Negative)</b>
Budgetary Fund Balance, July 1	\$ 4,225,878	\$ 4,225,878	\$ 4,225,878	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	30,000	350,000	545,602	195,602
Use of money and property	31,000	31,000	7,318	(23,682)
Transfers in	-	155,000	155,000	-
<b>Amounts Available for Appropriations</b>	<b>4,286,878</b>	<b>4,761,878</b>	<b>4,933,798</b>	<b>171,920</b>
<b>Charges to Appropriation (Outflow):</b>				
General government	-	24,000	20,029	3,971
Transfers out	31,680	31,680	1,325,392	(1,293,712)
<b>Total Charges to Appropriations</b>	<b>31,680</b>	<b>55,680</b>	<b>1,345,421</b>	<b>(1,289,741)</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 4,255,198</b>	<b>\$ 4,706,198</b>	<b>\$ 3,588,377</b>	<b>\$ (1,117,821)</b>



## CITY OF LAKE ELSINORE

BUDGETARY COMPARISON SCHEDULE  
CITY HALL / PUBLIC WORKS  
YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
<b>Resources (Inflows):</b>				
Licenses and permits	102,780	86,616	64,060	(22,556)
Transfers in	-	-	22,556	22,556
<b>Amounts Available for Appropriations</b>	<b>103,280</b>	<b>86,616</b>	<b>86,616</b>	<b>-</b>
<b>Charges to Appropriation (Outflow):</b>				
Transfers out	-	86,616	86,616	-
<b>Total Charges to Appropriations</b>	<b>-</b>	<b>86,616</b>	<b>86,616</b>	<b>-</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 103,280</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

## CITY OF LAKE ELSINORE

BUDGETARY COMPARISON SCHEDULE  
 COMMUNITY CENTER  
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
<b>Resources (Inflows):</b>				
Licenses and permits	70,140	59,353	40,316	(19,037)
Use of money and property	100	100	-	(100)
Transfers in	-	-	19,137	19,137
<b>Amounts Available for Appropriations</b>	<b>70,240</b>	<b>59,453</b>	<b>59,453</b>	<b>-</b>
<b>Charges to Appropriation (Outflow):</b>				
Transfers out	-	59,453	59,453	-
<b>Total Charges to Appropriations</b>	<b>-</b>	<b>59,453</b>	<b>59,453</b>	<b>-</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 70,240</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

## CITY OF LAKE ELSINORE

**BUDGETARY COMPARISON SCHEDULE**  
**LAKESIDE FACILITIES**  
**YEAR ENDED JUNE 30, 2021**

	<b>Budget Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
				<b>Positive</b>
				<b>(Negative)</b>
Budgetary Fund Balance, July 1	\$ 80,079	\$ 80,079	\$ 80,079	\$ -
<b>Resources (Inflows):</b>				
Licenses and permits	60,000	59,987	58,150	(1,837)
Use of money and property	2,000	1,013	40	(973)
<b>Amounts Available for Appropriations</b>	<b>142,079</b>	<b>141,079</b>	<b>138,269</b>	<b>(2,810)</b>
<b>Charges to Appropriation (Outflow):</b>				
Transfers out	123,048	141,079	124,359	16,720
<b>Total Charges to Appropriations</b>	<b>123,048</b>	<b>141,079</b>	<b>124,359</b>	<b>16,720</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 19,031</b>	<b>\$ -</b>	<b>\$ 13,910</b>	<b>\$ 13,910</b>

## CITY OF LAKE ELSINORE

BUDGETARY COMPARISON SCHEDULE  
ANIMAL SHELTER  
YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ (136)	\$ (136)	\$ (136)	\$ -
<b>Resources (Inflows):</b>				
Licenses and permits	20,000	20,000	25,654	5,654
Use of money and property	200	100	85	(15)
Transfers in	-	-	4	4
<b>Amounts Available for Appropriations</b>	<b>20,064</b>	<b>19,964</b>	<b>25,607</b>	<b>5,643</b>
<b>Charges to Appropriation (Outflow):</b>				
Transfers out	20,460	19,964	25,580	(5,616)
<b>Total Charges to Appropriations</b>	<b>20,460</b>	<b>19,964</b>	<b>25,580</b>	<b>(5,616)</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ (396)</b>	<b>\$ -</b>	<b>\$ 27</b>	<b>\$ 27</b>

## CITY OF LAKE ELSINORE

## BUDGETARY COMPARISON SCHEDULE

N.P.D.E.S.

YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ (70)	\$ (70)	\$ (70)	\$ -
<b>Resources (Inflows):</b>				
Licenses and permits	396,000	699,627	647,018	(52,609)
Use of money and property	2,000	4,373	2,120	(2,253)
<b>Amounts Available for Appropriations</b>	<b>397,930</b>	<b>703,930</b>	<b>649,068</b>	<b>(54,862)</b>
<b>Charges to Appropriation (Outflow):</b>				
Public services	146,550	207,869	137,147	70,722
Transfers out	582,450	496,061	432,657	63,404
<b>Total Charges to Appropriations</b>	<b>729,000</b>	<b>703,930</b>	<b>569,804</b>	<b>134,126</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ (331,070)</b>	<b>\$ -</b>	<b>\$ 79,264</b>	<b>\$ 79,264</b>

## CITY OF LAKE ELSINORE

## BUDGETARY COMPARISON SCHEDULE

## PEG GRANT

YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ 37,616	\$ 37,616	\$ 37,616	\$ -
<b>Resources (Inflows):</b>				
Licenses and permits	20,000	17,914	13,747	(4,167)
Use of money and property	600	786	202	(584)
<b>Amounts Available for Appropriations</b>	<b>58,216</b>	<b>56,316</b>	<b>51,565</b>	<b>(4,751)</b>
<b>Charges to Appropriation (Outflow):</b>				
Community services	-	-	293	(293)
<b>Total Charges to Appropriations</b>	<b>-</b>	<b>-</b>	<b>293</b>	<b>(293)</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 58,216</b>	<b>\$ 56,316</b>	<b>\$ 51,272</b>	<b>\$ (5,044)</b>

## CITY OF LAKE ELSINORE

BUDGETARY COMPARISON SCHEDULE  
 PEDESTRIAN SIDEWALK SB821  
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ 227,662	\$ 227,662	\$ 227,662	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	125,140	244,020	-	(244,020)
Use of money and property	-	1,503	580	(923)
Transfers in	-	-	245,427	245,427
<b>Amounts Available for Appropriations</b>	<b>352,802</b>	<b>473,185</b>	<b>473,669</b>	<b>484</b>
<b>Charges to Appropriation (Outflow):</b>				
Transfers out	125,140	245,523	473,669	(228,146)
<b>Total Charges to Appropriations</b>	<b>125,140</b>	<b>245,523</b>	<b>473,669</b>	<b>(228,146)</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 227,662</b>	<b>\$ 227,662</b>	<b>\$ -</b>	<b>\$ (227,662)</b>

## CITY OF LAKE ELSINORE

**BUDGETARY COMPARISON SCHEDULE**  
**LAKE DESTRATIFICATION AND WATER FUND**  
**YEAR ENDED JUNE 30, 2021**

	<b>Budget Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
				<b>Positive</b>
				<b>(Negative)</b>
Budgetary Fund Balance, July 1, as restated	\$ 2,696,968	\$ 2,696,968	\$ 2,696,968	\$ -
<b>Resources (Inflows):</b>				
Charges for services	1,769,230	1,769,343	1,633,010	(136,333)
Use of money and property	30,000	29,887	3,137	(26,750)
<b>Amounts Available for Appropriation</b>	<b>4,496,198</b>	<b>4,496,198</b>	<b>4,333,115</b>	<b>(163,083)</b>
<b>Charges to Appropriation (Outflow):</b>				
General government	100,000	100,000	2,105	97,895
Public works	1,733,200	1,733,200	1,213,105	520,095
Transfers out	150,000	150,000	-	150,000
<b>Total Charges to Appropriations</b>	<b>1,983,200</b>	<b>1,983,200</b>	<b>1,215,210</b>	<b>767,990</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 2,512,998</b>	<b>\$ 2,512,998</b>	<b>\$ 3,117,905</b>	<b>\$ 604,907</b>



## CITY OF LAKE ELSINORE

**BUDGETARY COMPARISON SCHEDULE  
 CAPITAL IMPROVEMENT PLAN  
 YEAR ENDED JUNE 30, 2021**

	<b>Budget Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
				<b>Positive</b>
				<b>(Negative)</b>
Budgetary Fund Balance, July 1	\$ 11,238,798	\$ 11,238,798	\$ 11,238,798	\$ -
<b>Resources (Inflows):</b>				
Charges for services	400,000	600,000	610,773	10,773
Use of money and property	30,000	210,000	23,065	(186,935)
Contributions	11,717,568	15,826,022	11,811,990	(4,014,032)
Miscellaneous	-	500	5,644	5,144
Transfers in	17,096,450	15,958,233	8,113,086	(7,845,147)
<b>Amounts Available for Appropriations</b>	<b>40,482,816</b>	<b>43,833,553</b>	<b>31,803,356</b>	<b>(12,030,197)</b>
<b>Charges to Appropriation (Outflow):</b>				
Public services	10,000	68,161	4,507,507	(4,439,346)
Capital outlay	37,442,208	34,239,762	11,984,842	22,254,920
Transfers out	-	3,063,336	3,350,455	(287,119)
<b>Total Charges to Appropriations</b>	<b>37,452,208</b>	<b>37,371,259</b>	<b>19,842,804</b>	<b>17,528,455</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 3,030,608</b>	<b>\$ 6,462,294</b>	<b>\$ 11,960,552</b>	<b>\$ 5,498,258</b>

## CITY OF LAKE ELSINORE

**BUDGETARY COMPARISON SCHEDULE**  
**MISCELLANEOUS GENERAL PROJECT**  
**YEAR ENDED JUNE 30, 2021**

	<b>Budget Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
				<b>Positive</b>
				<b>(Negative)</b>
Budgetary Fund Balance, July 1	\$ 89,530	\$ 89,530	\$ 89,530	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	1,018,500	1,063,046	1,060,675	(2,371)
Transfers in	-	-	125,000	125,000
<b>Amounts Available for Appropriations</b>	<b>1,108,030</b>	<b>1,152,576</b>	<b>1,275,205</b>	<b>122,629</b>
<b>Charges to Appropriation (Outflow):</b>				
General government	826,100	1,062,852	1,062,924	(72)
Transfers out	255,040	89,724	17,278	72,446
<b>Total Charges to Appropriations</b>	<b>1,081,140</b>	<b>1,152,576</b>	<b>1,080,202</b>	<b>72,374</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 26,890</b>	<b>\$ -</b>	<b>\$ 195,003</b>	<b>\$ 195,003</b>

## CITY OF LAKE ELSINORE

**BUDGETARY COMPARISON SCHEDULE  
 PARK QUIMBY DEVELOPMENT  
 YEAR ENDED JUNE 30, 2021**

	<b>Budget Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
				<b>Positive</b>
				<b>(Negative)</b>
Budgetary Fund Balance, July 1	\$ 517,917	\$ 517,917	\$ 517,917	\$ -
<b>Resources (Inflows):</b>				
Licenses and permits	50,000	150,000	213,582	63,582
Use of money and property	5,000	11,000	2,924	(8,076)
<b>Amounts Available for Appropriations</b>	<b>572,917</b>	<b>678,917</b>	<b>734,423</b>	<b>55,506</b>
<b>Charges to Appropriation (Outflow):</b>				
Transfers out	54,000	54,000	52,122	1,878
<b>Total Charges to Appropriations</b>	<b>54,000</b>	<b>54,000</b>	<b>52,122</b>	<b>1,878</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 518,917</b>	<b>\$ 624,917</b>	<b>\$ 682,301</b>	<b>\$ 57,384</b>

## CITY OF LAKE ELSINORE

BUDGETARY COMPARISON SCHEDULE  
 STORM DRAINS  
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ 716,740	\$ 716,740	\$ 716,740	\$ -
<b>Resources (Inflows):</b>				
Licenses and permits	100,000	80,000	1,020,319	940,319
Use of money and property	6,000	15,000	6,728	(8,272)
<b>Amounts Available for Appropriations</b>	<b>822,740</b>	<b>811,740</b>	<b>1,743,787</b>	<b>932,047</b>
<b>Charges to Appropriation (Outflow):</b>				
Transfers out	799,480	811,740	469,101	342,639
<b>Total Charges to Appropriations</b>	<b>799,480</b>	<b>811,740</b>	<b>469,101</b>	<b>342,639</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 23,260</b>	<b>\$ -</b>	<b>\$ 1,274,686</b>	<b>\$ 1,274,686</b>

## CITY OF LAKE ELSINORE

BUDGETARY COMPARISON SCHEDULE  
 LIBRARY FACILITIES  
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ 1,259,812	\$ 1,259,812	\$ 1,259,812	\$ -
<b>Resources (Inflows):</b>				
Licenses and permits	50,000	58,927	52,200	(6,727)
Use of money and property	6,000	26,073	5,491	(20,582)
<b>Amounts Available for Appropriations</b>	<b>1,315,812</b>	<b>1,344,812</b>	<b>1,317,503</b>	<b>(27,309)</b>
<b>Charges to Appropriation (Outflow):</b>				
Community services	40,000	40,000	38,274	1,726
Transfers out	1,248,788	1,304,812	-	1,304,812
<b>Total Charges to Appropriations</b>	<b>1,288,788</b>	<b>1,344,812</b>	<b>38,274</b>	<b>1,306,538</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 27,024</b>	<b>\$ -</b>	<b>\$ 1,279,229</b>	<b>\$ 1,279,229</b>

## CITY OF LAKE ELSINORE

BUDGETARY COMPARISON SCHEDULE  
 TRAFFIC IMPACT  
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ 935,003	\$ 935,003	\$ 935,003	\$ -
<b>Resources (Inflows):</b>				
Licenses and permits	450,000	450,000	515,029	65,029
Use of money and property	10,000	20,000	5,296	(14,704)
<b>Amounts Available for Appropriations</b>	<b>1,395,003</b>	<b>1,405,003</b>	<b>1,455,328</b>	<b>50,325</b>
<b>Charges to Appropriation (Outflow):</b>				
Transfers out	926,000	926,000	913,221	12,779
<b>Total Charges to Appropriations</b>	<b>926,000</b>	<b>926,000</b>	<b>913,221</b>	<b>12,779</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 469,003</b>	<b>\$ 479,003</b>	<b>\$ 542,107</b>	<b>\$ 63,104</b>

## CITY OF LAKE ELSINORE

BUDGETARY COMPARISON SCHEDULE  
 FIRE FACILITIES  
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ 182,133	\$ 182,133	\$ 182,133	\$ -
<b>Resources (Inflows):</b>				
Licenses and permits	80,000	100,000	102,450	2,450
Use of money and property	1,100	4,000	1,222	(2,778)
<b>Amounts Available for Appropriations</b>	<b>263,233</b>	<b>286,133</b>	<b>285,805</b>	<b>(328)</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 263,233</b>	<b>\$ 286,133</b>	<b>\$ 285,805</b>	<b>\$ (328)</b>

## CITY OF LAKE ELSINORE

BUDGETARY COMPARISON SCHEDULE  
 PUBLIC IMPROVEMENT IN-LIEU  
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ 608,426	\$ 608,426	\$ 608,426	\$ -
<b>Resources (Inflows):</b>				
Licenses and permits	15,000	1,009,961	971,842	(38,119)
Use of money and property	2,000	27,039	7,415	(19,624)
<b>Amounts Available for Appropriations</b>	<b>625,426</b>	<b>1,645,426</b>	<b>1,587,683</b>	<b>(57,743)</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 625,426</b>	<b>\$ 1,645,426</b>	<b>\$ 1,587,683</b>	<b>\$ (57,743)</b>



## CITY OF LAKE ELSINORE

**BUDGETARY COMPARISON SCHEDULE  
 TOTAL ROAD IMPROVEMENT PROGRAM  
 YEAR ENDED JUNE 30, 2021**

	<b>Budget Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
				<b>Positive</b>
				<b>(Negative)</b>
Budgetary Fund Balance, July 1	\$ 11,569	\$ 11,569	\$ 11,569	\$ -
<b>Resources (Inflows):</b>				
Use of money and property	600	200	360	160
Transfers in	478,860	484,169	501,566	17,397
<b>Amounts Available for Appropriations</b>	<b>491,029</b>	<b>495,938</b>	<b>513,495</b>	<b>17,557</b>
<b>Charges to Appropriation (Outflow):</b>				
Public services	2,000	2,000	2,978	(978)
Debt service:				
Principal retirement	240,000	240,000	250,000	(10,000)
Interest and fiscal charges	253,940	253,938	245,938	8,000
<b>Total Charges to Appropriations</b>	<b>495,940</b>	<b>495,938</b>	<b>498,916</b>	<b>(2,978)</b>
<b>Budgetary Fund Balance (Deficits), June 30</b>	<b>\$ (4,911)</b>	<b>\$ -</b>	<b>\$ 14,579</b>	<b>\$ 14,579</b>

## CITY OF LAKE ELSINORE

BUDGETARY COMPARISON SCHEDULE  
TUMF  
YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ (643,692)	\$ (643,692)	\$ (643,692)	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	8,958,470	9,602,163	1,221,775	(8,380,388)
<b>Amounts Available for Appropriations</b>	<b>8,314,778</b>	<b>8,958,471</b>	<b>578,083</b>	<b>(8,380,388)</b>
<b>Charges to Appropriation (Outflow):</b>				
Transfers out	8,958,470	8,958,471	575,364	8,383,107
<b>Total Charges to Appropriations</b>	<b>8,958,470</b>	<b>8,958,471</b>	<b>575,364</b>	<b>8,383,107</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ (643,692)</b>	<b>\$ -</b>	<b>\$ 2,719</b>	<b>\$ 2,719</b>

## CITY OF LAKE ELSINORE

BUDGETARY COMPARISON SCHEDULE  
PUBLIC FINANCING AUTHORITY  
YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ 158,561,306	\$ 158,561,306	\$ 158,561,306	\$ -
<b>Resources (Inflows):</b>				
Use of money and property	-	-	8,580,253	8,580,253
<b>Amounts Available for Appropriations</b>	<b>158,561,306</b>	<b>158,561,306</b>	<b>167,141,559</b>	<b>8,580,253</b>
<b>Charges to Appropriation (Outflow):</b>				
General government	-	-	86,159	(86,159)
Debt service:				
Principal retirement	7,575,000	7,575,000	17,355,000	(9,780,000)
Interest and fiscal charges	8,116,100	8,035,323	4,115,238	3,920,085
<b>Total Charges to Appropriations</b>	<b>15,691,100</b>	<b>15,610,323</b>	<b>53,715,226</b>	<b>(38,104,903)</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 142,870,206</b>	<b>\$ 142,950,983</b>	<b>\$ 113,426,333</b>	<b>\$ (29,524,650)</b>

## CITY OF LAKE ELSINORE

BUDGETARY COMPARISON SCHEDULE  
 RECREATION AUTHORITY  
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ 112,250	\$ 112,250	\$ 112,250	\$ -
<b>Resources (Inflows):</b>				
Revenue from lease/rent	1,135,100	1,135,100	1,129,068	(6,032)
<b>Amounts Available for Appropriations</b>	<b>1,247,350</b>	<b>1,247,350</b>	<b>1,241,318</b>	<b>(6,032)</b>
<b>Charges to Appropriation (Outflow):</b>				
General government	10,000	-	21,072	(21,072)
Debt service:				
Principal retirement	675,000	675,000	675,000	-
Interest and fiscal charges	440,900	450,900	454,400	(3,500)
<b>Total Charges to Appropriations</b>	<b>1,125,900</b>	<b>1,125,900</b>	<b>1,150,472</b>	<b>(24,572)</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 121,450</b>	<b>\$ 121,450</b>	<b>\$ 90,846</b>	<b>\$ (30,604)</b>

## CITY OF LAKE ELSINORE

**BUDGETARY COMPARISON SCHEDULE  
 FACILITIES FINANCING AUTHORITY  
 YEAR ENDED JUNE 30, 2021**

	<b>Budget Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
				<b>Positive</b>
				<b>(Negative)</b>
Budgetary Fund Balance, July 1	\$ 29,673,301	\$ 29,673,301	\$ 29,673,301	\$ -
<b>Resources (Inflows):</b>				
Use of money and property	557,775	557,775	1,141,078	583,303
Refunding bonds issued	-	34,970,000	34,970,000	-
<b>Amounts Available for Appropriations</b>	<b>30,231,076</b>	<b>65,201,076</b>	<b>65,784,379</b>	<b>583,303</b>
<b>Charges to Appropriation (Outflow):</b>				
General government	-	2,000	6,525	(4,525)
Debt service:				
Principal retirement	390,000	390,000	390,000	-
Interest and fiscal charges	461,770	1,354,676	1,369,828	(15,152)
<b>Total Charges to Appropriations</b>	<b>851,770</b>	<b>1,746,676</b>	<b>1,766,353</b>	<b>(19,677)</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 29,379,306</b>	<b>\$ 63,454,400</b>	<b>\$ 64,018,026</b>	<b>\$ 563,626</b>

CITY OF LAKE ELSINORE

BUDGETARY COMPARISON SCHEDULE  
ENDOWMENT TRUST - ADOLPH KORN  
YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ 34,076	\$ 34,076	\$ 34,076	\$ -
<b>Resources (Inflows):</b>				
Use of money and property	200	200	145	(55)
<b>Amounts Available for Appropriations</b>	<b>34,276</b>	<b>34,276</b>	<b>34,221</b>	<b>(55)</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 34,276</b>	<b>\$ 34,276</b>	<b>\$ 34,221</b>	<b>\$ (55)</b>



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**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 providing central mailing and reprographic services.

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

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



## CITY OF LAKE ELSINORE

COMBINING STATEMENT OF NET POSITION  
INTERNAL SERVICE FUNDS  
JUNE 30, 2021

	Governmental Activities - Internal Service Funds			
	Insurance	Info Systems	Support Services	Fleet Services
<b>Assets:</b>				
Current:				
Cash and investments	\$ 1,517,338	\$ 1,540,442	\$ 23,489	\$ 997,121
Receivables:				
Accrued interest	1,669	433	-	-
Prepaid costs	-	2,205	-	-
<b>Total Current Assets</b>	<b>1,519,007</b>	<b>1,543,080</b>	<b>23,489</b>	<b>997,121</b>
Noncurrent:				
Capital assets - net of accumulated depreciation	-	181,074	18,426	1,419,819
<b>Total Noncurrent Assets</b>	<b>-</b>	<b>181,074</b>	<b>18,426</b>	<b>1,419,819</b>
<b>Total Assets</b>	<b>1,519,007</b>	<b>1,724,154</b>	<b>41,915</b>	<b>2,416,940</b>
<b>Deferred Outflows of Resources:</b>				
Pension related items	25,163	131,346	-	108,020
OPEB related items	-	126,932	-	115,017
<b>Total Deferred Outflows of Resources</b>	<b>25,163</b>	<b>258,278</b>	<b>-</b>	<b>223,037</b>
<b>Total Assets and Deferred Outflows of Resources</b>	<b>\$ 1,544,170</b>	<b>\$ 1,982,432</b>	<b>\$ 41,915</b>	<b>\$ 2,639,977</b>
<b>Liabilities, Deferred Inflows of Resources, and Net Position:</b>				
<b>Liabilities:</b>				
Current:				
Accounts payable	\$ 5,823	\$ 33,809	\$ 3,462	\$ 32,929
Accrued liabilities	1,849	15,117	-	8,527
<b>Total Current Liabilities</b>	<b>7,672</b>	<b>48,926</b>	<b>3,462</b>	<b>41,456</b>
Noncurrent:				
Net pension liability	156,468	678,024	-	547,635
Total OPEB liability	-	1,039,757	-	779,818
<b>Total Noncurrent Liabilities</b>	<b>156,468</b>	<b>1,717,781</b>	<b>-</b>	<b>1,327,453</b>
<b>Total Liabilities</b>	<b>164,140</b>	<b>1,766,707</b>	<b>3,462</b>	<b>1,368,909</b>
<b>Deferred Inflows of Resources:</b>				
Pension related items	2,457	10,644	-	8,597
OPEB related items	-	80,939	-	60,704
<b>Total Deferred Inflows of Resources</b>	<b>2,457</b>	<b>91,583</b>	<b>-</b>	<b>69,301</b>
<b>Net Position:</b>				
Invested in capital assets	-	181,074	18,426	1,419,819
Unrestricted	1,377,573	(56,932)	20,027	(218,052)
<b>Total Net Position</b>	<b>1,377,573</b>	<b>124,142</b>	<b>38,453</b>	<b>1,201,767</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Net Position</b>	<b>\$ 1,544,170</b>	<b>\$ 1,982,432</b>	<b>\$ 41,915</b>	<b>\$ 2,639,977</b>

## CITY OF LAKE ELSINORE

COMBINING STATEMENT OF NET POSITION  
INTERNAL SERVICE FUNDS  
JUNE 30, 2021

	Governmental Activities - Internal Service Funds	
	Facilities	Totals
<b>Assets:</b>		
Current:		
Cash and investments	\$ 728,773	\$ 4,807,163
Receivables:		
Accrued interest	733	2,835
Prepaid costs	2,450	4,655
<b>Total Current Assets</b>	<b>731,956</b>	<b>4,814,653</b>
Noncurrent:		
Capital assets - net of accumulated depreciation	216,438	1,835,757
<b>Total Noncurrent Assets</b>	<b>216,438</b>	<b>1,835,757</b>
<b>Total Assets</b>	<b>948,394</b>	<b>6,650,410</b>
<b>Deferred Outflows of Resources:</b>		
Pension related items	30,816	295,345
OPEB related items	111,165	353,114
<b>Total Deferred Outflows of Resources</b>	<b>141,981</b>	<b>648,459</b>
<b>Total Assets and Deferred Outflows of Resources</b>	<b>\$ 1,090,375</b>	<b>\$ 7,298,869</b>
<b>Liabilities, Deferred Inflows of Resources, and Net Position:</b>		
<b>Liabilities:</b>		
Current:		
Accounts payable	\$ 24,387	\$ 100,410
Accrued liabilities	5,526	31,019
<b>Total Current Liabilities</b>	<b>29,913</b>	<b>131,429</b>
Noncurrent:		
Net pension liability	156,468	1,538,595
Total OPEB liability	779,818	2,599,393
<b>Total Noncurrent Liabilities</b>	<b>936,286</b>	<b>4,137,988</b>
<b>Total Liabilities</b>	<b>966,199</b>	<b>4,269,417</b>
<b>Deferred Inflows of Resources:</b>		
Pension related items	2,457	24,155
OPEB related items	60,704	202,347
<b>Total Deferred Inflows of Resources</b>	<b>63,161</b>	<b>226,502</b>
<b>Net Position:</b>		
Invested in capital assets	216,438	1,835,757
Unrestricted	(155,423)	967,193
<b>Total Net Position</b>	<b>61,015</b>	<b>2,802,950</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Net Position</b>	<b>\$ 1,090,375</b>	<b>\$ 7,298,869</b>

## CITY OF LAKE ELSINORE

COMBINING STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN FUND NET POSITION  
INTERNAL SERVICE FUNDS  
YEAR ENDED JUNE 30, 2021

	Governmental Activities - Internal Service Funds			
	Insurance	Info Systems	Support Services	Fleet Services
<b>Operating Revenues:</b>				
Charges for services	\$ 777,852	\$ 1,069,809	\$ 106,930	\$ 985,084
Miscellaneous	170,411	90	-	50
<b>Total Operating Revenues</b>	<b>948,263</b>	<b>1,069,899</b>	<b>106,930</b>	<b>985,134</b>
<b>Operating Expenses:</b>				
Personnel Services	213,784	1,162,792	-	401,071
Contractual Services	106,119	76,850	39,636	9,537
Utilities	-	146,556	-	-
Maintenance and Operation	-	416,617	51,505	303,773
Depreciation expense	-	57,583	6,066	420,521
Insurance	654,746	-	-	-
<b>Total Operating Expenses</b>	<b>974,649</b>	<b>1,860,398</b>	<b>97,207</b>	<b>1,134,902</b>
Operating Income (Loss)	(26,386)	(790,499)	9,723	(149,768)
<b>Nonoperating Revenues (Expenses):</b>				
Interest revenue	6,891	1,511	-	-
<b>Total Nonoperating Revenues (Expenses)</b>	<b>6,891</b>	<b>1,511</b>	<b>-</b>	<b>-</b>
Income (Loss) Before Transfers	(19,495)	(788,988)	9,723	(149,768)
Transfers in	-	1,100,000	-	1,500,000
Changes in Net Position	(19,495)	311,012	9,723	1,350,232
<b>Net Position:</b>				
Beginning of Year	1,397,068	(186,870)	28,730	(148,465)
<b>End of Fiscal Year</b>	<b>\$ 1,377,573</b>	<b>\$ 124,142</b>	<b>\$ 38,453</b>	<b>\$ 1,201,767</b>

## CITY OF LAKE ELSINORE

COMBINING STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN FUND NET POSITION  
INTERNAL SERVICE FUNDS  
YEAR ENDED JUNE 30, 2021

	<b>Governmental Activities - Internal Service Funds</b>	
	<b>Facilities</b>	<b>Totals</b>
<b>Operating Revenues:</b>		
Charges for services	\$ 541,584	\$ 3,481,259
Miscellaneous	33	170,584
<b>Total Operating Revenues</b>	<b>541,617</b>	<b>3,651,843</b>
<b>Operating Expenses:</b>		
Personnel Services	457,919	2,235,566
Contractual Services	90,066	322,208
Utilities	81,729	228,285
Maintenance and Operation	171,047	942,942
Depreciation expense	71,598	555,768
Insurance	-	654,746
<b>Total Operating Expenses</b>	<b>872,359</b>	<b>4,939,515</b>
Operating Income (Loss)	(330,742)	(1,287,672)
<b>Nonoperating Revenues (Expenses):</b>		
Interest revenue	2,711	11,113
<b>Total Nonoperating Revenues (Expenses)</b>	<b>2,711</b>	<b>11,113</b>
Income (Loss) Before Transfers	(328,031)	(1,276,559)
Transfers in	-	2,600,000
Changes in Net Position	(328,031)	1,323,441
<b>Net Position:</b>		
Beginning of Year	389,046	1,479,509
<b>End of Fiscal Year</b>	<b>\$ 61,015</b>	<b>\$ 2,802,950</b>

## CITY OF LAKE ELSINORE

**COMBINING STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS**  
**YEAR ENDED JUNE 30, 2021**

	<b>Governmental Activities - Internal Service Funds</b>			
	<b>Insurance</b>	<b>Info Systems</b>	<b>Support Services</b>	<b>Fleet Services</b>
<b>Cash Flows from Operating Activities:</b>				
Cash received from customers and users	\$ 1,079,346	\$ 1,706,209	\$ 106,930	\$ 985,134
Cash paid to suppliers for goods and services	(947,410)	(1,361,328)	(41,031)	(853,904)
Cash paid to employees for services	(109,531)	(494,463)	(51,505)	(243,115)
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>22,405</b>	<b>(149,582)</b>	<b>14,394</b>	<b>(111,885)</b>
<b>Cash Flows from Non-Capital Financing Activities:</b>				
Cash transfers in	-	1,100,000	-	1,500,000
Cash paid - due from other funds	225,930	-	-	-
Cash received - due to other funds	-	-	-	(225,930)
<b>Net Cash Provided (Used) by Non-Capital Financing Activities</b>	<b>225,930</b>	<b>1,100,000</b>	<b>-</b>	<b>1,274,070</b>
<b>Cash Flows from Capital and Related Financing Activities:</b>				
Acquisition and construction of capital assets	-	(57,954)	-	(165,064)
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	<b>-</b>	<b>(57,954)</b>	<b>-</b>	<b>(165,064)</b>
<b>Cash Flows from Investing Activities:</b>				
Interest received	7,995	1,961	-	-
<b>Net Cash Provided (Used) by Investing Activities</b>	<b>7,995</b>	<b>1,961</b>	<b>-</b>	<b>-</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>256,330</b>	<b>894,425</b>	<b>14,394</b>	<b>997,121</b>
Cash and Cash Equivalents at Beginning of Year	1,261,008	646,017	9,095	-
<b>Cash and Cash Equivalents at End of Year</b>	<b>\$ 1,517,338</b>	<b>\$ 1,540,442</b>	<b>\$ 23,489</b>	<b>\$ 997,121</b>
<b>Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:</b>				
Operating income (loss)	\$ (26,386)	\$ (790,499)	\$ 9,723	\$ (149,768)
<b>Adjustments to Reconcile Operating Income (loss) Net Cash Provided (used) by Operating Activities:</b>				
Depreciation	-	57,583	6,066	420,521
(Increase) decrease in deferred outflows from pensions	8,259	2,340	-	(7,755)
(Increase) decrease in deferred outflows OPEB	-	(69,285)	-	(57,370)
(Increase) decrease in prepaid expense	21,416	6,886	-	-
Increase (decrease) in accounts payable	5,823	17,984	(1,395)	(443,296)
Increase (decrease) in accrued liabilities	(112,932)	3,214	-	456
Increase (decrease) in net pension liability	131,083	284,221	-	62,259
Increase (decrease) in Total OPEB liability	-	352,089	-	92,150
Increase (decrease) in deferred inflows from OPEB	-	4,501	-	(15,734)
Increase (decrease) in deferred inflows from pensions	(4,858)	(18,616)	-	(13,348)
<b>Total Adjustments</b>	<b>48,791</b>	<b>640,917</b>	<b>4,671</b>	<b>37,883</b>
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$ 22,405</b>	<b>\$ (149,582)</b>	<b>\$ 14,394</b>	<b>\$ (111,885)</b>
<b>Non-Cash Investing, Capital, and Financing Activities:</b>				
No Non-cash activity during the year	-	-	-	-

## CITY OF LAKE ELSINORE

**COMBINING STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS**  
**YEAR ENDED JUNE 30, 2021**

	<b>Governmental Activities - Internal Service Funds</b>	
	<b>Facilities</b>	<b>Totals</b>
<b>Cash Flows from Operating Activities:</b>		
Cash received from customers and users	\$ 541,617	\$ 4,419,236
Cash paid to suppliers for goods and services	(351,869)	(3,555,542)
Cash paid to employees for services	(180,207)	(1,078,821)
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>9,541</b>	<b>(215,127)</b>
<b>Cash Flows from Non-Capital Financing Activities:</b>		
Cash transfers in	-	2,600,000
Cash paid - due from other funds	-	225,930
Cash received - due to other funds	-	(225,930)
<b>Net Cash Provided (Used) by Non-Capital Financing Activities</b>	<b>-</b>	<b>2,600,000</b>
<b>Cash Flows from Capital and Related Financing Activities:</b>		
Acquisition and construction of capital assets	(2,683)	(225,701)
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	<b>(2,683)</b>	<b>(225,701)</b>
<b>Cash Flows from Investing Activities:</b>		
Interest received	3,132	13,088
<b>Net Cash Provided (Used) by Investing Activities</b>	<b>3,132</b>	<b>13,088</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>9,990</b>	<b>2,172,260</b>
Cash and Cash Equivalents at Beginning of Year	718,783	2,634,903
<b>Cash and Cash Equivalents at End of Year</b>	<b>\$ 728,773</b>	<b>\$ 4,807,163</b>
<b>Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:</b>		
Operating income (loss)	\$ (330,742)	\$ (1,287,672)
<b>Adjustments to Reconcile Operating Income (loss) Net Cash Provided (used) by Operating Activities:</b>		
Depreciation	71,598	555,768
(Increase) decrease in deferred outflows from pensions	2,606	5,450
(Increase) decrease in deferred outflows OPEB	(72,733)	(199,388)
(Increase) decrease in prepaid expense	(2,450)	25,852
Increase (decrease) in accounts payable	(6,577)	(427,461)
Increase (decrease) in accrued liabilities	1,682	(107,580)
Increase (decrease) in net pension liability	19,897	497,460
Increase (decrease) in Total OPEB liability	321,373	765,612
Increase (decrease) in deferred inflows from OPEB	9,745	(1,488)
Increase (decrease) in deferred inflows from pensions	(4,858)	(41,680)
<b>Total Adjustments</b>	<b>340,283</b>	<b>1,072,545</b>
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$ 9,541</b>	<b>\$ (215,127)</b>
<b>Non-Cash Investing, Capital, and Financing Activities:</b>		
No Non-cash activity during the year	-	-



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**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, 2021

	<b>Private-Purpose Trust Funds</b>		
	<b>Trust - Carl Graves</b>	<b>Successor Agency Private-Purpose Trust Fund</b>	<b>Total</b>
<b>Assets:</b>			
Pooled cash and investments	\$ 57,585	\$ 11,840,954	\$ 11,898,539
Receivables:			
Accrued interest	66	14,460	14,526
Prepaid costs	-	351,112	351,112
Land held for resale	-	6,071,897	6,071,897
Restricted assets:			
Cash and investments with fiscal agents	-	26,568	26,568
Capital assets:			
Capital assets, not being depreciated	-	2,004,419	2,004,419
Capital assets, net of accumulated depreciation	-	14,981,931	14,981,931
<b>Total Assets</b>	<b>\$ 57,651</b>	<b>\$ 35,291,341</b>	<b>\$ 35,348,992</b>
<b>Deferred Outflows of Resources:</b>			
Deferred charge on refunding	-	1,667,222	1,667,222
<b>Total Deferred Outflows of Resources</b>	<b>\$ -</b>	<b>\$ 1,667,222</b>	<b>\$ 1,667,222</b>
<b>Liabilities:</b>			
Accounts payable	\$ -	\$ 117,794	\$ 117,794
Accrued interest	-	587,461	587,461
Bonds and loans payable due in one year	-	2,620,000	2,620,000
Long-term liabilities:			
Bonds and loans payable due in more than one year	-	70,414,901	70,414,901
<b>Total Liabilities</b>	<b>\$ -</b>	<b>\$ 73,740,156</b>	<b>\$ 73,740,156</b>
<b>Net Position:</b>			
Restricted for organizations and other governments	\$ 57,651	\$ (36,781,593)	\$ (36,723,942)
<b>Total Net Position</b>	<b>\$ 57,651</b>	<b>\$ (36,781,593)</b>	<b>\$ (36,723,942)</b>

## CITY OF LAKE ELSINORE

COMBINING STATEMENT OF CHANGES IN NET POSITION  
PRIVATE-PURPOSE TRUST FUNDS  
YEAR ENDED JUNE 30, 2021

	Trust - Carl Graves	Successor Agency Private- Purpose Trust Fund	Total
<b>Additions:</b>			
Taxes	\$ -	\$ 15,054,596	\$ 15,054,596
Investment earnings	245	17,887	18,132
Miscellaneous	-	350	350
<b>Total Additions</b>	<b>245</b>	<b>15,072,833</b>	<b>15,073,078</b>
<b>Deductions:</b>			
Contractual services	-	14,269,918	14,269,918
Interest expense	-	2,123,508	2,123,508
Depreciation expense	-	1,767,846	1,767,846
Costs of issuance	-	328,221	328,221
<b>Total Deductions</b>	<b>-</b>	<b>18,489,494</b>	<b>18,489,494</b>
<b>Changes in Net Position</b>	<b>245</b>	<b>(3,416,661)</b>	<b>(3,416,416)</b>
Net Position - Beginning of the Year	57,406	(33,364,932)	(33,307,526)
<b>Net Position - End of the Year</b>	<b>\$ 57,651</b>	<b>\$ (36,781,593)</b>	<b>\$ (36,723,942)</b>



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# STATISTICAL SECTION







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**City of Lake Elsinore, California**  
**Statistical Section Contents**  
June 30, 2021

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

<b>CONTENTS</b>	<b>PAGES</b>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the government's	180-189
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the government's most significant local revenue sources, sales taxes and property tax.	190-201
<b>Debt Capacity</b> 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	202-206
<b>Demographic and Economic Information</b>  These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.	208-209
<b>Operating Information</b> 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.	210-213

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

	Fiscal Year			
	2012	2013	2014	2015
<b>GOVERNMENTAL ACTIVITIES</b>				
Net Investment in				
Capital Assets	\$ 134,976,102	\$ 147,176,443	\$ 131,965,428	\$ 137,914,627
Restricted	141,619,986	75,129,411	74,462,124	90,537,124
Unrestricted	<u>(48,524,474)</u>	<u>(2,804,065)</u>	<u>7,500,328</u>	<u>(12,503,489)</u>
Total Governmental Activities Net Position	<u>\$ 228,071,614</u>	<u>\$ 219,501,789</u>	<u>\$ 213,927,880</u>	<u>\$ 215,948,262</u>
 <b>BUSINESS-TYPE ACTIVITIES</b>				
Net Investment in				
Capital Assets	\$ -	\$ -	\$ -	\$ -
Unrestricted	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Business-type Activities Net Position	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
 <b>PRIMARY GOVERNMENT</b>				
Net Investment in				
Capital Assets	\$ 134,976,102	\$ 147,176,443	\$ 131,965,428	\$ 137,914,627
Restricted	141,619,986	75,129,411	74,462,124	90,537,124
Unrestricted	<u>(48,524,474)</u>	<u>(2,804,065)</u>	<u>7,500,328</u>	<u>(12,503,489)</u>
Total Primary Government Net Position	<u>\$ 228,071,614</u>	<u>\$ 219,501,789</u>	<u>\$ 213,927,880</u>	<u>\$ 215,948,262</u>

Source: City Finance Department

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

Fiscal Year					
2016	2017	2018	2019	2020	2021
\$ 145,170,561	\$ 146,735,654	\$ 142,754,254	\$ 147,000,319	\$ 147,522,397	\$ 153,408,107
75,054,285	90,363,046	92,281,048	94,960,776	105,362,660	263,683,834
(10,180,146)	(12,062,216)	(13,553,724)	(26,768,225)	(31,045,124)	(169,103,017)
<u>\$ 210,044,700</u>	<u>\$ 225,036,484</u>	<u>\$ 221,481,578</u>	<u>\$ 215,192,870</u>	<u>\$ 221,839,933</u>	<u>\$ 247,988,924</u>
\$ -	\$ -	\$ -	\$ 17,255,744	\$ 27,049,079	\$ 26,613,234
-	-	-	(506,148)	(10,434,316)	(9,568,742)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,749,596</u>	<u>\$ 16,614,763</u>	<u>\$ 17,044,492</u>
\$ 145,170,561	\$ 146,735,654	\$ 142,754,254	\$ 164,256,063	\$ 174,571,476	\$ 180,021,341
75,054,285	90,363,046	92,281,048	94,960,776	105,362,660	263,683,834
(10,180,146)	(12,062,216)	(13,553,724)	(27,274,373)	(41,479,440)	(178,671,759)
<u>\$ 210,044,700</u>	<u>\$ 225,036,484</u>	<u>\$ 221,481,578</u>	<u>\$ 231,942,466</u>	<u>\$ 238,454,696</u>	<u>\$ 265,033,416</u>



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

	Fiscal Year			
	2012	2013	2014	2015
<b>EXPENSES</b>				
Governmental Activities:				
General Government	\$ 11,944,507	\$ 8,833,983	\$ 7,836,775	\$ 8,617,841
Public Safety	11,911,363	12,684,631	14,485,711	18,626,488
Community Development	4,989,313	10,242,652	9,079,863	7,391,688
Community Services	7,010,026	4,416,500	4,819,153	4,652,536
Public Services	9,834,764	10,359,134	10,610,540	11,162,854
Interest on Long-term Debt	8,835,312	6,451,470	6,330,889	8,097,248
Total Governmental Activities				
Expenses	<u>54,525,285</u>	<u>52,988,370</u>	<u>53,162,931</u>	<u>58,548,655</u>
Business-type Activities:				
Launch Pointe	-	-	-	-
Total Business-type Activities				
Expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Primary Government Expenses	<u><u>\$ 54,525,285</u></u>	<u><u>\$ 52,988,370</u></u>	<u><u>\$ 53,162,931</u></u>	<u><u>\$ 58,548,655</u></u>
<b>PROGRAM REVENUES</b>				
Governmental Activities:				
Charges for Services:				
General Government	\$ 3,035,324	\$ 456,760	\$ 460,808	\$ 1,464,689
Public Safety	-	700,069	1,067,440	1,427,632
Community Development	1,247,117	4,381,899	5,018,102	3,905,472
Community Services	1,578,318	2,822,458	3,112,662	2,405,100
Public Services	-	1,117,800	1,574,245	2,329,172
Operating Grants and Contributions	3,306,452	12,172,208	20,954,573	20,141,320
Capital Grants and Contributions	4,539,293	9,587,008	6,485,279	21,044,552
Total Governmental Activities				
Program Revenues	<u>13,706,504</u>	<u>31,238,202</u>	<u>38,673,109</u>	<u>52,717,937</u>
Business-type Activities:				
Launch Pointe	-	-	-	-
Total Business-type Activities				
Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Primary Government Revenues	<u><u>\$ 13,706,504</u></u>	<u><u>\$ 31,238,202</u></u>	<u><u>\$ 38,673,109</u></u>	<u><u>\$ 52,717,937</u></u>
<b>NET REVENUES (EXPENSES)</b>				
Governmental Activities	\$ (40,818,781)	\$ (21,750,168)	\$ (14,489,822)	\$ (5,830,718)
Business-type Activities	-	-	-	-
Total Net Revenues (Expenses)	<u><u>\$ (40,818,781)</u></u>	<u><u>\$ (21,750,168)</u></u>	<u><u>\$ (14,489,822)</u></u>	<u><u>\$ (5,830,718)</u></u>

Source: City Finance Department

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

Fiscal Year					
2016	2017	2018	2019	2020	2021
\$ 6,477,776	\$ 8,904,130	\$ 5,856,845	\$ 5,497,097	\$ 7,415,903	\$ 7,192,106
19,098,659	21,218,964	20,963,229	21,143,285	22,051,425	22,583,417
4,005,355	4,807,685	5,000,426	5,257,082	4,874,909	5,675,292
5,411,152	9,791,967	3,313,875	3,003,809	2,751,936	2,359,364
18,668,180	14,148,801	43,153,162	23,303,523	21,486,942	24,952,498
11,204,357	11,832,732	11,463,403	11,340,371	14,659,186	5,151,588
64,865,479	70,704,279	89,750,940	69,545,167	73,240,301	67,914,265
-	-	-	1,588,992	4,219,772	3,967,463
-	-	-	1,588,992	4,219,772	3,967,463
\$ 64,865,479	\$ 70,704,279	\$ 89,750,940	\$ 71,134,159	\$ 77,460,073	\$ 71,881,728
\$ 734,034	\$ 1,726,741	\$ 2,666,057	\$ 1,478,132	\$ 2,288,038	\$ 1,901,893
1,922,602	2,665,603	1,716,350	1,605,806	1,468,446	1,546,880
4,660,580	8,727,675	9,727,246	7,534,732	7,916,155	8,564,938
2,977,699	858,119	759,254	490,827	435,120	605,248
2,977,138	5,504,572	2,609,931	2,494,149	4,146,898	7,434,970
19,883,338	5,496,146	8,599,061	10,045,467	16,522,110	16,799,986
5,901,491	30,389,367	30,754,329	20,188,402	11,440,911	14,106,537
39,056,882	55,368,223	56,832,228	43,837,515	44,217,678	50,960,452
-	-	-	249,194	2,105,505	3,728,501
-	-	-	249,194	2,105,505	3,728,501
\$ 39,056,882	\$ 55,368,223	\$ 56,832,228	\$ 44,086,709	\$ 46,323,183	\$ 54,688,953
\$ (25,808,597)	\$ (15,336,056)	\$ (32,918,712)	\$ (25,707,652)	\$ (29,022,623)	\$ (16,953,813)
-	-	-	(1,339,798)	(2,114,267)	(238,962)
\$ (25,808,597)	\$ (15,336,056)	\$ (32,918,712)	\$ (27,047,450)	\$ (31,136,890)	\$ (17,192,775)

**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			
	2012	2013	2014	2015
<b>GENERAL REVENUES</b>				
Governmental Activities				
Taxes				
Property Taxes	\$ 14,698,032	\$ 5,804,265	\$ 5,487,743	\$ 6,276,548
Sales Taxes	7,444,947	6,935,215	8,031,486	8,572,066
Franchise Taxes	2,002,550	2,097,081	2,275,619	2,389,413
Other Taxes	538,402	567,560	760,203	767,058
Fines, Forfeitures and Penalties	1,850,398	592,185	507,265	683,573
Investment Earnings	8,031,256	689,149	574,477	966,365
Miscellaneous	6,992,813	688,105	1,054,958	1,022,472
Special Item				
Loss on CFD and AD Investments	-	-	(9,880,891)	(4,502,385)
Extraordinary Item				
Gain on Dissolution of				
Redevelopment Agency	61,700,316	-	-	-
Total Governmental Activities	103,258,714	17,373,560	8,810,860	16,175,110
Business-type Activities				
Investment Earnings	-	-	-	-
Miscellaneous	-	-	-	-
Total Business-type Activities	-	-	-	-
Total General Revenues, Special and Extraordinary Items	103,258,714	17,373,560	8,810,860	16,175,110
<b>CHANGES IN NET POSITION</b>				
Governmental Activities	62,439,933	(4,376,008)	(5,678,962)	10,344,392
Business-type Activities	-	-	-	-
Total Changes in Net Position	\$ 62,439,933	\$ (4,376,008)	\$ (5,678,962)	\$ 10,344,392

Source: City Finance Department

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

Fiscal Year					
2016	2017	2018	2019	2020	2021
\$ 6,537,540	\$ 7,380,594	\$ 8,030,862	\$ 7,986,053	\$ 8,990,543	\$ 9,677,646
9,939,637	9,745,714	10,071,435	11,057,497	10,896,995	18,068,365
2,423,707	2,297,401	2,477,400	2,553,006	2,587,128	2,762,724
838,364	598,126	560,150	577,805	654,044	550,508
-	-	-	-	-	-
925,517	11,247,531	13,191,802	12,468,683	11,258,137	7,205,149
706,094	2,745,222	3,026,724	3,785,183	2,960,909	2,794,609
-	-	-	-	-	-
-	-	-	-	-	-
21,370,859	34,014,588	37,358,373	38,428,227	37,347,756	41,059,001
-	-	-	160	255	967
-	-	-	636	6,107	14,559
-	-	-	796	6,362	15,526
21,370,859	34,014,588	37,358,373	38,429,023	37,354,118	41,074,527
(4,437,738)	18,678,532	4,439,661	12,720,575	6,352,063	24,105,188
-	-	-	(1,339,002)	(134,833)	(223,436)
\$ (4,437,738)	\$ 18,678,532	\$ 4,439,661	\$ 11,381,573	\$ 6,217,230	\$ 23,881,752

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

	Fiscal Year			
	2012	2013	2014	2015
<b>GENERAL FUND</b>				
Nonspendable	\$ 2,505,503	\$ 1,821,906	\$ 1,264,392	\$ 1,016,468
Unassigned	11,826,885	12,017,317	10,488,843	10,954,475
Total General Fund	<u>\$ 14,332,388</u>	<u>\$ 13,839,223</u>	<u>\$ 11,753,235</u>	<u>\$ 11,970,943</u>
 <b>ALL OTHER GOVERNMENTAL FUNDS</b>				
Nonspendable	\$ 76,688,811	\$ 20,003	\$ 20,003	\$ 132,037
Restricted	79,292,713	202,134,812	199,162,404	335,415,122
Assigned	12,548,403	1,034,681	1,232,105	1,929,497
Unassigned	(987,601)	(905,426)	(1,014,226)	(1,316,398)
Total All Other Governmental Funds	<u>\$ 167,542,326</u>	<u>\$ 202,284,070</u>	<u>\$ 199,400,286</u>	<u>\$ 336,160,258</u>

Source: City Finance Department

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

Fiscal Year					
2016	2017	2018	2019	2020	2021
\$ 1,029,015	\$ 1,096,846	\$ 1,031,385	\$ 1,077,168	\$ 1,023,165	\$ 1,031,847
11,365,894	11,512,307	10,807,854	11,067,741	11,035,706	13,715,078
<u>\$ 12,394,909</u>	<u>\$ 12,609,153</u>	<u>\$ 11,839,239</u>	<u>\$ 12,144,909</u>	<u>\$ 12,058,871</u>	<u>\$ 14,746,925</u>
\$ 124,177	\$ 979,130	\$ 182,018	\$ 171,532	\$ 239,195	\$ 481,647
303,860,121	302,110,933	293,344,990	267,464,772	246,825,586	245,593,796
1,548,764	9,313,282	17,628,221	13,188,627	11,342,404	12,169,776
(891)	(94,936)	-	(770,278)	(708,284)	3,117,905
<u>\$ 305,532,171</u>	<u>\$ 312,308,409</u>	<u>\$ 311,155,229</u>	<u>\$ 280,054,653</u>	<u>\$ 257,698,901</u>	<u>\$ 261,363,124</u>

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

	Fiscal Year			
	2012	2013	2014	2015
<b>REVENUES</b>				
Property Taxes	\$ 14,738,584	\$ 5,844,498	\$ 5,495,091	\$ 6,249,786
Other Taxes	9,911,400	9,572,675	11,043,792	11,705,293
Special Assessments	1,578,318	1,585,606	1,641,557	1,671,595
Licenses, Permits and Fees	2,908,091	4,999,154	5,936,900	4,655,325
Intergovernmental Revenues	6,193,777	5,055,511	5,582,705	5,812,486
Charges for Services	1,374,351	1,746,713	2,409,558	3,189,138
Fines, Forfeitures and Penalties	1,850,398	927,315	931,168	1,088,411
Investment Earnings	7,180,018	12,122,739	10,315,842	7,972,858
Contributions from Property Owners	1,221,184	8,079,739	5,985,053	22,535,167
Miscellaneous	7,384,749	3,469,837	3,545,812	4,099,189
Total Revenues	<u>54,340,870</u>	<u>53,403,787</u>	<u>52,887,478</u>	<u>68,979,248</u>
<b>EXPENDITURES</b>				
Current:				
General Government	7,467,755	5,871,649	4,788,505	4,611,722
Public Safety	11,911,364	12,339,592	14,093,095	18,163,150
Community Development	1,608,782	2,925,329	3,407,415	6,200,761
Community Services	5,963,873	4,281,401	4,363,257	4,174,545
Public Services	7,800,095	6,772,010	7,107,120	6,551,578
Pass-through Payments	3,542,473	-	-	-
Set Aside Suspension	-	-	-	-
SERAF Payments	-	-	-	-
Capital Outlay	10,268,753	10,889,810	8,992,686	11,123,256
Debt Service:				
Payment to Escrow Agent	-	-	-	-
Bond Issuance Costs	238,290	1,260,059	1,485,399	2,445,261
Principal Retirement	6,091,578	5,725,000	18,385,000	7,165,000
Interest and Fiscal Charges	7,951,971	6,081,766	6,091,389	6,231,581
Total Expenditures	<u>62,844,934</u>	<u>56,146,616</u>	<u>68,713,866</u>	<u>66,666,854</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	<u>(8,504,064)</u>	<u>(2,742,829)</u>	<u>(15,826,388)</u>	<u>2,312,394</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	2,509,613	2,235,297	1,851,084	10,947,946
Transfers Out	(2,509,613)	(2,235,297)	(1,851,084)	(10,947,946)
Debt Issuance	-	-	-	-
Loans Issued	-	-	-	-
Loan Payments	-	-	-	-
Premiums	-	120,640	14,460,000	12,151,673
Discounts	(30,000)	(23,125)	(149,044)	(96,307)
Refunding Bonds Issued	1,405,000	27,760,000	25,335,000	137,845,000
Certificates of Participation Issued	-	-	-	7,965,000
Capital Leases	-	-	-	-
Tax Allocation Bonds Issued	-	-	-	-
Sale of Capital Assets	-	-	-	13,362
Payment to Refunded Bond Escrow Agent	<u>(1,345,000)</u>	<u>(3,244,386)</u>	<u>(19,013,502)</u>	<u>(18,542,280)</u>
Total Other Financing Sources (Uses)	<u>30,000</u>	<u>24,613,129</u>	<u>20,632,454</u>	<u>139,336,448</u>
Net Change in Fund Balances before				
Special and Extraordinary Items	<u>(8,474,064)</u>	<u>21,870,300</u>	<u>4,806,066</u>	<u>141,648,842</u>
Extraordinary/Special Items	<u>11,708,991</u>	<u>-</u>	<u>(9,880,891)</u>	<u>(4,502,385)</u>
Net Change in Fund Balances	<u>\$ 3,234,927</u>	<u>\$ 21,870,300</u>	<u>\$ (5,074,825)</u>	<u>\$ 137,146,457</u>
Debt Service as a Percentage of				
Noncapital Expenditures	27%	29%	40%	24%

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					
2016	2017	2018	2019	2020	2021
\$ 6,551,939	\$ 7,380,594	\$ 8,030,862	\$ 7,986,053	\$ 8,990,543	\$ 9,677,646
13,178,135	12,697,359	13,108,985	14,188,308	14,138,167	21,381,597
1,680,980	1,790,941	2,407,266	4,140,542	4,387,754	8,113,712
6,894,107	7,465,474	4,524,328	3,582,357	5,429,574	6,275,936
6,807,169	6,846,125	9,585,606	9,627,086	11,276,362	12,492,435
2,453,380	2,826,491	5,402,235	3,349,474	4,289,633	5,638,830
1,103,154	2,289,357	913,658	874,765	714,922	447,431
11,117,857	10,410,765	10,364,291	13,644,848	11,677,989	11,105,726
6,219,934	29,339,769	28,853,494	17,974,870	13,222,683	11,984,476
3,574,278	6,630,285	8,102,050	7,316,907	7,773,055	8,473,591
<u>59,580,933</u>	<u>87,677,160</u>	<u>91,292,775</u>	<u>82,685,210</u>	<u>81,900,682</u>	<u>95,591,380</u>
5,318,933	6,345,498	5,233,031	5,323,480	6,408,283	6,068,984
18,614,077	20,751,331	20,507,870	20,724,268	21,627,645	22,184,865
4,164,059	4,395,026	4,730,692	5,198,035	4,911,754	5,737,871
4,984,422	3,963,912	2,577,291	2,242,136	2,433,529	2,043,707
6,345,398	13,968,654	34,578,033	16,849,015	14,483,225	18,264,438
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
20,106,238	21,241,461	13,364,601	31,718,978	21,291,104	11,984,842
982,386	-	-	-	-	-
6,515	-	-	-	-	-
7,375,000	8,315,000	8,935,000	34,065,000	40,110,811	47,879,713
11,468,287	11,797,719	11,882,322	11,796,303	14,406,554	9,496,748
<u>79,365,315</u>	<u>90,778,601</u>	<u>101,808,840</u>	<u>127,917,215</u>	<u>125,672,905</u>	<u>123,661,168</u>
<u>(19,784,382)</u>	<u>(3,101,441)</u>	<u>(10,516,065)</u>	<u>(45,232,005)</u>	<u>(43,772,223)</u>	<u>(28,069,788)</u>
18,142,559	24,483,943	11,523,931	16,851,815	12,958,707	13,100,724
(19,791,262)	(24,802,020)	(11,523,931)	(8,510,790)	(14,658,799)	(16,353,889)
-	10,410,000	7,975,000	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	2,715,525	-
-	-	-	-	-	-
-	-	-	-	20,020,000	34,970,000
-	-	-	-	-	-
-	-	-	3,459,380	-	-
-	-	-	-	-	-
14,743	-	14,502	3,557,379	-	8,262
-	-	-	-	-	-
<u>(1,633,960)</u>	<u>10,091,923</u>	<u>7,989,502</u>	<u>15,357,784</u>	<u>21,035,433</u>	<u>31,725,097</u>
(21,418,342)	6,990,482	(2,526,563)	(29,874,221)	(22,736,790)	3,655,309
<u>(7,319,955)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ (28,738,297)</u>	<u>\$ 6,990,482</u>	<u>\$ (2,526,563)</u>	<u>\$ (29,874,221)</u>	<u>\$ (22,736,790)</u>	<u>\$ 3,655,309</u>
28%	29%	23%	48%	52%	51%





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

Fiscal Year Ended June 30	Property Taxes	Sales Taxes	Franchise Taxes	Other Taxes	Total
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
2021	9,677,646 *	18,068,364	2,762,725	550,508	31,059,243

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.

\* Includes the new Measure Z Retail Sales and Use Tax of \$3,468,153.

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
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
2021	3,526,083	2,581,550	832,335	1,364,860	1,291,157

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
1,046,935	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
1,174,322	1,115,975	(2,678)	11,883,604

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

AGENCY	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
City Basic Levy <sup>1</sup>	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.	0.03486	0.03543	0.03421	0.03275	0.03010	0.03269	0.06080	0.06303	0.06277	0.06111
Metro Water East	0.00370	0.00350	0.00350	0.00350	0.00350	0.00000	-	-	-	-
Metro Water West	0.00370	0.00350	0.00350	0.00350	0.00350	0.00000	-	-	-	-
Metro Water Original Area	-	-	-	-	-	0.00	0.00350	0.00350	0.00350	0.00350
Mt. San Jacinto Jr. College	-	-	-	-	0.01	0.01320	0.01320	0.01320	0.01320	0.01320
Perris School Dist.	0.01983	0.01800	0.02524	0.05588	0.04699	0.05491	0.06000	0.05754	0.05867	0.06000
Perris Union High School	0.03429	0.03429	0.06970	0.06303	0.06236	0.06092	0.05675	0.05243	0.08244	0.08569
Total Direct & Overlapping <sup>2</sup> Tax Rates	1.09638	1.09472	1.13615	1.15866	1.16039	1.16522	1.21325	1.20870	1.23958	1.24250
City's Share of 1% Levy Per Prop 13 <sup>3</sup>	0.17415	0.17415	0.17415	0.17415	0.17415	0.17415	0.07576	0.05007	0.05007	0.05007
<b>GENERAL OBLIGATION DEBT RATE</b>										
RDA Basic Rate <sup>4</sup>	1.00370	0.00000	-	-	-	-	-	-	-	-
Total Direct Rate <sup>5</sup>	0.52110	0.51923	0.08908	0.08528	0.08349	0.08181	0.08025	0.07862	0.07755	0.07703

**Notes:**

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

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

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

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

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

Source: Riverside County Assessor 2010/11 - 2019/20 Tax Rate Table

**City of Lake Elsinore, California**  
**Principal Property Tax Payers**  
Current Year Compared to 2012

TAXPAYER	Fiscal Year 2021			Fiscal Year 2012		
	Taxable Assessed Value	Rank	Percent of Total City Taxable Assessed Value <sup>(1)</sup>	Taxable Assessed Value	Rank	Percent of Total City Taxable Assessed Value <sup>(2)</sup>
Ridgestone Partners LP	\$ 51,895,128	1	0.74%			
Pacific Castle Lake Elsinore Partners	31,721,992	2	0.46%			
Helf Canyon Hills Market Place I	27,917,815	3	0.40%			
Rivers Edge Apartments	26,989,294	4	0.39%			
Mohr Affinity, LLC	25,520,923	5	0.37%			
HGEF Holding Company LLC	25,486,366	6	0.37%			
Costco Wholesale Corporation	19,496,529	7	0.28%			
Walmart Stores Inc	18,894,440	8	0.27%			
HCP Blue Canary	18,831,744	9	0.27%			
Alberhill Development LLC	18,362,210	10	0.26%			
100 East Wisconsin Avenue JV				\$ 50,629,868	1	1.29%
Pacific Aggregates Inc				47,953,485	2	1.22%
Mohr Affinity, LLC				44,325,390	3	1.13%
Castle and Cooke Lake Elsinore West				38,998,877	4	0.99%
JPMCC 2006-LDP6 Lake Elsinore				25,034,201	5	0.64%
Broadstone Rivers Edge				19,000,000	6	0.48%
Pacific Clay Products Inc				18,722,325	7	0.48%
Richmond American Homes of Maryland				17,725,422	8	0.45%
Elsinore Valley Water and Sewer Facilities				16,880,642	9	0.43%
Costco Wholesale				16,845,438	10	0.43%
	<u>\$ 265,116,441</u>		<u>3.80%</u>	<u>\$ 296,115,648</u>		<u>7.55%</u>

(1) 2019-20 Total City Taxable Assessed Valuation: \$ 6,968,081,249

(2) 2011-12 Total City Taxable Assessed Valuation \$ 3,923,526,176

Source: Riverside County Assessor 2020/21 and 2011/12 Combined Tax Rolls and the SBE Non Unitary Tax Roll



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**City of Lake Elsinore, California**  
**Property Tax Levies and Collections**  
Last Ten Fiscal Years

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percent of Levy		Amount	Percent of Levy
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%	63,596	2,974,056	98.08%
2021	3,088,305	2,948,611	95.48%	43,404	2,992,015	96.88%

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	
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
2021	6,924,168,897	128,326,411	(129,757,835)	6,922,737,473

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.

<sup>1</sup>In 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.

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

Source: Riverside County Assessor 2020/21 Combined Tax Rolls

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

Successor Agency for the Redevelopment Agency				
Secured	Unsecured	Less: Exemptions	Taxable Assessed Value	Total Direct Tax Rate
1,955,649,172	78,927,893	n/a	2,034,577,065	0.52110%
1,880,967,030	110,109,381	n/a	1,991,076,411	0.51923%
1,938,704,040	89,830,332	n/a	2,028,534,372	0.08908%
2,135,333,435	83,968,122	(71,673,963)	2,147,627,594	0.08528%
n/a	n/a	n/a	n/a	0.08349%
n/a	n/a	n/a	n/a	0.08181%
n/a	n/a	n/a	n/a	0.08025%
n/a	n/a	n/a	n/a	0.07862%
n/a	n/a	n/a	n/a	0.07755%
n/a	n/a	n/a	n/a	0.07703%

**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	Revenue/ Revenue Refunding Bonds	Certificates of Participation
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	7,859,283
2016	196,377,233	44,262,600	12,717,253	7,644,938
2017	190,449,105	42,490,000	22,449,354	7,420,593
2018	192,410,294	39,848,344	21,676,445	7,191,248
2019	173,355,665	25,467,316	20,795,511	6,946,903
2020	166,796,580	15,590,525	19,889,578	6,697,558
2021	154,747,038	15,013,853	18,958,642	6,438,213

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)			Percentage of Personal Income	Debt per Capita
Notes/ Loans Payable	Capitalized Lease	Total Governmental Activities		
-	-	133,390,000	12.40%	2,516
-	-	152,160,000	13.95%	2,745
-	-	148,070,000	13.49%	2,611
-	-	277,203,022	25.55%	4,890
-	-	261,002,024	22.08%	4,278
-	-	262,809,052	22.16%	4,233
-	-	261,126,331	22.02%	4,121
-	3,459,380	230,024,775	19.40%	3,654
-	3,403,569	212,377,810	17.91%	3,347
-	3,228,855	198,386,601	16.73%	3,063

**City of Lake Elsinore, California**  
**Direct and Overlapping Bonded Debt**  
June 30, 2021

2020 - 21 Assessed Valuation

\$ 6,922,737,473

	Percentage Applicable (1)	Outstanding Debt 6/30/21	City's Share of Overlapping Debt 6/30/21
<b>OVERLAPPING TAX AND ASSESSMENT DEBT:</b>			
<b>DIRECT OVERLAPPING TAX AND ASSESSMENT DEBT</b>			
City of Lake Elsinore Community Facilities District No. 90-2	100%	3,995,000	\$ 3,995,000
City of Lake Elsinore Community Facilities District No. 95-1	100%	560,000	560,000
City of Lake Elsinore Community Facilities District No. 98-1	100%	11,695,000	11,695,000
City of Lake Elsinore Community Facilities District No. 2003-2 I-A A, B, C, D & E	100%	69,340,000	69,340,000
City of Lake Elsinore Community Facilities District No. 2004-3	100%	39,385,000	39,385,000
City of Lake Elsinore Community Facilities District No. 2005-1	100%	6,730,000	6,730,000
City of Lake Elsinore Community Facilities District No. 2005-2	100%	18,935,000	18,935,000
City of Lake Elsinore Community Facilities District No. 2005-5	100%	3,465,000	3,465,000
City of Lake Elsinore Community Facilities District No. 2005-6	100%	2,495,000	2,495,000
City of Lake Elsinore Community Facilities District No. 2006-1 Improvement Areas	100%	42,395,000	42,395,000
City of Lake Elsinore Community Facilities District No. 2006-2	100%	5,215,000	5,215,000
City of Lake Elsinore Community Facilities District No. 2007-4	100%	2,620,000	2,620,000
City of Lake Elsinore Community Facilities District No. 2007-5	100%	1,685,000	1,685,000
City of Lake Elsinore Community Facilities District No. 2015-5	100%	2,125,000	2,125,000
City of Lake Elsinore Community Facilities District No. 2016-2	100%	19,600,000	19,600,000
City of Lake Elsinore Community Facilities District No. 2019-1	100%	6,610,000	6,610,000
City of Lake Elsinore 1915 Act Bonds	100%	10,390,000	10,390,000
<b>TOTAL DIRECT OVERLAPPING TAX AND ASSESSMENT DEBT</b>			<b>247,240,000</b>
<b>OTHER OVERLAPPING TAX AND ASSESSMENT DEBT</b>			
Riverside County Flood Control District, Zone No. 4	0.856%	10,260,000	87,826
Metropolitan Water District	0.213%	26,830,000	57,148
Mount San Jacinto Community College District	6.821%	262,750,000	17,922,178
Perris Union High School District	2.775%	237,603,350	6,593,493
Menifee Union School District	4.428%	128,099,720	5,672,256
Perris School District	0.065%	35,696,242	23,203
Lake Elsinore Unified School District CFDs	45.323%	49,955,000	22,641,105
Lake Elsinore Unified School District Community Facilities Districts	100%	69,507,960	69,507,960
Perris Union High School District CFD No. 92-1	6.739%	32,690,000	2,202,979
Elsinore Valley Metropolitan Water District CFD No. 2003-1	100%	2,761,000	2,761,000
<b>TOTAL OTHER OVERLAPPING TAX AND ASSESSMENT DEBT</b>			<b>127,469,146</b>
<b>TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT</b>			<b>\$ 374,709,146</b>
<b>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</b>			
<b>DIRECT GENERAL FUND DEBT</b>			
City of Lake Elsinore General Fund Obligation	100%	\$ 198,386,601	\$ 198,386,601
<b>TOTAL DIRECT GENERAL FUND DEBT</b>			<b>198,386,601</b>
<b>OVERLAPPING GENERAL FUND DEBT</b>			
Riverside County General Fund Obligations	2.224%	\$ 717,525,698	15,957,772
Riverside County Pension Obligations	2.224%	881,575,000	19,606,228
Perris Union High School District General Fund Obligations	2.775%	41,063,367	1,139,508
Menifee and Perris School District Certificates of Participation	4.428 & 0.065%	51,386,771	2,059,001
Western Municipal Water District	4.782%	6,815,211	325,903
<b>TOTAL OVERLAPPING GENERAL FUND DEBT</b>			<b>39,088,412</b>
<b>TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT</b>			<b>\$ 237,475,013</b>
<b>OVERLAPPING TAX INCREMENT DEBT (SUCCESSOR AGENCY):</b>	100.000%	\$ 12,875,000	<b>\$ 12,875,000</b>
<b>Total Direct General Fund Debt</b>			<b>\$ 198,386,601</b>
<b>Total Gross Overlapping Debt</b>			<b>\$ 426,672,558</b>
<b>Combined Total Debt (2)</b>			<b>\$ 625,059,159</b>
<u>Ratios to 2020-21 Assessed Valuation:</u>			
Total Direct Debt (\$197,814,429)	2.87%		
Total Overlapping Tax and Assessment Debt	6.16%		
Combined Total Debt	9.03%		
<u>Ratios to Redevelopment Incremental Valuation (\$3,155,543,429):</u>			
Total Overlapping Tax Increment Debt	0.41%		

**City of Lake Elsinore, California**  
**Direct and Overlapping Bonded Debt**  
June 30, 2021

**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			
	2012	2013	2014	2015
Assessed Valuation	\$ 3,923,526,176	\$ 3,834,397,783	\$ 4,031,499,407	\$ 4,494,905,138
Conversion Percentage	25%	25%	25%	25%
Adjusted Assessed Valuation	980,881,544	958,599,446	1,007,874,852	1,123,726,285
Debt Limit Percentage	15%	15%	15%	15%
Debt Limit	147,132,232	143,789,917	151,181,228	168,558,943
Total Net Debt Applicable to Limitation	-	-	-	-
Legal Debt Margin	<u>\$ 147,132,232</u>	<u>\$ 143,789,917</u>	<u>\$ 151,181,228</u>	<u>\$ 180,185,586</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					
2016	2017	2018	2019	2020	2021
\$ 4,804,948,961	\$ 5,212,031,340	\$ 5,598,768,413	\$ 6,143,510,436	\$ 6,552,949,033	\$ 6,922,737,473
25%	25%	25%	25%	25%	25%
1,201,237,240	1,303,007,835	1,399,692,103	1,535,877,609	1,638,237,258	1,730,684,368
15%	15%	15%	15%	15%	15%
180,185,586	195,451,175	209,953,815	230,381,641	245,735,589	259,602,655
-	-	-	-	-	-
<u>\$ 180,185,586</u>	<u>\$ 195,451,175</u>	<u>\$ 209,953,815</u>	<u>\$ 230,381,641</u>	<u>\$ 245,735,589</u>	<u>\$ 259,602,655</u>
0.0%	0.0%	0.0%	0.0%	0.0%	0.0%



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

Fiscal Year Ended June 30	Successor Redevelopment Tax Increment Revenue	Tax Allocation Bonds		Coverage	Tax Allocation Bonds
		Debt Service			
		Principal	Interest		
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
2021	12,242,307	2,795,000	1,424,147	2.90	12,875,000

Note: Details regarding the City's outstanding debt can be found in Note 8 to the financial statements.

Source: City Finance Department

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

Fiscal Year Ended June 30	Population ( 1 )	Personal Income (In Thousands) ( 2 )	Per Capita Personal Income ( 3 )	Unemployment Rate ( 4 )
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%
2021	64,762	1,565,248	24,169	10.1%

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 Data: California State Employment Development Department

**City of Lake Elsinore, California**  
**Principal Employers**  
Current Year Compared to 2012

	2021		2012	
	Number of Employees	Percent of Total Employment*	Number of Employees	Percent of Total Employment*
<b>EMPLOYMENT</b>				
Estimated Total Employment	31,300 (1)		17,000 (1)	
<b>EMPLOYER</b>				
Lake Elsinore Unified School District*	2,524	8.06%	-	0.00%
M & M Framing	450	1.44%	-	0.00%
Costco Wholesale	312	1.00%	-	0.00%
Stater Bros. (3 stores)	328	1.05%	-	0.00%
Walmart Superstore #2077	295	0.94%	-	0.00%
Lake Elsinore Hotel & Casino	230	0.73%	-	0.00%
Riverside County - Department of Public Social Services	179	0.57%	-	0.00%
E.V.M.W.D. (Elsinore Valley Municipal Water District)	167	0.53%	-	0.00%
The Home Depot**	143	0.46%	-	0.00%
City of Lake Elsinore	118	0.38%	-	0.00%
Stater Bros. (2 stores)	-	0.00%	318	1.87%
Walmart	-	0.00%	219	1.29%
Albertson's Inc.	-	0.00%	210	2.10%
Costco Wholesale	-	0.00%	172	1.01%
E.V.M.W.D. (Elsinore Valley Municipal Water District)	-	0.00%	166	0.98%
Target	-	0.00%	144	0.85%
The Home Depot**	-	0.00%	120	0.71%
Villa Siena Apartments	-	0.00%	128	0.75%
Lowe's	-	0.00%	121	0.71%
Golden State Concessions	-	0.00%	120	0.71%
Total Top 10 Employers	4,746	15.16%	1,718	0.00%

Notes:

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

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Source: MuniServices, LLC / Avenu Insights & Analytics

Source: 2012, previously published ACFR

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

\* Includes Certificated, Classified & Admin.

\*\* No response from business, previous year's number applied.

**City of Lake Elsinore, California**  
**Full-time City Employees, Part-time City Employees, and Elected Officials**  
**by Function**

Last Ten Fiscal Years

<b>FUNCTION</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
General Government *	24	22	24	20	20	21	22	19	21	-
Community Services * (Includes Public Works)	42	43	47	45	51	61	53	72	59	-
Community Development *	10	14	14	18	20	19	21	28	25	-
General Government	-	-	-	-	-	-	-	-	-	24
Community Services	-	-	-	-	-	-	-	-	-	16
Public Services	-	-	-	-	-	-	-	-	-	31
Launch Pointe Enterprise	-	-	-	-	-	-	-	-	-	17
Internal Services	-	-	-	-	-	-	-	-	-	10
Communication Development	-	-	-	-	-	-	-	-	-	20
<b>Total</b>	<b>76</b>	<b>79</b>	<b>85</b>	<b>83</b>	<b>91</b>	<b>101</b>	<b>96</b>	<b>119</b>	<b>105</b>	<b>118</b>

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

\* Schedule revised to match function and format from Annual Operating Budget document of Fiscal Year 2020-2021 page 87.

Source: City Finance Department

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

FUNCTION	Fiscal Year			
	2012	2013	2014	2015
Police				
Lake Related Boating Enforcement Citations	384	204	425	419
Hazardous Traffic Violations	1,358	2,155	2,848	3,338
DUI Arrests	241	216	197	179
Fire				
Calls	3,944	4,554	4,484	4,456
Fire Suppression Equipment	3	4	4	4
Public Works				
Centerline Miles of Paved Surface Streets Maintained	174	189	189	189
Centerline Miles of Dirt Surface Streets Maintained	9	9	9	9
Weed Abatement-Lots Cleaned	452	360	414	227
Community Development				
Construction Permits Issued	760	909	972	735
Property Value Per Permits (Estimated in 000's)	\$ 43,381	\$ 124,755	\$ 121,773	\$ 71,664
New Home Building Permits Issued	210	660	626	346
Parks and Recreation				
Daily Lake Use Passes Sold	20,702	21,413	20,183	14,996

n/a=not available

Source: City of Lake Elsinore, Various Departments

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

Fiscal Year					
2016	2017	2018	2019	2020	2021
597	134	51	105	203	108
3,711	4,141	2,821	3,445	2,229	2,802
137	140	111	133	204	388
5,110	5,249	5,868	5,923	6,149	5,897
4	3	3	3	3	3
254	254	254	254	254	255
9	9	9	9	9	8
204	116	68	54	176	132
2,022	2,933	3,455	2,174	2,262	2,923
\$ 104,923	\$ 188,892	\$ 195,698	\$ 90,379	\$ 126,878	\$ 138,237
410	449	534	143	253	350
11,427	11,278	14,394	10,319	23,024	27,056

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

FUNCTION	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Police Stations	1	1	1	1	1	1	1	1	1	1
Fire Fire Stations	3	4	4	4	4	4	3	3	3	3
Public Works Street Miles	157	157	157	157	254	254	254	254	254	254
Lake, Parks & Recreation Parks and River Walk	17	17	17	17	18	18	18	19	20	22
Beaches and Recreation Facilities	10	10	10	10	10	10	10	10	11	11
Libraries	2	2	2	2	2	2	2	2	2	2
Stadium Amphitheater Seats	6,600	6,600	6,600	6,600	6,600	6,600	6,600	6,600	6,600	6,600
Lake Surface Acres	3,300	3,300	3,300	3,300	3,300	3,300	3,300	3,300	3,300	3,300
Lakeshore Miles	10.5	10.5	10.5	10.5	10.5	10.5	10.5	10.5	10.5	10.5

Source: City of Lake Elsinore, Various Departments



**CITY OF LAKE ELSINORE, CALIFORNIA**