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February 16, 2016

Municipal Securities Rulemaking Board  
1900 Duke Street Suite 600  
Alexandria, VA 22314

Fiscal Agent:

Christopher Davy  
The Bank of New York Mellon Trust Company, N.A.  
400 S. Hope Street, Ste. 400  
Los Angeles, CA 90071

Dissemination Agent:

City of Corona  
400 South Vicentia Avenue  
Corona, CA 92882

**Subject:** Secondary Market Disclosure  
City of Corona  
Community Facilities District No. 2003-2 (Highlands Collection)  
\$6,135,000- 2005 Special Tax Bonds  
\$4,735,000- 2006 Special Tax Bonds  
(CUSIP# 219675 & 219678)

Attached is the Annual Report as required per Section 4 of the Continuing Disclosure Agreement dated May 1, 2005 in connection with the issuance of the above referenced bonds.

The Annual Report is comprised of the following information, as of June 30, 2015:

Per Section 4:

A. Audited financial statements – [Comprehensive Annual Financial Report](#)

B. Financial and operating data

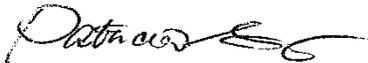
(i)	Principal amount* of bonds outstanding		
	2005 Special Tax Bonds	\$	3,590,000
	2006 Special Tax Bonds		2,930,000
	(*As of September 2, 2015)		
(ii)	Balances* in the Funds established under the Indenture:		
	Reserve Fund	\$	547,545
	Special Tax Fund		51,164
	(*As of September 2, 2015)		

- (iii) Status of the Public improvements from the list in Table 1 in the Official Statement – all improvements completed and acquired by the City in fiscal year 2009-10, therefore Table 1 is no longer needed.
- (iv) Changes to the Rates and Method of Apportionment of the Special Tax – none  
Collection of backup Special Taxes - none  
Special Taxes prepaid for any parcels – none
- (v) A table of Estimated Assessed value-to-lien ratios of developed/undeveloped property – Attached  
Owners of Undeveloped Property delinquent Special Taxes – none
- (vii) Events known to reduce the taxable acreage – none  
Events known to result in a moratorium on future building – none
- (viii) Special Tax Delinquency History Table – Attached  
Status of foreclosure actions for delinquent Special Taxes – None
- (ix) Any other required information – none

Per Section 5:  
Significant Events – none

If you have questions related to this Annual Report of the City of Corona, please contact me.

Sincerely,



Patricia Song  
Finance Manager  
[Patricia.Song@ci.corona.ca.us](mailto:Patricia.Song@ci.corona.ca.us)

**Taxpayers and Estimated 2015/2016 Assessed Value-to-Lien Ratio by Improvement Status (1)**

**Community Facilities District No. 2003-2 (Highlands Collection), Bond Series 2005 and 2006  
City of Corona**

<b>Land Development Status (2)</b>	<b>2015/2016 Special Tax</b>	<b>Percentage of Special Tax</b>	<b>2015/2016 Maximum Tax</b>	<b>Percentage of Maximum Tax</b>	<b>2015/2016 Assessed Value</b>	<b>Estimated Direct and Overlying Debt</b>	<b>Value- to-Lien Ratio (3)</b>
<b>Developed Ownership</b>							
Individual Home Owners	\$615,180.62	100.00%	\$1,068,007	100.00%	\$163,934,922	\$6,520,000	25.14

(1) Reference Appendix D, "Form of Continuing Disclosure Agreement/Certificate of the City", of the Official Statements dated May 12, 2005, for the 2005 Special Tax Bonds and July 19, 2006 for the 2006 Special Tax Bonds. Within both statements, the information listed herein is applicable to Section 4 (b) (v).

(2) Developed Property consists of all parcels on the 2015/2016 Assessor's Roll with an improvement value equal to or greater than land value.

(3) Reference Tables 5 and 6 of the same Official Statement dated July 19, 2006 for the 2006 Special Tax Bonds. These Tables list \$291,158 of direct and overlapping debt existing at the time of bond issuance. If such overlapping debt were to be included, the average Estimated Value-to-Lien Ratio would be 24.07.

**Taxpayers and Estimated 2015/2016 Assessed Value-to-Lien Ratio by Improvement Status (1)**

**Community Facilities District No. 2003-2 (Highlands Collection), Bond Series 2005  
City of Corona**

<b>Land Development Status (2)</b>	<b>2015/2016 Special Tax</b>	<b>Percentage of Special Tax</b>	<b>2015/2016 Maximum Tax</b>	<b>Percentage of Maximum Tax</b>	<b>2015/2016 Assessed Value</b>	<b>Estimated Direct and Overlying Debt</b>	<b>Value-to-Lien Ratio (3)</b>
<b>Developed Ownership</b>							
Individual Home Owners	\$335,955.82	100.00%	\$583,249	100.00%	\$90,968,276	\$3,590,000	25.34

(1) Reference Appendix D, "Form of Continuing Disclosure Agreement of the City", of the Official Statement dated May 12, 2005, for the 2005 Special Tax Bonds. The information listed herein is applicable to Section 4 (b) (v).

(2) Developed Property consists of all parcels on the 2015/2016 Assessor's Roll with an improvement value equal to or greater than land value.

(3) Reference Tables 5 and 6 of the same Official Statement. These Tables list \$142,762 of direct and overlapping debt existing at the time of bond issuance. If such overlapping debt were to be included, the average Estimated Value-to-Lien Ratio would be 24.37.

**Taxpayers and Estimated 2015/2016 Assessed Value-to-Lien Ratio by Improvement Status (1)**

**Community Facilities District No. 2003-2 (Highlands Collection), Bond Series 2006  
City of Corona**

<b>Land Development Status (2)</b>	<b>2015/2016 Special Tax</b>	<b>Percentage of Special Tax</b>	<b>2015/2016 Maximum Tax</b>	<b>Percentage of Maximum Tax</b>	<b>2015/2016 Assessed Value</b>	<b>Estimated Direct and Overlying Debt</b>	<b>Value-to-Lien Ratio (3)</b>
<b>Developed Ownership</b>							
Individual Home Owners	\$279,224.80	100.00%	\$484,758.00	100.00%	\$72,966,646	\$2,930,000	24.90

(1) Reference Appendix D, "Form of Continuing Disclosure Certificate of the City", of the Official Statement July 19, 2006 for the 2006 Special Tax Bonds. The information listed herein is applicable to Section 4 (b) (v).

(2) Developed Property consists of all parcels on the 2015/2016 Assessor's Roll with an improvement value equal to or greater than land value.

(3) Reference Tables 5 and 6 of the same Official Statement dated July 19, 2006 for the 2006 Special Tax Bonds. These Tables list \$291,158 of direct and overlapping debt existing at the time of bond issuance. If such overlapping debt were to be included, the average Estimated Value-to-Lien Ratio would be 22.65.

These tables summarize the Special Tax delinquencies in the District for the five most recent fiscal years.

**Community Facilities District No. 2003-2, Highlands Collection**  
 Historical Special Tax Delinquencies

Fiscal Year	Aggregate Special Tax Levy	Amount Delinquent at the End of Each Fiscal Year	Fiscal Year Delinquency Rate	Amount Remaining Delinquent at Feb 12, 2016	Delinquency Rate at Feb 12, 2016
2010/2011	622,868	23,996	3.85%	0	0.00%
2011/2012	618,935	7,030	1.14%	0	0.00%
2012/2013	613,489	5,996	0.98%	0	0.00%
2013/2014	609,612	3,044	0.50%	0	0.00%
2014/2015	604,722	7,902	1.31%	1,006	0.17%