

**COMMUNITY FACILITIES DISTRICT NO. 99-1  
OF WESTERN MUNICIPAL WATER DISTRICT**

**FINANCIAL STATEMENTS**

**YEARS ENDED JUNE 30, 2021 AND 2020**



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OF WESTERN MUNICIPAL WATER DISTRICT  
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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Community Facilities District No. 99-1  
of Western Municipal Water District  
Riverside, California

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the Community Facilities District No. 99-1 of Western Municipal Water District (the District) as of and for the years ended June 30, 2021 and 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditors' Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the basic financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the District as of June 30, 2021 and 2020, and the changes in financial position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.


**Other Matters**

**Required Supplementary Information**

Management has omitted the management’s discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated January 13, 2022, on our consideration of the District’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 District’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 District’s internal control over financial reporting and compliance.



**CliftonLarsonAllen LLP**

Irvine, California  
January 13, 2022

## **BASIC FINANCIAL STATEMENTS**

**COMMUNITY FACILITIES DISTRICT NO. 99-1  
OF WESTERN MUNICIPAL WATER DISTRICT  
STATEMENTS OF NET POSITION  
JUNE 30, 2021 AND 2020**

	2021	2020
<b>ASSETS</b>		
Current Assets:		
Cash and Cash Equivalents	\$ 421,951	\$ 238,235
Accrued Interest Receivable	1	1,278
Prepaid Assets	398	398
Special Assessments Receivable	1,339	735
Total Current Assets	423,689	240,646
Noncurrent Assets:		
Investments	-	183,273
Special Assessments Receivable	888,998	987,424
Total Noncurrent Assets	888,998	1,170,697
Total Assets	1,312,687	1,411,343
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred Amount on Debt Refunding	61,752	68,368
Total Deferred Outflows of Resources	61,752	68,368
<b>LIABILITIES</b>		
Current Liabilities:		
Accounts Payable	200	200
Accrued Interest Payable	16,497	17,547
Current Portion of Bonds Payable	110,000	105,000
Total Current Liabilities	126,697	122,747
Noncurrent Liabilities:		
Bonds Payable	1,247,742	1,356,964
Total Noncurrent Liabilities	1,247,742	1,356,964
Total Liabilities	1,374,439	1,479,711
<b>NET POSITION</b>		
Unrestricted	-	-
Total Net Position	\$ -	\$ -

See accompanying Notes to Basic Financial Statements.

**COMMUNITY FACILITIES DISTRICT NO. 99-1  
OF WESTERN MUNICIPAL WATER DISTRICT  
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
YEARS ENDED JUNE 30, 2021 AND 2020**

	2021	2020
<b>OPERATING REVENUES</b>		
Special Assessments	\$ 97,806	\$ 88,991
Total Operating Revenues	97,806	88,991
<b>OPERATING EXPENSES</b>		
Interest	74,432	78,566
Administrative Fees	23,539	19,648
Total Operating Expenses	97,971	98,214
<b>OPERATING LOSS</b>	(165)	(9,223)
<b>NONOPERATING REVENUES</b>		
Investment Earnings	165	9,223
<b>INCREASE IN NET POSITION</b>	-	-
Net Position - Beginning of Period	-	-
<b>NET POSITION - END OF PERIOD</b>	\$ -	\$ -

See accompanying Notes to Basic Financial Statements.

**COMMUNITY FACILITIES DISTRICT NO. 99-1  
OF WESTERN MUNICIPAL WATER DISTRICT  
STATEMENTS OF CASH FLOWS  
YEARS ENDED JUNE 30, 2021 AND 2020**

	2021	2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Payments for Administrative Fees	\$ (23,539)	\$ (19,648)
Net Cash Used by Operating Activities	(23,539)	(19,648)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Proceeds from Special Assessments	195,628	200,395
Principal Payments on Bonds Payable	(105,000)	(105,000)
Interest Payments on Bonds Payable	(68,088)	(72,156)
Net Cash Provided by Capital and Related Financing Activities	22,540	23,239
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Investment Earnings Received	4,342	4,313
Purchase of Investments	-	(179,000)
Proceeds from Maturities of Investments	180,373	179,000
Net Cash Provided by Investing Activities	184,715	4,313
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	183,716	7,904
Cash and Cash Equivalents - Beginning of Year	238,235	230,331
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	\$ 421,951	\$ 238,235

See accompanying Notes to Basic Financial Statements.



**COMMUNITY FACILITIES DISTRICT NO. 99-1  
OF WESTERN MUNICIPAL WATER DISTRICT  
STATEMENTS OF CASH FLOWS (CONTINUED)  
YEARS ENDED JUNE 30, 2021 AND 2020**

	2021	2020
<b>RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES</b>		
Operating loss	\$ (165)	\$ (9,223)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities:		
Special Assessments	(97,806)	(88,991)
Interest Expense	74,432	78,566
Total Adjustments	(23,374)	(10,425)
Net Cash Used by Operating Activities	\$ (23,539)	\$ (19,648)
 <b>NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Amortization of Discount	\$ 7,394	\$ 7,394

See accompanying Notes to Basic Financial Statements.

**COMMUNITY FACILITIES DISTRICT NO. 99-1  
OF WESTERN MUNICIPAL WATER DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2021 AND 2020**

**NOTE 1 REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Organization and Operations of the Reporting Entity**

The Community Facilities District No. 99-1 of Western Municipal Water District (the District) was established by the former Murrieta County Water District to pay certain water and sewer facilities fees, which is applied to pay the costs of planning, designing, acquiring, constructing, and improving water and sewer facilities for the benefit of the District.

The financing was accomplished through the authorization of special tax bonds issued pursuant to the Mello-Roos Community Facilities Act of 1982 adopted by the Board of Directors of the former Murrieta County Water District acting as the legislative body of the District. The bonds are only payable from certain proceeds of an annual special assessment to be levied and collected from properties located within the District. At June 30, 2021 and 2020, the District consisted of 161 parcels, each year. In the event that the special assessments are not paid when due the only sources of funds to repay the special tax bonds are amounts held in the bond reserve fund, or proceeds, if any, from foreclosure sales of land within the Community Facilities District No. 99-1 following a delinquency in the special assessment payment. Neither the full faith and credit nor the taxing power of Western Municipal Water District, the County of Riverside, the State of California, or any other political subdivision thereof is pledged to the payments of the bonds.

On November 23, 2005, the Murrieta County Water District merged with Western Municipal Water District. This merger resulted in no change in the operations of the Community Facilities District No. 99-1.

**B. Basis of Accounting and Measurement Focus**

The District reports its activities as an enterprise fund, which is used to account for operations that are financed and operated in a manner similar to a private business enterprise. Revenues and expenses are recognized on the full accrual basis of accounting. Revenues are recognized in the accounting period in which they are earned, and expenses are recognized in the period incurred, regardless of when the related cash flows take place.

**COMMUNITY FACILITIES DISTRICT NO. 99-1  
OF WESTERN MUNICIPAL WATER DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2021 AND 2020**

**NOTE 1 REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(CONTINUED)**

**C. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position**

**1. Cash and Cash Equivalents**

The District considers all highly liquid investments with a maturity of three months or less to be cash equivalents.

**2. Use of Restricted Resources**

When an expense is incurred that can be paid using either restricted or unrestricted resources, the District's policy is to first apply the expense toward restricted resources and then toward unrestricted resources.

**3. Investments and Investment Policy**

Investments are generally stated at fair value based on the last reported sales price published on the national exchange. Changes in fair value that occur during a fiscal year are recognized as unrealized gains or losses and reported for that fiscal year. Investment earnings are comprised of interest income, changes in fair value, and any gains or losses realized upon the liquidation or sale of investments.

**4. Bond Discounts**

Bond discounts are amortized using the straight-line method over the remaining life of the respective debt service

**5. Deferred Inflows and Outflows of Resources**

Deferred amounts resulting from the refundings of debt are reported as a deferred outflow of resources or a deferred inflow of resources and recognized as a component of interest expense in a systematic and rational manner over the remaining life of the old debt or the life of the new debt, whichever is shorter.

**COMMUNITY FACILITIES DISTRICT NO. 99-1  
OF WESTERN MUNICIPAL WATER DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2021 AND 2020**

**NOTE 1 REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(CONTINUED)**

**D. Operating and Nonoperating**

The District distinguishes operating revenues and expense from non-operating items. Operating revenues, such as special assessments, result from assessments on the properties responsible for repaying the debt. Non-operating revenues, such as investment earnings, result from non-exchange transactions in which the District receives value without directly giving value in exchange. Operating expenses for the District include interest and administrative fees. All expenses not meeting this definition are reported as non-operating expenses.

**E. Use of Estimates**

The preparation of the basic financial statements in accordance 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, deferred outflow of resources, liabilities, and deferred inflows of resources and disclosures of contingent assets and liabilities at the date of the financial statements and the reported changes in net position during the reporting period. Actual results could differ from those estimates.

**NOTE 2 CASH AND INVESTMENTS**

Cash and investments as of June 30, 2021 and 2020 consist of the following:

	2021	2020
Deposits Held with Financial Institutions	\$ 5,221	\$ 2,819
Money Market Funds	416,730	235,416
Negotiable Certificates of Deposit	-	183,273
Total Cash and Investments	\$ 421,951	\$ 421,508

**Authorized Investments**

The table below identifies the investment types that are authorized by the District in accordance with the California Government Code (or the District's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the District'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 a bond trustee that are governed by the provisions of debt agreements of the District, rather than the general provisions of the California Government Code or the District's investment policy.

**COMMUNITY FACILITIES DISTRICT NO. 99-1  
OF WESTERN MUNICIPAL WATER DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2021 AND 2020**

**NOTE 2 CASH AND INVESTMENTS (CONTINUED)**

**Authorized Investments (Continued)**

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
Municipal Securities	5 Years	30%	5%
California State and Local Agency Obligations			
Notes or Bonds of any of the Other 49 States			
U.S. Treasury Obligations	10 Years	None	No Limit
U.S. Government Agency Securities			
Obligations	10 Years	None	25%
Banker's Acceptances	180 Days	40%	5%
Prime Commercial Paper	270 Days	25%	5%
Federally Insured Time Deposits (Nonnegotiable CDs)	5 Years	(20% (Combined with Collateralized Time Deposits) (20% (Combined with Federally Insured Time Deposits)	FDIC Limit
Collateralized Time Deposit (Nonnegotiable CDs)	5 Years	30% (Combined with CDs)	No Limit
Certified Deposit Placement Services (CDARS)	5 Years	30% (Combined with CDARS)	No Limit
Negotiable Certificates of Deposit (NCDs)	5 Years	None	5%
Repurchase Agreements	90 Days	30%	5%
Corporate Medium-Term Notes	5 Years	30%	5%
Supranational	5 Years	30%	10%
California State Local Agency Investment Fund	N/A	\$75 Million 20% (Combined with Money Market Mutual Funds)	No Limit
Mutual Funds	N/A	20% (Combined with Mutual Funds)	10%
Money Market Mutual Funds	N/A	20% (Combined with Mutual Funds)	No Limit
Mortgage Pass-Through Securities	5 Years	20%	5%
Asset-Backed Securities	5 Years	20%	5%
Collateralized Mortgage Obligations	5 Years	20%	5%
Local Government Pooled Investment Funds	N/A	None	No Limit
CalTrust Pooled Investment Funds	N/A	None	No Limit

**COMMUNITY FACILITIES DISTRICT NO. 99-1  
OF WESTERN MUNICIPAL WATER DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2021 AND 2020**

**NOTE 2 CASH AND INVESTMENTS (CONTINUED)**

**Authorized Investments (Continued)**

Investments of debt proceeds held by a bond trustee are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the District's investment policy. The table below identifies the investment types that are authorized for investments held by a bond trustee. The table also identifies certain provisions of these debt agreements that address interest rate risk, credit risk, and concentration of credit risk.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
U.S. Treasury Obligations	None	None	No Limit
U.S. Agency Securities	None	None	No Limit
Local Agency Bonds	None	None	No Limit
Banker's Acceptances	270 Days	None	No Limit
Commercial Paper	180 Days	None	No Limit
Money Market Funds	N/A	None	No Limit
Guaranteed Investment Contracts	None	None	No Limit
Certificates of Deposit	None	None	No Limit
Local Agency Investment Fund (LAIF)	N/A	\$75 Million	No Limit

**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 District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental 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 market 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 District deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. With respect to investments, custodial risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools (such as LAIF). In addition, none of the District's counterparties hold the investments, for which separate safekeeping arrangements exist.

**COMMUNITY FACILITIES DISTRICT NO. 99-1  
OF WESTERN MUNICIPAL WATER DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2021 AND 2020**

**NOTE 2 CASH AND INVESTMENTS (CONTINUED)**

**Custodial Credit Risk (Continued)**

At June 30, 2021 and 2020, the District had deposits with bank balances of \$5,221 and \$2,819, respectively. The Federal Deposit Insurance Corporation insures all accounts at each bank up to \$250,000.

**Interest Rate Risk**

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. The longer the maturity an investment has the greater its fair value has sensitivity to changes in market interest rates. The District's investment policy follows the California Government Code as it relates to limits on investment maturities as a means of managing exposure to fair value losses arising from increasing interest rates.

Maturity of investments at June 30, 2021 is as follows:

Investment Type	Total	Investment Maturities (in Years)		
		1 or Less	1 - 5	Over 5
Held by Bond Trustee:				
Money Market Funds	\$ 416,730	\$ 416,730	\$ -	\$ -
Total Investments Held by Bond Trustee	<u>\$ 416,730</u>	<u>\$ 416,730</u>	<u>\$ -</u>	<u>\$ -</u>

Maturity of investments at June 30, 2020 is as follows:

Investment Type	Total	Investment Maturities (in Years)		
		1 or Less	1 - 5	Over 5
Held by Bond Trustee:				
Money Market Funds	\$ 235,416	\$ 235,416	\$ -	\$ -
Negotiable Certificates of Deposit	183,273	-	183,273	-
Total Investments Held by Bond Trustee	<u>\$ 418,689</u>	<u>\$ 235,416</u>	<u>\$ 183,273</u>	<u>\$ -</u>

**Credit Risk**

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, Standard & Poor's and Moody's.

**COMMUNITY FACILITIES DISTRICT NO. 99-1  
OF WESTERN MUNICIPAL WATER DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2021 AND 2020**

**NOTE 2 CASH AND INVESTMENTS (CONTINUED)**

**Credit Risk (Continued)**

Credit rating of investments at June 30, 2021 is as follows:

<u>Investment Type</u>	<u>Total</u>	<u>Minimum Legal Rating</u>	<u>Not Rated</u>	<u>Ratings as of Year-End Aaa-mf/ AAAm</u>
Held by Bond Trustee:				
Money Market Funds	\$ 416,730	Aa2/Aam	\$ -	\$ 416,730
Total Investments Held by Bond Trustee	<u>\$ 416,730</u>		<u>\$ -</u>	<u>\$ 416,730</u>

Credit rating of investments at June 30, 2020 is as follows:

<u>Investment Type</u>	<u>Total</u>	<u>Minimum Legal Rating</u>	<u>Not Rated</u>	<u>Ratings as of Year-End Aaa-mf/ AAAm</u>
Held by Bond Trustee:				
Money Market Funds	\$ 235,416	Aa2/Aam	\$ -	\$ 235,416
Negotiable Certificates of Deposit	183,273	None	183,273	-
Total Investments Held by Bond Trustee	<u>\$ 418,689</u>		<u>\$ 183,273</u>	<u>\$ 235,416</u>

**Concentration of Credit Risk**

The investment policy of the District contains various limitations on the amount that can be invested in any one issuer as 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 the total District investments are as follows:

<u>Issuer and Investment Type</u>	<u>2021 Reported Amount</u>	<u>2020 Reported Amount</u>
Negotiable Certificates of Deposit: Ally Bank	\$ -	\$ 183,273

**Fair Value Measurements**

The District categorizes its fair value measurement within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the assets. Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are quoted prices of similar assets in active markets, and Level 3 inputs are significant unobservable inputs.



**COMMUNITY FACILITIES DISTRICT NO. 99-1  
OF WESTERN MUNICIPAL WATER DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2021 AND 2020**

**NOTE 2 CASH AND INVESTMENTS (CONTINUED)**

**Fair Value Measurements (Continued)**

The District's investments in money market funds in the amount of \$416,730 at June 30, 2021 is not subject to the fair value hierarchy.

The hierarchy of the District's investments at June 30, 2020 is as follows:

	<u>Quoted Prices Level 1</u>	<u>Observable Inputs Level 2</u>	<u>Unobservable Inputs Level 3</u>	<u>Total</u>
Held by Bond Trustee:				
Negotiable Certificates of Deposit	\$ -	\$ 183,273	\$ -	\$ 183,273
Total Leveled Investments	<u>\$ -</u>	<u>\$ 183,273</u>	<u>\$ -</u>	183,273
Money Market Funds*				235,416
Total Investments				<u>\$ 418,689</u>

\*Not subject to fair value hierarchy.

**NOTE 3 LONG-TERM DEBT**

Long-term debt as of June 30, 2021 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions/ Amortization</u>	<u>Ending Balance</u>
Other Debt:				
Series 2011 Special Tax Bonds	\$1,470,000	\$ -	\$ (105,000)	\$1,365,000
Less: Unamortized Discount	(8,036)	-	778	(7,258)
Total Series 2011 Special Tax Bonds	<u>\$1,461,964</u>	<u>\$ -</u>	<u>\$ (104,222)</u>	<u>\$1,357,742</u>
Total Long-Term Debt	\$1,461,964			\$1,357,742
Less: Current Portion	<u>(105,000)</u>			<u>(110,000)</u>
Long-Term Portion	<u>\$1,356,964</u>			<u>\$1,247,742</u>

**COMMUNITY FACILITIES DISTRICT NO. 99-1  
OF WESTERN MUNICIPAL WATER DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2021 AND 2020**

**NOTE 3 LONG-TERM DEBT (CONTINUED)**

Long-term debt as of June 30, 2020 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions/ Amortization</u>	<u>Ending Balance</u>
Other Debt:				
Series 2011 Special Tax Bonds	\$1,575,000	\$ -	\$ (105,000)	\$1,470,000
Less: Unamortized Discount	<u>(8,814)</u>	<u>-</u>	<u>778</u>	<u>(8,036)</u>
Total Series 2011 Special Tax Bonds	<u>\$1,566,186</u>	<u>\$ -</u>	<u>\$ (104,222)</u>	<u>\$1,461,964</u>
 Total Long-Term Debt	 \$1,566,186			 \$1,461,964
Less: Current Portion	<u>(105,000)</u>			<u>(105,000)</u>
Long-Term Portion	<u>\$1,461,186</u>			<u>\$1,356,964</u>

**CFD 99-1 Series 2011 Special Tax Refunding Bonds**

In September 2011, the Community Facilities District No. 99-1 issued Series 2011 Special Tax Refunding Bonds in the amount of \$2,220,000. Interest is payable semi-annually on April 1 and October 1 each year at stated rates ranging from 1.125% to 5.250%, while principal payments are payable on October 1 each year through 2030.

Proceeds from this issuance, along with other available funds, were used to refund the outstanding principal balance amount of \$2,945,000 of the Series 2000 Special Tax Bonds on October 1, 2011. The CFD 99-1 Series 2011 Special Tax Bonds also has a debt service reserve requirement. At June 30, 2021, this reserve was fully funded.

Annual debt service requirements on the CFD 99-1 Series 2011 Special Tax Bonds are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 110,000	\$ 63,719	\$ 173,719
2023	115,000	58,934	173,934
2024	120,000	53,719	173,719
2025	125,000	48,128	173,128
2026	130,000	42,150	172,150
2027-2031	<u>765,000</u>	<u>102,456</u>	<u>867,456</u>
Total	1,365,000	<u>\$ 369,106</u>	<u>\$ 1,734,106</u>
Less: Current Portion	(110,000)		
Less: Unamortized Discount	<u>(7,258)</u>		
Total Noncurrent	<u>\$ 1,247,742</u>		

In July 2021, the Community Facilities District No. 99-1 refinanced the Series 2011 Special Tax Refunding Bonds as discussed in Note 5, Subsequent Event. The refinancing of the 2011 Bonds has reduced the debt service requirements as presently scheduled.

**COMMUNITY FACILITIES DISTRICT NO. 99-1  
OF WESTERN MUNICIPAL WATER DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2021 AND 2020**

**NOTE 4 COMMITMENTS AND CONTINGENCIES**

**Litigation**

In the ordinary course of operations, the District is subject to claims and litigation from outside parties. After consultation with legal counsel, the District believes the ultimate outcome of such matters, if any, will not materially affect its financial condition.

**COVID-19 Pandemic**

The COVID-19 pandemic is ongoing, and the ultimate geographic spread of the virus, the duration, and the severity of the outbreak remains uncertain. In addition, the economic implications and actions that may be taken by government authorities to contain the outbreak, or to treat its impact, are also unknown. The related financial impact on the District and the duration cannot be estimated at this time.

**NOTE 5 SUBSEQUENT EVENT**

In July 2021, the Community Facilities District No. 99-1 issued \$1,076,381 of the Series 2021 Special Tax Refunding Bonds to refinance the Series 2011 Special Tax Refunding Bonds. The Series 2021 Bonds were privately placed with a bank. The bonds bear stated interest at 1.935% and are payable semiannually in April and October through October 2030. The future annual maturities of the District's obligation are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ -	\$ 14,464	\$ 14,464
2023	107,072	19,792	126,864
2024	113,194	17,661	130,855
2025	115,384	15,449	130,833
2026	117,617	13,195	130,812
2027-2031	623,114	30,605	653,719
Total	1,076,381	\$ 111,166	\$ 1,187,547
Less: Current Portion	-		
Total Noncurrent	<u>\$ 1,076,381</u>		

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