



*Annual Disclosure Report
For the Fiscal Year Ending June 30, 2016*



**Jurupa Community Services District
2015 Series A
Special Tax Bonds**

Community Facilities District No. 26

Prepared for:



February 2017



www.webbassociates.com

Table of Contents

Sections

Section 1.	District Profile	1
Section 2.	Development Status	2
Section 3.	Payment History	3
Section 4.	Bond Information	4
Section 5.	Rates and Method of Apportionment	6
Section 6.	Significant Events	7

Tables

Table 2-1.	Value-to-Lien Stratification	2
Table 3-1.	Special Tax Collection and Delinquency History	3
Table 4-1.	Investment Summary as of September 30, 2016	5

Figures

Figure 1.	Regional Location Map	8
Figure 2.	District Boundary Map	9

CUSIP Numbers

Year	CUSIP	Year	CUSIP	Year	CUSIP
2016	482097Y71	2022	482097Z54	2028	4820972B7
2017	482097Y89	2023	482097Z62	2029	4820972C5
2018	482097Y97	2024	482097Z70	2030	4820972D3
2019	482097Z21	2025	482097Z88	2034	4820972E1
2020	482097Z39	2026	482097Z96	2039	4820972F8
2021	482097Z47	2027	4820972A9	2044	4820972G6

This report was prepared by Albert A. Webb Associates in coordination with the Jurupa Community Services District, as Administrator. Information is current as of September 30, 2016 unless otherwise stated.

1. District Profile

District Profile

Community Facilities District No. 26 (Eastvale Area)

District Description and Location

The Community Facilities District No. 26 (the “District”) contains approximately 41.42 gross acres located in the City of Eastvale, north of the Santa Ana River, west of Interstate 15, and in between the City of Norco to the south and the City of Ontario (in San Bernardino County) to the north. The District is located approximately 10 miles south of Ontario International Airport (Figure 1). The District is located east of Hellman Avenue and north of Walters Street (Figure 2), with nearby access to the Interstate 15 Freeway. The District is comprised entirely of parcels used or planned to be used as single-family residences. The District is now built out and there are 151 single-family residences.

Description of Authorized Facilities

The District was formed to fund the design, construction, and acquisition of proposed facilities consisting of the Jurupa Community Services District (“Services District”) Facilities that consist of master plan water system facilities, including capacity in existing facilities, master plan sewer system improvements, including capacity in existing facilities and sewage treatment and disposal capacity and park and recreation facilities, including incidental expenses related to the planning, design, and completion of such facilities. The Corona-Norco Unified School District (“School District”) Facilities include K-12 public school facility improvements to be owned and operated by the School District. The District is authorized to incur bonded indebtedness in the aggregate amount of \$10,000,000 and has issued bonds in the amount of \$4,810,000.

Bonds

Community Facilities District No. 26, 2015 Series A Special Tax Bonds (the “Bonds”) in the amount of \$4,810,000 with interest rates ranging from 2.000% to 4.000% were issued on May 13, 2015 to finance public facilities funded by the District. Interest on the Bonds is payable semi-annually on March 1 and September 1. Principal is payable annually on September 1. The date for the final maturity of Bonds is September 1, 2044. The remaining authorized but unissued bonded indebtedness for the District totals \$5,190,000 but, the Services District will not issue additional bonds of the District, including Parity Bonds, for any purpose other than accomplishing the defeasance and redemption of all or a portion of the Bonds or Parity Bonds pursuant to the Fiscal Agent Agreement.

Special Tax

A special tax is levied and collected each year against various taxable properties throughout the entire District to pay the principal and interest obligations on the outstanding bonds of the District. The total amount levied for the 2016-2017 tax year was \$288,554.80.

2. Development Status

Table 2-1 below sets forth the value-to-lien ratio for the taxable property in the District based upon the assessed value of such land, as shown on the equalized assessment roll for Fiscal Year 2016-2017 of the Riverside County Assessor as of August 2016, outstanding principal of the bonds, and value-to-lien stratification of the 151 parcels within the District.

Table 2-1
Value-to-Lien Stratification

Assessed Value-to-Lien Ratio Classification	Number of Parcels	Assessed Value ⁽¹⁾	Share of Aggregate Outstanding & Proposed Land Secured Debt	Percentage Share of Aggregate of Outstanding & Proposed Secured Debt	Value-to-Lien Ratios
Less than 15.00:1 ⁽²⁾	54	\$23,095,311	\$1,671,646	35.57%	13.82:1
Greater than 15.00:1 ⁽³⁾	97	\$51,907,360	\$3,028,354	64.43%	17.14:1
Totals	151	\$75,002,671	\$4,700,000	100.00%	15.96:1

⁽¹⁾ Reflects the assessed value from the equalized assessment roll for Fiscal Year 2016-2017 of the Riverside County Assessor as of August 2016.

⁽²⁾ Parcels have a minimum Value-to-Lien of 6.54:1

⁽³⁾ Parcels have a maximum Value-to-Lien of 20.87:1.

Building Permit Status

Developed property means all residential property and non-residential property which, as of March 1 preceding the fiscal year for which the Special Tax is being levied, has been subject to the issuance of a building permit which allows residential dwelling units or non-residential buildings to be constructed.

As of September 30, 2016, there were 151 building permits issued for residential dwelling units and no building permits issued for non-residential buildings for the District. Building permits for all lots within the District have been issued.

3. Payment History

Table 3-1

Special Tax Collection and Delinquency History

Levy			Delinquencies as of June 30 of Fiscal Year			Delinquencies as of September 30, 2016		
Fiscal Year	Amount Levied	Parcels Levied	Parcels Delinquent	Amount Delinquent	Percent Delinquent	Parcels Delinquent	Amount Delinquent	Percent Delinquent
2007-08	\$17,615.80	5	0	\$0.00	0.00%	0	\$0.00	0.00%
2008-09	\$39,330.40	11	0	\$0.00	0.00%	0	\$0.00	0.00%
2009-10	\$60,757.82	17	0	\$0.00	0.00%	0	\$0.00	0.00%
2010-11	\$60,759.86	17	0	\$0.00	0.00%	0	\$0.00	0.00%
2011-12	\$144,985.36	43	0	\$0.00	0.00%	0	\$0.00	0.00%
2012-13	\$286,356.72	86	0	\$0.00	0.00%	0	\$0.00	0.00%
2013-14	\$291,927.76	88	0	\$0.00	0.00%	0	\$0.00	0.00%
2014-15	\$478,920.16	142	1	\$1,689.74	0.35%	0	\$0.00	0.00%
2015-16	\$293,172.04	151	0	\$0.00	0.00%	0	\$0.00	0.00%
2016-17	\$288,554.80	151	n/a	n/a	n/a	n/a	n/a	n/a
Total ⁽¹⁾	\$1,673,825.92	560	1	\$1,689.74	0.10%	0	\$0.00	0.00%

⁽¹⁾ Total does not include the Fiscal Year 2016-2017 levy as the Fiscal Year 2016-2017 amount delinquent is not yet available.

Foreclosure Status

Pursuant to Section 53356.1 of the Mello-Roos Community Facilities Act of 1982 and the Official Statement dated April 28, 2015, the commencement of judicial foreclosure following the non-payment of Special Tax is not mandatory. However, the Services District has covenanted for the benefit of the owners of the Bonds that it will commence and diligently pursue to completion, judicial foreclosure proceedings against properties with delinquent Special Taxes in excess of \$5,000.00 by October 1 following the close of the fiscal year in which such Special Taxes were due. In addition, the District will commence and diligently pursue to completion judicial foreclosure proceedings against all properties with delinquent Special Taxes by October 1 following the close of each fiscal year in which it receives Special Taxes in an amount which is less than 95% of the total Special Taxes levied.

No foreclosure actions are pending at this time.

4. Bond Information

\$4,810,000

Community Facilities District No. 26
(Eastvale Area) of Jurupa Community Services District
Special Tax Bonds 2015 Series A
May 13, 2015

Debt Service Schedule

Period Ending (September 1)	Principal	Interest	Debt Service
2015		\$50,096.25	\$50,096.25
2016	\$110,000.00	\$166,987.50	\$276,987.50
2017	\$110,000.00	\$164,787.50	\$274,787.50
2018	\$110,000.00	\$162,587.50	\$272,587.50
2019	\$115,000.00	\$160,387.50	\$275,387.50
2020	\$115,000.00	\$158,087.50	\$273,087.50
2021	\$120,000.00	\$155,787.50	\$275,787.50
2022	\$120,000.00	\$153,087.50	\$273,087.50
2023	\$125,000.00	\$150,087.50	\$275,087.50
2024	\$125,000.00	\$146,962.50	\$271,962.50
2025	\$130,000.00	\$143,212.50	\$273,212.50
2026	\$135,000.00	\$138,987.50	\$273,987.50
2027	\$140,000.00	\$134,262.50	\$274,262.50
2028	\$145,000.00	\$129,712.50	\$274,712.50
2029	\$150,000.00	\$125,000.00	\$275,000.00
2030	\$155,000.00	\$119,937.50	\$274,937.50
2031	\$160,000.00	\$114,512.50	\$274,512.50
2032	\$165,000.00	\$108,512.50	\$273,512.50
2033	\$170,000.00	\$102,325.00	\$272,325.00
2034	\$180,000.00	\$95,950.00	\$275,950.00
2035	\$185,000.00	\$89,200.00	\$274,200.00
2036	\$195,000.00	\$81,800.00	\$276,800.00
2037	\$200,000.00	\$74,000.00	\$274,000.00
2038	\$210,000.00	\$66,000.00	\$276,000.00
2039	\$215,000.00	\$57,600.00	\$272,600.00
2040	\$225,000.00	\$49,000.00	\$274,000.00
2041	\$235,000.00	\$40,000.00	\$275,000.00
2042	\$245,000.00	\$30,600.00	\$275,600.00
2043	\$255,000.00	\$20,800.00	\$275,800.00
2044	\$265,000.00	\$10,600.00	\$275,600.00
Totals	\$4,810,000.00	\$3,200,871.25	\$8,010,871.25

The principal amount of the bonds outstanding as of September 30, 2016 is \$4,700,000.00.

4. Bond Information

Table 4-1
Investment Summary as of September 30, 2016

Account Name	Security	Coupon Rate	Maturity	Book Value	Market Value
Reserve Fund	US Bank Money Market	0.1500%	n/a	\$1,226	\$1,226
Reserve Fund	FNMA DEB	0.8750%	05/21/2018	\$274,840	\$275,245
Interest Account	US Bank Money Market	0.1500%	n/a	\$0	\$0
Special Tax Fund	US Bank Money Market	0.1500%	n/a	\$29,374	\$29,374
Total				\$305,440	\$305,845

Reserve Requirement

In order to secure further the payment of the principal of and interest on the Bonds, the District is required, upon delivery of the Bonds, to deposit in the Reserve Fund and thereafter to maintain in the Reserve Fund an amount equal to the Reserve Requirement. Pursuant to the Fiscal Agent Agreement, the Reserve Requirement for the Bonds following the issuance of the Bonds will be \$276,987.50 which is equal to the lesser of (i) 10% of stated principal amount of the Bonds; (ii) Maximum Annual Debt Service on the Bonds; or (iii) one hundred twenty-five percent (125%) of average Annual Debt Service on the Bonds (the "Reserve Requirement").

The Services District has covenanted to levy Special Taxes in an amount that is anticipated to be sufficient, in light of the other intended uses of the Special Tax proceeds, to maintain the balance in the Reserve Fund at the Reserve Requirement. Amounts in the Reserve Fund are to be applied to (i) pay debt service on the Bonds, to the extent other monies are not available therefore; (ii) redeem the Bonds in whole or in part, including, without limitation, from Special Tax Prepayments; and (iii) pay the principal and interest due in the final year of maturity of the Bonds.

The current Reserve Requirement is \$276,800.00, which is the maximum annual debt service on the Bonds. The book value balance in the Reserve Fund as of September 30, 2016 was \$276,066.09, and the market value balance in the Reserve Fund as of September 30, 2016 was \$276,470.61. The Reserve shortage as of September 30, 2016 is due to the market variance. US Bank has transferred funds back to the Reserve Fund to maintain the reserve balances.

Financial Statements

PLEASE NOTE: The Services District's Annual Financial Report is submitted to the Municipal Securities Rulemaking Board using EMMA (Electronic Municipal Market Access) under separate cover and is incorporated herein by reference.

5. Rates and Method of Apportionment

Changes to the Rates and Method of Apportionment

The Rates and Method of Apportionment requires the Services District to cause the Special Tax to be apportioned and levied first on developed property in equal percentages up to 100% of the Maximum Special Tax rate, second, if additional funds are needed, on undeveloped property in equal percentages up to 100% of the Maximum Special Tax Rate, and third, if additional funds are needed, on parcels of developed property classified as residential property whose Maximum Special Tax for debt service and facilities is determined by the application of the Alternative Special Tax Rate in equal percentages up to 100% of such Maximum Special Tax. Should there be any changes to the Rates and Method of Apportionment of Special Tax, it must be submitted to the qualified electors for approval prior to the filing of the Annual Report.

There are no changes pending to the Rates and Method of Apportionment at this time.

6. Significant Events

The following events as set forth in Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission, are considered material by the District

SECTION 5A

- | | |
|---|----------------|
| 1. Principal and interest payment delinquencies; | Not Applicable |
| 2. Unscheduled draws on debt service reserves reflecting financial difficulties; | Not Applicable |
| 3. Unscheduled draws on credit enhancements reflecting financial difficulties; | Not Applicable |
| 4. Substitution of credit or liquidity providers, or their failure to perform; | Not Applicable |
| 5. Adverse tax opinions or the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds; | Not Applicable |
| 6. Defeasances; | Not Applicable |
| 7. Tender offers; | Not Applicable |
| 8. Bankruptcy, insolvency, receivership or similar proceedings; | Not Applicable |
| 9. Ratings changes. | Not Applicable |

SECTION 5B

- | | |
|---|----------------|
| 1. Mergers, consolidations, acquisitions, the sale of all or substantially all of the assets of the obligated persons or their termination; | Not Applicable |
| 2. Appointment of a successor or additional fiscal agent or the change of the name of a fiscal agent; | Not Applicable |
| 3. Non-payment related defaults; | Not Applicable |
| 4. Modifications to the rights of Bondholders; | Not Applicable |
| 5. Notices of prepayment; and | Not Applicable |
| 6. Release, substitution or sale of property securing repayment of the Bonds. | Not Applicable |

Notice for events described in Section 5A, subsections 1-9 shall be given to the Dissemination Agent not more than 8 Business Days following the event, the Dissemination Agent shall give notice to EMMA not more than 10 Business Days following the event.

Notice for events described in Section 5B, subsections 1-6 shall be given only if material.

Figure 1. Regional Location Map



Figure 2. District Boundary Map





Corporate Headquarters

3788 McCray Street
Riverside, CA 92506
951.686.1070

Palm Desert Office

41-990 Cook St., Bldg. I - #801B
Palm Desert, CA 92211
951.686.1070

Murrieta Office

41870 Kalmia Street #160
Murrieta, CA 92562
951.686.1070