

Annual Disclosure Report for Fiscal Year 2010-11

Assessment District 168
(Rivercrest)
Limited Obligation Improvement Bonds

Prepared for



April 2011

ALBERT A.
WEBB
ASSOCIATES

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CUSIP Numbers

Year	CUSIP	Year	CUSIP
2010	76911PMB5	2016	76911PMD1
2011	76911PMC3	2026	76911PME9

The information herein for Assessment District No. 168 (Rivercrest) of the County of Riverside, (the "District" or "AD 168") was prepared by Albert A. Webb Associates and the Riverside County Executive Office, as Administrators. Except as otherwise noted all information is current as of September 30, 2010.

Assessment District 168 (Rivercrest)

Location

The District consists of approximately 106 acres located near the City of San Jacinto, on the north and south side of Fairview Avenue, east of Chicago Avenue in Valle Vista. The property is about one-half mile north of Highway 74 and one-half mile east of the Ramona Expressway.

Project Description

The District was formed to fund the acquisition of improvements such as street and storm drain improvements on Fairview Avenue and Bethlam Avenue.

CUSIP # 76911PLT7 Through # 76911PME9

n Bonds

Bonds in the amount of \$3,620,000, with interest rates ranging from 4.10% to 6.70%, were issued on August 2, 2001, to finance the public facilities funded by the District. Interest on the Bonds is payable semi-annually on March 2 and September 2. The final maturity of the Bonds is September 2, 2026. The amount of bonds outstanding as of September 30, 2010, was \$2,595,000.

There are no remaining unissued Bonds authorized for the District.

n Annual Assessment

An annual assessment is levied and collected each year to pay the principal and interest obligations on the outstanding Bonds. The amount collected each year is levied pursuant to the "Municipal Improvement Act of 1913" which provides that the costs and incidental expenses of a project be assessed in proportion to the estimated benefit received by each of the lots or parcels of land within the District. These rates vary from parcel to parcel. The amount levied for the 2010-2011 tax year was \$265,210.40. The largest annual assessment levy for the 2010-2011 tax year is:

Assessment Amount (Per Lot) \$720.62**

**Due to delinquency letters mailed to 20 parcels during Fiscal Year 2009/2010, the Fiscal Year 2010/2011 assessment for those parcels was increased to cover the cost of processing the letters.

The following tables present certain property ownership data, development status and value to lien ratios of the District.

n Largest Property Owners Based on the Total Annual Assessment Levy

There are no individual property owners within the Assessment District whose annual levy constitutes 15% or more of the total annual levy amount.

Table 2-1
Property Breakdown by Development Status

Development Status ¹	Parcels	Total Assessment FY 2010-2011	% of Total Assessment	Total AV ² FY 2010-2011	% of Total AV ²
Developed	376	\$265,210.40	100.00%	\$58,490,529	100.00%
All Others	0	\$0.00	0.00%	\$0	0.00%
Totals	376	\$265,210.40	100.00%	\$58,490,529	100.00%

n Value-to-Lien Ratios Based on Assessed Values

Table 2-2
Value To Lien Ratios based on Assessed Values

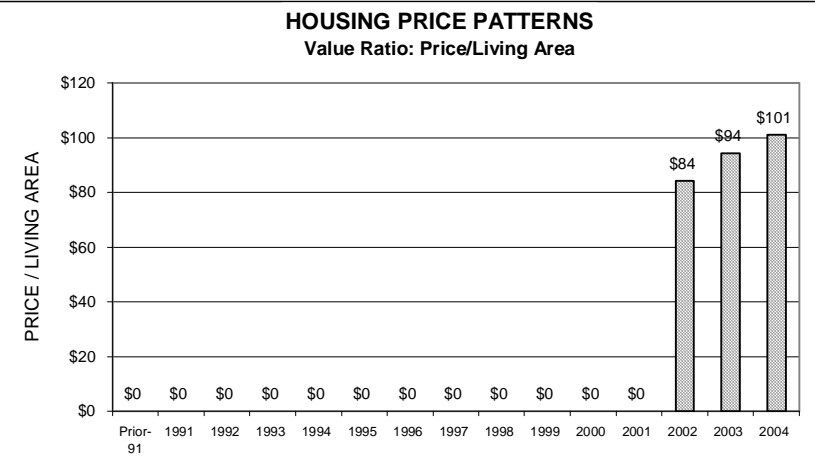
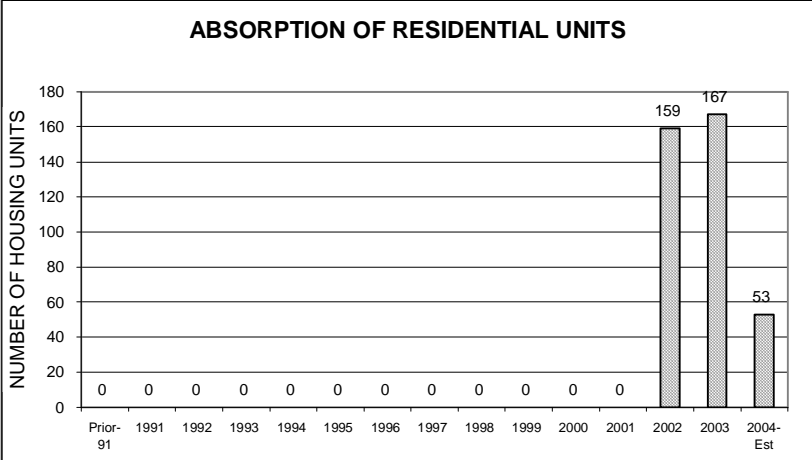
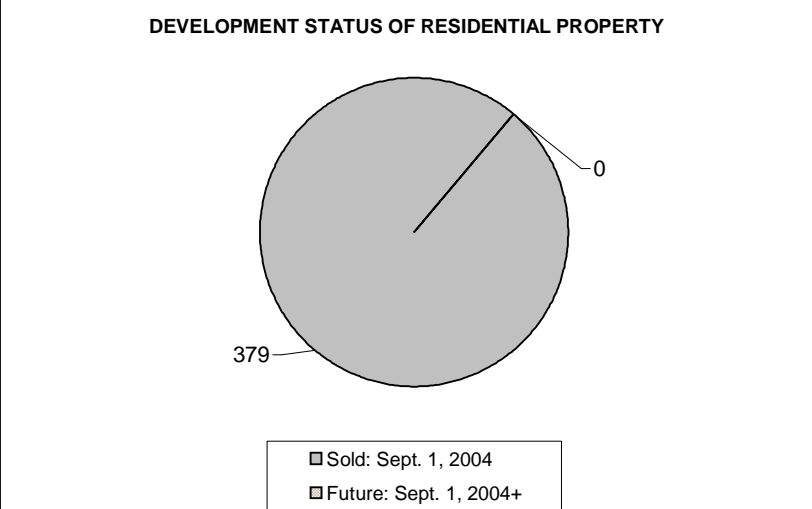
Value-to-Lien	Parcels	% of Total Parcels	Principal Amount of Bonds Outstanding	% of Total Bonds Outstanding
Less than 1:1	1	0.27%	\$6,945.42	0.27%
Between 1 – 1.99:1	0	0.00%	\$0.00	0.00%
Between 2 – 2.99:1	0	0.00%	\$0.00	0.00%
Between 3 – 3.99:1	0	0.00%	\$0.00	0.00%
Between 4 – 4.99:1	0	0.00%	\$0.00	0.00%
Between 5 – 5.99:1	0	0.00%	\$0.00	0.00%
Between 6 – 9.99:1	1	0.27%	\$6,945.42	0.27%
Between 10 – 14.99:1	1	0.27%	\$6,945.42	0.27%
Between 15 – 19.99:1	73	19.41%	\$507,015.66	19.44%
Greater than 20:1	300	79.78%	\$2,079,658.69	79.75%
Totals	376	100.00%	\$2,607,510.61	100.00%

** APN 549-432-002-7 was partially prepaid in December 2005.

¹ "Developed" is defined as any parcel that has an assessed value for Improvements and which is classified as non-vacant by the Riverside County Tax Assessors Office.

² Assessed Valuation (AV) is based on information provided in the Riverside County Assessor's records for Fiscal Year 2010-2011 and may or may not accurately reflect true market value.

ASSESSMENT DISTRICT NO. 168 RIVERCREST
OVERVIEW OF DEVELOPMENT STATUS AND ABSORPTION
 (Definition of Absorption = Built and Occupied)



The following table summarizes the number of delinquent parcels, the amount delinquent and delinquency charges for each tax year. Delinquencies and delinquency charges are calculated through September 30, 2010.

Table 4-1
Delinquency Summary

Tax Year	Special Assessment Levied	Delinquent Assessment Amount	Delinquency Charges ³	Amount Due ⁴	Number Delinquent Parcels	Delinquent % of Levy
2009-10	\$265,525.84	\$9,817.32	\$1,423.51	\$11,240.83	15	3.70%
2008-09	\$267,650.40	\$4,275.62	\$1,389.58	\$5,665.20	7	1.60%
2007-08	\$267,294.76	\$1,420.16	\$717.18	\$2,137.34	2	0.53%
2006-07	\$266,812.96	\$1,417.60	\$971.06	\$2,388.66	2	0.53%
2005-06	\$266,026.28	\$352.82	\$305.19	\$658.01	1	0.13%
2004-05	\$328,110.64	\$0.00	\$0.00	\$0.00	0	0.00%
2003-04	\$326,730.82	\$433.33	\$530.83	\$964.16	1	0.13%
2002-03	\$337,031.68	\$0.00	\$0.00	\$0.00	0	0.00%
2001-02	\$325,331.21	\$0.00	\$0.00	\$0.00	0	0.00%
Totals	\$2,650,514.59	\$17,716.85	\$5,337.35	\$23,054.20	16	0.89%

n Funds Available for the Payment of Scheduled Debt Service

The current year's levy of \$265,210.40 in addition to a balance of \$78,336.07 in the Earnings Fund are expected to generate sufficient revenue to cover the full year's debt service of \$268,535.00 without impacting the fully funded Reserve Fund.

n Foreclosure Covenant

The County has covenanted in the Fiscal Agent Agreement that it will commence judicial foreclosure proceedings against parcels with delinquent Assessments in excess of \$2,300 by the October 1 following the close of each Fiscal Year in which such Assessments were due and will commence judicial foreclosure proceedings against all parcels with delinquent Assessments by October 1 following the close of each Fiscal Year in which it receives Assessments in an amount which is less than 95% of the total Assessment levied, and diligently pursue to completion such foreclosure proceedings; provided that, notwithstanding the foregoing, the County may elect (1) to defer foreclosure proceedings on any parcel with delinquency of \$2,300 or less so long as payments on the Bonds are current and the amount in the Reserve Fund equals the amount required to be on deposit therein under the terms of the Fiscal Agent Agreement, or (2) to accept payment from a property owner of at least the enrolled amount but less than the full amount of the penalties, interest, costs, and attorneys' fees related to an Assessment delinquency, if permitted by law. Notwithstanding the foregoing, in certain instances the amount of a delinquency on a particular parcel is so small that the cost of a foreclosure proceeding will far exceed the delinquent amount and in such cases foreclosure proceedings may be delayed until there are sufficient delinquencies accruing to such parcel (including penalties and interest) to warrant the foreclosure proceeding cost.

³ These charges include a 10% penalty on each past due installment and 1.5% per month "redemption penalty" (or "interest") on the original delinquent amount, which begins to accrue July 1 of the tax year following the delinquency.

⁴ In addition to the amount due, parcels which have an existing foreclosure judgment recorded against them will include judicial foreclosure costs not included in this column.

n Collection and Foreclosure Actions

There are no foreclosure actions at this time.

Table 5-1
Investment Portfolio as of September 30, 2010⁵

Fund Name	Security	Coupon Rate	Maturity Date	Book Value	Market Value	Ratings
Assessment	First Amer Govt Oblig	0.00%	10/1/2010	\$626,134.65	\$626,134.65	AAA/Aaa
Admin Expense	First Amer Govt Oblig	0.00%	10/1/2010	\$6,121.89	\$6,121.89	AAA/Aaa
Prepayment	First Amer Govt Oblig	0.00%	10/1/2010	\$21,900.41	\$21,900.41	AAA/Aaa
Reserve	First Amer Govt Oblig	0.00%	10/1/2010	\$279,205.00	\$279,205.00	AAA/Aaa
Earnings	First Amer Govt Oblig	0.00%	10/1/2010	\$78,336.07	\$78,336.07	AAA/Aaa
Totals				\$1,011,698.02	\$1,011,698.02	

n Reserve Fund

The Reserve Fund must be maintained at the Reserve Requirement which is defined as, at any date of calculation, an amount equal to the lesser of (a) Maximum Annual Debt Service on the outstanding Bonds, (b) 125% of Average Annual Debt Service on all Bonds then outstanding, or (c) 10% of the total original principal amount of the Bonds. In the event that special assessment revenue is insufficient to pay debt service, money may be transferred from this Fund to pay the debt service on the Bonds.

The Current Reserve Requirement as of September 30, 2010, is \$272,085.00. The balance in the Reserve Fund as of September 30, 2010, was \$279,205.00.

n Assessment Fund

When received, the assessment installments are required to be deposited with the Fiscal Agent for deposit into the Assessment Fund. The Fiscal Agent shall transfer amount on deposit in the Assessment Fund to the following accounts and funds, in order of priority:

- (i) The Administrative Expense Fund to bring the balance to the Administrative Expense Requirement
- (ii) Interest Account of the Redemption Fund
- (iii) Principal Account of the Redemption Fund
- (iv) Sinking Fund Account of the Redemption Fund
- (v) Any remaining portion of each apportionment of assessment installments shall remain in the Assessment Fund.

⁵ Source: Bond Logistix LLC. All investments are in compliance with "authorized investments" as defined in the Fiscal Agent Agreement dated April 1, 1997, and in accordance with County of Riverside Land Secured Financing District Investment Policy B-19.

n Earnings Fund

Balances in the Earning Fund, are distributed, in order of priority, to the extent required to restore the balance in such fund:

- (i) Rebate Fund;
- (ii) Administrative Expense Fund,
- (iii) Reserve Fund, and
- (iv) Assessment Fund.

n Improvement Funds

All improvements have been completed and the Improvement account has been closed.

PLEASE NOTE: The Riverside County Fiscal Year 2009-10 Comprehensive Annual Financial Report (CAFR) is submitted to the Municipal Securities Rulemaking Board using EMMA (Electronic Municipal Market Access) under separate cover and is incorporated herein by reference.

The following events as set forth in Rule 15c2-12 promulgated by the Securities and Exchange Commission are considered material by the District.

i. Principal and interest payment delinquencies.	Not Applicable
ii. Non-payment related defaults.	Not Applicable
iii. Unscheduled draws on debt service reserves reflecting financial difficulties.	Not Applicable
iv. Unscheduled draws on credit enhancements reflecting financial difficulties	Not Applicable
v. Substitution of credit or liquidity providers, or their failure to perform.	Not Applicable
vi. Adverse tax opinions or events affecting the tax-exempt status of the Bonds.	Not Applicable
vii. Modifications to rights of owners of the Bonds.	Not Applicable
viii. Unscheduled redemption of any Bonds.	Not Applicable
ix. Defeasances.	Not Applicable
x. Any release, substitution, or sale of property securing repayment of the Bonds.	Not Applicable
xi. Rating changes	Not Applicable
xii. Tender offers	Not Applicable
xii. Bankruptcy, insolvency, receivership or similar event of the obligated person	Not Applicable
xiv. Merger, consolidation, or acquisition of the obligated person, if material	Not Applicable
xv. Appointment of a successor or additional trustee, or the change of name of a trustee, if material	Not Applicable

Notice for events described in Section 5a, subsections (viii) and (ix) of the Disclosure Certificate need not be given under this sub-section any earlier than the notice (if any) of the underlying event is given to holders of affected Bonds pursuant to the Fiscal Agent Agreement.

Material Events (xii) through (xv) have been added pursuant to amendments to the continuing disclosure services of the Municipal Securities Rulemaking Board Electronic Municipal Market Access ("EMMA") system by the Securities and Exchange Commission to Securities Exchange Act Rule 15c2-12 effective December 1, 2010.

Appendix A

Debt Service Schedule

**DEBT SERVICE SCHEDULE
CURRENT**

**RIVERSIDE COUNTY
ASSESSMENT DISTRICT NO. 168 (RIVERCREST)**

<i>Payment Date</i>	<i>Coupon</i>	<i>Principal</i>	<i>Principal Outstanding</i>	<i>Interest</i>	<i>Semi-Annual Debt Service</i>	<i>Annual Debt Service</i>	<i>Call Premium</i>
3/2/2002			\$3,620,000.00	\$121,098.06	\$121,098.06		3.0000%
9/2/2002	4.1000%	\$70,000.00	\$3,550,000.00	\$111,212.50	\$181,212.50		3.0000%
9/2/2002 *		\$10,000.00	\$3,540,000.00	\$0.00	\$10,000.00	\$312,310.56	3.0000%
3/2/2003 *		\$10,000.00	\$3,530,000.00	\$109,442.50	\$119,442.50		3.0000%
9/2/2003	4.4000%	\$75,000.00	\$3,455,000.00	\$109,107.50	\$184,107.50	\$303,550.00	3.0000%
3/2/2004			\$3,455,000.00	\$107,457.50	\$107,457.50		3.0000%
9/2/2004	4.4000%	\$75,000.00	\$3,380,000.00	\$107,457.50	\$182,457.50	\$289,915.00	3.0000%
3/2/2005			\$3,380,000.00	\$105,807.50	\$105,807.50		3.0000%
9/2/2005	4.6000%	\$80,000.00	\$3,300,000.00	\$105,807.50	\$185,807.50	\$291,615.00	3.0000%
3/2/2006			\$3,300,000.00	\$103,967.50	\$103,967.50		3.0000%
9/2/2006	4.8000%	\$85,000.00	\$3,215,000.00	\$103,967.50	\$188,967.50	\$292,935.00	3.0000%
3/2/2007			\$3,215,000.00	\$101,927.50	\$101,927.50		3.0000%
9/2/2007	5.0000%	\$90,000.00	\$3,125,000.00	\$101,927.50	\$191,927.50	\$293,855.00	3.0000%
3/2/2008			\$3,125,000.00	\$99,677.50	\$99,677.50		3.0000%
9/2/2008	5.1000%	\$95,000.00	\$3,030,000.00	\$99,677.50	\$194,677.50	\$294,355.00	3.0000%
3/2/2009			\$3,030,000.00	\$97,255.00	\$97,255.00		3.0000%
9/2/2009	5.4000%	\$100,000.00	\$2,930,000.00	\$97,255.00	\$197,255.00		2.0000%
9/2/2009 *		\$230,000.00	\$2,700,000.00	\$0.00	\$230,000.00	\$524,510.00	2.0000%
3/2/2010			\$2,700,000.00	\$87,102.50	\$87,102.50		2.0000%
9/2/2010	5.4000%	\$105,000.00	\$2,595,000.00	\$87,102.50	\$192,102.50	\$279,205.00	1.0000%
3/2/2011			\$2,595,000.00	\$84,267.50	\$84,267.50		1.0000%
9/2/2011	5.5000%	\$100,000.00	\$2,495,000.00	\$84,267.50	\$184,267.50	\$268,535.00	0.0000%
3/2/2012			\$2,495,000.00	\$81,517.50	\$81,517.50		0.0000%
9/2/2012	6.0000%	\$105,000.00	\$2,390,000.00	\$81,517.50	\$186,517.50	\$268,035.00	0.0000%
3/2/2013			\$2,390,000.00	\$78,367.50	\$78,367.50		0.0000%
9/2/2013	6.0000%	\$110,000.00	\$2,280,000.00	\$78,367.50	\$188,367.50	\$266,735.00	0.0000%
3/2/2014			\$2,280,000.00	\$75,067.50	\$75,067.50		0.0000%
9/2/2014	6.0000%	\$120,000.00	\$2,160,000.00	\$75,067.50	\$195,067.50	\$270,135.00	0.0000%
3/2/2015			\$2,160,000.00	\$71,467.50	\$71,467.50		0.0000%
9/2/2015	6.0000%	\$125,000.00	\$2,035,000.00	\$71,467.50	\$196,467.50	\$267,935.00	0.0000%
3/2/2016			\$2,035,000.00	\$67,717.50	\$67,717.50		0.0000%
9/2/2016	6.0000%	\$130,000.00	\$1,905,000.00	\$67,717.50	\$197,717.50	\$265,435.00	0.0000%
3/2/2017			\$1,905,000.00	\$63,817.50	\$63,817.50		0.0000%
9/2/2017	6.7000%	\$140,000.00	\$1,765,000.00	\$63,817.50	\$203,817.50	\$267,635.00	0.0000%
3/2/2018			\$1,765,000.00	\$59,127.50	\$59,127.50		0.0000%
9/2/2018	6.7000%	\$150,000.00	\$1,615,000.00	\$59,127.50	\$209,127.50	\$268,255.00	0.0000%
3/2/2019			\$1,615,000.00	\$54,102.50	\$54,102.50		0.0000%
9/2/2019	6.7000%	\$160,000.00	\$1,455,000.00	\$54,102.50	\$214,102.50	\$268,205.00	0.0000%
3/2/2020			\$1,455,000.00	\$48,742.50	\$48,742.50		0.0000%
9/2/2020	6.7000%	\$170,000.00	\$1,285,000.00	\$48,742.50	\$218,742.50	\$267,485.00	0.0000%
3/2/2021			\$1,285,000.00	\$43,047.50	\$43,047.50		0.0000%
9/2/2021	6.7000%	\$180,000.00	\$1,105,000.00	\$43,047.50	\$223,047.50	\$266,095.00	0.0000%
3/2/2022			\$1,105,000.00	\$37,017.50	\$37,017.50		0.0000%
9/2/2022	6.7000%	\$190,000.00	\$915,000.00	\$37,017.50	\$227,017.50	\$264,035.00	0.0000%
3/2/2023			\$915,000.00	\$30,652.50	\$30,652.50		0.0000%
9/2/2023	6.7000%	\$205,000.00	\$710,000.00	\$30,652.50	\$235,652.50	\$266,305.00	0.0000%
3/2/2024			\$710,000.00	\$23,785.00	\$23,785.00		0.0000%
9/2/2024	6.7000%	\$220,000.00	\$490,000.00	\$23,785.00	\$243,785.00	\$267,570.00	0.0000%
3/2/2025			\$490,000.00	\$16,415.00	\$16,415.00		0.0000%
9/2/2025	6.7000%	\$235,000.00	\$255,000.00	\$16,415.00	\$251,415.00	\$267,830.00	0.0000%
3/2/2026			\$255,000.00	\$8,542.50	\$8,542.50		0.0000%

**DEBT SERVICE SCHEDULE
CURRENT**

**RIVERSIDE COUNTY
ASSESSMENT DISTRICT NO. 168 (RIVERCREST)**

<i>Payment Date</i>	<i>Coupon</i>	<i>Principal</i>	<i>Principal Outstanding</i>	<i>Interest</i>	<i>Semi-Annual Debt Service</i>	<i>Annual Debt Service</i>	<i>Call Premium</i>
9/2/2026	6.7000%	\$255,000.00	\$0.00	\$8,542.50	\$263,542.50	\$272,085.00	0.0000%
Totals		\$3,620,000.00		\$3,544,560.56	\$7,164,560.56	\$7,164,560.56	

Bond Issue Date 8/16/2001
Original Bond Principal \$3,620,000.00
Bond Calls \$250,000.00

* Denotes Bond Calls

Appendix B

District Boundary Map

A L B E R T A .

WEBB

A S S O C I A T E S

Boundaries of Assessment District No. 168

ASSESSMENT DIAGRAM ASSESSMENT DISTRICT NO. 168 (RIVERCREST)

COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

