



CONTINUING DISCLOSURE (SUBMISSION STATUS: PUBLISHED)

FINANCIAL/OPERATING FILING (CUSIP-9 BASED)

Rule 15c2-12 Disclosure

Annual Financial Information and Operating Data: Orange County CFD No. 87-4 Series A of 1997 - Cont Disclosure, for the year ended 06/30/2014

DOCUMENTS

Financial Operating Filing

Cont Disc CFD 87-4 1997 A Bonds - 2014 (Final).pdf posted 02/18/2015

THE FOLLOWING ISSUERS ARE ASSOCIATED WITH THIS CONTINUING DISCLOSURE SUBMISSION:

| CUSIP-6 | State | Issuer Name |
|---------|-------|---|
| 68423P | CA | ORANGE CNTY CALIF CMNTY FACS DIST SPL TAX |

THE FOLLOWING 16 SECURITIES HAVE BEEN PUBLISHED WITH THIS CONTINUING DISCLOSURE SUBMISSION:

| CUSIP-9 | Maturity Date |
|-----------|---------------|
| 68423PPM6 | 08/15/1998 |
| 68423PPN4 | 08/15/1999 |
| 68423PPP9 | 08/15/2000 |
| 68423PPQ7 | 08/15/2001 |
| 68423PPR5 | 08/15/2002 |
| 68423PPS3 | 08/15/2003 |
| 68423PPT1 | 08/15/2004 |
| 68423PPU8 | 08/15/2005 |
| 68423PPV6 | 08/15/2006 |
| 68423PPW4 | 08/15/2007 |
| 68423PPX2 | 08/15/2008 |

| | |
|-----------|------------|
| 68423PPY0 | 08/15/2009 |
| 68423PPZ7 | 08/15/2010 |
| 68423PQA1 | 08/15/2019 |
| 68423PQB9 | 08/15/2011 |
| 68423PQC7 | 08/15/2012 |

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**COUNTY OF ORANGE, CALIFORNIA
COMMUNITY FACILITIES DISTRICT NO. 87-4
OF THE COUNTY OF ORANGE (FOOTHILL RANCH)
SERIES A OF 1997 SPECIAL TAX BONDS
ANNUAL REPORT
FOR
FISCAL YEAR ENDED JUNE 30, 2014**

Dated February 18, 2015

Prepared at the direction of and on behalf of:

County of Orange
10 Civic Center Plaza, Third Floor
Santa Ana, CA 92701-4062

Prepared by:

David Taussig & Associates, Inc.
5000 Birch Street, Suite 6000
Newport Beach, CA 92660

**County of Orange, California
Community Facilities District No. 87-4
of the County of Orange (Foothill Ranch)
Series A of 1997 Special Tax Bonds
Annual Report
For Fiscal Year Ended June 30, 2014**

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INTRODUCTION

The Community Facilities District No. 87-4 of the County of Orange (Foothill Ranch) (the “District”) hereby provides its annual report (the “Annual Report”) for the fiscal year ended June 30, 2014 in connection with the following Bonds:

Bond Issue:

1. Community Facilities District No. 87-4 of the County of Orange (Foothill Ranch), Series A of 1997 Special Tax Bonds.

Annual Report:

The District’s Annual Report required by the Continuing Disclosure Certificate (the “Disclosure Certificate”) dated June 25, 1997 with respect to the Bonds for the Fiscal Year ended June 30, 2014 will be submitted separately pursuant to Section 4a of the Continuing Disclosure agreement.

Other Matters:

This Annual Report is provided solely for purposes of the Disclosure Certificate. The filing of this Annual Report does not constitute or imply any representation (i) that all of the information provided is material to investors, (ii) regarding any other financial, operating or other information about the County, the District or the Bonds, or (iii) that no changes, circumstances or events have occurred since the end of the Fiscal Year to which this Annual Report relates (other than as contained in this Annual Report), or that no other information exists, which may have a bearing on the District’s financial condition, the security for the Bonds, or an investor’s decision to buy, sell, or hold the Bonds. The information contained in this report has been obtained from sources which are believed to be reliable, but such information is not guaranteed as to accuracy or completeness. No statement in this Annual Report should be construed as a prediction or representation about future financial performance of the District.

While the financial statements of the County (which includes the District) for Fiscal Year ended June 30, 2014 have been incorporated herein by reference in order to comply with SEC Rule 15c2-12, the Bonds are a limited obligation of the District and neither the faith and credit nor the taxing power of the County is pledged to the payment of the Bonds. No income, receipts, funds (including the County general fund) or moneys of the County are pledged to the repayment of the Bonds.

SECTION A

1. Audited Financial Statements for Fiscal Year Ended June 30, 2014.

The audited Financial Statements will be submitted separately pursuant to Section 4a of the Continuing Disclosure agreement.

While the financial statements of the County (which includes the District) for Fiscal Year ended June 30, 2014 have been incorporated herein by reference in order to comply with SEC Rule 15c2-12, the Bonds are a limited obligation of the District and neither the faith and credit nor the taxing power of the County is pledged to the payment of the Bonds. No income, receipts, funds (including the County general fund) or moneys of the County are pledged to the repayment of the Bonds.

2. Principal amount of Bonds outstanding as of June 30, 2014

Principal amount of bonds outstanding as of June 30, 2014 was \$5,205,000.

3. Balance in each fund under the Resolution as of June 30, 2014

| Community Facilities District No. 87-4 (Foothill Ranch) Account Balances as of June 30, 2014 | |
|---|----------------|
| Fund | Balance |
| Special Tax Fund | \$7,483,043 |
| Rebate Fund | \$939 |
| Special Reserve Fund | \$0 |
| Reserve Fund | \$1,081,500 |
| Acquisition and Construction Fund | \$0 |

Source: County of Orange, Public Finance Accounting

4. Number of parcels that were newly categorized under the Rate and Method of Apportionment for the Special Tax as residential Developed Property or nonresidential Developed Property for the most recent Special Tax levy.

The number of parcels newly categorized under the Rate and Method of Apportionment for the Special Tax as Residential Developed Property and Nonresidential Developed Property are as follows:

Residential Developed: 3,384 parcels; change from 2013-2014 is 2.
 Non-Residential Developed: 226 parcels; change from 2013-2014 is 0.

5. An update of Table 2 in the Official Statement for the Bonds setting forth the information based on assessed valuation only for the most recent Special Tax levy preceding the filing of the Annual Report, but only if additional direct and overlapping debt secured by a tax or assessment levied on parcels within the District has been issued during such fiscal year.

| Table 2 Community Facilities District No. 87-4 (Foothill Ranch) Value to Debt Ratio for Fiscal Year 2014-15 | | |
|--|--|----------------------------|
| Assessed Value ¹ | Total Direct and Overlapping Debt | Value to Debt Ratio |
| \$2,352,359,186 | \$44,779,912 | 52.53 |

Source: David Taussig & Associates, Inc.

¹ Assessed values are calculated using gross assessed value for all parcels that are subject to the special tax, as shown on the County of Orange 2014-2015 Assessor's Roll.

SECTION B

6. Update of Tables in the Official Statement under the caption “The Community Facilities District – Special Tax Levies, Collections and Charges”

Table 3 – Special Tax Rates and Special Tax Levy

| Table 3 Community Facilities District No. 87-4 (Foothill Ranch) Maximum Special Tax Rates and Special Tax Levy for Fiscal Year 2014-15 | | | | |
|---|-------------------------|--------------------------------|--|--|
| Class | Land Use | Square Footage of Improvements | "Table 1" Special Tax Rate ² | Levied Special Tax |
| 1 | Single Family Detached | More than 2,700 | \$6,031.73 /unit | \$2,210.10 /unit |
| 2 | Single Family Detached | 2,200 to 2,699 | \$5,452.04 /unit | \$1,997.69 /unit |
| 3 | Single Family Detached | 1,900 to 2,199 | \$4,708.47 /unit | \$1,725.24 /unit |
| 4 | Single Family Detached | 1,500 to 1,899 | \$3,801.02 /unit | \$1,392.74 /unit |
| 5 | Single Family Detached | Less than 1,500 | \$3,057.45 /unit | \$1,120.29 /unit |
| 6 | Condominium | Not Applicable | \$1,653.47 /unit | \$605.85 /unit |
| 7 | Apartment | Not Applicable | \$1,240.10 /unit | \$454.39 /unit |
| 8 | Commercial / Industrial | Not Applicable | the greater of: \$7,849.08 /acre \$0.5137 /sf of improvements | \$2,875.99 /acre \$0.1882 /sf of improvement |
| 0 | Undeveloped | Not Applicable | \$12,500.00 /acre | \$151.62 /acre |

Source: David Taussig & Associates, Inc.

² Based on the special tax rates per Table 1 of the Rate and Method escalated pursuant to Section C of the Rate and Method. The Maximum Special Tax for a parcel of Developed Property for fiscal year 2014-2015 would be the greater of this amount or the Base Maximum Special Tax multiplied by the square footage of such parcel. See Appendix C of the Official Statement – Rate and Method of Apportionment of Special Tax.

Table 4 – Special Tax Levy and Delinquencies

| Table 4 Community Facilities District No. 87-4 (Foothill Ranch) Special Tax Levy and Delinquencies | | | | | |
|---|-------------------------------|-----------------------------|-------------------------------------|-----------------------------------|---|
| Fiscal Year (FY) Ended June 30 | Total Special Tax Levy | Delinquent at FY End | Percent Delinquent at FY End | Delinquent as of 6/30/2014 | Percent Delinquent as of 6/30/2014 |
| 2010 | \$7,054,736 | \$135,116 | 1.92% | \$5,011 | 0.07% |
| 2011 | \$6,909,461 | \$90,230 | 1.31% | \$5,323 | 0.08% |
| 2012 | \$6,908,455 | \$72,134 | 1.04% | \$7,794 | 0.11% |
| 2013 | \$7,138,789 | \$58,576 | 0.82% | \$18,347 | 0.26% |
| 2014 | \$7,013,783 | \$39,401 | 0.56% | \$39,401 | 0.56% |

Sources:

County of Orange Auditor-Controller's Office for fiscal year ending figures.

County of Orange Treasurer Tax Collector data for amounts remaining unpaid as of June 30, 2014.

Table 5 – Special Tax Revenue at Maximum Special Tax Rate

| Table 5 Community Facilities District No. 87-4 (Foothill Ranch) Special Tax Revenue at Maximum Special Tax Rate | | | |
|--|--|--|----------------------------|
| Category | Number of Developed Units, Square Feet or Acres³ | Maximum Special Tax⁴ | Special Tax Revenue |
| Single Family Detached (More than 2,700 SF) | 221 Units | \$6,031.73 | \$1,333,012.33 |
| Single Family Detached (2,200 to 2,699 SF) | 592 Units | \$5,452.04 | \$3,227,607.68 |
| Single Family Detached (1,900 to 2,199 SF) | 582 Units | \$4,708.47 | \$2,740,329.54 |
| Single Family Detached (1,500 to 1,899 SF) | 796 Units | \$3,801.02 | \$3,025,611.92 |
| Single Family Detached (Less than 1,500 SF) | 188 Units | \$3,057.45 | \$574,800.60 |
| Condominium | 1001 Units | \$1,653.47 | \$1,655,123.47 |
| Apartment | 728 Units | \$1,240.10 | \$902,792.80 |
| Commercial / Industrial (charged at bldg sf rate) | 3,642,057 BSF | \$0.5137 | \$1,870,924.68 |
| Commercial / Industrial (charged at acre rate) | 253.177 Acres | \$7,849.08 | \$1,987,206.53 |
| Undeveloped | 13.10 Acres | \$12,500.00 | \$163,750.00 |
| Grand Total: | | | \$17,481,159.55 |

Source: David Taussig & Associates, Inc.

³ Based on building permits as of March 1, 2014.

⁴ Based on the Special Tax rates set forth in Table 1 and escalated pursuant to Section C of the Rate and Method. See Appendix C of the Official Statement – Rate and Method of Apportionment of Special Tax.

Table 6 – Estimated Debt Service Coverage

| Table 6 Community Facilities District No. 87-4 (Foothill Ranch) Estimated Debt Service Coverage | | | | |
|--|---|---|---|--|
| Bond Year Ending August 15 | Estimated Maximum Special Tax Revenues⁵ | Series 1997 Bonds Debt Service | Series 2004 Bonds Debt Service | Estimated Debt Service Coverage |
| 2015 | \$17,481,000 | \$1,006,000 | \$6,281,000 | 2.40 |
| 2016 | \$18,087,000 | \$1,025,000 | \$3,721,000 | 3.81 |
| 2017 | \$18,715,000 | \$1,047,000 | \$3,799,000 | 3.86 |
| 2018 | \$19,364,000 | \$1,065,000 | \$3,576,000 | 4.17 |
| 2019 | \$20,036,000 | \$1,089,000 | \$700,000 | 11.20 |

Source: David Taussig & Associates, Inc.

⁵ The Bond Year Ending 2015 figures reflect actual Fiscal Year 2014-15 Maximum Special Tax Revenues. Amounts in years Bond Year Ending 2016 through 2019 reflect projected Maximum Special Tax Revenues based on development as of March 1, 2014, escalated in accordance with the Rate and Method.

Table 7 – Top Ten Taxpayers

| Table 7 Community Facilities District No. 87-4 (Foothill Ranch) Top Ten Taxpayers for Fiscal Year 2014-15 | | |
|--|-----------------------|------------------------------|
| Property Owner | Total Levy | Percent of Total Levy |
| EQR-Sombra 2008 LTD | \$136,316.42 | 2.15% |
| Oakley Inc. | \$99,156.11 | 1.56% |
| Sequoia Equities Paloma | \$90,877.62 | 1.43% |
| Comref Southern CA Industrial | \$85,334.86 | 1.34% |
| Baker Ranch Affordable LP | \$80,881.08 | 1.27% |
| AEW LT 50 Icon LLC | \$57,926.87 | 0.91% |
| LBA/PPF Industrial-Towne | \$57,347.75 | 0.90% |
| Metropolitan Life Insurance Co. | \$56,895.70 | 0.90% |
| Foothill-Pacific Towne | \$47,869.78 | 0.75% |
| Regal Cinemas | \$46,795.37 | 0.74% |
| All Other Taxpayers | \$5,587,826.49 | 88.05% |
| Total | \$6,347,228.05 | 100.00% |

Source: David Taussig & Associates, Inc. and County of Orange 2014-2015 Assessor's Roll

7. Changes to the Rate and Method of Apportionment of the Special Tax approved or submitted to the qualified electors for approval prior to the filing of the Annual Report.

There were no changes to the Rate and Method of Apportionment of the Special Tax.

8. Any information not already included above that is required to be filed in the annual report to the California Debt and Investment Advisory Commission.

See attached Mello-Roos Community Facilities District (CFD) Yearly Fiscal Status Report filed with the California Debt and Investment Advisory Commission.

ATTACHMENT A

**CALIFORNIA DEBT AND INVESTMENT ADVISORY COMMISSION
YEARLY FISCAL STATUS REPORT**

STATE OF CALIFORNIA

**MELLO-ROOS COMMUNITY FACILITIES DISTRICT (CFD)
YEARLY FISCAL STATUS REPORT**

Submitted:
Friday, October 24, 2014
8:42:03AM
CDIAC #: 1997-0155

California Debt and Investment Advisory Commission
915 Capitol Mall, Room 400, Sacramento, CA 95814
P.O. Box 942809, Sacramento, CA 94209-0001
(916) 653-3269 Fax (916) 654-7440

| |
|---------------------|
| For Office Use Only |
| Fiscal Year _____ |

I. GENERAL INFORMATION

A. Issuer Orange County CFD No 87-4

B. Project Name Foothill Ranch

C. Name/ Title/ Series of Bond Issue

D. Date of Bond Issue 6/11/1997

E. Original Principal Amount of Bonds \$10,815,000.00

F. Reserve Fund Minimum Balance Required Yes Amount \$1,081,500.00 No

II. FUND BALANCE FISCAL STATUS

Balances Reported as of: 6/30/2014

A. Principal Amount of Bonds Outstanding \$5,205,000.00

B. Bond Reserve Fund \$1,081,500.00

C. Capitalized Interest Fund \$0.00

D. Construction Fund(s) \$0.00

III. ASSESSED VALUE OF ALL PARCELS IN CFD SUBJECT TO SPECIAL TAX

A. Assessed or Appraised Value Reported as of: 1/1/2014

From Equalized Tax Roll

From Appraisal of Property
(Use only in first year or before annual tax roll billing commences)

B. Total Assessed Value of All Parcels \$2,352,359,186.00

IV. TAX COLLECTION INFORMATION

A. Total Amount of Special Taxes Due Annually \$7,013,783.26

B. Total Amount of Unpaid Special Taxes Annually \$39,400.66

C. Taxes are Paid Under the County's Teeter Plan? Y

V. DELINQUENT REPORTING INFORMATION

Delinquent Parcel Information Reported as of Equalized Tax Roll of: 6/30/2014

A. Total Number of Delinquent Parcels Annually: 47

B. Total Amount of Taxes Due on Delinquent Parcels Annually: \$39,400.66
(Do not include penalties, penalty interest, etc.)

VI. FORECLOSURE INFORMATION FOR FISCAL YEAR

(Aggregate totals, if foreclosure commenced on same date) *(Attach additional sheets if necessary.)*

| Date Foreclosure Commenced | Total Number of Foreclosure Parcels | Total Amount of Tax Due on Foreclosure Parcels |
|----------------------------|-------------------------------------|--|
| | | \$0.00 |
| | | \$0.00 |
| | | \$0.00 |
| | | \$0.00 |
| | | \$0.00 |

Submitted:
Friday, October 24, 2014
8:42:03AM
CDIAC #: 1997-0155

**STATE OF CALIFORNIA
MELLO-ROOS COMMUNITY FACILITIES DISTRICT (CFD)
YEARLY FISCAL STATUS REPORT**

California Debt and Investment Advisory Commission
915 Capitol Mall, Room 400, Sacramento, CA 95814
P.O. Box 942809, Sacramento, CA 94209-0001
(916) 653-3269 Fax (916) 654-7440

| |
|---------------------|
| For Office Use Only |
| Fiscal Year _____ |

VII. ISSUE RETIRED

This issue is retired and no longer subject to the Yearly Fiscal Status report filing requirements.
(Indicate reason for retirement)

Matured Redeemed Entirely Other

If Matured, indicate final maturity date:

If Redeemed Entirely, state refunding bond title & CDIAC #:
and redemption date:

If Other:
and date:

VIII. NAME OF PARTY COMPLETING THIS FORM

| | | |
|------------------|------------------------------|---------------------------|
| Name | Christine Young | |
| Title | Public Finance Accountant | |
| Firm/ Agency | County of Orange | |
| Address | 10 Civic Center Plaza 3rd Fl | |
| City/ State/ Zip | Santa Ana, CA 92701 | |
| Phone Number | (714) 834-3749 | Date of Report 10/24/2014 |
| E-Mail | Christine.Young@ocgov.com | |

IX. ADDITIONAL COMMENTS: