

Prepared for:

**LAKE ELSINORE RECREATION AUTHORITY
&
LAKE ELSINORE FACILITIES FINANCING AUTHORITY**



Continuing Disclosure Annual Report

For Fiscal Year Ended June 30, 2021

By:

URBAN FUTURES, INC.
Analytics & Compliance Group



**Lake Elsinore Recreation Authority &
Lake Elsinore Facilities Financing Authority**
Continuing Disclosure Annual Report for the Fiscal Year Ended June 30, 2021

Affected Issuance(s):

\$14,460,000

LAKE ELSINORE RECREATION AUTHORITY
Lease Revenue Refunding Bonds, Series 2013

\$10,410,000

LAKE ELSINORE FACILITIES FINANCING AUTHORITY
Lease Revenue Bonds, Series 2016A

**Lake Elsinore Recreation Authority &
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INTRODUCTION

I. BACKGROUND

\$14,460,000, Lease Revenue Refunding Bonds Series 2013

On September 30, 2013, the Lake Elsinore Recreation Authority issued its \$14,460,000 Lease Revenue Refunding Bonds Series 2013 (the “2013 Bonds”). Proceeds from the sale of the 2013 Bonds were used to: (1) provide funds to refund the Authority’s Variable Rate Revenue Refunding Bonds, 2000 Series A, (2) fund a reserve account for the Bonds, (3) and to pay the costs relating to the issuance of the Bonds. Please see the Official Statement for the 2013 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 2013 Bonds is payable on February 1 and August 1 of each year, commencing February 1, 2014 with principal payments due on February 1.

\$10,410,000, Lease Revenue Bonds, Series 2016A

On November 16, 2016, the Lake Elsinore Facilities Financing Authority issued its \$10,410,000 Lease Revenue Bonds, Series 2016A (the “2016 Bonds”). Proceeds from the sale of the 2016 Bonds were used to: (1) finance the acquisition, construction and installation of certain capital improvements owned by the City, (ii) purchase a municipal bond insurance policy to guarantee payment of the principal of and interest on the Series 2016 Bonds, (iii) purchase a debt service reserve insurance policy for deposit in the Reserve Fund, and (iv) pay the costs incurred in connection with the issuance of the Series 2016 Bonds. Please see the Official Statement for the 2016 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 2016 Bonds is payable on April 1 and October 1 of each year, commencing April 1, 2017 with principal payments due on April 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.

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III. CUSIP NUMBERS

The CUSIP numbers below are provided for convenience of reference.

Lake Elsinore Recreation Authority Lease Revenue Refunding Bonds Series 2013	
<u>Maturity Date</u>	<u>CUSIP*</u>
2/1/2014	50963UAA1
2/1/2015	50963UAB9
2/1/2016	50963UAC7
2/1/2017	50963UAD5
2/1/2018	50963UAE3
2/1/2019	50963UAF0
2/1/2020	50963UAG8
2/1/2021	50963UAH6
2/1/2022	50963UAJ2
2/1/2023	50963UAK9
2/1/2024	50963UAL7
2/1/2025	50963UAM5
2/1/2026	50963UAN3
2/1/2027	50963UAP8
2/1/2028	50963UAQ6
2/1/2029	50963UAR4
2/1/2030	50963UAS2
2/1/2031	50963UAT0
2/1/2032	50963UAU7

*CUSIP is a registered trademark of American Bankers Association.

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**Lake Elsinore Facilities Financing Authority
Lease Revenue Bonds, Series 2016A**

<u>Maturity Date</u>	<u>CUSIP*</u>
4/1/2017	509627AA3
4/1/2018	509627AB1
4/1/2019	509627AC9
4/1/2020	509627AD7
4/1/2021	509627AE5
4/1/2022	509627AF2
4/1/2023	509627AG0
4/1/2024	509627AH8
4/1/2025	509627AJ4
4/1/2026	509627AK1
4/1/2027	509627AL9
4/1/2028	509627AM7
4/1/2029	509627AN5
4/1/2030	509627AP0
4/1/2031	509627AQ8
4/1/2032	509627AR6
4/1/2033	509627AS4
4/1/2034	509627AT2
4/1/2035	509627AU9
4/1/2036	509627AV7
4/1/2041	509627AW5
4/1/2046	509627AX3

*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 the 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
Lease Revenue Refunding Bonds, Series 2013	\$14,460,000	\$9,565,000
Lease Revenue Bonds, Series 2016A	10,410,000	9,340,000

Source: City of Lake Elsinore Financial Statements.

**Lake Elsinore Recreation Authority &
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III. RESERVE FUND

The table below presents the balance in the Reserve Funds as of June 30, 2021.

THE CITY OF LAKE ELSINORE Reserve Fund Balance		
Bond Issue	Reserve Fund Requirement	Reserve Fund Balance as of June 30, 2021
Lease Revenue Refunding Bonds, Series 2013 ⁽¹⁾	\$1,131,700	\$1,131,700
Lease Revenue Bonds, Series 2016A ⁽²⁾	561,513	561,513

(1) The City acquired a Reserve Surety Policy from Build America Mutual Assurance Company in the amount of the Reserve Fund Requirement.

(1) The City acquired a Reserve Surety Policy from Assured Guaranty Municipal Corp in the amount of the Reserve Fund Requirement.

Source: Wilmington Trust

IV. ADOPTED BUDGET

The Adopted Budget required as part of the Annual Report for the Fiscal Year ended June 30, 2022, will be posted to the EMMA document repository upon availability.

V. ASSESSED VALUATION

The table below presents a historical summary of the City's secured and unsecured assessed valuations.

THE CITY OF LAKE ELSINORE Assessed Valuation			
Fiscal	Local	Unsecured	Total
2018	\$5,519,308,028	\$124,862,362	\$5,644,170,390
2019	6,068,680,784	120,814,195	6,189,494,979
2020	6,483,328,848	115,095,075	6,598,423,923
2021	6,839,226,093	125,358,987	6,964,585,080
2022	7,266,616,435	129,477,878	7,396,094,313

Source: Riverside County Auditor-Controller.

VI. PROPERTY TAX LEVIES AND COLLECTIONS

The table below presents a historical summary of the City's property tax collections and delinquencies. The County operates under a statutory program entitled Alternate Method of Distribution of Tax Levies and Collections and of Tax Sale Proceeds (The "Teeter Plan"). Under the Teeter Plan local taxing entities receive 100% of their tax levies net of delinquencies, but do not receive interest or penalties on delinquent taxes collected by the County. The City is included in the Teeter Plan; accordingly, the City's receipt of its property tax revenues is not impacted by delinquencies in payment. However, the County may choose to discontinue the Teeter Plan at any time.

THE CITY OF LAKE ELSINORE Property Tax Levies and Collections				
Fiscal Year	Total Tax Levy	Current Tax Collections as of June 30	Percent of Levy Collected as of June 30	Outstanding Delinquent Taxes as of June 30
2017	\$2,434,193	\$2,402,296	98.69%	\$31,897
2018	2,553,532	2,508,893	98.25%	44,639
2019	2,719,663	2,688,349	98.85%	31,314
2020	3,032,233	2,910,460	95.98%	121,773
2021	3,088,305	2,948,611	95.48%	139,694

Source: The City of Lake Elsinore; Riverside County Auditor-Controller.

VII. TEN PRINCIPAL TAXPAYERS

The table below presents a summary of the City's ten largest taxpayers based on total assessed valuation during the most recently completed Fiscal Year.

CITY OF LAKE ELSINORE Largest Local Taxpayers/Property Owners Fiscal Year 2020-21			
Property Owner	Taxable Assessed Valuation	Primary Land Use	Percent of Secured AV ⁽¹⁾
1. Ridgestone Partners LP	\$51,773,047	Apartments	0.76%
2. Pacific Castle Lake Elsinore Partners	38,272,905	Commercial	0.56%
3. Helf Canyon Hills Market Place I	27,917,815	Commercial	0.41%
4. Rivers Edge Apartments	26,920,038	Apartments	0.39%
5. HGEF Holding Co	25,468,990	Apartments	0.37%
6. Mohr Affinity, LLC	25,377,923	Commercial	0.37%
7. HCP Blue Canary	18,595,244	Commercial	0.27%
8. Castle and Cooke Lake Elsinore West Inc.	18,413,764	Residential Development	0.27%
9. Walmart Stores Inc	17,014,686	Commercial	0.25%
10. Parker Equity Fund	15,814,079	Apartments	0.23%
Total	\$265,568,491		3.89%

(1) Based on fiscal year 2020-21 assessed valuation of \$6,822,070,224.

Source: County Assessor, State Board of Equalization.

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:

\$14,460,000, Lease Revenue Refunding Bonds Series 2013

<http://emma.msrb.org/IssueView/IssueDetails.aspx?id=ER357184>

\$10,410,000, Lease Revenue Bonds, Series 2016A

<http://emma.msrb.org/IssueView/IssueDetails.aspx?id=EP375010>