

**City of Azusa -  
Community Facilities  
District No. 2002-1  
(Mountain Cove)  
Special Tax Bonds  
Series 2011**

Azusa, California

*Financial Statements  
and Independent Auditors' Reports*

*For the year ended June 30, 2017*



# City of Azusa - Community Facilities District No. 2002 - 1 (Mountain Cove) Special Tax Bonds Series 2011

## Table of Contents

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|                                                                                                                                                                     | <u>Page</u> |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|
| <b>Independent Auditors' Report</b> .....                                                                                                                           | 1           |
| <b>Basic Financial Statements:</b>                                                                                                                                  |             |
| Government-Wide Financial Statements:                                                                                                                               |             |
| Statement of Net Position .....                                                                                                                                     | 6           |
| Statement of Activities .....                                                                                                                                       | 7           |
| Fund Financial Statements:                                                                                                                                          |             |
| Balance Sheet .....                                                                                                                                                 | 10          |
| Reconciliation of the Governmental Funds Balance Sheet<br>to the Government-Wide Statement of Net Position.....                                                     | 11          |
| Statement of Revenues, Expenditures and Changes in Fund Balances .....                                                                                              | 12          |
| Reconciliation of the Governmental Funds Statement of Revenues, Expenditures<br>and Changes in Fund Balances to the Government-Wide<br>Statement of Activities..... | 13          |
| <b>Notes to Financial Statements</b> .....                                                                                                                          | 15          |
| <b>Combining Financial Statements and Schedules:</b>                                                                                                                |             |
| Combining Balance Sheet -Debt Service Fund .....                                                                                                                    | 22          |
| Combining Statement of Revenues, Expenditures<br>and Changes in Fund Balance -Debt Service Fund.....                                                                | 23          |
| Combining Statement of Receipts, Disbursements<br>and Transfers -Debt Service Fund.....                                                                             | 24          |

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## INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Members of the City Council  
of the City of Azusa  
Azusa, California

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

We have audited the accompanying financial statements of the governmental activities and each major fund of the City of Azusa Community Facilities District No. 2002-1 (Mountain Cove) Special Tax Refunding Bonds, Series 2011 (Mountain Cove Bonds), as of and for the year ended June 30, 2017, and the related notes to the 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 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 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.

### *Opinion*

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Mountain Cove Bonds as of June 30, 2017, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

To the Honorable Mayor and Members of the City Council  
of the City of Azusa  
Azusa, California  
Page 2

***Other Matters***

*Required Supplementary Information*

We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the Management 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 Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Mountain Cove Bonds' financial statements. The combining fund information is presented for purposes of additional analysis and are not a required part of the financial statements.

The combining fund information is the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with the auditing standards generally accepted in the United States of America. In our opinion, the combining fund information are fairly stated in all material respects in relation to the financial statements as a whole.

***Emphasis of Matter***

As discussed in Note 1, the financial statements of the Mountain Cove Bonds, are intended to present the financial position, the changes in financial position, and, where applicable, cash flows of only that portion of the governmental activities and each major fund, and the aggregate remaining fund information of the City and Mountain Cove that is attributable to the transactions of the Mountain Cove Bonds. They do not purport to, and do not present fairly the financial position of the City of Azusa or Mountain Cove as of June 30, 2017, the changes in its financial position, or, where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.



Badawi & Associates  
Certified Public Accountants  
Oakland, California  
May 8, 2018

## **FINANCIAL STATEMENTS**

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**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

**City of Azusa - Community Facilities District No. 2002-1**  
**Special Tax Bonds (Mountain Cove) Series 2011**  
**Statement of Net Position**  
**June 30, 2017**

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| <b>ASSETS</b>                              |                       |
|--------------------------------------------|-----------------------|
| Cash and investments with trustee          | \$ 388,818            |
| <b>Total assets</b>                        | <u>388,818</u>        |
| <b>LIABILITIES</b>                         |                       |
| Current liabilities:                       |                       |
| Due to City of Azusa                       | 1,650                 |
| Accrued interest payable                   | 93,389                |
| Long term debt - due within one year       | 240,000               |
| <b>Total current liabilities</b>           | <u>335,039</u>        |
| Noncurrent liabilities:                    |                       |
| Long term debt - due in more than one year | 6,790,000             |
| <b>Total noncurrent liabilities</b>        | <u>6,790,000</u>      |
| <b>Total liabilities</b>                   | <u>7,125,039</u>      |
| <b>NET POSITION</b>                        |                       |
| Restricted for:                            |                       |
| Debt service                               | 388,818               |
| Unassigned                                 | (7,125,039)           |
| <b>Total Net Position</b>                  | <u>\$ (6,736,221)</u> |

See accompanying Notes to Basic Financial Statements.

**City of Azusa - Community Facilities District No. 2002-1**  
**Special Tax Bonds (Mountain Cove) Series 2011**  
**Statement of Activities**  
**For the year ended June 30, 2017**

|                                      | Expenses          | Charges for<br>Services | Operating<br>Grants and<br>Contributions | Total             | Governmental<br>Activities |
|--------------------------------------|-------------------|-------------------------|------------------------------------------|-------------------|----------------------------|
| <b>Governmental activities</b>       |                   |                         |                                          |                   |                            |
| General government                   | \$ 390,889        | \$ 437,246              |                                          | \$ 437,246        | \$ 46,357                  |
| <b>Total governmental activities</b> | <u>\$ 390,889</u> | <u>\$ 437,246</u>       | <u>\$ -</u>                              | <u>\$ 437,246</u> | <u>46,357</u>              |

**General Revenues:**

|                                         |                       |
|-----------------------------------------|-----------------------|
| Unrestricted investment earnings        | 487                   |
| <b>Total general revenues</b>           | <u>487</u>            |
| <b>Change in net position</b>           | 46,844                |
| <b>Net position - beginning of year</b> | <u>(6,783,065)</u>    |
| <b>Net position - end of year</b>       | <u>\$ (6,736,221)</u> |

See accompanying Notes to Basic Financial Statements.

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## **FUND FINANCIAL STATEMENTS**

**City of Azusa - Community Facilities District No. 2002-1**  
**Special Tax Bonds (Mountain Cove) Series 2011**  
**Balance Sheet - Governmental Funds**  
**June 30, 2017**

|                                                | <u>Debt Service Fund</u> |
|------------------------------------------------|--------------------------|
| <b>ASSETS</b>                                  |                          |
| Cash and investments with trustee              | \$ 388,818               |
| <b>Total assets</b>                            | <u>\$ 388,818</u>        |
| <b>LIABILITIES AND<br/>FUND BALANCES</b>       |                          |
| <b>Liabilities:</b>                            |                          |
| Due to City                                    | \$ 1,650                 |
| <b>Total liabilities</b>                       | <u>1,650</u>             |
| <b>Fund Balances:</b>                          |                          |
| Restricted for:                                |                          |
| Debt service                                   | 388,818                  |
| Unassigned                                     | (1,650)                  |
| <b>Total fund balances</b>                     | <u>387,168</u>           |
| <b>Total liabilities<br/>and fund balances</b> | <u>\$ 388,818</u>        |

See accompanying Notes to Basic Financial Statements.

**City of Azusa - Community Facilities District No. 2002-1**  
**Special Tax Bonds (Mountain Cove) Series 2011**  
**Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position**  
**For the year ended June 30, 2017**

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|                                                                                                                                                                                  |                       |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|
| <b>Fund Balances of Governmental Funds</b>                                                                                                                                       | \$ 387,168            |
| Amounts reported for governmental activities in the Statement of Net Position are different because:                                                                             |                       |
| Interest payable on long-term debt did not require current financial resources. Therefore, interest payable was not reported as a liability in Governmental Funds Balance Sheet. | (93,389)              |
| Long-term liabilities are not due and payable in the current period and therefore they are not reported in the funds.                                                            |                       |
| Long term debt due within one year                                                                                                                                               | (240,000)             |
| Long term debt due in more than one year                                                                                                                                         | (6,790,000)           |
|                                                                                                                                                                                  | <u>(6,736,221)</u>    |
| <b>Net Position of Governmental Activities</b>                                                                                                                                   | <u>\$ (6,736,221)</u> |

See accompanying Notes to Basic Financial Statements.

**City of Azusa - Community Facilities District No. 2002-1  
Special Tax Bonds (Mountain Cove) Series 2011  
Statement of Revenues, Expenditures and Changes in Fund Balances  
For the year ended June 30, 2017**

|                                    | Debt Service Fund |
|------------------------------------|-------------------|
| <b>REVENUES:</b>                   |                   |
| Interest on investments            | \$ 487            |
| Assessments                        | 437,246           |
| <b>Total revenues</b>              | <b>437,733</b>    |
| <b>EXPENDITURES:</b>               |                   |
| General Government:                |                   |
| Administrative cost                | 42,075            |
| Debt service:                      |                   |
| Principal payment                  | 215,000           |
| Interest                           | 382,656           |
| <b>Total expenditures</b>          | <b>639,731</b>    |
| <b>Net change in fund balances</b> | <b>(201,998)</b>  |
| <b>FUND BALANCES:</b>              |                   |
| Beginning of year                  | 589,166           |
| End of year                        | \$ 387,168        |

See accompanying Notes to Basic Financial Statements.



**City of Azusa - Community Facilities District No. 2002-1  
Special Tax Bonds (Mountain Cove) Series 2011  
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund  
Balances of Governmental Funds to the Statement of Activities  
For the year ended June 30, 2017**

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**Net Change in Fund Balances - Total Governmental Funds** \$ (201,998)

because:

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt related items:

Long-term debt repayments 215,000

Interest expense on long-term debt is reported on the accrual basis on the Government-Wide Statements, but expenditures on long-term debt in the governmental funds statements are recorded when paid. The following amount represents the change in accrued interest from the prior year.

33,842

**Change in Net Position of Governmental Activities** \$ 46,844

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## **NOTES TO FINANCIAL STATEMENTS**

**City of Azusa - Community Facilities District No. 2002-1  
(Mountain Cove) Special Tax Bonds Series 2011  
Notes to Financial Statements  
For the year ended June 30, 2017**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***A. Description of Reporting 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 or the City of Azusa Community Facilities District No. 2002-1 (Mountain Cove).

***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.

**City of Azusa - Community Facilities District No. 2002-1  
(Mountain Cove) Special Tax Bonds Series 2011  
Notes to Financial Statements  
For the year ended June 30, 2017**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

*C. Measurement Focus, Basis of Accounting and Financial Statement Presentation, Continued*

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.

*D. Asset, Liabilities, and Net Position*

- 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.

- Receivables and Payables

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

- 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 position. 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 whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures. Bond proceeds are reported as other financing sources.

**2. CASH AND INVESTMENTS**

As of June 30, 2017, cash and investments were reported in the accompanying financial statements as follows:

|                                         |                   |
|-----------------------------------------|-------------------|
| Cash and investments with fiscal agents | <u>\$ 388,818</u> |
|-----------------------------------------|-------------------|

**City of Azusa - Community Facilities District No. 2002-1  
(Mountain Cove) Special Tax Bonds Series 2011  
Notes to Financial Statements  
For the year ended June 30, 2017**

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**2. CASH AND INVESTMENTS, Continued**

**A. Investments Authorized by Debt Agreements**

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.

**3. LONG-TERM LIABILITIES**

Long-term liabilities consisted of the following:

|                                             | Balance July 1,<br>2016 | Additions   | Repayments          | Balance June<br>30, 2017 | Due Within<br>One Year | Due In More Than<br>One Year |
|---------------------------------------------|-------------------------|-------------|---------------------|--------------------------|------------------------|------------------------------|
| Special Tax Refunding<br>Bonds, Series 2011 | \$ 7,245,000            | \$ -        | \$ (215,000)        | \$ 7,030,000             | \$ 240,000             | \$ 6,790,000                 |
|                                             | <u>\$ 7,245,000</u>     | <u>\$ -</u> | <u>\$ (215,000)</u> | <u>\$ 7,030,000</u>      | <u>\$ 240,000</u>      | <u>\$ 6,790,000</u>          |

**A. 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, 2017, was \$7,030,000.

**City of Azusa - Community Facilities District No. 2002-1  
(Mountain Cove) Special Tax Bonds Series 2011  
Notes to Financial Statements  
For the year ended June 30, 2017**

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**3. LONG-TERM LIABILITIES, Continued**

*A. Special Tax Refunding Bonds, Series 2011, Continued*

The debt service to maturity is as follows:

|           | 2011 Special Tax Refunding Bonds |              |               |
|-----------|----------------------------------|--------------|---------------|
|           | Principal                        | Interest     | Total         |
| 2018      | \$ 240,000                       | \$ 373,556   | \$ 613,556    |
| 2019      | 260,000                          | 363,556      | 623,556       |
| 2020      | 280,000                          | 352,336      | 632,336       |
| 2021      | 305,000                          | 339,454      | 644,454       |
| 2022      | 335,000                          | 324,719      | 659,719       |
| 2023-2027 | 2,040,000                        | 1,337,012    | 3,377,012     |
| 2028-2032 | 2,870,000                        | 650,656      | 3,520,656     |
| 2033-2036 | 700,000                          | 20,563       | 720,563       |
| Totals    | \$ 7,030,000                     | \$ 3,761,852 | \$ 10,791,852 |

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**SUPPLEMENTARY INFORMATION**

**City of Azusa - Community Facilities District No. 2002-1**  
**Special Tax Bonds (Mountain Cove) Series 2011**  
**Combining Balance Sheet**  
**Debt Service Fund**  
**June 30, 2017**

|                                                | Reserve<br>Fund   | Principal   | Interest<br>Account | Special<br>Tax<br>Fund | Administrative<br>Expense | Total             |
|------------------------------------------------|-------------------|-------------|---------------------|------------------------|---------------------------|-------------------|
| <b>ASSETS</b>                                  |                   |             |                     |                        |                           |                   |
| Cash and investments with trustee              | \$ 371,171        | \$ -        | \$ -                | \$ 17,647              | \$ -                      | \$ 388,818        |
| <b>Total assets</b>                            | <b>\$ 371,171</b> | <b>\$ -</b> | <b>\$ -</b>         | <b>\$ 17,647</b>       | <b>\$ -</b>               | <b>\$ 388,818</b> |
| <b>LIABILITIES AND<br/>FUND BALANCES</b>       |                   |             |                     |                        |                           |                   |
| <b>Liabilities:</b>                            |                   |             |                     |                        |                           |                   |
| Due to City of Azusa                           | -                 | -           | -                   | -                      | 1,650                     | 1,650             |
| <b>Total liabilities</b>                       | <b>-</b>          | <b>-</b>    | <b>-</b>            | <b>-</b>               | <b>1,650</b>              | <b>1,650</b>      |
| <b>Fund Balances:</b>                          |                   |             |                     |                        |                           |                   |
| Restricted for:                                |                   |             |                     |                        |                           |                   |
| Debt service                                   | 371,171           | -           | -                   | 17,647                 | -                         | 388,818           |
| Unassigned                                     | -                 | -           | -                   | -                      | (1,650)                   | (1,650)           |
| <b>Total fund balances</b>                     | <b>371,171</b>    | <b>-</b>    | <b>-</b>            | <b>17,647</b>          | <b>(1,650)</b>            | <b>387,168</b>    |
| <b>Total liabilities<br/>and fund balances</b> | <b>\$ 371,171</b> | <b>\$ -</b> | <b>\$ -</b>         | <b>\$ 17,647</b>       | <b>\$ -</b>               | <b>\$ 388,818</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 Balances**  
**Debt Service Fund**  
**For the year ended June 30, 2017**

|                                             | Reserve<br>Fund | Principal        | Interest<br>Account | Special<br>Tax<br>Fund | Administrative<br>Expense | Total            |
|---------------------------------------------|-----------------|------------------|---------------------|------------------------|---------------------------|------------------|
| <b>REVENUES:</b>                            |                 |                  |                     |                        |                           |                  |
| Interest on investments                     | \$ 420          | \$ -             | \$ 5                | \$ 62                  | \$ -                      | \$ 487           |
| Assessments                                 | -               | -                | -                   | 437,246                | -                         | 437,246          |
| <b>Total revenues</b>                       | <b>420</b>      | <b>-</b>         | <b>5</b>            | <b>437,308</b>         | <b>-</b>                  | <b>437,733</b>   |
| <b>EXPENDITURES:</b>                        |                 |                  |                     |                        |                           |                  |
| General Government:                         |                 |                  |                     |                        |                           |                  |
| Administrative cost                         | -               | -                | -                   | -                      | 42,075                    | 42,075           |
| Debt service:                               |                 |                  |                     |                        |                           |                  |
| Principal payment                           | -               | 215,000          | -                   | -                      | -                         | 215,000          |
| Interest expense                            | -               | -                | 382,656             | -                      | -                         | 382,656          |
| <b>Total expenditures</b>                   | <b>-</b>        | <b>215,000</b>   | <b>382,656</b>      | <b>-</b>               | <b>42,075</b>             | <b>639,731</b>   |
| <b>REVENUES UNDER(OVER)</b>                 |                 |                  |                     |                        |                           |                  |
| <b>EXPENDITURES</b>                         | <b>420</b>      | <b>(215,000)</b> | <b>(382,651)</b>    | <b>437,308</b>         | <b>(42,075)</b>           | <b>(201,998)</b> |
| <b>OTHER FINANCING SOURCES(USES)</b>        |                 |                  |                     |                        |                           |                  |
| Transfer in                                 | -               | 215,000          | 382,656             | -                      | 42,075                    | 639,731          |
| Transfer out                                | -               | -                | (5)                 | (639,726)              | -                         | (639,731)        |
| <b>Total other financing sources (uses)</b> | <b>-</b>        | <b>215,000</b>   | <b>382,651</b>      | <b>(639,726)</b>       | <b>42,075</b>             | <b>-</b>         |
| <b>Net change in fund balances</b>          | <b>420</b>      | <b>-</b>         | <b>-</b>            | <b>(202,418)</b>       | <b>-</b>                  | <b>(201,998)</b> |
| <b>FUND BALANCES:</b>                       |                 |                  |                     |                        |                           |                  |
| Beginning of year                           | 370,751         | -                | -                   | 220,065                | (1,650)                   | 589,166          |
| End of year                                 | \$ 371,171      | \$ -             | \$ -                | \$ 17,647              | \$ (1,650)                | \$ 387,168       |

**City of Azusa - Community Facilities District No. 2002-1**  
**Special Tax Bonds (Mountain Cove) Series 2011**  
**Combining Statement of Receipts, Disbursements, and Transfers**  
**Debt Service Fund**  
**For the year ended June 30, 2017**

|                                           | Reserve<br>Fund   | Principal      | Interest<br>Account | Special<br>Tax<br>Fund | Administrative<br>Expense | Total             |
|-------------------------------------------|-------------------|----------------|---------------------|------------------------|---------------------------|-------------------|
| <b>Cash and Investments with Trustee:</b> |                   |                |                     |                        |                           |                   |
| <b>Balance - June 30, 2016</b>            | \$ 370,751        | \$ -           | \$ -                | \$ 220,065             | \$ -                      | \$ 590,816        |
| <b>RECEIPTS:</b>                          |                   |                |                     |                        |                           |                   |
| Interest on investments                   | \$ 420            | \$ -           | \$ 5                | \$ 62                  | \$ -                      | \$ 487            |
| Assessments                               | -                 | -              | -                   | 437,246                | -                         | 437,246           |
| Transfer in                               | -                 | 215,000        | 382,656             | -                      | 42,075                    | 639,731           |
| <b>Total receipts</b>                     | <b>420</b>        | <b>215,000</b> | <b>382,661</b>      | <b>437,308</b>         | <b>42,075</b>             | <b>1,077,464</b>  |
| <b>DISBURSEMENTS:</b>                     |                   |                |                     |                        |                           |                   |
| Administrative cost                       | -                 | -              | -                   | -                      | 42,075                    | 42,075            |
| Principal payment                         | -                 | 215,000        | -                   | -                      | -                         | 215,000           |
| Interest payments                         | -                 | -              | 382,656             | -                      | -                         | 382,656           |
| Transfer out                              | -                 | -              | 5                   | 639,726                | -                         | 639,731           |
| <b>Total disbursements</b>                | <b>-</b>          | <b>215,000</b> | <b>382,661</b>      | <b>639,726</b>         | <b>42,075</b>             | <b>1,279,462</b>  |
| <b>Cash and Investments with Trustee:</b> |                   |                |                     |                        |                           |                   |
| <b>Balance - June 30, 2017</b>            | <b>\$ 371,171</b> | <b>\$ -</b>    | <b>\$ -</b>         | <b>\$ 17,647</b>       | <b>\$ -</b>               | <b>\$ 388,818</b> |