

Prepared for:

**CALIFORNIA COMMUNITIES
(THE CITY OF LAKE ELSINORE)**



Continuing Disclosure Annual Report

For Fiscal Year Ended June 30, 2021

By:

URBAN FUTURES, INC.
Analytics & Compliance Group



Affected Issuance(s):

\$7,965,000

CALIFORNIA COMMUNITIES
(THE CITY OF LAKE ELSINORE)

Local Measure A Sales Tax Revenue Certificates of Participation, Series 2014A
(T.R.I.P – Total Road Improvement Program)

TABLE OF CONTENTS

INTRODUCTION	4
I. BACKGROUND	4
II. OBJECTIVE.....	4
III. CUSIP NUMBERS	5
FINANCIAL INFORMATION & OPERATING DATA	6
I. FINANCIAL STATEMENTS	6
II. PRINCIPAL AMOUNT OUTSTANDING	6
III. FUND BALANCES.....	6
IV. RESERVE FUND	7
V. CONSTRUCTION STATUS.....	7
VI. MEASURE A REVENUES.....	8
VII. CHANGES TO MEASURE A REVENUE ALLOCATION	8
VIII. SIGNIFICANT EVENTS.....	8

INTRODUCTION

I. BACKGROUND

\$7,965,000, Local Measure A Sales Tax Revenue Certificates of Participation, Series 2014A

On November 10, 2014, California Communities (the “Issuer”) on behalf of the City of Lake Elsinore issued its \$7,965,000, Local Measure A Sales Tax Revenue Certificates of Participation, Series 2014A (T.R.I.P. – Total Road Improvement Program) (the “2014A Bonds”). Proceeds from the sale of the 2014A Bonds were used to: 1) finance the design, acquisition, and construction of certain local roadway and street improvement projects within the jurisdiction of the Local Agency (the “Project”); 2) obtain an insurance policy that constitutes a Qualified Reserve Instrument in lieu of the required deposit to a reserve subaccount within the reserve fund for the Certificates, and 3) pay the costs incurred in connection with the execution, sale, and delivery of the Certificates. Please see the Official Statement for the 2014A Bonds as provided online at Municipal Securities Rulemaking Board’s (“MSRB”) Electronic Municipal Market Access (“EMMA”) repository for further background information. Capitalized terms used but not defined herein shall have their meanings as given in the Indenture.

Interest on the 2014 Bonds is payable on June 1 and December 1 of each year, commencing June 1, 2015, with principal payments due on June 1.

II. OBJECTIVE

Pursuant to the Continuing Disclosure section of the Official Statement and Continuing Disclosure Agreement/Certificate for the Affected Issuance(s), this Annual Report is being provided by the Dissemination Agent for distribution to the MSRB’s EMMA document repository.

This Annual Report has been prepared by Urban Futures, Inc. at the direction of the City. The information set forth herein has been furnished by the City and/or County, along with other sources believed to be reliable, but no representation as to the accuracy or completeness of any such information is made by the City or Urban Futures, Inc. The City and Urban Futures, Inc. make no representation that this Annual Report contains all information material to make a decision to purchase or sell bonds or any other debt obligations of the City. Any information contained herein which involves estimates, forecasts, projections, and expressions of opinion, whether or not expressly stated, is intended solely as such and is not to be construed as representations of fact by the City or Urban Futures, Inc., and no representation is made that such opinions or estimates will be realized. The information, opinions, and estimates herein are subject to change without notice. The City and Urban Futures, Inc. shall not take responsibility for any statements or information of any kind disseminated to the MSRB or EMMA or any other medium that is not disseminated by and authorized in writing by either the City or Urban Futures, Inc.

III. CUSIP NUMBERS

The CUSIP numbers below are provided for convenience of reference.

**California Communities
(The City of Lake Elsinore)
Local Measure A Sales Tax Revenue
Certificates of Participation, Series 2014A
(T.R.I.P. - Total Road Improvement Program)**

<u>Maturity Date</u>	<u>CUSIP*</u>
6/1/2015	13013VAQ2
6/1/2016	13013VAR0
6/1/2017	13013VAS8
6/1/2018	13013VAT6
6/1/2019	13013VAU3
6/1/2020	13013VAV1
6/1/2021	13013VAW9
6/1/2022	13013VAX7
6/1/2023	13013VAY5
6/1/2024	13013VAZ2
6/1/2025	13013VBA6
6/1/2026	13013VBB4
6/1/2027	13013VBC2
6/1/2028	13013VBD0
6/1/2029	13013VBE8
6/1/2030	13013VBF5
6/1/2031	13013VBG3
6/1/2039	13013VBH1

*CUSIP is a registered trademark of American Bankers Association.

FINANCIAL INFORMATION & OPERATING DATA

The following financial information and operating data is provided pursuant to the Continuing Disclosure section of the Official Statement and the Continuing Disclosure Agreement/Certificate.

I. FINANCIAL STATEMENTS

As outlined in the Continuing Disclosure Agreement/Certificate, the financial statements required as part of the Annual Report for the fiscal year ended June 30, 2021, will be posted to the EMMA document repository upon availability.

II. PRINCIPAL AMOUNT OUTSTANDING

The table below presents the principal amount of Bonds outstanding as of June 30, 2021.

THE CITY OF LAKE ELSINORE Principal Amount of Bonds Outstanding		
Bond Issue	Issue Amount	Amount Outstanding as of June 30, 2021
Local Measure A Sales Tax Revenue Certificates of Participation, Series 2014A	\$7,965,000	\$6,270,000

Source: City of Lake Elsinore

III. FUND BALANCES

The table below presents the balance in the funds and accounts established under the Trust Agreement as of June 30, 2021.

THE CITY OF LAKE ELSINORE Local Measure A Sales Tax Revenue Certificates of Participation, Series 2014 Fund Balances	
Account Name	Balance as of June 30, 2021
Revenue Fund	\$0.85
Interest Fund	\$0.40
Principal Fund	\$0.82
Reserve Fund ⁽¹⁾	\$0.00
Admin Fund	\$3,530.44
Surplus Fund	\$0.00
Acquisition Fund	\$10,541.53
Cost of Issuance Fund ⁽²⁾	\$0.00

(1) Debt Service Reserve Insurance Policy.

(2) Cost of Issuance fund was closed on 4/27/2016.

Source: Wells Fargo Bank, N.A.

IV. RESERVE FUND

In lieu of making a Reserve Fund Requirement deposit, the Certificate Insurer issued a Municipal Bond Debt Service Reserve Insurance Policy (the “Reserve Policy”) for the purpose of funding the Reserve Fund for the Certificates. The Reserve Policy was issued by the Certificate Insurer in an amount equal to the Reserve Fund Requirement of \$499,937.50. The Reserve Policy is a Qualified Reserve Instrument. The premium for the Reserve Policy was fully paid at the execution and delivery of the Certificates.

The scheduled payment of principal and interest with respect to the Certificates when due will be guaranteed under the Certificate Insurance Policy issued concurrently with the delivery of the Certificates by the Certificate Insurer.

V. CONSTRUCTION STATUS

All funds have been spent for road improvements. The funds are used for road rehabilitation of arterials in the City. As of June 30, 2021, there were no land use entitlements acquired or amended with respect to any portion of the project, and there were no previously undisclosed legislative, administrative, or judicial challenges to the development of the project.

VI. MEASURE A REVENUES

The table below presents a historical summary of the Measure A Revenues allocated by the Commission to the City of Lake Elsinore.

THE CITY OF LAKE ELSINORE	
Portion of Measure A Revenues Allocated	
Fiscal Year	Revenues Allocated
2011-12	\$913,840
2012-13	1,010,820
2013-14	1,062,444
2014-15	1,111,723
2015-16	1,163,010
2016-17	1,262,042
2017-18	1,351,409
2018-19	1,496,639
2019-20	1,421,629
2020-21	1,780,250

Source: The City of Lake Elsinore, Audited Financials.

VII. CHANGES TO MEASURE A REVENUE ALLOCATION

There have been no material changes to the City's allocation of Measure A Receipts, nor have there been any changes to the City's expectations of anticipated projected Measure A Receipts during Fiscal Year 2020-21. The City expected a decline in Measure A Revenues due to COVID19, but that has not been realized as the receipts are more than sufficient to cover debt service and have been trending up.

VIII. SIGNIFICANT EVENTS

In compliance with the Continuing Disclosure Agreement/Certificate, material event notices are posted on MSRB's EMMA document repository at the following web address under the "Continuing Disclosure" tab:

\$7,965,000, Local Measure A Sales Tax Revenue Certificates of Participation, Series 2014A
<http://emma.msrb.org/IssueView/IssueDetails.aspx?id=ER364280>