

County of Orange Community Facilities Districts



CEO Public Finance

Local Agency Special Tax and Accountability Act
Report for Community Facilities Districts 2001-1,
2002-1, 2003-1, 2004-1 (Ladera Ranch), 2015-1
(Village of Esencia) and 2016-1 (Village of Esencia)

Financial Information as of
June 30, 2017

12/12/2017

Background:

California Senate Bill 165 enacted the Local Agency Special Tax and Accountability Act (the "Act"). This Act requires that any local bond measure subject to voter approval 1) contain a statement indicating the specific purposes of the bonds, 2) require that the proceeds of the bonds be applied to those purposes, 3) require that the creation of an account into which the proceeds shall be deposited, and 4) require an annual report containing specified information concerning the use of the proceeds. The Act applies to bonds issued on or after January 1, 2001 in accordance with Section 53410 of the California Government Code.

Requirements 1 – 3, stated above, are fulfilled at the formation and bond finance of the Community Facilities District and requirement 4 is satisfied through filing this annual report.

The annual report shall contain all of the following:

- (a) The amount of funds collected and expended.
- (b) The status of any project required or authorized to be funded as identified in subdivision (a) of Section 53410.

The requirements of the Act apply to the funds of Community Facilities Districts 2001-1, 2002-1, 2003-1, 2004-1, 2015-1 and 2016-1 of the County of Orange.

Community Facilities District 2001-1

Community Facilities District 2001-1 was formed on July 17, 2001. The County of Orange issued \$32,985,000 Community Facilities District No. 2001-1 of the County of Orange (Ladera Ranch) Series A of 2002 Special Tax Bonds, less \$70,204.80 Original Issue Discount, on May 23, 2002. The following Accounts were funded with bond proceeds:

Accounts	Initial Deposit	6/30/2017 Balance	Expended Amount	Project Status
Capital Project Fund	28,655,994.10	0.00	28,655,994.10	Complete
Cost of Issuance	335,000.00	0.00	335,000.00	Complete
Reserve Account	2,953,800.00	0.00	2,953,800.00	Complete
Capitalized Interest	433,211.10	0.00	433,211.10	Complete
Administrative Expense Account	75,000.00	0.00	75,000.00	Complete
Underwriter Discount	461,790.00	0.00	461,790.00	Complete

On November 30, 2005, the bonds were refunded under the Marks Roos Act by the South Orange County Public Financing Authority (SOCPFA) (pooled with CFDs 1999-1 and 2000-1). SOCPFA issued \$84,015,000 Special Tax Revenue Bonds 2005 Series A (Ladera Ranch). A new Cost of Issuance Account was established with \$166,745.62 bond proceeds from the refunded bonds and there was no balance as of June 30, 2017.

The reserve for the refunded bonds is secured by AMBAC bond insurance held with the Trustee as of June 30, 2017.

The Special Tax Fund is funded by a special tax levy placed on taxable parcels within the District. The Special Tax Fund records tax revenue, interest earnings, and bond payments. The following table summarizes taxes collected and amounts expended for the fiscal year ended June 30, 2017:

Special Tax Fund	Amounts
Special Taxes Collected	2,194,506.41
Debt Service Expense	2,145,640.63
Administrative Expense	38,564.87

Community Facilities District 2002-1

Community Facilities District 2002-1 was formed on November 5, 2002. The County of Orange issued \$68,280,000 Community Facilities District No. 2002-1 of the County of Orange (Ladera Ranch) Series A of 2003 Special Tax Bonds, less \$82,714.05 Original Issue Discount, on May 28, 2003. The following Accounts were funded with bond proceeds:

Accounts	Initial Deposit	6/30/2017 Balance	Expended Amount	Project Status
Capital Project Fund	59,860,852.96	0.00	59,860,852.96	Complete
Cost of Issuance	390,000.00	0.00	390,000.00	Complete
Reserve Account	6,278,498.54	0.00	6,278,498.54	Complete
Capitalized Interest	779,719.65	0.00	779,719.65	Complete
Administrative Expense Account	75,000.00	0.00	75,000.00	Complete
Underwriter Discount	813,214.80	0.00	813,214.80	Complete

On January 29, 2014, the bonds were refunded under the Marks Roos Act by the South Orange County Public Financing Authority (SOCPFA) (pooled with CFD 2003-1). SOCPFA issued \$64,545,000 Senior Series A of 2014 Special Tax Revenue Refunding Bonds and \$40,000,000 Subordinate Series B of 2014 Special Tax Revenue Refunding Bonds. A new Cost of Issuance Account was established with \$203,627.77 bond proceeds from the refunded bonds and there was no balance as of June 30, 2017. The reserve for the refunded bonds is \$3,668,330.24 with the Trustee as of June 30, 2017.

The Special Tax Fund is funded a special tax levy placed on taxable parcels within the District. The Special Tax Fund records tax revenue, interest earnings, and bond payments. The following table summarizes taxes collected and amounts expended for the fiscal year ended June 30, 2017:

Special Tax Fund	Amounts
Special Taxes Collected	4,139,414.82
Debt Service Expense	3,946,348.17
Administrative Expense	45,001.40

Community Facilities District 2003-1

Community Facilities District 2003-1 was formed on October 21, 2003. The County of Orange issued \$57,185,000 Community Facilities District No. 2003-1 of the County of Orange (Ladera Ranch) Series A of 2004 Special Tax Bonds, less \$140,239.50 Original Issue Discount, on April 21, 2004. The following Accounts were funded with bond proceeds:

Accounts	Initial Deposit	6/30/2017 Balance	Expended Amount	Project Status
Capital Project Fund	49,604,377.73	0.00	49,604,377.73	Complete
Cost of Issuance	370,000.00	0.00	370,000.00	Complete
Reserve Account	5,299,038.19	0.00	5,299,038.19	Complete
Capitalized Interest	981,532.08	0.00	981,532.08	Complete
Administrative Expense Account	75,000.00	0.00	75,000.00	Complete
Underwriter Discount	714,812.50	0.00	714,812.50	Complete

On January 29, 2014, the bonds were refunded under the Marks Roos Act by the South Orange County Public Financing Authority (SOCPFA) (pooled with CFD 2002-1). SOCPFA issued \$64,545,000 Senior Series A of 2014 Special Tax Revenue Refunding Bonds and \$40,000,000 Subordinate Series B of 2014 Special Tax Revenue Refunding Bonds. A new Cost of Issuance Account was established with \$106,107.49 bond proceeds from the refunded bonds and there was no balance as of June 30, 2017. The reserve for the refunded bonds is \$2,996,687.19 with the Trustee as of June 30, 2017.

The Special Tax Fund is funded by a special tax levy placed on taxable parcels within the District. The Special Tax Fund records tax revenue, interest earnings, and bond payments. The following table summarizes taxes collected and amounts expended for the fiscal year ended June 30, 2017:

Special Tax Fund	Amounts
Special Taxes Collected	3,240,583.64
Debt Service Expense	3,092,950.15
Administrative Expense	40,869.63

Community Facilities District 2004-1

Community Facilities District 2004-1 was formed June 29, 2004. The County of Orange issued \$75,645,000 Community Facilities District No. 2004-1 of the County of Orange (Ladera Ranch) Series A of 2005 Special Tax Bonds, less \$12,691.40 Original Issue Discount, on February 1, 2005. The following Accounts were funded with bond proceeds:

Accounts	Initial Deposit	6/30/2017 Balance	Expended Amount	Project Status
Capital Project Fund	65,524,706.53	0.00	65,524,706.53	Complete
Cost of Issuance	430,000.00	0.00	430,000.00	Complete
Reserve Account	6,681,327.16	0.00	6,681,327.16	Complete
Capitalized Interest	2,021,099.41	0.00	2,021,099.41	Complete
Administrative Expense Account	75,000.00	0.00	75,000.00	Complete
Underwriter Discount	900,175.50	0.00	900,175.50	Complete

On February 5, 2014, the bonds were refunded by the County of Orange. \$36,540,000 Senior Series A of 2014 Special Tax Refunding Bonds of CFD No. 2004-1 (Ladera Ranch) and \$31,380,000 Subordinate Series B of 2014 Special Tax Refunding Bonds of CFD No. 2004-1 (Ladera Ranch) were issued to refund the Bonds issued in 2005. A new Cost of Issuance Account was established with \$270,664.42 bond proceeds from the refunded bonds and there was no balance as of June 30, 2017. The reserve for the refunded bonds is \$6,417,749.81 with the Trustee as of June 30, 2017.

The Special Tax Fund is funded by a special tax revenue levy placed on taxable parcels within the District. The Special Tax Fund records tax revenue, interest earnings, and bond payments. The following table summarizes taxes collected and amounts expended for the fiscal year ended June 30, 2017:

Special Tax Fund	Amounts
Special Taxes Collected	4,757,278.89
Debt Service Expense	4,421,909.50
Administrative Expense	83,664.75

Community Facilities District 2015-1

Community Facilities District 2015-1 was formed April 14, 2015. The County of Orange issued \$90,845,000 Community Facilities District No. 2015-1 of the County of Orange (Village of Esencia) Series A of 2015 Special Tax Bonds, plus \$5,802,809.55 Original Issue Premium, on October 28, 2015. The following Accounts were funded with bond proceeds:

Accounts	Initial Deposit	6/30/2017 Balance	Expended Amount	Project Status
Capital Project Fund	87,701,058.22	21,246,194.66	66,470,433.49	Ongoing
Cost of Issuance	515,000.00	0.00	499,430.07*	Complete
Reserve Account	7,872,807.58	7,888,766.70**	0.00	Ongoing
Administrative Expense Account	75,000.00	0.00	75,000.00	Complete
Underwriter Discount	483,943.75	0.00	483,943.75	Complete

* Remaining Cost of Issuance balance was transferred to the Capital Projects Fund, per COI Agreement, Section 3.01(D).

** Reserve Balance exceeds the initial deposit due to an increase in reserve requirement pursuant to the bond documents.

The Special Tax Fund is funded by a special tax revenue levy placed on taxable parcels within the District. The Special Tax Fund records tax revenue, interest earnings, and bond payments. The following table summarizes taxes collected and amounts expended for the fiscal year ended June 30, 2017:

Special Tax Fund	Amounts
Special Taxes Collected	4,748,800.11***
Debt Service Expense	5,539,062.50
Administrative Expense	67,386.00

*** Special Taxes Collected carryover from prior fiscal year and current fiscal year collected were utilized for debt service expense.

Community Facilities District 2016-1

Community Facilities District 2016-1 was formed March 22, 2016. The County of Orange issued \$93,110,000 Community Facilities District No. 2016-1 of the County of Orange (Village of Esencia) Series A of 2016 Special Tax Bonds, plus \$10,142,136.95 Original Issue Premium, on November 9, 2016. The following Accounts were funded with bond proceeds:

Accounts	Initial Deposit	6/30/2017 Balance	Expended Amount	Project Status
Capital Project Fund	94,357,858.62	64,614,215.50	29,743,643.12	Ongoing
Cost of Issuance	345,000.00	0.00	345,000.00	Complete
Reserve Account	7,978,002.03	7,994,560.56*	0.00	Ongoing
Administrative Expense Account	75,000.00	36,555.12	38,444.88	Ongoing
Underwriter Discount	496,276.30	0.00	496,276.30	Complete

* Reserve Balance exceeds the initial deposit due to an increase in reserve requirement pursuant to the bond documents.

The Special Tax Fund is funded by a special tax revenue levy placed on taxable parcels within the District. The Special Tax Fund records tax revenue, interest earnings, and bond payments. The following table summarizes taxes collected and amounts expended for the fiscal year ended June 30, 2017:

Special Tax Fund	Amounts
Special Taxes Collected	5,305,717.22**
Debt Service Expense	1,195,696.67
Administrative Expense	38,444.88

** Bonds issued November 9, 2016. First taxes collected apply to August 15, 2017 debt service payment.