

CITY OF AZUSA  
COMMUNITY FACILITIES DISTRICT NO. 2005-1  
(ROSEDALE) IMPROVEMENT AREA NO. 1  
2007 SPECIAL TAX BONDS

FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED  
JUNE 30, 2016

CITY OF AZUSA  
COMMUNITY FACILITIES DISTRICT NO. 2005-1  
(ROSEDALE) IMPROVEMENT AREA NO. 1  
2007 SPECIAL TAX BONDS

JUNE 30, 2016

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## INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Members of City Council  
of the City of Azusa Community Facilities District No. 2005-1  
Azusa, California

### **Report on Financial Statements**

We have audited the accompanying financial statements of the City of Azusa Community Facilities District No. 2005-1 (Rosedale) 2007 Special Tax Bonds, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the City of Azusa Community Facilities District No. 2005-1 (Rosedale) 2007 Special Tax Bond'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. 2005-1  
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, 2016, 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, Solt & Lughard, LLP*

Brea, California  
December 6, 2017

CITY OF AZUSA - COMMUNITY FACILITIES DISTRICT NO. 2005-1  
(ROSEDALE) IMPROVEMENT AREA NO.1  
2007 SPECIAL TAX BONDS

STATEMENT OF NET POSITION AND GOVERNMENTAL FUND BALANCE SHEET  
JUNE 30, 2016

	Governmental Funds			Adjustments	Statement of Net Position
	Capital Projects Funds	Debt Service Funds	Total		
<b>Assets:</b>					
Cash and investments with trustee	\$ 9	\$ 4,027,659	\$ 4,027,668	\$ -	\$ 4,027,668
Due from other funds	-	12,041	12,041	(12,041)	-
Capital assets	-	-	-	16,686,168	16,686,168
<b>Total Assets</b>	<b>\$ 9</b>	<b>\$ 4,039,700</b>	<b>\$ 4,039,709</b>	<b>16,674,127</b>	<b>20,713,836</b>
<b>Liabilities:</b>					
Accrued interest	\$ -	\$ -	\$ -	609,699	609,699
Accounts payable	-	12,041	12,041	-	12,041
Due to other funds	-	12,041	12,041	(12,041)	-
Noncurrent liabilities:					
Due within one year	-	-	-	590,000	590,000
Due in more than one year	-	-	-	36,735,728	36,735,728
<b>Total Liabilities</b>	<b>-</b>	<b>24,082</b>	<b>24,082</b>	<b>37,923,386</b>	<b>37,947,468</b>
<b>Fund Balances/Net Position:</b>					
<b>Fund Balances:</b>					
Restricted for:					
Capital projects	9	-	9		
Debt service	-	4,015,618	4,015,618		
<b>Total Fund Balances</b>	<b>9</b>	<b>4,015,618</b>	<b>4,015,627</b>		
<b>Total Liabilities and Fund Balances</b>	<b>\$ 9</b>	<b>\$ 4,039,700</b>	<b>\$ 4,039,709</b>		
<b>Net Position:</b>					
Net investment in capital assets				(20,639,560)	(20,639,560)
Restricted for:					
Restricted for capital projects				9	9
Restricted for debt service				4,015,618	4,015,618
Unrestricted				(4,625,326)	(609,699)
<b>Total Net Position</b>				<b>\$ (21,249,259)</b>	<b>\$ (17,233,632)</b>

CITY OF AZUSA - COMMUNITY FACILITIES DISTRICT NO. 2005-1  
(ROSEDALE) IMPROVEMENT AREA NO.1  
2007 SPECIAL TAX BONDS

STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUND REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED JUNE 30, 2016

	Governmental Funds			Adjustments	Statement of Activities
	Capital Projects Funds	Debt Service Funds	Total		
<b>Revenues:</b>					
Interest on investments	\$ -	\$ 338	\$ 338	\$ -	\$ 338
Assessments	-	2,484,559	2,484,559	-	2,484,559
<b>Total Revenues</b>	<b>-</b>	<b>2,484,897</b>	<b>2,484,897</b>	<b>-</b>	<b>2,484,897</b>
<b>Expenditures:</b>					
General Government:					
Administrative cost	-	2,400	2,400	-	2,400
Program cost	-	116,780	116,780	-	116,780
Miscellaneous	-	-	-	-	-
Depreciation	-	-	-	802,404	802,404
Debt service:					
Principal payment	-	755,000	755,000	(755,000)	-
Interest expense	-	1,878,866	1,878,866	(16,591)	1,862,275
<b>Total Expenditures</b>	<b>-</b>	<b>2,753,046</b>	<b>2,753,046</b>	<b>30,813</b>	<b>2,783,859</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(268,149)	(268,149)	(30,813)	(298,962)
<b>Other Financing Sources (Uses):</b>					
Transfers in	-	2,803,383	2,803,383	(2,803,383)	-
Transfers out	-	(2,803,383)	(2,803,383)	2,803,383	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (Deficiency) of Revenues and Transfers In Over (Under) Expenditures and Transfers Out	-	(268,149)	(268,149)	(30,813)	(298,962)
<b>Fund Balances/Net Position:</b>					
Beginning of Fiscal Year	9	4,283,767	4,283,776	(21,218,446)	(16,934,670)
<b>End of Fiscal Year</b>	<b>\$ 9</b>	<b>\$ 4,015,618</b>	<b>\$ 4,015,627</b>	<b>\$ (21,249,259)</b>	<b>\$ (17,233,632)</b>

**CITY OF AZUSA  
COMMUNITY FACILITIES DISTRICT NO. 2005-1  
(ROSEDALE) IMPROVEMENT AREA NO.1  
2007 SPECIAL TAX BONDS**

**NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS  
JUNE 30, 2016**

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**I. SIGNIFICANT ACCOUNTING POLICIES**

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

**a. Description of Entity**

The City of Azusa Community Facility District No. 2005-1, (Rosedale) Improvement Area No.1 (the "District") was established on May 22, 2006, by the City Council of the City of Azusa 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 the costs of acquisition and construction of certain public facilities to be owned and maintained by the City as well as public facilities for the Azusa Unified School District, the Los Angeles Pasadena Metro Blue Line Construction Authority and the City of Glendora.

The City of Azusa Community Facilities District No. 2005-1 (Rosedale) Improvement Area No. 1, 2007 Special Tax Bonds, (the "Bonds") dated as of January 1, 2007, are being issued in the amount of \$71,125,000 by the City of Azusa (the "City") for the District. The Bonds are payable solely from revenues derived from certain annual Special Taxes to be levied on certain taxable land within the District and from certain other funds pledged under the Indenture. The Special Taxes are to be levied according to the rate and method of apportionment approved by the City Council of the City of Azusa and the qualified electors within the District.

The financial statements presented in this report cover only the City of Azusa Community Facilities District No. 2005-1, (Rosedale) Improvement Area No. 1, 2007 Special Tax Bonds, which is 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. 2005-1, (Rosedale) Improvement Area No.1, 2007 Special Tax Bonds.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is 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.

**CITY OF AZUSA  
COMMUNITY FACILITIES DISTRICT NO. 2005-1  
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2007 SPECIAL TAX BONDS**

**NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2016**

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

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

The District reports the following governmental funds:

- Capital Projects Funds to account for the costs of acquisition and construction of certain public facilities to be owned and maintained by the City as well as public facilities for the Azusa Unified School District, the Los Angeles Pasadena Metro Blue Line Construction Authority and the City of Glendora.
- Debt Service Funds to account for revenues derived from certain annual Special Taxes to be levied on certain taxable land within the District and from certain other funds pledged under the Indenture in order to make debt service payments on the 2007 Special Tax Bonds.

**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. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the statement of net assets column. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 (amount not rounded), and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant and equipment are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Land Improvements	20
Buildings and structure	30 - 50
Machinery and equipment	8 - 30
Automotive equipment	5 - 15
Infrastructure	30 - 65



**CITY OF AZUSA  
COMMUNITY FACILITIES DISTRICT NO. 2005-1  
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2007 SPECIAL TAX BONDS**

**NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2016**

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

4. 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 are amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

**Note 2: Cash and Investments**

As of June 30, 2016, cash and investments were reported in the accompanying financial statements as follows:

Cash and investments with trustee	<u>\$ 4,027,668</u>
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**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. 2005-1  
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2007 SPECIAL TAX BONDS**

**NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2016**

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**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, 2016, 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, 2016, the City's investments in external investment pools and money market mutual funds with 100% in U.S. Treasuries are unrated.

**CITY OF AZUSA  
COMMUNITY FACILITIES DISTRICT NO. 2005-1  
(ROSEDALE) IMPROVEMENT AREA NO.1  
2007 SPECIAL TAX BONDS**

**NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2016**

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**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, 2016, 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, 2016, 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, 2016, 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.

At June 30, 2016, cash and investments with trustee of \$4,027,668 consists of investment in money market mutual funds.

**CITY OF AZUSA  
COMMUNITY FACILITIES DISTRICT NO. 2005-1  
(ROSEDALE) IMPROVEMENT AREA NO.1  
2007 SPECIAL TAX BONDS**

**NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2016**

**Note 3: Capital Assets**

Capital asset activity for the year ended June 30, 2016, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, being depreciated:				
Infrastructure	\$ 24,072,107	\$ -	\$ -	\$ 24,072,107
Total capital assets being depreciated	24,072,107	-	-	24,072,107
Less accumulated depreciation				
Infrastructure	6,583,535	802,404	-	7,385,939
Total accumulated depreciation	6,583,535	802,404	-	7,385,939
Capital assets, net	<u>\$ 17,488,572</u>	<u>\$ (802,404)</u>	<u>\$ -</u>	<u>\$ 16,686,168</u>

**Note 4: Long-Term Debt**

**2007 Special Tax Bonds**

In January 2007, the District issued \$71,125,000 City of Azusa Community Facilities District No. 2005-1 (Rosedale) Improvement Area No.1, 2007 Special Tax Bonds to pay the costs of acquisition and construction of certain public facilities to be owned and maintained by the City, as well as public facilities for the Azusa Unified School District, the Los Angeles Pasadena Metro Blue Line Construction Authority and the City of Glendora. A portion of the Bonds in the principal amount of \$17,875,000 are being issued as escrow bonds (the "Escrow Bonds"), the sale proceeds of which will be held in escrow until certain conditions are met. Interest will be capitalized on the Escrow Bonds until September 1, 2009. The escrow bonds were paid in full as of June 30, 2010. Bonds were called on March 1, 2015, reducing the bond outstanding to \$37,230,000 as of that date.

The 2007 Special Tax Bonds after the last bond call on March 1, 2015, consist of the following:

- \$4,640,000 Serial Bonds maturing September 1, 2021, and bearing interest from 4.70% to 5.00%,
- \$7,965,000 term bonds maturing September 1, 2027, and bearing interest at 5.00%,
- \$24,625,000 term bonds maturing September 1, 2037, and bearing interest at 5.00%,

**CITY OF AZUSA  
COMMUNITY FACILITIES DISTRICT NO. 2005-1  
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2007 SPECIAL TAX BONDS**

**NOTES TO SPECIAL PURPOSE FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2016**

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**Note 4: Long-Term Debt (Continued)**

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. During the current year, there was one bond call payment totaling \$80,000. The outstanding balance at June 30, 2016, was \$37,230,000 in addition to premium of \$95,728.

The following is a schedule of changes in the 2007 Special Tax Bonds for the fiscal year ended June 30, 2016:

Outstanding June 30, 2015	Additions	Deletion	Repayments	Outstanding June 30, 2016	Due Within One Year
\$ 37,985,000	\$ -	\$ 675,000	\$ 80,000	\$ 37,230,000	\$ 590,000

The debt service to maturity at June 30, 2016, for the 2007 Special Tax Bonds is as follows:

	Principal	Interest	Total
2016 - 2017	\$ 590,000	\$ 1,840,450	\$ 2,430,450
2017 - 2018	660,000	1,811,075	2,471,075
2018 - 2019	730,000	2,185,393	2,915,393
2019 - 2020	805,000	2,565,995	3,370,995
2020 - 2021	885,000	2,553,815	3,438,815
2021 - 2026	5,830,000	12,456,200	18,286,200
2026 - 2031	8,765,000	8,579,090	17,344,090
2031 - 2036	12,600,000	3,253,750	15,853,750
2036-2041	6,365,000	323,375	6,688,375
Total	\$ 37,230,000	\$ 35,569,143	\$ 72,799,143

CITY OF AZUSA - COMMUNITY FACILITIES DISTRICT NO. 2005-1  
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 2007 SPECIAL TAX BONDS

COMBINING BALANCE SHEET  
 JUNE 30, 2016

	<u>Capital Projects Funds</u>	
	<u>Public Facilities Fund</u>	<u>Total Capital Projects Funds</u>
<b>Assets:</b>		
Cash and investments with trustee	\$ 9	\$ 9
Due from other funds	-	-
<b>Total Assets</b>	<u><u>\$ 9</u></u>	<u><u>\$ 9</u></u>
<b>Liabilities and Fund Balances:</b>		
<b>Liabilities:</b>		
Accounts payable	\$ -	\$ -
Due to other funds	\$ -	\$ -
Total Liabilities	<u>-</u>	<u>-</u>
<b>Fund Balances:</b>		
Restricted for:		
Capital projects	9	9
Debt service	-	-
<b>Total Fund Balance</b>	<u>9</u>	<u>9</u>
<b>Total Liabilities and Fund Balances</b>	<u><u>\$ 9</u></u>	<u><u>\$ 9</u></u>

CITY OF AZUSA - COMMUNITY FACILITIES DISTRICT NO. 2005-1  
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 2007 SPECIAL TAX BONDS

COMBINING BALANCE SHEET  
 JUNE 30, 2016

(CONTINUED)

	Debt Service Funds			
	Special Tax Fund	School Redemption Fund	Interest Fund	Capital Interest Fund
<b>Assets:</b>				
Cash and investments with trustee	\$ 192,413	\$ -	\$ -	\$ 11,323
Due from other funds	12,041	-	-	-
<b>Total Assets</b>	<b>\$ 204,454</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 11,323</b>
<b>Liabilities and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 12,041	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-
Total Liabilities	<b>12,041</b>	-	-	-
<b>Fund Balances:</b>				
Restricted for:				
Capital projects	-	-	-	-
Debt service	192,413	-	-	11,323
<b>Total Fund Balance</b>	<b>192,413</b>	-	-	<b>11,323</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 204,454</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 11,323</b>

CITY OF AZUSA - COMMUNITY FACILITIES DISTRICT NO. 2005-1  
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COMBINING BALANCE SHEET  
 JUNE 30, 2016

	<u>Debt Service Funds</u>			<u>Total Debt Service Funds</u>
	<u>Reserve Fund</u>	<u>Administrative Expense</u>	<u>Rosedale Surplus Tax</u>	
<b>Assets:</b>				
Cash and investments with trustee	\$ 3,452,334	\$ 28,350	\$ 343,239	\$ 4,027,659
Due from other funds	-	-	-	12,041
<b>Total Assets</b>	<b><u>\$ 3,452,334</u></b>	<b><u>\$ 28,350</u></b>	<b><u>\$ 343,239</u></b>	<b><u>\$ 4,039,700</u></b>
<b>Liabilities and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ 12,041
Due to other funds	-	12,041	-	12,041
<b>Total Liabilities</b>	<b><u>-</u></b>	<b><u>12,041</u></b>	<b><u>-</u></b>	<b><u>24,082</u></b>
<b>Fund Balances:</b>				
Restricted for:				
Capital projects	-	-	-	-
Debt service	3,452,334	16,309	343,239	4,015,618
<b>Total Fund Balance</b>	<b><u>3,452,334</u></b>	<b><u>16,309</u></b>	<b><u>343,239</u></b>	<b><u>4,015,618</u></b>
<b>Total Liabilities and Fund Balances</b>	<b><u>\$ 3,452,334</u></b>	<b><u>\$ 28,350</u></b>	<b><u>\$ 343,239</u></b>	<b><u>\$ 4,039,700</u></b>



CITY OF AZUSA - COMMUNITY FACILITIES DISTRICT NO. 2005-1  
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 2007 SPECIAL TAX BONDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>Capital Projects Funds</u>	
	<u>Public Facilities Fund</u>	<u>Total Capital Projects Funds</u>
<b>Revenues:</b>		
Interest on investments	\$ -	\$ -
Assessments	-	-
<b>Total Revenues</b>	<u>-</u>	<u>-</u>
<b>Expenditures:</b>		
Current:		
Administrative cost	-	-
Program cost	-	-
Miscellaneous	-	-
Debt service:		
Principal payment	-	-
Interest expense	-	-
<b>Total Expenditures</b>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>
<b>Other Financing Sources (Uses):</b>		
Transfers in	-	-
Transfers out	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses	-	-
<b>Fund Balances:</b>		
Beginning of Fiscal Year	<u>9</u>	<u>9</u>
<b>End of Fiscal Year</b>	<u><u>\$ 9</u></u>	<u><u>\$ 9</u></u>

CITY OF AZUSA - COMMUNITY FACILITIES DISTRICT NO. 2005-1  
(ROSEDALE) IMPROVEMENT AREA NO. 1  
2007 SPECIAL TAX BONDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

(CONTINUED)

	Debt Service Funds			Capital Interest Fund
	Special Tax Fund	School Redemption Fund	Interest Fund	
<b>Revenues:</b>				
Interest on investments	\$ 13	\$ -	\$ -	\$ 1
Assessments	2,484,559	-	-	-
<b>Total Revenues</b>	<b>2,484,572</b>	<b>-</b>	<b>-</b>	<b>1</b>
<b>Expenditures:</b>				
Current:				
Administrative cost	-	-	-	-
Program cost	-	-	-	-
Miscellaneous	-	-	-	-
Debt service:				
Principal payment	-	230,000	-	525,000
Interest expense	-	4,600	1,874,266	-
<b>Total Expenditures</b>	<b>-</b>	<b>234,600</b>	<b>1,874,266</b>	<b>525,000</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,484,572	(234,600)	(1,874,266)	(524,999)
<b>Other Financing Sources (Uses):</b>				
Transfers in	-	234,600	1,874,266	517,699
Transfers out	(2,744,391)	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>(2,744,391)</b>	<b>234,600</b>	<b>1,874,266</b>	<b>517,699</b>
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(259,819)	-	-	(7,300)
<b>Fund Balances:</b>				
Beginning of Fiscal Year	452,232	-	-	18,623
<b>End of Fiscal Year</b>	<b>\$ 192,413</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 11,323</b>

CITY OF AZUSA - COMMUNITY FACILITIES DISTRICT NO. 2005-1  
(ROSEDALE) IMPROVEMENT AREA NO. 1  
2007 SPECIAL TAX BONDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Debt Service Funds			Total Debt Service Funds
	Reserve Fund	Administrative Expense	Rosedale Surplus Tax	
<b>Revenues:</b>				
Interest on investments	\$ 292	\$ 2	\$ 30	\$ 338
Assessments	-	-	-	2,484,559
<b>Total Revenues</b>	<b>292</b>	<b>2</b>	<b>30</b>	<b>2,484,897</b>
<b>Expenditures:</b>				
Current:				
Administrative cost	-	2,400	-	2,400
Program cost	-	116,780	-	116,780
Miscellaneous	-	-	-	-
Debt service:				
Principal payment	-	-	-	755,000
Interest expense	-	-	-	1,878,866
<b>Total Expenditures</b>	<b>-</b>	<b>119,180</b>	<b>-</b>	<b>2,753,046</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	292	(119,178)	30	(268,149)
<b>Other Financing Sources (Uses):</b>				
Transfers in	-	150,028	26,790	2,803,383
Transfers out	(32,202)	(26,790)	-	(2,803,383)
<b>Total Other Financing Sources (Uses)</b>	<b>(32,202)</b>	<b>123,238</b>	<b>26,790</b>	<b>-</b>
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(31,910)	4,060	26,820	(268,149)
<b>Fund Balances:</b>				
Beginning of Fiscal Year	3,484,244	12,249	316,419	4,283,767
<b>End of Fiscal Year</b>	<b>\$ 3,452,334</b>	<b>\$ 16,309</b>	<b>\$ 343,239</b>	<b>\$ 4,015,618</b>

CITY OF AZUSA - COMMUNITY FACILITIES DISTRICT NO. 2005-1  
 (ROSEDALE) IMPROVEMENT AREA NO. 1  
 2007 SPECIAL TAX BONDS

COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS  
 AND TRANSFERS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>Capital Projects Funds</u>	
	<u>Public Facilities Fund</u>	<u>Total Capital Projects Funds</u>
<b>Cash and Investments with Trustee:</b>		
<b>Balance - June 30, 2015</b>	\$ 9	\$ 9
<b>Receipts:</b>		
Interest on investments	-	-
Assessments	-	-
Transfers	-	-
<b>Total Receipts</b>	<u>-</u>	<u>-</u>
<b>Disbursements:</b>		
Administrative costs	-	-
Program cost	-	-
Miscellaneous	-	-
Principal payment	-	-
Interest expense	-	-
Transfers	-	-
<b>Total Disbursements</b>	<u>-</u>	<u>-</u>
<b>Cash and Investments with Trustee:</b>		
<b>Balance - June 30, 2016</b>	<u>\$ 9</u>	<u>\$ 9</u>

CITY OF AZUSA - COMMUNITY FACILITIES DISTRICT NO. 2005-1  
 (ROSEDALE) IMPROVEMENT AREA NO. 1  
 2007 SPECIAL TAX BONDS

COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS  
 AND TRANSFERS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016

(CONTINUED)

	Debt Service Funds			
	Special Tax Fund	School Redemption Fund	Interest Fund	Capital Interest Fund
<b>Cash and Investments with Trustee:</b>				
<b>Balance - June 30, 2015</b>	\$ 452,232	\$ -	\$ -	\$ 18,623
<b>Receipts:</b>				
Interest on investments	13	-	-	1
Assessments	2,484,559	-	-	-
Transfers	-	234,600	1,874,266	517,699
<b>Total Receipts</b>	<b>2,484,572</b>	<b>234,600</b>	<b>1,874,266</b>	<b>517,700</b>
<b>Disbursements:</b>				
Administrative costs	-	-	-	-
Program cost	-	-	-	-
Miscellaneous	-	-	-	-
Principal payment	-	230,000	-	525,000
Interest expense	-	4,600	1,874,266	-
Transfers	2,744,391	-	-	-
<b>Total Disbursements</b>	<b>2,744,391</b>	<b>234,600</b>	<b>1,874,266</b>	<b>525,000</b>
<b>Cash and Investments with Trustee:</b>				
<b>Balance - June 30, 2016</b>	<b>\$ 192,413</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 11,323</b>

CITY OF AZUSA - COMMUNITY FACILITIES DISTRICT NO. 2005-1  
 (ROSEDALE) IMPROVEMENT AREA NO. 1  
 2007 SPECIAL TAX BONDS

COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS  
 AND TRANSFERS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Debt Service Funds			Total Debt Service Funds
	Reserve Fund	Administrative Expense	Rosedale Surplus Tax	
<b>Cash and Investments with Trustee:</b>				
<b>Balance - June 30, 2015</b>	<u>\$ 3,484,244</u>	<u>\$ 26,790</u>	<u>\$ 316,419</u>	<u>\$ 4,298,308</u>
<b>Receipts:</b>				
Interest on investments	292	2	30	338
Assessments	-	-	-	2,484,559
Transfers	-	150,028	26,790	2,803,383
<b>Total Receipts</b>	<u>292</u>	<u>150,030</u>	<u>26,820</u>	<u>5,288,280</u>
<b>Disbursements:</b>				
Administrative costs	-	2,400	-	2,400
Program cost	-	119,280	-	119,280
Miscellaneous	-	-	-	-
Principal payment	-	-	-	755,000
Interest expense	-	-	-	1,878,866
Transfers	32,202	26,790	-	2,803,383
<b>Total Disbursements</b>	<u>32,202</u>	<u>148,470</u>	<u>-</u>	<u>5,558,929</u>
<b>Cash and Investments with Trustee:</b>				
<b>Balance - June 30, 2016</b>	<u><u>\$ 3,452,334</u></u>	<u><u>\$ 28,350</u></u>	<u><u>\$ 343,239</u></u>	<u><u>\$ 4,027,659</u></u>