

# CITY OF LAKE ELSINORE

## Annual Continuing Disclosure Report



FISCAL YEAR 2017-18

COMMUNITY FACILITIES DISTRICT NO. 2007-4 (MAKENNA COURT)  
SPECIAL TAX BONDS, 2018

FEBRUARY 2019



SPICER CONSULTING  
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**City of Lake Elsinore  
Community Facilities District No. 2007-4  
Special Tax Bonds, Series 2018  
(CUSIP 50963N)**

<b><u>Maturity Date</u></b> <b><u>September 1</u></b>	<b><u>Principal</u></b>	<b><u>Interest Rate</u></b>	<b><u>CUSIP Suffix</u></b>
2019	\$10,000	2.000%	PL7
2020	\$15,000	2.000%	PM5
2021	\$20,000	2.000%	PN3
2022	\$25,000	2.125%	PP8
2023	\$25,000	2.375%	PQ6
2024	\$30,000	2.625%	PR4
2025	\$35,000	2.750%	PS2
2026	\$40,000	3.000%	PT0
2027	\$40,000	3.000%	PU7
2028	\$45,000	3.000%	PV5
2029	\$50,000	3.125%	PW3
2030	\$55,000	3.375%	PX1
2031	\$60,000	3.500%	PY9
2032	\$65,000	3.625%	PZ6
2033	\$70,000	3.625%	QA0
2034	\$80,000	4.000%	QB8
2035	\$85,000	4.000%	QC6
2036	\$90,000	4.000%	QD4
2037	\$100,000	4.000%	QE2
2038	\$105,000	4.000%	QF9

\$665,000 4.000% Term Bonds Due September 1, 2043 – Price: 96.332 CUSIP No. QG7

\$935,000 4.125% Term Bonds Due September 1, 2048 – Price: 97.233 CUSIP No. QH5

This Annual Continuing Disclosure Report (“Report”) for Community Facilities District No. 2007-4 Special Tax Bonds, Series 2018 of the City of Lake Elsinore (the “District” or “CFD No. 2007-4”), has been prepared by Spicer Consulting Group, LLC. using data as of June 30, 2018 unless noted otherwise. The information referenced by parenthesis complies with the various sections required from the Form of Continuing Disclosure Agreement for the Bonds. If you have any questions regarding the information provided in this report, please contact the City’s Special Tax Consultant, Spicer Consulting Group, LLC. at (866) 504-2067.

Community Facilities District No. 2007-4  
(Makenna Court)  
Special Tax Bonds Series, 2018

*Project Description*

CFD No. 2007-4 was formed to finance the acquisition and-or construction of road improvements, City improvements, City fees, fees and improvements of the Elsinore Valley Municipal Water District and fees of the Lake Elsinore Unified School District. CFD No. 2007-4 encompasses approximately 23.46 gross acres of land, of this acreage, 15.81 acres are expected to be developed for residential uses.

*Location*

The District is located in the northern portion of Lake Elsinore. CFD No. 2007-4 is south of Lakeshore Drive and west of Machado Street.

*Series 2018 Special Tax Bonds (Section 4b)*

The Community Facilities District No. 2007-4 Special Tax Bonds, Series 2018 ("CFD No. 2007-4 Bonds") in the amount of \$2,645,000 were issued on November 7, 2018 to: (i) finance certain public improvements to be owned by the City and water and sewer facilities to be owned and operated by the Elsinore Valley Municipal Water District; (ii) fund reserve account for the Bonds; (iii) the costs of issuance for the Bonds. With interest rates ranging from 2.000% to 4.125%. Interest is payable semi-annually on March 1 and September 1. The date for the final maturity of the CFD No. 2007-4 Bonds is September 1, 2048. As of November 7, 2018, the Principal Amount of the CFD No. 2007-4 Bonds Outstanding was \$2,645,000.

*Rate and Method of Apportionment (Section 4b)*

There were no changes to the Rate and Method of Apportionment during Fiscal Year 2017-18.

A special tax is levied each year to pay the principal and interest obligations on the Bonds of the District. The amount levied each year is determined by the special tax formula and can vary from year to year but shall not exceed the maximum authorized (or permitted) special tax rates. The amount levied for the 2018-19 tax year was \$155,182.80.

The Special Tax Levy applied for the 2018-19 tax year are:

*Table 2-1*  
*Special Tax Levy (Section 4b)*

Land Use Category	Parcels	Special Tax Levied	Assigned Special Tax	Maximum Special Tax	% of Maximum Special Tax
Developed Property	70	\$155,182.80	\$155,182.80	\$173,808.58	89.28%

Table 3-1

*Estimated Assessed Value-to-Lien Ratios Allocated by Property Ownership (Table 2) (4b)*

Property Owner Classification	Parcels	Assessed Value <sup>1</sup>	% of Assessed Value	Maximum Special Tax	% of Maximum Special Tax	FY 2018-19 Special Tax Levy	% of Special Tax Levy	Bonds Outstanding	Value-to-Lien Ratio
<b>Developed Property</b>									
Individual Owned	46	\$6,125,224.00	66.44%	\$114,217.07	56.00%	\$102,040.80	65.76%	\$1,739,225.71	3.52:1
Western Pacific	24	\$2,251,869.00	24.43%	\$59,591.51	29.22%	\$53,142.00	34.24%	\$905,774.29	2.49:1
<i>Subtotal</i>	<i>70</i>	<i>\$8,377,093.00</i>	<i>90.87%</i>	<i>\$173,808.58</i>	<i>85.22%</i>	<i>\$155,182.80</i>	<i>100.00%</i>	<i>\$2,645,000.00</i>	<i>3.17:1</i>
<b>Approved Property</b>									
Western Pacific	11	\$841,644.00	9.13%	\$30,155.59	14.78%	\$0.00	0.00%	\$0.00	0.00:1
<b>Total</b>	<b>81</b>	<b>\$9,218,737.00</b>	<b>100.00%</b>	<b>\$203,964.17</b>	<b>100.00%</b>	<b>\$155,182.80</b>	<b>100.00%</b>	<b>\$2,645,000.00</b>	<b>3.49:1</b>

<sup>1</sup> Assessed Valuation (AV) is based on information provided in the Riverside County Assessor's records as of January 1, 2018 and may or may not accurately reflect true market value.

The delinquency summary table below provides an overview of delinquency rates within CFD No. 2007-4 at June 30 for each fiscal year on which a delinquency exists.

*Table 4-1*  
*Delinquency Summary (Section 4b)*

Fiscal Year	Levied		Delinquent		
	Parcels	Special Taxes	Parcels	Amount	Del. Rate
2017-18	6	\$10,499.96	0	\$0.00	0.00%

There was no delinquency at June 30, of Fiscal Year 2017-18, or any subsequent years to report.

#### *Foreclosure Covenant*

The District will covenant in the Indenture for the benefit of the Owners of the Bonds and Parity Bonds that it will: (i) commence judicial foreclosure proceedings against parcels with delinquent Special Taxes in excess of \$5,000 by the October 1 following the close of each Fiscal Year in which such Special Taxes were due; and (ii) commence judicial foreclosure proceedings against all parcels with delinquent Special Taxes by October 1 following the close of each Fiscal Year in which it receives Special Taxes in an amount which is less than 95% of the total Special Tax levied; and (iii) diligently pursue such foreclosure proceedings until the delinquent Special Taxes are paid; provided that, notwithstanding the foregoing, the District may elect to defer foreclosure proceedings on any parcel so long as the amount in the Reserve Account is at least equal to the Reserve Requirement.

**There are currently no foreclosure actions pending in the District.**

*Table 5-1*  
*Fund Balances as of November 7, 2018 (Section 4b)*

Account Name	Balances <sup>2</sup>
Special Tax Fund	\$0.00
Admin Expense Account	\$0.00
Reserve Account	\$203,339.64
Interest Account	\$0.00
Principal Account	\$0.00
Redemption Account	\$0.00
Cost of Issuance Fund	\$224,122.51
Rebate Fund	\$0.00
Surplus Fund	\$0.00
Acquisition and Construction Fund	\$2,150,460.50
Investments	\$0.00
<b>Total</b>	<b>\$2,577,922.65</b>

*Series 2018 Reserve Account (Section 4b)*

The Reserve Fund must be maintained at the Reserve Requirement which is defined, as of any date of calculation equal to the lesser of: (i) 10% of the initial principal amount of the Bonds and Parity Bonds, if any; (ii) Maximum Annual Debt Service on the then Outstanding Bonds and Parity Bonds, if any; (iii) 125% of average Annual Debt Service on the then Outstanding Bonds and Parity Bonds; or (iv) \$203,339.64, the initial Reserve Requirement. The Reserve Requirement may be satisfied in whole or in part by cash, a Reserve Policy (as defined in the Indenture), or a combination thereof. Provided, In the event that special tax revenue is insufficient to pay debt service, money may be transferred from this Fund to the appropriate account of the Bond Fund. The Reserve Fund will then be replenished by increasing the next year's special tax levy to the extent permitted by law. **As of November 7, 2018, the balance in the Reserve Fund was \$203,339.64 and the Reserve Requirement was \$202,097.01.**

*Financial Statements (Section 4a)*

**PLEASE NOTE:** The City of Lake Elsinore Fiscal Year ending June 30, 2018 Comprehensive Annual Financial Report (CAFR) is submitted to the Municipal Securities Rulemaking Board using EMMA (Electronic Municipal Market Access) under separate cover and is incorporated herein by reference.

<sup>2</sup> CFD No. 2007-4, Bonds was redeemed on November 7, 2018. Therefore, there were no account balances available as of September 2, 2018. The Balance shown in table 5-1 above, reflects the forecasted balances of the "Estimated Sources and Use of Funds" section, within the Official Statement.



Pursuant to the provisions of this Section 5, the District shall give, or cause the Dissemination Agent to give, notice filed with the Repository of the occurrence of any of the following events with respect to the Bonds in a timely manner not more than ten (10) business days after the event: [\(Section 5\)](#)

- |     |   |                |
|-----|---|----------------|
| 1.  | principal and interest payment delinquencies;   | Not Applicable |
| 2.  | unscheduled draws on debt service reserves reflecting financial difficulties;   | Not Applicable |
| 3.  | unscheduled draws on credit enhancements reflecting financial difficulties;   | Not Applicable |
| 4.  | substitution of credit or liquidity providers or their failure to perform;  | Not Applicable |
| 5.  | adverse tax opinions or the issuance by the Internal Revenue Service of proposed or final determinations of taxability or of a Notice of Proposed Issue (IRS Form 5701-TEB);  | Not Applicable |
| 6.  | tender offers;  | Not Applicable |
| 7.  | defeasances;  | Not Applicable |
| 8.  | ratings changes; and  | Not Applicable |
| 9.  | bankruptcy, insolvency, receivership or similar proceedings.  | Not Applicable |
| 10. | unless described in paragraph 5(a)(5) above, notices or determinations by the Internal Revenue Service with respect to the tax status of the Bonds or other material events affecting the tax status of the Bonds;  | Not Applicable |
| 11. | the consummation of a merger, consolidation or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms; | Not Applicable |
| 12. | appointment of a successor or additional paying agent or the change of the name of a paying agent;  | Not Applicable |
| 13. | non-payment related defaults;   | Not Applicable |
| 14. | modifications to the rights of Owners of the Bonds;   | Not Applicable |
| 15. | bond calls; and   | Not Applicable |
| 16. | release, substitution or sale of property securing repayment of the Bonds.  | Not Applicable |

Upon the occurrence of a Listed Event under Section 5(b) above, the District shall as soon as possible determine if such event would be material under applicable federal securities laws.

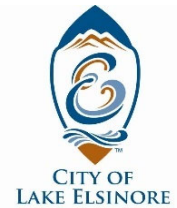
# APPENDIX A

## Debt Service Schedule



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**CITY OF LAKE ELSINORE**  
**CFD 2007-4 (MAKENNA COURT)**  
**Special Tax Bonds Series 2018**

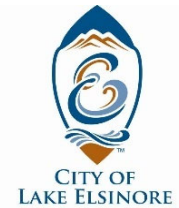


**Issued**

11/07/2018

<i>Date</i>	<i>Coupon Rate</i>	<i>Principal</i>	<i>Principal Outstanding</i>	<i>Semi-Annual Interest</i>	<i>Semi-Annual Debt Service</i>	<i>Annual Debt Service</i>
03/01/2019			\$ 2,645,000.00	\$ 41,448.39	\$ 41,448.39	
09/01/2019	2.000%	\$ 10,000.00	\$ 2,635,000.00	\$ 41,448.39	\$ 51,448.39	\$ 92,896.78
03/01/2020			\$ 2,635,000.00	\$ 50,653.13	\$ 50,653.13	
09/01/2020	2.000%	\$ 15,000.00	\$ 2,620,000.00	\$ 50,653.13	\$ 65,653.13	\$ 116,306.26
03/01/2021			\$ 2,620,000.00	\$ 50,503.13	\$ 50,503.13	
09/01/2021	2.000%	\$ 20,000.00	\$ 2,600,000.00	\$ 50,503.13	\$ 70,503.13	\$ 121,006.26
03/01/2022			\$ 2,600,000.00	\$ 50,303.13	\$ 50,303.13	
09/01/2022	2.125%	\$ 25,000.00	\$ 2,575,000.00	\$ 50,303.13	\$ 75,303.13	\$ 125,606.26
03/01/2023			\$ 2,575,000.00	\$ 50,037.50	\$ 50,037.50	
09/01/2023	2.375%	\$ 25,000.00	\$ 2,550,000.00	\$ 50,037.50	\$ 75,037.50	\$ 125,075.00
03/01/2024			\$ 2,550,000.00	\$ 49,740.63	\$ 49,740.63	
09/01/2024	2.625%	\$ 30,000.00	\$ 2,520,000.00	\$ 49,740.63	\$ 79,740.63	\$ 129,481.26
03/01/2025			\$ 2,520,000.00	\$ 49,346.88	\$ 49,346.88	
09/01/2025	2.750%	\$ 35,000.00	\$ 2,485,000.00	\$ 49,346.88	\$ 84,346.88	\$ 133,693.76
03/01/2026			\$ 2,485,000.00	\$ 48,865.63	\$ 48,865.63	
09/01/2026	3.000%	\$ 40,000.00	\$ 2,445,000.00	\$ 48,865.63	\$ 88,865.63	\$ 137,731.26
03/01/2027			\$ 2,445,000.00	\$ 48,265.63	\$ 48,265.63	
09/01/2027	3.000%	\$ 40,000.00	\$ 2,405,000.00	\$ 48,265.63	\$ 88,265.63	\$ 136,531.26
03/01/2028			\$ 2,405,000.00	\$ 47,665.63	\$ 47,665.63	
09/01/2028	3.000%	\$ 45,000.00	\$ 2,360,000.00	\$ 47,665.63	\$ 92,665.63	\$ 140,331.26
03/01/2029			\$ 2,360,000.00	\$ 46,990.63	\$ 46,990.63	
09/01/2029	3.125%	\$ 50,000.00	\$ 2,310,000.00	\$ 46,990.63	\$ 96,990.63	\$ 143,981.26
03/01/2030			\$ 2,310,000.00	\$ 46,209.38	\$ 46,209.38	
09/01/2030	3.375%	\$ 55,000.00	\$ 2,255,000.00	\$ 46,209.38	\$ 101,209.38	\$ 147,418.76
03/01/2031			\$ 2,255,000.00	\$ 45,281.25	\$ 45,281.25	
09/01/2031	3.500%	\$ 60,000.00	\$ 2,195,000.00	\$ 45,281.25	\$ 105,281.25	\$ 150,562.50
03/01/2032			\$ 2,195,000.00	\$ 44,231.25	\$ 44,231.25	
09/01/2032	3.625%	\$ 65,000.00	\$ 2,130,000.00	\$ 44,231.25	\$ 109,231.25	\$ 153,462.50
03/01/2033			\$ 2,130,000.00	\$ 43,053.13	\$ 43,053.13	
09/01/2033	3.625%	\$ 70,000.00	\$ 2,060,000.00	\$ 43,053.13	\$ 113,053.13	\$ 156,106.26
03/01/2034			\$ 2,060,000.00	\$ 41,784.38	\$ 41,784.38	
09/01/2034	4.000%	\$ 80,000.00	\$ 1,980,000.00	\$ 41,784.38	\$ 121,784.38	\$ 163,568.76
03/01/2035			\$ 1,980,000.00	\$ 40,184.38	\$ 40,184.38	
09/01/2035	4.000%	\$ 85,000.00	\$ 1,895,000.00	\$ 40,184.38	\$ 125,184.38	\$ 165,368.76
03/01/2036			\$ 1,895,000.00	\$ 38,484.38	\$ 38,484.38	
09/01/2036	4.000%	\$ 90,000.00	\$ 1,805,000.00	\$ 38,484.38	\$ 128,484.38	\$ 166,968.76
03/01/2037			\$ 1,805,000.00	\$ 36,684.38	\$ 36,684.38	
09/01/2037	4.000%	\$ 100,000.00	\$ 1,705,000.00	\$ 36,684.38	\$ 136,684.38	\$ 173,368.76
03/01/2038			\$ 1,705,000.00	\$ 34,684.38	\$ 34,684.38	
09/01/2038	4.000%	\$ 105,000.00	\$ 1,600,000.00	\$ 34,684.38	\$ 139,684.38	\$ 174,368.76

**CITY OF LAKE ELSINORE**  
**CFD 2007-4 (MAKENNA COURT)**  
**Special Tax Bonds Series 2018**



Issued

11/07/2018

<i>Date</i>	<i>Coupon Rate</i>	<i>Principal</i>	<i>Principal Outstanding</i>	<i>Semi-Annual Interest</i>	<i>Semi-Annual Debt Service</i>	<i>Annual Debt Service</i>
03/01/2039			\$ 1,600,000.00	\$ 32,584.38	\$ 32,584.38	
09/01/2039	4.000%	\$ 115,000.00	\$ 1,485,000.00	\$ 32,584.38	\$ 147,584.38	\$ 180,168.76
03/01/2040			\$ 1,485,000.00	\$ 30,284.38	\$ 30,284.38	
09/01/2040	4.000%	\$ 125,000.00	\$ 1,360,000.00	\$ 30,284.38	\$ 155,284.38	\$ 185,568.76
03/01/2041			\$ 1,360,000.00	\$ 27,784.38	\$ 27,784.38	
09/01/2041	4.000%	\$ 135,000.00	\$ 1,225,000.00	\$ 27,784.38	\$ 162,784.38	\$ 190,568.76
03/01/2042			\$ 1,225,000.00	\$ 25,084.38	\$ 25,084.38	
09/01/2042	4.000%	\$ 140,000.00	\$ 1,085,000.00	\$ 25,084.38	\$ 165,084.38	\$ 190,168.76
03/01/2043			\$ 1,085,000.00	\$ 22,284.38	\$ 22,284.38	
09/01/2043	4.000%	\$ 150,000.00	\$ 935,000.00	\$ 22,284.38	\$ 172,284.38	\$ 194,568.76
03/01/2044			\$ 935,000.00	\$ 19,284.38	\$ 19,284.38	
09/01/2044	4.125%	\$ 165,000.00	\$ 770,000.00	\$ 19,284.38	\$ 184,284.38	\$ 203,568.76
03/01/2045			\$ 770,000.00	\$ 15,881.25	\$ 15,881.25	
09/01/2045	4.125%	\$ 175,000.00	\$ 595,000.00	\$ 15,881.25	\$ 190,881.25	\$ 206,762.50
03/01/2046			\$ 595,000.00	\$ 12,271.88	\$ 12,271.88	
09/01/2046	4.125%	\$ 185,000.00	\$ 410,000.00	\$ 12,271.88	\$ 197,271.88	\$ 209,543.76
03/01/2047			\$ 410,000.00	\$ 8,456.25	\$ 8,456.25	
09/01/2047	4.125%	\$ 200,000.00	\$ 210,000.00	\$ 8,456.25	\$ 208,456.25	\$ 216,912.50
03/01/2048			\$ 210,000.00	\$ 4,331.25	\$ 4,331.25	
09/01/2048	4.125%	\$ 210,000.00	\$ 0.00	\$ 4,331.25	\$ 214,331.25	\$ 218,662.50
<b>Total</b>		<b>\$ 2,645,000.00</b>		<b>\$ 2,205,328.03</b>	<b>\$ 4,850,328.03</b>	<b>\$ 4,850,328.26</b>

# APPENDIX B

## California Debt and Investment Advisory Commission



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## Appendix B

### *California Debt and Investment Advisory Commission*

The California Debt and Investment Advisory Commission (CDIAC) is providing the following guidelines to assist local agencies in the implementation of Section 53359.5 of the Government Code, which section is part of the Mello-Roos Community Facilities Act of 1982, amended (Sections 53311 et. seq.).

All issuers selling community facilities district (CFD) bonds after January 1, 1993 are covered by this law and are required to report certain information about the bond issues through the completion of the Yearly Fiscal Status Report and/or the Draw on the Reserve Fund or Default Report. Issuers are required to file a Yearly Fiscal Status Report if they have sold bonds on or before June 30th of each year and each year thereafter until the bonds are no longer outstanding. All issuers, regardless of when bonds are sold, are required to report any draw on reserve or default that occurs throughout the calendar year.

CFD No. 2007-4 Bonds were sold on November 7, 2018. Therefore, CDIAC reporting for Fiscal Year 2017-18 is not required at this time.

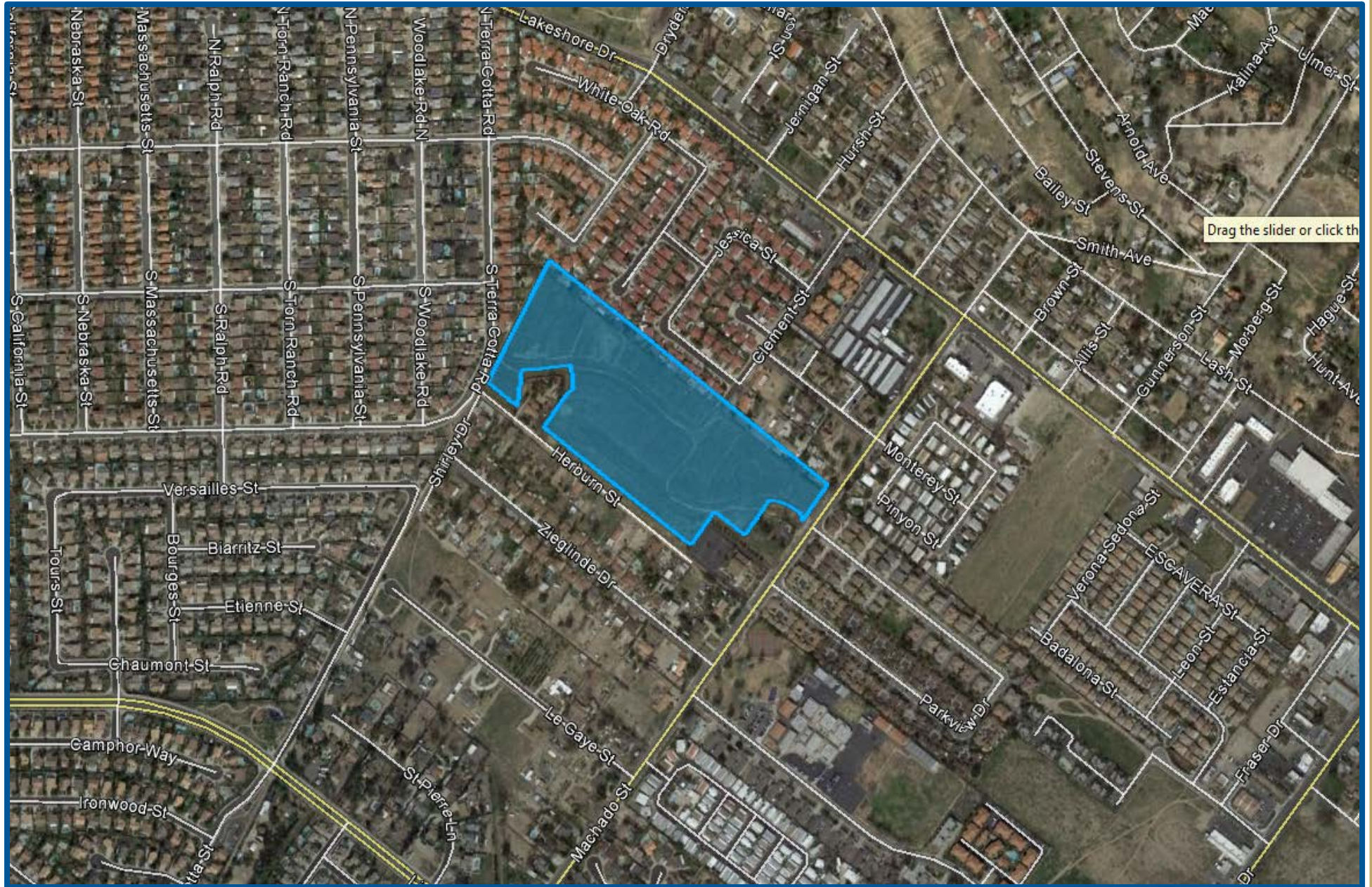
# APPENDIX C

## Boundary Map



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## BOUNDARY MAP

COMMUNITY FACILITIES DISTRICT NO. 2007-4  
(MAKENNA COURT)



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GROUP







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GROUP