

MEMORANDUM
August 4, 2014

TO: Clark Hampton

FROM: Andrea Roess, Managing Director

SUBJECT: Capistrano Unified School District CFD No. 94-1

David Taussig & Associates, Inc. ("DTA") has prepared this memorandum to discuss the termination of the special tax levy for Capistrano Unified School District CFD No. 94-1.

The Rate and Method of Apportionment ("RMA") for CFD No. 94-1 states that: "No Special Tax shall be levied or collected after the earlier of Fiscal Year 2030-2031 or the date that all bonds of CFD No. 88-1 are retired."

As you are aware, the final debt service payment due on the CFD No. 88-1 1996 Bonds is scheduled to be made on September 1, 2014. Therefore, September 1, 2014 is the date that all bonds of CFD No. 88-1 are expected to be retired, and no special taxes will be levied in CFD No. 88-1 in FY 2014-2015 or any year thereafter. Therefore, no special taxes shall be levied in CFD No. 94-1 commencing in FY 2014-2015.

In addition, it is expected that the Board of Trustees of the School District, upon receipt of documentation evidencing the final maturity of the CFD No. 88-1 1996 Bonds from the Fiscal Agent, will direct the execution and recording of a Notice of Cancellation of Special Taxes on all non-delinquent parcels subject to the CFD No. 94-1 special tax lien. Such notice would permanently cease the annual special tax levy on non-delinquent property within CFD No. 94-1.

A summary all remaining special taxes that are delinquent as of July 30, 2014 is shown below. A detailed summary by parcel number is included as Exhibit A.

Remaining Special Tax Delinquencies

Fiscal Year	Total Tax Levy	Number of Delinquent Parcels	Delinquent Special Tax	Delinquency Rate
2010-2011	\$312,982	2	\$927	0.30%
2011-2012	\$319,239	4	\$1,701	0.53%
2012-2013	\$325,626	6	\$1,735	0.53%
2013-2014	\$332,204	8	\$3,671	1.11%

Finally, based on a memorandum from Bowie, Arneson, Wiles & Giannone dated July 11, 2014, following the recording of the Notice of Cancellation, any remaining CFD No. 94-1 funds may be retained by the School District on behalf of CFD No. 94-1 to be used for administrative expenses and authorized school facilities.

EXHIBIT A

**SPECIAL TAX DELINQUENCIES BY PARCEL
AS OF JULY 30, 2014**

**CAPISTRANO UNIFIED SCHOOL DISTRICT
COMMUNITY FACILITIES DISTRICT NO. 94-1
DELINQUENCIES BY PARCEL
AS OF JULY 30, 2014 [1]**

Assessor's Parcel Number	Owner [2]	FY 2010-2011 Amount Delinquent	FY 2011-2012 Amount Delinquent	FY 2012-2013 Amount Delinquent	FY 2013-2014 Amount Delinquent	Total Amount Delinquent
805-513-18		\$0.00	\$0.00	\$278.51	\$568.16	\$846.67
805-531-20		\$0.00	\$0.00	\$0.00	\$284.08	\$284.08
805-531-30		\$0.00	\$0.00	\$0.00	\$568.16	\$568.16
805-541-28		\$0.00	\$0.00	\$0.00	\$568.16	\$568.16
806-071-17		\$391.24	\$399.07	\$407.05	\$415.19	\$1,612.55
806-073-10		\$0.00	\$210.03	\$214.23	\$0.00	\$424.26
806-073-18		\$0.00	\$0.00	\$0.00	\$415.19	\$415.19
806-084-02		\$0.00	\$0.00	\$278.51	\$0.00	\$278.51
806-085-04		\$0.00	\$546.09	\$278.51	\$568.16	\$1,392.76
806-085-33		\$535.39	\$546.09	\$278.51	\$284.08	\$1,644.07
Total Delinquent Amount:		\$926.63	\$1,701.28	\$1,735.32	\$3,671.18	\$8,034.41
Total Collection Amount:		\$312,055.45	\$317,537.97	\$323,890.68	\$328,532.96	
Total Levy:		\$312,982.08	\$319,239.25	\$325,626.00	\$332,204.14	
Delinquency Rate:		0.30%	0.53%	0.53%	1.11%	
Number of Parcels Subject to Levy:		710	710	710	710	
Number of Delinquent Parcels:		2	4	6	8	

[1] From County of Orange Treasurer-Tax Collector's website (http://tax.ocgov.com/tcweb/search_page.asp).

[2] From County of Orange final 2014 Assessor's Roll.