



CERTIFIED PUBLIC ACCOUNTANTS

**vpb** A Division of LSL, CPAs  
vilmure, peeler & boucher

**CITY OF AZUSA – COMMUNITY FACILITIES  
DISTRICT NO. 2002-1  
(MOUNTAIN COVE) SPECIAL TAX BONDS  
SERIES 2011**

**FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED  
JUNE 30, 2013**

**Lance Soll & Lunghard, LLP**  
Vilmure, Peeler & Boucher

Orange County  
Silicon Valley  
Temecula Valley  
Los Angeles County

**[www.LSLCPAs.com](http://www.LSLCPAs.com)**

CITY OF AZUSA - COMMUNITY FACILITIES DISTRICT NO. 2002-1  
(MOUNTAIN COVE) SPECIAL TAX BONDS  
SERIES 2011

FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED  
JUNE 30, 2013

CITY OF AZUSA - COMMUNITY FACILITIES DISTRICT NO. 2002-1  
(MOUNTAIN COVE) SPECIAL TAX BONDS  
SERIES 2011

JUNE 30, 2013

TABLE OF CONTENTS

	<u>Page Number</u>
INDEPENDENT AUDITORS' REPORT .....	1
BASIC FINANCIAL STATEMENTS	
Statement of Net Position and Governmental Fund Balance Sheet .....	3
Statement of Activities and Governmental Fund Revenues, Expenditures and Changes in Fund Balance .....	4
Notes to Special Purpose Financial Statements .....	5
COMBINING FINANCIAL STATEMENTS AND SCHEDULES	
Combining Balance Sheet - All Debt Service Funds .....	10
Combining Statement of Revenues, Expenditures and Changes in Fund Balance - All Debt Service Funds .....	12
Combining Statement of Receipts, Disbursements and Transfers – All Debt Service Funds .....	14

## INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Members of City Council  
of the City of Azusa Community Facilities District No. 2002-1  
Azusa, California

### Report on Financial Statements

We have audited the accompanying financial statements of the City of Azusa Community Facilities District No. 2002-1 (Mountain Cove) Special Tax Refunding Bonds, Series 2011, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the City of Azusa Community Facilities District No. 2002-1'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.

### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the 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 auditor's 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 auditor considers internal control relevant to the entity'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 entity'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 opinions.



To the Honorable Mayor and Members of City Council  
of the City of Azusa Community Facilities District No. 2002-1  
Azusa, California

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, on the basis of accounting described in Note 1, as of June 30, 2013, and, the respective changes in financial position for the year 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.

*Lance, Soll & Lughard, LLP*

Brea, California  
October 23, 2014

CITY OF AZUSA - COMMUNITY FACILITIES DISTRICT NO. 2002-1  
SPECIAL TAX BONDS  
(MOUNTAIN COVE)  
SERIES 2011

STATEMENT OF NET POSITION AND GOVERNMENTAL FUND BALANCE SHEET  
JUNE 30, 2013

	<u>Debt Service Fund</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
<b>Assets:</b>			
Cash and investments with trustee	\$ 769,831	\$ -	\$ 769,831
<b>Total Assets</b>	<b><u>769,831</u></b>	<b><u>-</u></b>	<b><u>769,831</u></b>
<b>Liabilities:</b>			
Accrued liabilities	87,500	-	87,500
Due to City	10,666	-	10,666
Accrued interest payable	-	133,495	133,495
Noncurrent liabilities:			
Due within one year	-	165,000	165,000
Due in more than one year	-	7,620,000	7,620,000
<b>Total Liabilities</b>	<b><u>98,166</u></b>	<b><u>7,918,495</u></b>	<b><u>8,016,661</u></b>
<b>Fund Balances/Net Position:</b>			
<b>Fund Balances:</b>			
Restricted for:			
Debt service	765,331		
Unassigned	<u>(93,666)</u>		
<b>Total Fund Balances</b>	<b><u>671,665</u></b>		
<b>Total Liabilities and Fund Balances</b>	<b><u>\$ 769,831</u></b>		
<b>Net Position:</b>			
Restricted for:			
Debt service		765,331	765,331
Unrestricted		<u>(8,683,826)</u>	<u>(8,012,161)</u>
<b>Total Net Position</b>		<b><u>\$ (7,918,495)</u></b>	<b><u>\$ (7,246,830)</u></b>

CITY OF AZUSA - COMMUNITY FACILITIES DISTRICT NO. 2002-1  
SPECIAL TAX BONDS  
(MOUNTAIN COVE)  
SERIES 2011

STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUND REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED JUNE 30, 2013

	Debt Service Fund	Adjustments	Statement of Activities
<b>Revenues:</b>			
Interest on investments	\$ 41	\$ -	\$ 41
Assessments	818,632	-	818,632
<b>Total Revenues</b>	<b>818,673</b>	<b>-</b>	<b>818,673</b>
<b>Expenditures:</b>			
General Government:			
Administrative cost	5,325	-	5,325
Program cost	17,500	-	17,500
Debt service:			
Principal payment	95,000	(95,000)	-
Interest expense	407,431	(32,479)	374,952
<b>Total Expenditures</b>	<b>525,256</b>	<b>(127,479)</b>	<b>397,777</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	293,417	127,479	420,896
<b>Other Financing Sources (Uses):</b>			
Transfers in	501,057	-	501,057
Transfers out	(501,057)	-	(501,057)
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (Deficiency) of Revenues and Transfers In Over (Under) Expenditures and Transfers Out	293,417	127,479	420,896
<b>Fund Balances/Net Position:</b>			
Beginning of Fiscal Year	378,248	(8,765,974)	(8,387,726)
Restatements	-	720,000	720,000
<b>End of Fiscal Year</b>	<b>\$ 671,665</b>	<b>\$ (7,918,495)</b>	<b>\$ (7,246,830)</b>

**CITY OF AZUSA - COMMUNITY FACILITIES DISTRICT NO. 2002-1  
(MOUNTAIN COVE) SPECIAL TAX BONDS  
SERIES 2011**

**NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS  
JUNE 30, 2013**

---

**I. SIGNIFICANT ACCOUNTING POLICIES**

**Note 1: Organization and Summary of Significant Accounting Policies**

**a. Description of Entity**

The City of Azusa Community Facilities District No. 2002-1 (Mountain Cove) (the "District") was established by the City Council of the City of Azusa (the "City") pursuant to the provisions of the Mello-Roos Community Facilities Act of 1982, as amended (constituting Section 53311 et seq. of the California Government Code) to finance certain costs of acquisition and construction of certain water, sewer, reservoir, pump station and bike trail improvements generally related to development within the District as well as school and city impact fees associated with the development.

Bond indebtedness in the amount of \$7,880,000 was issued by the District. The bonds are payable solely from the proceeds of a special tax to be levied annually on the land within the District. The bonds are not in any way a debt, liability or obligation of the City of Azusa.

The financial statements presented in this report cover only the City of Azusa Community Facilities District No. 2002-1 (Mountain Cove) Special Tax Bonds, Series 2002 A and the Special Tax Refunding Bonds, Series 2011, which are only a portion of the bonds issued by the City. Therefore, these financial statements do not purport to represent the financial position or results of operations of the City of Azusa.

**b. Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on the City of Azusa Community Facility District No. 2002-1 (Mountain Cove) Special Tax Bonds, Series 2011.

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 those that are clearly identifiable with a specific function or segment.

**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. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows.

Government 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, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.



**CITY OF AZUSA - COMMUNITY FACILITIES DISTRICT NO. 2002-1  
(MOUNTAIN COVE) SPECIAL TAX BONDS  
SERIES 2011**

**NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2013**

---

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

**d. Assets, Liabilities, and Net Assets or Equity**

1. Investments

Investments are reported at fair value. Increases and decreases in the fair value of investments, as well as interest earned on the investments, are reported as investment income.

2. Receivables and Payables

All trade receivables are shown net of an allowance for uncollectible.

3. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the government activities statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

**Note 2: Cash and Investments**

As of June 30, 2013, cash and investments were reported in the accompanying financial statements as follows:

Cash and investments with fiscal agents	<u>\$ 769,831</u>
---	-------------------

**Deposits**

The California Government Code requires California banks and savings and loan associations to secure a government agency's deposits by pledging government securities with a value of 110% of its deposits. California law also allows financial institutions to secure a government agency's deposits by pledging first trust deed mortgage notes having a value of 150% of the government's total deposits. The government agency's Treasurer may waive the collateral requirement for deposits that are fully insured up to \$250,000 by the FDIC. The collateral for deposits in federal and state chartered banks is held in safekeeping by an authorized Agent of Depository recognized by the State of California Department of Banking. The collateral for deposits with savings and loan associations is generally held in safekeeping by the Federal Home Loan Bank in San Francisco, California as an Agent of Depository. These securities are physically held in an undivided pool for all California public agency depositors. Under Government Code Section 53655, the placement of securities by a bank or savings and loan association with an Agent of Depository" has the effect of perfecting the security interest in the name of the local governmental agency. Accordingly, all collateral held by California Agents of Depository are considered to be held for, and in the name of, the local governmental agency.

**CITY OF AZUSA - COMMUNITY FACILITIES DISTRICT NO. 2002-1  
(MOUNTAIN COVE) SPECIAL TAX BONDS  
SERIES 2011**

**NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2013**

---

**Note 2: Cash and Investments (Continued)**

**Investments**

Under provision of the City's investment policy, and in accordance with the California Government Code, the following investments are authorized:

- U.S. Treasury Obligations (bills, notes and bonds)
- U.S. Government Agency Securities and Instrumentalities of Government Sponsored Corporations
- Mutual Funds
- Commercial Papers
- Repurchase Agreements
- Certificates of Deposit
- Negotiable Certificates of Deposit
- Passbook Savings Accounts
- Medium Term Corporate Notes
- Bank Money Market Accounts
- Local Agency Investment Fund (State Pool)

**Investments Authorized by Debt Agreements**

The above investments do not address investment of debt proceeds held by a bond trustee. 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 government agency's investment policy.

**GASB Statement No. 31**

The City adopted GASB Statement No. 31, *Accounting and Financial Reporting for certain investments and for External Investment Pools*, as of July 1, 1997. GASB Statement No. 31 establishes fair value standards for investments in participating interest earning investment contracts, external investment pools, equity securities, option contracts, stock warrants and stock rights that have readily determinable fair values. Accordingly, the City reports its investments at fair value in the balance sheet. All investment income, including changes in the fair value of investments, is recognized as revenue in the operating statement.

**Credit Risk**

The City's investment policy limits investments in medium term notes (MTNs) to those rated A or higher by Standard and Poor (S&P) or by Moody. As of June 30, 2013, the City did not have any investments in MTN's. Investments in U.S. government securities are not considered to have credit risk; therefore, their credit quality is not disclosed. As of June 30, 2013, the Agency's investments in external investment pools and money market mutual funds holding 100% of U.S. Treasuries are unrated.

**CITY OF AZUSA - COMMUNITY FACILITIES DISTRICT NO. 2002-1  
(MOUNTAIN COVE) SPECIAL TAX BONDS  
SERIES 2011**

**NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2013**

**Note 2: Cash and Investments (Continued)**

**Custodial Credit Risk**

The 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 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 to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party.

As of June 30, 2013, none of the City's deposits or investments was exposed to custodial credit risk.

**Concentration of Credit Risk**

The City's investment policy imposes restrictions on the maximum percentage it can invest in a single type of investment. These limitations are 30%, 20%, and 30% for commercial paper, medium term notes, and repurchase agreements respectively. As of June 30, 2013, in accordance with GASB 40 requirements, the City is exposed to concentration of credit risk whenever it has invested more than 5% of its total investments in any one issuer. As of June 30, 2013, the City did not have more than 5% of their total investment in any one issuer. Investments guaranteed by the U.S. government, investments in mutual funds and external investment pools are excluded from this requirement.

**Interest Rate Risk**

The City's investment policy limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The City's investment policy states that no investment may have a maturity of more than five years without receiving prior City Board approval. The only exception to the maturity limits shall be the investment of the gross proceeds of tax-exempt bonds, and reserve funds associated with bond issues. The City has elected to use the segmented time distribution method of disclosure for its interest rate risk.

At June 30, 2013, cash and investments of \$769,831 consists of investment in money market mutual funds.

**Note 3: Long-Term Debt**

**a. The following is a schedule of changes in long-term debt for the fiscal year ended June 30, 2013:**

	Outstanding June 30, 2012	Adjustments	Additions	Repayments	Outstanding June 30, 2013	Due Within One Year
Special Tax Bonds, Series 2002 A	\$ 8,600,000	\$ (8,600,000)	\$ -	\$ -	\$ -	\$ -
Special Tax Refunding Bonds, Series 2011	-	7,880,000	-	95,000	7,785,000	165,000
	<u>\$ 8,600,000</u>	<u>\$ (720,000)</u>	<u>\$ -</u>	<u>\$ 95,000</u>	<u>\$ 7,785,000</u>	<u>\$ 165,000</u>

**CITY OF AZUSA - COMMUNITY FACILITIES DISTRICT NO. 2002-1  
(MOUNTAIN COVE) SPECIAL TAX BONDS  
SERIES 2011**

**NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2013**

---

**Note 3: Long-Term Debt (Continued)**

**b. Special Tax Bonds, Series 2002 A:**

The bonds dated December 17, 2002, were used to pay the costs of acquisition and construction of certain water, sewer, reservoir, pump station and bike trail improvements generally related to development within the District. The Special Tax Bonds Series 2002 A consist of \$2,490,000 serial bonds maturing September 1, 2021, and bearing interest from 2.625% to 5.750%, \$2,210,000 term bonds maturing September 1, 2026, and bearing interest at 6.00%, and \$4,280,000 term bonds maturing September 1, 2032, and bearing interest at 6.00%. The bonds are subject to optional and mandatory redemption prior to their maturity. Interest is payable semiannually on September 1 and March 1 of each year. On July 6, 2011, the Special Tax Bonds Series 2002 A were refunded with the Special Tax Refunding Bonds Series 2011.

**c. Special Tax Refunding Bonds, Series 2011:**

In July 6, 2011, the District issued \$7,880,000 City of Azusa Community Facilities District No. 2002-1 (Mountain Cove) Special Tax Refunding Bond, Series 2011 to refund the outstanding Community Facilities District No. 2002-1 (Mountain Cove) Special Tax Bonds Series 2002 A. The Special Tax Refunding Bonds, Series 2011 consist of \$4,310,000 serial bonds maturing September 1, 2026, and bearing interest from 3.000% to 5.500% and \$3,570,000 term bonds maturing September 1, 2032, and bearing interest at 5.875%. The bonds are subject to optional call and redemption prior to their maturity. Interest is payable semiannually on September 1 and March 1 of each year. The outstanding balance at June 30, 2013, was \$7,785,000.

**d. The debt service to maturity is as follows:**

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013 - 2014	\$ 165,000	\$ 403,531	\$ 568,531
2014 - 2015	180,000	397,906	577,906
2015 - 2016	195,000	390,856	585,856
2016 - 2017	215,000	382,656	597,656
2017 - 2018	240,000	373,556	613,556
2018 - 2023	1,535,000	1,688,258	3,223,258
2023 - 2028	2,180,000	1,224,016	3,404,016
2028 - 2033	3,075,000	476,022	3,551,022
Total	<u>\$ 7,785,000</u>	<u>\$ 5,336,801</u>	<u>\$ 13,121,801</u>

**Note 4: Net Position Restatement**

Beginning net position has been restated by \$720,000 due to the refunding of the Special Tax Bonds, Series 2002 A which was not reflected on the prior year financial statements.

CITY OF AZUSA - COMMUNITY FACILITIES DISTRICT NO. 2002-1  
SPECIAL TAX BONDS  
(MOUNTAIN COVE)  
SERIES 2011

COMBINING BALANCE SHEET - ALL DEBT SERVICE FUNDS  
JUNE 30, 2013

	Reserve Fund	Principal	Interest Account
<b>Assets:</b>			
Cash and investments with trustee	\$ 370,632	\$ -	\$ -
<b>Total Assets</b>	<b>\$ 370,632</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Liabilities and Fund Balances:</b>			
<b>Liabilities:</b>			
Accrued liabilities	\$ -	\$ -	\$ -
Due to city	-	-	4,500
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>4,500</b>
<b>Fund Balances:</b>			
Restricted for:			
Debt service	370,632	-	(4,500)
Undesignated	-	-	-
<b>Total Fund Balance</b>	<b>370,632</b>	<b>-</b>	<b>(4,500)</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 370,632</b>	<b>\$ -</b>	<b>\$ -</b>

CITY OF AZUSA - COMMUNITY FACILITIES DISTRICT NO. 2002-1  
SPECIAL TAX BONDS  
(MOUNTAIN COVE)  
SERIES 2011

COMBINING BALANCE SHEET - ALL DEBT SERVICE FUNDS  
JUNE 30, 2013

	Special Tax Fund	Administrative Expense	Total
<b>Assets:</b>			
Cash and investments with trustee	\$ 399,199	\$ -	\$ 769,831
<b>Total Assets</b>	<b>\$ 399,199</b>	<b>\$ -</b>	<b>\$ 769,831</b>
<b>Liabilities and Fund Balances:</b>			
<b>Liabilities:</b>			
Accrued liabilities	\$ -	\$ 87,500	\$ 87,500
Due to city	-	6,166	10,666
<b>Total Liabilities</b>	<b>-</b>	<b>93,666</b>	<b>98,166</b>
<b>Fund Balances:</b>			
Restricted for:			
Debt service	399,199	-	765,331
Undesignated	-	(93,666)	(93,666)
<b>Total Fund Balance</b>	<b>399,199</b>	<b>(93,666)</b>	<b>671,665</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 399,199</b>	<b>\$ -</b>	<b>\$ 769,831</b>

CITY OF AZUSA - COMMUNITY FACILITIES DISTRICT NO. 2002-1  
SPECIAL TAX BONDS  
(MOUNTAIN COVE)  
SERIES 2011

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE- ALL DEBT SERVICE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Reserve Fund	Principal	Interest Account
<b>Revenues:</b>			
Interest on investments	\$ 34	\$ -	\$ -
Assessments	-	-	-
<b>Total Revenues</b>	<b>34</b>	<b>-</b>	<b>-</b>
<b>Expenditures:</b>			
Current:			
Administrative cost	-	-	-
Program cost	-	-	-
Debt service:			
Principal payment	-	95,000	-
Interest expense	-	-	407,431
<b>Total Expenditures</b>	<b>-</b>	<b>95,000</b>	<b>407,431</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	34	(95,000)	(407,431)
<b>Other Financing Sources (Uses):</b>			
Transfers in	-	95,000	400,732
Transfers out	-	-	(4,500)
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>95,000</b>	<b>396,232</b>
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses	34	-	(11,199)
<b>Fund Balances:</b>			
Beginning of Fiscal Year	370,598	-	6,699
<b>End of Fiscal Year</b>	<b>\$ 370,632</b>	<b>\$ -</b>	<b>\$ (4,500)</b>

CITY OF AZUSA - COMMUNITY FACILITIES DISTRICT NO. 2002-1  
SPECIAL TAX BONDS  
(MOUNTAIN COVE)  
SERIES 2011

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE- ALL DEBT SERVICE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Special Tax Fund	Administrative Expense	Total
<b>Revenues:</b>			
Interest on investments	\$ 7	\$ -	\$ 41
Assessments	818,632	-	818,632
<b>Total Revenues</b>	<b>818,639</b>	<b>-</b>	<b>818,673</b>
<b>Expenditures:</b>			
Current:			
Administrative cost	-	5,325	5,325
Program cost	-	17,500	17,500
Debt service:			
Principal payment	-	-	95,000
Interest expense	-	-	407,431
<b>Total Expenditures</b>	<b>-</b>	<b>22,825</b>	<b>525,256</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	818,639	(22,825)	293,417
<b>Other Financing Sources (Uses):</b>			
Transfers in	-	5,325	501,057
Transfers out	(496,557)	-	(501,057)
<b>Total Other Financing Sources (Uses)</b>	<b>(496,557)</b>	<b>5,325</b>	<b>-</b>
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses	322,082	(17,500)	293,417
<b>Fund Balances:</b>			
Beginning of Fiscal Year	77,117	(76,166)	378,248
<b>End of Fiscal Year</b>	<b>\$ 399,199</b>	<b>\$ (93,666)</b>	<b>\$ 671,665</b>



**CITY OF AZUSA - COMMUNITY FACILITIES DISTRICT NO. 2002-1  
SPECIAL TAX BONDS  
(MOUNTAIN COVE)  
SERIES 2011**

**COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS  
AND TRANSFERS - ALL DEBT SERVICE FUNDS  
JUNE 30, 2013**

	<u>Reserve Fund</u>	<u>Principal</u>	<u>Interest Account</u>
<b>Cash and Investments with Trustee:</b>			
<b>Balance - June 30, 2012</b>	<b>\$ 370,595</b>	<b>\$ -</b>	<b>\$ 6,699</b>
<b>Receipts:</b>			
Interest on investments	37	-	-
Assessments	-	-	-
Issuance of Debt	-	-	-
Transfers	-	95,000	400,732
<b>Total Receipts</b>	<b>37</b>	<b>95,000</b>	<b>400,732</b>
<b>Disbursements:</b>			
Administrative cost	-	-	-
Principal payment	-	95,000	-
Interest expense	-	-	407,431
Transfers	-	-	-
<b>Total Disbursements</b>	<b>-</b>	<b>95,000</b>	<b>407,431</b>
<b>Cash and Investments with Trustee:</b>			
<b>Balance - June 30, 2013</b>	<b>\$ 370,632</b>	<b>\$ -</b>	<b>\$ -</b>

CITY OF AZUSA - COMMUNITY FACILITIES DISTRICT NO. 2002-1  
SPECIAL TAX BONDS  
(MOUNTAIN COVE)  
SERIES 2011

COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS  
AND TRANSFERS - ALL DEBT SERVICE FUNDS  
JUNE 30, 2013

	Special Tax Fund	Administrative Expense	Total
<b>Cash and Investments with Trustee:</b>			
<b>Balance - June 30, 2012</b>	\$ 77,116	\$ -	\$ 454,410
<b>Receipts:</b>			
Interest on investments	8	-	45
Assessments	818,632	-	818,632
Issuance of Debt	-	-	-
Transfers	-	5,325	501,057
<b>Total Receipts</b>	<b>818,640</b>	<b>5,325</b>	<b>1,319,734</b>
<b>Disbursements:</b>			
Administrative cost	-	5,325	5,325
Principal payment	-	-	95,000
Interest expense	-	-	407,431
Transfers	496,557	-	496,557
<b>Total Disbursements</b>	<b>496,557</b>	<b>5,325</b>	<b>1,004,313</b>
<b>Cash and Investments with Trustee:</b>			
<b>Balance - June 30, 2013</b>	<b>\$ 399,199</b>	<b>\$ -</b>	<b>\$ 769,831</b>