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CONTINUING DISCLOSURE (SUBMISSION STATUS: PUBLISHED)

FINANCIAL/OPERATING FILING (NON-CUSIP)

Rule 15c2-12 Disclosure

Annual Financial Information and Operating Data: Successor Agency to OCDA NDAPP Continuing Disclosure Annual Report, for the year ended 06/30/2016

Documents

Financial Operating Filing
- 00153375.PDF posted 01/26/2017

The following issuers are associated with this continuing disclosure submission:

Issuer Name	Issue Description	State	Dated Date
ORANGE COUNTY, CALIFORNIA (SUCCESSOR AGENCY TO THE) DEVELOPMENT AGENCY	TAX ALLOCATION REFUNDING BONDS, ISSUE OF 2014 (PRIVATE PLACEMENT)	CA	08/20/2014

Submitter's Contact Information

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CONTINUING DISCLOSURE ANNUAL REPORT

FISCAL YEAR ENDED JUNE 30, 2016

SUCCESSOR AGENCY TO THE
ORANGE COUNTY DEVELOPMENT AGENCY
(NEIGHBORHOOD DEVELOPMENT AND PRESERVATION PROJECT)
TAX ALLOCATION REFUNDING BONDS, ISSUE OF 2014

COUNTY OF ORANGE
COUNTY EXECUTIVE OFFICE
333 West Santa Ana Boulevard, 3rd Floor
Santa Ana, California 92701-4062

Prepared By:

APPLIED BEST PRACTICES, LLC
19900 MacArthur Boulevard, Suite 1100
Irvine, California 92612

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INTRODUCTION

THIS CONTINUING DISCLOSURE ANNUAL REPORT, dated January 26, 2017 (the "Annual Report") has been prepared to satisfy the obligations of the Successor Agency to the Orange County Development Agency, a public body corporate and politic, duly organized and existing under the laws of the State of California (the "Successor Agency"), with respect to the 2014 Neighborhood Development and Preservation Project ("NDAPP") Bonds.

Delivery of the Annual Report

The Successor Agency has agreed under Section 5.1 of the Indenture of Trust dated August 1, 2014 (the "Indenture"), by and between the Successor Agency and U.S. Bank National Association, as trustee, to provide certain reports, certifications, annual financial information and operating data. As provided in the Indenture, this Annual Report is being prepared for publication with the Electronic Municipal Market Access ("EMMA"), a service of the Municipal Securities Rulemaking Board, for the benefit of the 2014 NDAPP Bondholders.

AUDITED FINANCIAL STATEMENTS

The audited financial statements of the Successor Agency for the fiscal year ended June 30, 2016 is attached hereto as Appendix A.

LIMITATION OF INDEBTEDNESS REPORT

The Successor Agency prepared a report from an independent redevelopment consultant to the Bondholders showing the total amount of Tax Increment Revenues remaining available to be received by the Successor Agency under the Redevelopment Plan's cumulative annual debt service respect to the 2014 NDAPP Bonds (the "Limitation of Indebtedness Report"). A copy of the Limitation of Indebtedness Report is attached hereto as Appendix B.

CERTIFICATION OF RATIO OF PLEDGED TAX REVENUES TO SCHEDULED DEBT SERVICE FOR FISCAL YEAR 2015-16

The following table sets forth the percent by which annual Pledged Tax Revenues have provided coverage for debt service on the Bonds for Fiscal Year 2015-16.

Percentage of Debt Service Coverage in FY 2015-16

Pledged Tax Revenue	$	25,697,583	
FY 2015-16 Debt Service Payment	$	2,013,856	1,276%

Source: County of Orange, CEO Public Finance Unit

ASSESSED VALUATIONS OF TAXABLE PROPERTY

The following table shows the actual assessed values for Fiscal Years 2015-16 and 2016-17 based upon the Orange County Auditor-Controller's equalized rolls and incremental values of property within the Neighborhood Development and Preservation Project (based on an exclusion of assessed values from the unsecured roll).

Neighborhood Development and Preservation Project
Assessed Valuations of the Taxable Property
Fiscal Years 2015-16 and 2016-17

	FY 2015-16 Taxable Value	***FY 2016-17 Taxable Value***
Secured Values[1]		
Local Secured Value	$ 3,579,086,623	$ 3,767,716,728
Public Utility Value	-	-
Total Secured Values	$ 3,579,086,623	$ 3,767,716,728
Unsecured Values	$ 65,717,681	$ 64,738,163
GRAND TOTAL	$ 3,644,804,304	$ 3,832,454,891
Base Year Value	$ 967,767,272	$ 963,349,553
Annual Incremental Value	$ 2,677,037,032	$ 2,869,105,338

(1) Secured values include state assessed non-unitary utility property.
Source: Orange County Auditor-Controller.

TOP TEN TAXPAYERS

The following table shows the top ten taxpayers by assessed value in the Neighborhood Development and Preservation Project for Fiscal Year 2016-17.

Neighborhood Development and Preservation Project
Top Ten Taxpayers by Assessed Value
Fiscal Year 2016-17

	Property Owner	No. of Parcels	Primary Land Use	Secured Assessed Valuation	Unsecured Assessed Valuation	Total Assessed Valuation	Percent of Total Valuation
1	Orchard Lake Forest CA LP	5	Commercial	$ 122,891,112	$ -	$ 122,891,112	3.21%
2	Buchheim Properties I, II, III, IV	9	Commercial	49,029,898	-	49,029,898	1.28%
3	Casa Pacifica	1	Commercial	31,901,338	-	31,901,338	0.83%
4	H & H Investments LP	1	Commercial	16,356,163	-	16,356,163	0.43%
5	Business Properties	7	Commercial	15,270,210	186,496	15,456,706	0.40%
6	Ashley Furniture	1	Commercial	14,371,083	-	14,371,083	0.37%
7	Brixton El Toro Sq LLC	3	Commercial	13,873,056	-	13,873,056	0.36%
8	Roberta J. Thompson	1	Commercial	12,576,130	-	12,576,130	0.33%
9	Prothero Enterprise Inc.	2	Commercial	12,260,070	-	12,260,070	0.32%
10	Linda Richard Tr. NED	4	Commercial	12,108,651	-	12,108,651	0.32%
	Total	34		$ 300,637,711	$ 186,496	$ 300,824,207	7.85%
	Total 2016-17 Project Area Assessed Value			$ 3,767,716,728	$ 64,738,163	$ 3,832,454,891	

Source: Orange County Assessor 2016-17 Secured and Unsecured Roll, Orange County Auditor-Controller.

CERTAIN DISCLAIMERS

The information contained in this Annual Report expresses only the views of the applicable party. An explanation of the significance of any such information may be obtained from the applicable party; provided, however, that no information provided by any party is incorporated in this Annual Report. The Successor Agency undertakes no responsibility to oppose any revision or withdrawal of such information contained in this Annual Report.

To the extent the Successor Agency provides information in this Annual Report, the Successor Agency is not obligated to present or update information in future Annual Reports.

By providing the information in this Annual Report, the Successor Agency does not imply or represent (a) that all information provided in this Annual Report is material to investors' decisions regarding investment in the 2014 NDAPP Bonds, (b) the completeness or accuracy of any financial, operational or other information not included herein, (c) that no changes, circumstances or events have occurred since the date of this Annual Report (other than as contained herein), or (d) that no other information exists which may have a bearing on the Successor Agency's financial condition, the security for the 2014 NDAPP Bonds or an investor's decision to buy, sell or hold the 2014 NDAPP Bonds.

The information set forth in this Annual Report or incorporated in this Annual Report has been furnished by the Successor Agency and is believed to be accurate and reliable but is not guaranteed as to accuracy or completeness. Statements contained in or incorporated by this Annual Report which involves estimates, forecasts or other matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as representations of fact. Further, expressions of opinion contained in this Annual Report or incorporated in this Annual Report are subject to change without notice and the delivery of this Annual Report will not, under any circumstances, create any implication that there has been no change in the affairs of the Successor Agency. The Successor Agency is relying upon and has not independently confirmed or verified the accuracy or completeness of information provided by others or other information incorporated by reference therein.

No statement contained in this Annual Report should be construed as a prediction or representation about future financial performance of the Successor Agency. Historical results presented herein may not be indicative of future operating results.

APPENDIX A

SUCCESSOR AGENCY TO THE ORANGE COUNTY DEVELOPMENT AGENCY
AUDITED FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2016

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COUNTY OF ORANGE REDEVELOPMENT SUCCESSOR AGENCY
(A Component Unit of the County of Orange, California)

Independent Auditor's Reports,
Basic Financial Statements and Supplemental Information

For the Year Ended June 30, 2016

MGO Certified Public Accountants

COUNTY OF ORANGE REDEVELOPMENT SUCCESSOR AGENCY
(A Component Unit of the County of Orange, California)

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Certified Public Accountants

Century City
Los Angeles
Newport Beach
Oakland
Sacramento
San Diego
San Francisco
Walnut Creek
Woodland Hills

Independent Auditor's Report

To the Oversight Board
County of Orange Redevelopment Successor Agency
Santa Ana, California

Report on the Financial Statements

We have audited the accompanying financial statements of the County of Orange Redevelopment Successor Agency (the Successor Agency), a fiduciary component unit of the County of Orange, California (the County), as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Successor Agency's basic 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 an opinion 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 opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the County of Orange Redevelopment Successor Agency, as of June 30, 2016, and the changes in fiduciary net position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Macias Gini & O'Connell LLP
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Newport Beach, CA 92660

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Emphasis of Matters

As discussed in Note 1, the financial statements present only the Successor Agency and do not present fairly the financial position of the County as of June 30, 2016, and the changes in its financial position, for the year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

As discussed in Note 8, the Successor Agency trust fund reported a deficit net position. The deficit resulted from the Due Diligence Review of payments required by Assembly Bill 1484. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Management has omitted the management's 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 an opinion on the financial statements that collectively comprise the Successor Agency's financial statements. The supplemental information, as listed in the table of contents, is presented for purposes of additional analysis and are not a required part of the financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2016, on our consideration of the Successor Agency's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. The report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Successor Agency's internal control over financial reporting and compliance.

Macias Gini & O'Connell LLP

Newport Beach, California
December 19, 2016

COUNTY OF ORANGE
REDEVELOPMENT SUCCESSOR AGENCY
Statement of Fiduciary Net Position (Deficit)
June 30, 2016

Assets	
Current assets:	
Pooled cash and investments (Note 3)	$ 8,117,457
Restricted assets - cash equivalents and investments with trustee (Note 3)	4,646,456
Interest receivable	32,150
Noncurrent assets:	
Land and improvements held for resale (Note 4)	133,070
Total assets	12,929,133
Deferred Outflows of Resources	
Deferred charge on refunding	394,022
Liabilities	
Current liabilities:	
Bond interest payable	386,304
Due to other governmental agencies	2,019
Bonds payable (Note 5)	3,803,682
Noncurrent liabilities:	
Bonds payable, net of current portion (Note 5)	26,237,737
Total liabilities	30,429,742
Deferred Inflows of Resources	
Deferred charge on refunding	131,673
Net position (deficit)	
Held in trust for other governments (Note 8)	$ (17,238,260)

See accompanying notes to the financial statements.

COUNTY OF ORANGE
REDEVELOPMENT SUCCESSOR AGENCY
Statement of Changes in Fiduciary Net Position (Deficit)
For the Year Ended June 30, 2016

Additions:		
Intergovernmental revenue	$	299,718
Other revenue		964,623
Gain on sale on land held for resale		227,083
Interest		106,806
Less: investment expense		(8,412)
Total additions		1,589,818
Deductions:		
Professional services		155,827
Tax pass-throughs (Note 6)		4,000,000
Interest on long-term debt		1,140,524
Distribution to the County		712,490
Total deductions		6,008,841
Change in net position (deficit)		(4,419,023)
Net position (deficit), July 1, 2015		(12,819,237)
Net position (deficit), June 30, 2016 (Note 8)	$	(17,238,260)

See accompanying notes to the financial statements.

COUNTY OF ORANGE REDEVELOPMENT SUCCESSOR AGENCY
(A Component Unit of the County of Orange, California)
Notes to the Financial Statements
For the Year Ended June 30, 2016

Note 1 –Summary of Significant Accounting Policies

Reporting Entity

On January 24, 2012, the County of Orange (County) elected to become the Successor Agency to the former Orange County Development Agency (Successor Agency) in accordance with ABx1 26 (Dissolution Act). An Oversight Board was appointed to oversee the dissolution process. A Private-Purpose Trust Fund, administered by the County, was established to account for the assets and liabilities of the former Orange County Development Agency (OCDA).

After enactment of the law, which occurred on June 28, 2011, redevelopment agencies in the State of California cannot enter into new projects, obligations or commitments. Subject to the control of a newly established Oversight Board, remaining assets can only be used to pay enforceable obligations in existence at the date of dissolution (including the completion of any unfinished projects that were subject to legally enforceable contractual commitments).

In future fiscal years, successor agencies will only be allocated revenue in the amount that is necessary to pay the estimated annual installment payments on enforceable obligations of the former redevelopment agency until all enforceable obligations of the prior redevelopment agency have been paid in full and all assets have been liquidated.

The accompanying financial statements are not intended to present fairly the financial position or changes in financial position of the County in conformity with the accounting principles generally accepted in the United States of America.

Measurement Focus

Fiduciary fund financial statements are used to account for assets held in a trustee or agency capacity and cannot be used to support the County's own programs. Trust funds are accounted for using the economic resources measurement focus and the accrual basis of accounting. With this measurement focus, all assets, deferred outflows of resources, liabilities and deferred inflows of resources associated with operation of these funds are included on the statement of fiduciary net position (deficit). Additions are recorded when earned and deductions are recorded when a liability is incurred, regardless of the timing of the related cash flows.

Fiduciary Fund Financial Statements

The fiduciary fund financial statements provide information about the Successor Agency's funds.

Land and Improvements Held for Resale

Land and improvements held for resale are recorded at the lower of acquisition cost or estimated net realizable value.

Note 1 –Summary of Significant Accounting Policies (continued)

Deferred Charges on Refunding

The deferred charges on refunding are deferred and amortized over the life of the Successor Agency Tax Allocation Refunding Bonds Neighborhood Development and Preservation Project (NDAPP), Series

2014 and Santa Ana Heights (SAH), Series 2014 using the straight-line method. The deferred charge on refunding is recorded as a deferred inflows of resources or outflows of resources, as appropriate.

The deferred charge on refunding for the NDAPP bonds is recorded as a deferred outflows of resources. With the refunding of the SAH bonds, it is recorded as a deferred inflows of resources.

Bond Premium

The bond premium is deferred and amortized over the life of the Successor Agency Tax Allocation Refunding Bonds SAH, Series 2014 using the effective interest method. Bonds payable are reported net of the applicable bond premium.

The bond premium is recorded annually as a reduction of interest expense.

Intergovernmental Revenue

The Dissolution Act amended the allocation of property tax revenue to successor agencies. Property taxes that formerly would have been apportioned to the former OCDA are deposited into a trust fund with the County of Orange, known as the Redevelopment Property Tax Trust Fund (RPTTF). The County Auditor – Controller administers the RPTTF on behalf of the former Redevelopment Agency (RDA) debt holders, and taxing entities that receive pass-through payments and property tax distributions. This fund is used to pay obligations listed on the Recognized Obligation Payment Schedule (ROPS), including bond debt service, approved by the Successor Agency's Oversight Board, and the California Department of Finance. Any remaining monies in the RPTTF after the approved amounts listed on the ROPS have been paid are distributed to the appropriate taxing entities.

Note 2 – County of Orange Bankruptcy

Background

On December 6, 1994, the County filed for protection under Chapter 9 of the United States Bankruptcy Code as a result of losses arising out of the Orange County Investment Pool (Pool). The liquidation of the Pool's portfolio resulted in the realization of an investment loss of approximately $1.6 billion. This loss was recorded on the County's accounting records in fiscal year 1994-95 with approximately $600 million allocable (on a pro rata basis) to the County's accounts, and substantially all of the remainder allocable to accounts of non-County Pool participants, such as cities, school districts and special districts. Approximately $11.3 million of that loss was allocated to the former OCDA and was reported in the year ended June 30, 1995.

Note 2 – County of Orange Bankruptcy (continued)

In response to the bankruptcy, the County prepared a comprehensive recovery plan, which incorporated budget cuts, administrative reorganization, a settlement agreement with Pool participants, and various methods to raise funds. The County obtained State legislation consisting of Chapters 745, 746, 747 and 748 of the 1995 Statutes to provide for certain monies received from the State that would have otherwise been allocated to other County funds and other governmental agencies, to be deposited to the County's General Fund.

The United States Bankruptcy Court for the Central District of California in its Order Confirming Modified Second Amended Plan of Adjustment (Plan) entered May 16, 1996, confirmed the Plan. On June 12, 1996, the Plan became effective and the County emerged from bankruptcy.

Impact of County Bankruptcy on the former OCDA

The former OCDA was a component unit of the County of Orange. Due to statutory and regulatory restrictions, revenues generated by the former OCDA are not available for the County's General Fund purposes. However, as a result of the State legislation described above, the former OCDA is required to pay to the County an amount equal to $4 million per year, for 20 years beginning on July 1, 1996. The former OCDA's long-term debt obligations are obligations payable solely from a pledge of the net revenues of the former OCDA and a pledge of the funds and accounts established under the trust indenture securing the former OCDA's long-term debt obligations. The former OCDA did not file for bankruptcy protection; however, it was significantly impacted by the County's bankruptcy because of investment losses and the reallocation of $4 million of its revenue each year until the diversion of funds ended this fiscal year.

Impact of Legislation on County Bankruptcy

On December 29, 2011, the California Supreme Court (Court) issued an opinion in CRA v. Matosantos on the constitutionality of ABx1 26 & 27. In their opinion, the Court upheld the provisions of ABx1 26, effectively eliminating redevelopment agencies statewide, but struck down ABx1 27 the legislation that would have allowed redevelopment agencies to continue so long as they provided payments to the State.

Effective February 1, 2012, the former OCDA was dissolved under the provisions of ABx1 26. As a result of the dissolution of the former OCDA, property tax revenues began being used to pay required payments on existing bonds, other obligations, and pass-through payments to local governments. However, since the County's Bankruptcy Recovery Plan predates ABx1 26, no interruption to the existing payment schedules was anticipated. In addition, this obligation was listed and approved by the Department of Finance on all applicable ROPS.

Note 3 – Cash and Investments

The Successor Agency follows the County's policy guidelines for pooling its cash and investments with the County Treasurer. The County Treasurer abides by the Investment Policy Statement (IPS) in investing the Pool's monies.

Note 3 – Cash and Investments (continued)

Pooled Cash and Investments

The County Treasurer maintains the Pool for the County and other non-County entities for the purpose of benefiting from economies of scale through pooled investment activities. At June 30, 2016, the Pool contains deposits and investments in U.S. government agencies, negotiable certificates of deposits, bankers' acceptances, commercial paper, medium-term notes, repurchase agreements, and money market mutual funds with an average maturity of approximately 398 days. The Successor Agency's cash and investments are combined with the County's pooled investments, and therefore, do not represent specific identifiable investments. The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The Money Market Fund is classified at level 1 as of June 30, 2016. Investments in the internal government investment pool are not subject to reporting within the level hierarchy. Interest is apportioned to individual funds based generally on the average daily balances on deposit with the County Treasurer.

Cash Equivalents and Investments with Trustee

Cash equivalents and investments with trustee represent amounts held by a trustee bank, which are restricted for servicing long-term debt of the Successor Agency as required by the bond indentures. The trustee as fiscal agent is mandated by the bond indentures as to the types of authorized investments. All investments with trustee are recorded at amortized cost.

At June 30, 2016, cash and investments of the Successor Agency are summarized as follows:

Cash and investments pooled by the County Treasurer	$ 8,117,457
Investments held by trustee:	
Money market mutual funds	4,646,456
Total	$ 12,763,913

Note 3 – Cash and Investments (continued)

Investment Disclosures

As of June 30, 2016, the major classes of Successor Agency's investments consisted of the following:

	Total	Principal	Interest Rate Range (%)	Maturity Range	Weighted Average Maturity (Years)
County Investment Pool	$ 8,117,457	$ -			1.087
Restricted Investment with Trustee:					
Money Market Mutual Funds	4,646,456	4,646,456	Variable	On Demand	-
Total Restricted Investment with Trustee	$ 4,646,456	$ 4,646,456			
Portfolio Weighted Average Maturity					0.69

Interest Rate Risk

Interest rate risk refers to the risk that changes in interest rates will affect the fair value of an investment. The County manages exposure to declines in fair value by limiting the weighted average maturity (WAM) in accordance with the IPS. At June 30, 2016, the WAM for the Pool approximated 397 days (1.087 years).

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Successor Agency will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. At year-end, the Successor Agency's Pool and Money Market Fund did not have any securities exposed to custodial credit risk and there was no securities lending.

Credit Risk

The IPS sets forth the minimum acceptable credit ratings for investments from any two of the following nationally recognized statistical rating organizations. For an issuer of short-term debt, the rating must be no less than "A-1" or "SP-1" (Standard & Poor's), "MIG 1/VMIG 1" (Moody's), or "F1" (Fitch). For an issuer of long-term debt, the rating must be no less than an "A". As of June 30, 2016, the Pool is rated at AAA Principal Stability Fund Rating (AAAm) by S&P and the money market fund is rated at AAAm by S&P.

Additional information regarding the Pool, including the investment portfolio and related interest rate, the custodial credit, credit, concentration of credit risks, and fair value measurements is presented in Note 3 to the County's Comprehensive Annual Financial Report (CAFR). The CAFR is available by accessing the Auditor-Controller's website at http://acdcweb01.ocgov.com/acInternet/Reports.aspx.

Note 4 – Land and Improvements Held for Resale

Land and improvements held for resale is recorded at the lower of acquisition cost or estimated net realizable value. Three Successor Agency parcels with a cost of $563,947 and a net realizable value of $485,407 were sold during fiscal year 2015-16, the proceeds of which were deposited into the Redevelopment Asset Liquidation Fund for distribution to the appropriate taxing entities. At June 30, 2016, the cost of the remaining land and improvements is $607,747 with an estimated net realizable value of $133,070.

Note 5 – Long-Term Liabilities

The following is a summary of changes in long-term liabilities for the period July 1, 2015 through June 30, 2016.

	Balance July 1, 2015	Discount/ Premium Amortization	Retirements	Balance June 30, 2016	Due Within One Year
Successor Agency to the Orange County Development Agency Tax Allocation Refunding Bonds, Series 2014-SAH	$ 18,600,000	$ -	$ (1,810,000)	$ 16,790,000	$ 1,895,000
Bond premium on Tax Allocation Refunding Bonds, Series 2014 – SAH	1,753,563	(117,144)	-	1,636,419	188,682
Successor Agency to the Orange County Development Agency Tax Allocation Refunding Bonds, Series 2014-NDAPP	13,275,000	-	(1,660,000)	11,615,000	1,720,000
Total long-term liabilities	$ 33,628,563	$ (117,144)	$ (3,470,000)	$ 30,041,419	$ 3,803,682

<u>Successor Agency to the Orange County Development Agency Tax Allocation Refunding Bonds, Issue 2014 - Santa Ana Heights (SAH)</u>

On January 9, 2014, the Successor Agency issued Tax Allocation Refunding Bonds for the SAH Project Area in the principal amount of $20,960,000 at a premium of $1,806,653. The bonds were issued to redeem the outstanding 2003 Tax Allocation Refunding Bonds, fund a reserve fund, and pay the cost of issuing the bonds. The SAH Refunding Bonds, payable through September 2023, are secured by a pledge of property tax revenues from the Santa Ana Heights Project Area. The bonds were issued for a debt service savings and have a final maturity of September 1, 2023. The principal amount outstanding at June 30, 2016 is $16,790,000. Interest paid and total tax increment revenues were $903,150 and $62,564 respectively, during the fiscal year.

Note 5 – Long-Term Liabilities (continued)

Successor Agency to the Orange County Development Agency Tax Allocation Refunding Bonds, Issue 2014 - Neighborhood Development and Preservation Project (NDAPP)

On August 20, 2014, the Successor Agency issued Tax Allocation Refunding Bonds, for the NDAPP Area in the principal amount of $14,090,000. The Bonds were issued to redeem the outstanding Tax Allocation Refunding Bonds, Series 2001. The NDAPP Refunding bonds, payable through September 2022, are secured by a pledge of property tax revenues from the Neighborhood Development and Preservation Project Area. The bonds were issued for a debt service savings and have a maturity of September 1, 2022. The principal amount outstanding at June 30, 2016 is $11,615,000. Interest paid and total tax increment revenues were $353,856 and $77,154, respectively, during the fiscal year.

The annual requirements to amortize outstanding bonds included in the Statement of Fiduciary Net Position (Deficit) as of June 30, 2016, including interest, are as follows:

Year(s) Ending June 30	SAH 2014 Tax Allocation Bonds Principal	SAH 2014 Tax Allocation Bonds Interest	NDAPP 2014 Tax Allocation Bonds Principal	NDAPP 2014 Tax Allocation Bonds Interest
2017	$ 1,895,000	$ 816,125	$ 1,720,000	$ 307,725
2018	1,995,000	720,125	1,765,000	260,150
2019	2,095,000	619,125	1,810,000	211,269
2020	2,195,000	513,125	1,860,000	161,150
2021	2,310,000	402,000	1,910,000	109,656
2022-2024	6,300,000	480,000	2,550,000	67,650
Total	$ 16,790,000	$ 3,550,500	$ 11,615,000	$ 1,117,600

Note 6 – Pass-Through Agreements

The former OCDA entered into agreements with various governmental entities to “pass-through” applicable portions of property tax revenues received by the SAH and NDAPP project areas attributable to these entities to the extent that their territorial limits reside within the former OCDA’s project areas.

Note 7 – Related Party Transactions

Orange County Community Resources (OC Community Resources), a department of the County, is the primary administrative support to the Successor Agency, and is responsible for preparation of all payment schedules, financial reports, and project related matters. OC Community Resources also oversees the Orange County Housing Authority, the entity elected to be the County’s Housing Successor. County Counsel provides all legal support services, and CEO’s Corporate Real Estate Unit provides project support on real estate issues. All debt service related matters are handled through the CEO’s Public Finance Unit.

Note 8 – Deficit Net Position

The Successor Agency reported a deficit net position of $17,238,260. The deficit resulted from the Due Diligence Review payments required by Assembly Bill 1484. Enforceable Obligations will be paid by future property tax increment apportioned to the Successor Agency.

Note 9 – New Accounting Pronouncements

The following lists recent Governmental Accounting Standards Board (GASB) pronouncements implemented or are effective in fiscal year 2015-16:

In February 2015, GASB issued Statement No. 72, *"Fair Value Measurement and Application."* This statement addresses accounting and financial reporting standards related to fair value measurements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. For some assets and liabilities, observable market information might not be available. The objective of fair value measure is to determine the price that would take place between market participants at the measurement date under current market conditions. Valuation techniques used to determine fair value are one or more of three approaches to measure fair value: the market approach, cost approach, and income approach. The provisions of this statement are effective for financial statements for periods beginning after June 15, 2015, which requires the County and the Successor Agency to implement this statement in fiscal year 2015-16. There was no material impact to the Successor Agency financial statements. Although the statement required additional note disclosures, there was no financial impact to the Successor Agency financial statements.

In June 2015, GASB issued Statement No. 76, *"The Hierarchy of General Accepted Accounting Principles for State and Local Governments."* The "GAAP hierarchy" identifies the sources of guidance that state and local governments follow when preparing financial statements in conformity with GAAP and lists the order of priority for pronouncements to which a government should look for guidance. The objective of this statement is to simplify the structure of the hierarchy of GAAP to two categories of authoritative GAAP from the four categories under GASB Statement No. 55, *"The Hierarchy of General Accepted Accounting Principles for State and Local Governments."* These changes are intended to improve financial reporting for governments by establishing a framework for the evaluation of accounting guidance with less variation. The provisions of this statement are effective for financial reporting for periods beginning after June 15, 2015, and should be applied retroactively, which requires the County and the Successor Agency to implement this statement in fiscal year 2015-16. There was no impact to the Successor Agency financial statements.

In December 2015, GASB Issued Statement No. 79 "*Certain External Investment Pools and Pool Participants*." This Statement addresses accounting and financial reporting for certain external investment pools and pool participants. Specifically, it establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes. This Statement establishes additional note disclosure requirements for qualifying external investment pools that measure all of their investments at amortized cost for financial reporting purposes and for governments that participate in those pools. Those disclosures for both the qualifying external investment pools and their participants include information about any limitations or restrictions on participant withdrawals. This Statement will enhance comparability of financial statements among

Note 9 – New Accounting Pronouncements (continued)

governments by establishing specific criteria used to determine whether a qualifying external investment pool may elect to use an amortized cost exception to fair value measurement. The requirements of this statement are effective for reporting periods beginning after June 15, 2015, except for certain provisions on portfolio quality, custodial credit risk, and shadow pricing, which requires the County and the Successor Agency to implement this statement in fiscal year 2015-16. There was no impact to the Successor Agency financial statements.

The following summarizes recent GASB pronouncements issued but not yet adopted that may impact future financial presentations. Management has not currently determined what, if any, impact implementation of the following Statements may have on the financial statements of the Successor Agency.

In June 2015, GASB issued Statement No. 74 *"Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans."* The objective of this Statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and inter-period equity, and creating additional transparency. This Statement replaces Statements No. 43, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, as amended, and No. 57, "*OPEB Measurements by Agent Employers and Agent Multiple-Employer Pl*ans." It also includes requirements for defined contribution OPEB plans that replace the requirements for those OPEB plans in Statement No. 25 *"Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans, as amended, Statement 43,"* and Statement No. 50 *"Pension Disclosures."* The requirements of this Statement will improve financial reporting primarily through enhanced note disclosures and schedules of required supplementary information that will be presented by OPEB plans that are administered through trusts that meet the specified criteria. The provisions of this statement are effective for financial statement for periods beginning after June 15, 2016, which requires the County and the Successor Agency to implement this statement in fiscal year 2016-17.

In June 2015, GASB issued Statement No. 75 "*Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.*" The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This Statement replaces the requirements of Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions,* as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans,* for OPEB. Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans,* establishes new accounting and financial reporting requirements for OPEB plans. This Statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred

Note 9 – New Accounting Pronouncements (continued)

inflows of resources, and expense/expenditures. For defined benefit OPEB, this Statement identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. The provisions of this statement are effective for financial statement for periods beginning after June 15, 2017, which requires the County and the Successor Agency to implement this statement in fiscal year 2017-18.

In August 2015, GASB issued Statement No. 77, *"Tax Abatement Disclosures."* This Statement defines a tax abatement as resulting from an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens. This Statement requires disclosure of tax abatement information about (1) a reporting government's own tax abatement agreements and (2) those that are entered into by other governments and that reduce the reporting government's tax revenues. The requirements of this statement are effective for financial statements for periods beginning after December 15, 2015, which requires the County and the Successor Agency to implement this statement in fiscal year 2016-17.

In December 2015, GASB Issued Statement No. 78 "*Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*." The objective of this Statement is to address a practice issue regarding the scope and applicability of Statement No. 68. This issue is associated with pensions provided through certain multiple-employer defined benefit pension plans and to state or local governmental employers whose employees are provided with such pensions. This Statement amends the scope and applicability of Statement 68 to exclude pensions provided to employees of state or local governmental employers through a cost-sharing multiple-employer defined benefit pension plan that (1) is not a state or local governmental pension plan, (2) is used to provide defined benefit pensions both to employees of state or local governmental employers and to employees of employers that are not state or local governmental employers, and (3) has no predominant state or local governmental employer (either individually or collectively with other state or local governmental employers that provide pensions through the pension plan). This Statement establishes requirements for recognition and measurement of pension expense, expenditures, and liabilities; note disclosures; and required supplementary information for pensions that have the characteristics described above. The requirements of this statement are effective for reporting periods beginning after December 15, 2015, which requires the County and the Successor Agency to implement this statement in fiscal year 2016-17.

In January 2016, GASB Issued Statement No. 80 "*Blending Requirements for Certain Component Units—an amendment of GASB Statement No. 14*." The objective of this Statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. This Statement amends the blending requirements established in paragraph 53 of Statement No. 14, "The Financial Reporting Entity," as amended. The requirements of this Statement enhance the comparability of financial statements among governments. This Statement amends the blending requirements for the financial statement presentation of component units of all state and local governments. The requirements of this Statement are effective for reporting periods beginning after June 15, 2016, which requires the County and the Successor Agency to implement this statement in fiscal year 2016-17.

Note 9 – New Accounting Pronouncements (continued)

In March 2016, GASB Issued Statement No. 81 "*Irrevocable Split-Interest Agreements*". The objective of this Statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. This Statement requires that a government that receives resources pursuant to an irrevocable split-interest agreement recognize assets, liabilities, and deferred inflows of resources at the inception of the agreement. Furthermore, this Statement requires that a government recognize assets representing its beneficial interests in irrevocable split-interest agreements that are administered by a third party, if the government controls the present service capacity of the beneficial interests. This Statement requires that a government recognize revenue when the resources become applicable to the reporting period. This Statement enhances the comparability of financial statements by providing accounting and financial reporting guidance for irrevocable split-interest agreements in which a government is a beneficiary. This Statement also enhances the decision-usefulness of general purpose external financial reports, and their value for assessing accountability, by more clearly identifying the resources that are available for the government to carry out its mission. The requirements of this statement are effective for financial statements beginning after December 15, 2016, which requires the County and the Successor Agency to implement this statement in fiscal year 2017- 18.

In March 2016, GASB Issued Statement No. 82 "*Pension Issues - an amendment of GASB Statements No. 67, No. 68, and No. 73*." Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. This Statement amends Statements 67 and 68 to instead require the presentation of covered payroll, defined as the payroll on which contributions to a pension plan are based, and ratios that use that measure. This Statement clarifies that a deviation, as the term is used in Actuarial Standards of Practice issued by the Actuarial Standards Board, from the guidance in an Actuarial Standard of Practice is not considered to be in conformity with the requirements of Statement 67, Statement 68, or Statement 73 for the selection of assumptions used in determining the total pension liability and related measures. This Statement clarifies that payment that are made by an employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements should be classified as plan member contributions for purposes of Statement 67 and as employee contributions for purposes of Statement 68. It also requires that an employer's expense and expenditures for those amounts be recognized in the period for which the contribution is assessed and classified in the same manner as the employer classifies similar compensation other than pensions (for example, as salaries and wages or as fringe benefits). The requirements of this Statement will improve financial reporting by enhancing consistency in the application of financial reporting requirements to certain pension issues. The requirements of this statement are effective for reporting periods beginning after June 15, 2016, which requires the County and the Successor Agency to implement this statement in fiscal year 2016-17.

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COUNTY OF ORANGE
REDEVELOPMENT SUCCESSOR AGENCY
Combining Statement of Fiduciary Net Position (Deficit) by Trust Fund
June 30, 2016

	Private-Purpose Trust Funds			
	Redevelopment Retirement Obligation **SAH Debt Service**	Redevelopment Retirement Obligation **NDAPP Debt Service**	OCDA Redevelopment **Successor Agency**	**Total**
Assets				
Current assets:				
Pooled cash and investments	$ 836,588	$ 300,943	$ 6,979,926	$ 8,117,457
Restricted assets - cash equivalents and investments with trustee	3,636,719	1,009,737	-	4,646,456
Interest receivable	4,460	2,764	24,926	32,150
Noncurrent assets:				
Land and improvements held for resale	-	-	133,070	133,070
Total assets	4,477,767	1,313,444	7,137,922	12,929,133
Deferred Outflows of Resources				
Deferred charge on refunding	-	394,022	-	394,022
Liabilities				
Current liabilities:				
Bond interest payable	279,833	106,471	-	386,304
Due to other governmental agencies	20	13	1,986	2,019
Bonds payable	2,083,682	1,720,000	-	3,803,682
Noncurrent liabilities:				
Bonds payable, net of current portion	16,342,737	9,895,000	-	26,237,737
Total liabilities	18,706,272	11,721,484	1,986	30,429,742
Deferred Inflows of Resources				
Deferred charge on refunding	131,673	-	-	131,673
Net position (deficit)				
Held in trust for other governments	$ (14,360,178)	$ (10,014,018)	$ 7,135,936	$ (17,238,260)

COUNTY OF ORANGE
REDEVELOPMENT SUCCESSOR AGENCY
Combining Statement of Changes in Fiduciary Net Position (Deficit) by Trust Fund
For the Year Ended June 30, 2016

	Private-Purpose Trust Funds			
	Redevelopment Retirement Obligation **SAH Debt Service**	Redevelopment Retirement Obligation **NDAPP Debt Service**	OCDA Redevelopment **Successor Agency**	**Total**
Additions:				
Intergovernmental revenue	$ 62,564	$ 77,154	$ 160,000	$ 299,718
Other revenue	124,515	17,103	823,005	964,623
Gain on sale on land held for resale	-	-	227,083	227,083
Interest	26,670	18,358	61,778	106,806
Less: investment expense	(2,276)	(1,759)	(4,377)	(8,412)
Total additions	211,473	110,856	1,267,489	1,589,818
Deductions:				
Professional services	24,803	24,869	106,155	155,827
Tax pass-throughs	2,000,000	2,000,000	-	4,000,000
Interest on long-term debt	741,266	399,258	-	1,140,524
Distribution to the County	-	-	712,490	712,490
Total deductions	2,766,069	2,424,127	818,645	6,008,841
Change in net position (deficit)	(2,554,596)	(2,313,271)	448,844	(4,419,023)
Net position (deficit), July 1, 2015	(11,805,582)	(7,700,747)	6,687,092	(12,819,237)
Net position (deficit), June 30, 2016	$ (14,360,178)	$ (10,014,018)	$ 7,135,936	$ (17,238,260)

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

To the Oversight Board
County of Orange Redevelopment Successor Agency
Santa Ana, California

We have audited, in accordance with the 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, the financial statements of the County of Orange Redevelopment Successor Agency (Successor Agency), a fiduciary component unit of the County of Orange, California (the County) as of and for the year ended June 30, 2016, and the related notes to the financial statements, and have issued our report thereon dated December 19, 2016. Our report includes emphasis of matter paragraphs.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Successor Agency's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Successor Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Successor Agency's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Successor Agency's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Successor Agency's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Successor Agency's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Successor Agency's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Macias Gini & O'Connell LLP

Newport Beach, California
December 19, 2016

APPENDIX B

LIMITATION OF INDEBTEDNESS REPORT

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RSG
BETTER COMMUNITIES. BOLDER FUTURES.

RSG, INC.
309 WEST 4TH STREET
SANTA ANA, CALIFORNIA
92701-4502

T 714 541 4585
F 714 541 1175
E INFO@WEBRSG.COM
WEBRSG.COM

Via Electronic Mail

To: Susie Ortiz, Administrative Manager
CEO/PUBLIC FINANCE, COUNTY OF ORANGE

From: Tara Matthews, Principal
Dominique Clark, Associate
RSG, INC.

Date: January 6, 2017

SUBJECT: CONTINUING DISCLOSURE - NDAPP

This memorandum is to confirm that RSG, Inc. ("RSG") has reviewed Covenant 11 of the Indenture of Trust related to Tax Allocation Refunding Bonds, Issue 2014 of $14,090,000 for the Neighborhood Development and Preservation Project ("NDAPP"). Covenant 11 requests that an independent consultant report on the total amount of tax increment revenues remaining available to the Successor Agency to the Orange County Development Agency ("Successor Agency") under the Redevelopment Plan's cumulative annual debt service with respect to the bonds.

NDAPP's Redevelopment Plan limitations are as follows.

Time Limit to Incur Debt:	Eliminated
Time Limit to Receive Increment:	June 27, 2038
Total Bonded Debt Limit:	$500 Million
Total Tax Increment Limit:	$1.6 Billion

Based on data obtained from the Successor Agency, the State Department of Finance, and a review of records RSG maintains on file, the 2014 Refunding Bonds are the only bonds associated with the NDAPP Redevelopment Project Area. As such, the $14.1 million bond indebtedness is well under the $500 million limit.

Additionally, RSG obtained annual tax increment collections for NDAPP (inclusive of all sub-areas) through Fiscal Year 2015-16 from the Orange County Auditor Controller, and reviewed internal records. Through Fiscal Year 2015-16, $299,852,366 in tax increment has been collected from the NDAPP Redevelopment Project Area (inclusive of all sub-areas), well below the $1.6 billion limit.

Though the Indenture of Trust requires this review, Section 34189(a) of the Health and Safety Code was recently amended by Senate Bill 107. Accordingly, the law now states that limitations on time and tax increment collections no longer apply if tax increment is still needed for enforceable obligations, including bond debt service.

Based on RSG's projections for available tax increment in 2016-17 utilizing the equalized assessed value roll, the NDAPP Redevelopment Project Area will generate a total of $20.3 million in tax increment, net of taxing agency pass-through payments and County bankruptcy payments, but inclusive of the amount that was once set aside for affordable housing before redevelopment agency dissolution. Approximately $4.8 million of the available $20.3 million in net revenues is associated with the El Toro Sub-Area. Ample revenues are available for debt service coverage on the bonds.