



City of Montclair as Successor Agency for
the City of Montclair Redevelopment Agency
(Successor Agency)

Bonding Requirement Financial Disclosure
Financial Statement

Fiscal Year Ended June 30, 2015

City of Montclair as Successor Agency
for the City of Montclair Redevelopment Agency (Successor Agency)

Bonding Requirement Financial Disclosure Financial Statement
Year Ended June 30 2015

City of Montclair as Successor Agency
for the City of Montclair Redevelopment Agency (Successor Agency)

**Bonding Requirement Financial Disclosure Financial Statement
Year Ended June 30 2015**

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Independent Auditor's Report

City of Montclair as Successor Agency for
the City of Montclair Redevelopment Agency
Montclair, California

Report on the Financial Statements

We have audited the accompanying financial statements of the City of Montclair as Successor Agency for the City of Montclair Redevelopment Agency (Successor Agency), which comprise the bonding financial disclosure basis project area balance sheet, all debt services funds as of June 30, 2015, and the bonding financial disclosure basis project area revenues, expenditures and changes in fund balances, all debt service funds for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with financial reporting disclosure requirements of bond issues of the Successor Agency. Management is also responsible for 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. 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 assets and liabilities of the Successor Agency as of June 30, 2015, and its revenues, expenditures and changes in fund balances for the year then ended in accordance with the financial reporting disclosure provisions applicable to its bond issues outstanding.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting and the reporting entity. The financial statements are prepared by the Successor Agency on the basis of the financial reporting provisions of bonding financial disclosure requirements, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to comply with the financial disclosure provisions of the bonding contractual relationships referred to above. Our opinion is not modified with respect to this matter.

Restriction on Use

Our report is intended solely for the information and use of the City of Montclair as Successor Agency for the City of Montclair Redevelopment Agency and organizations assessing compliance with bonding provisions. It is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Van Lant + Frankhamel, LLP". The signature is written in a cursive, flowing style.

December 16, 2015

**CITY OF MONTCLAIR AS SUCCESSOR AGENCY
FOR THE CITY OF MONTCLAIR REDEVELOPMENT AGENCY
COMBINING BONDING FINANCIAL DISCLOSURE BASIS PROJECT AREA BALANCE SHEET
ALL DEBT SERVICE FUNDS
JUNE 30, 2015**

	<u>Project Area No. 1</u>	<u>Project Area No. 2</u>	<u>Project Area No. 3</u>	<u>Project Area No. 4</u>	<u>Project Area No. 5</u>	<u>Mission Blvd. Project Area</u>	<u>Total</u>
<u>ASSETS</u>							
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cash and investments with trustee	61,710	-	3,192,035	636,501	2,682,425	-	6,572,671
Total Assets	<u>\$ 61,710</u>	<u>\$ -</u>	<u>\$ 3,192,035</u>	<u>\$ 636,501</u>	<u>\$ 2,682,425</u>	<u>\$ -</u>	<u>\$ 6,572,671</u>

<u>FUND BALANCES</u>							
Fund Balances:							
Restricted	<u>\$ 61,710</u>	<u>\$ -</u>	<u>\$ 3,192,035</u>	<u>\$ 636,501</u>	<u>\$ 2,682,425</u>	<u>\$ -</u>	<u>\$ 6,572,671</u>
Total Fund Balances	<u>\$ 61,710</u>	<u>\$ -</u>	<u>\$ 3,192,035</u>	<u>\$ 636,501</u>	<u>\$ 2,682,425</u>	<u>\$ -</u>	<u>\$ 6,572,671</u>

**CITY OF MONTCLAIR AS SUCCESSOR AGENCY
FOR THE CITY OF MONTCLAIR REDEVELOPMENT AGENCY
COMBINING BONDING FINANCIAL DISCLOSURE BASIS PROJECT AREA STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
ALL DEBT SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Project Area No. 1	Project Area No. 2	Project Area No. 3	Project Area No. 4	Project Area No. 5	Mission Blvd. Project Area	Total
Revenues:							
Taxes and Assessments:							
Tax Increment	\$ 110,308	\$ -	\$ 5,218,449	\$ 2,260,042	\$ 4,878,102	\$ 998,577	\$ 13,465,478
Total Revenues	110,308	-	5,218,449	2,260,042	4,878,102	998,577	13,465,478
Expenditures:							
Current:							
General Government:							
Administrative costs	1,424	-	67,252	26,871	59,953	11,869	167,369
Debt Service:							
Interest expense	14,490	-	1,194,865	212,125	960,476	-	2,381,956
Long-term debt repayments	15,000	-	680,000	155,000	515,000	-	1,365,000
Total Expenditures	30,914	-	1,942,117	393,996	1,535,429	11,869	3,914,325
Excess of Revenues over (under) Expenditures	79,394	-	3,276,332	1,866,046	3,342,673	986,708	9,551,153
Other Financing Sources (Uses):							
Transfers in - Debt Service	33,860	-	1,888,809	368,250	1,491,870	-	3,782,789
Transfers out - Debt Service	(33,860)	-	(1,888,809)	(368,250)	(1,491,870)	-	(3,782,789)
Successor Agency Reserve Contributions	-	-	-	-	91,196	-	91,196
Administrative and operational fund payments	(3,480)	-	(118,228)	(47,685)	(119,105)	(23,920)	(312,418)
Pass through and residual taxing entity payments	(71,544)	-	(3,144,161)	(1,817,236)	(3,207,173)	(962,788)	(9,202,902)
Total Other Financing Sources (Uses)	(75,024)	-	(3,262,389)	(1,864,921)	(3,235,082)	(986,708)	(9,424,124)
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses	\$ 4,370	\$ -	\$ 13,943	\$ 1,125	\$ 107,591	\$ -	\$ 127,029
Fund Balances:							
Beginning of Year	\$ 57,340	\$ -	\$ 3,178,092	\$ 635,376	\$ 2,574,834	\$ -	\$ 6,445,642
End of Year	\$ 61,710	\$ -	\$ 3,192,035	\$ 636,501	\$ 2,682,425	\$ -	\$ 6,572,671

**City of Montclair as Successor Agency
for the City of Montclair Redevelopment Agency (Successor Agency)
Notes to Financial Statements
June 30, 2015**

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A) Description of Entity

This reporting entity is for the City of Montclair as Successor Agency for the City of Montclair Redevelopment Agency (Successor Agency).

The City of Montclair Redevelopment Agency (the Agency) was activated June 6, 1977, pursuant to the State of California Health and Safety Code, Section 33000, entitled "Community Development Law." The primary purpose of the Agency was to encourage private redevelopment of property and to rehabilitate areas suffering from economic disuse arising from poor and inadequate planning, inadequate street layout and street access, lack of open space, landscaping and other improvements and facilities necessary to establish and maintain the economic growth of the City. However, the Agency was dissolved as of February 1, 2012 as a result of state legislation and its assets and obligations were transferred to the Successor Agency for disposition.

The City of Montclair as Successor Agency for the City of Montclair Redevelopment Agency became effective on February 1, 2012 because on December 29, 2011, the California Supreme Court upheld Assembly Bill 1X 26 ("the Bill") that provides for the dissolution of all redevelopment agencies in the State of California. The Bill provides that upon dissolution of a redevelopment agency, either the City or another unit of local government will agree to serve as the "successor agency" to hold the assets until they are distributed to other units of state and local government. On January 12, 2012, the City Council of the City of Montclair elected to become the Successor Agency for the former redevelopment agency in accordance with the Bill as part of City Resolution No. 12-2934.

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 Bill directs the State Controller of the State of California to review the propriety of any transfers of assets between redevelopment agencies and other public bodies that occurred after January 1, 2011. If the public body that received such transfers is not contractually committed to a third party for the expenditure or encumbrance of those assets, the State Controller is required to order the available assets to be transferred to the public body designated as the successor agency by the Bill. The State Controller's Office review has been done and the Successor Agency complied with all findings present.

**City of Montclair as Successor Agency
for the City of Montclair Redevelopment Agency (Successor Agency)
Notes to Financial Statements
June 30, 2015**

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

In accordance with the timeline set forth in the Bill (as modified by the California Supreme Court on December 29, 2011) all redevelopment agencies in the State of California were dissolved and ceased to operate as a legal entity as of February 1, 2012. Prior to that date, the final several months of the activity of the redevelopment agency continued to be reported in the governmental funds of the Former Redevelopment Agency. After the date of dissolution, the assets and activities of the dissolved redevelopment agency are maintained in the same accounting structure as previously utilized by the Successor Agency; however, they are reported in a fiduciary fund (private-purpose trust fund) in the financial statements of the City of Montclair.

The Successor Agency is the continuing entity arising from the dissolution of the Former Redevelopment Agency. Therefore, ending balances displayed in the accompanying financial statements represent balances applicable to the Successor Agency only.

B) Government-Wide and Fund Financial Statements

The financial statements (i.e., balance sheet and statement of revenues, expenditures and changes in fund balance – all debt service funds) report information on all of the activities relating to bond financial disclosure requirements of the Successor Agency.

C) Measurement Focus, Basis of Accounting and Financial Statement Presentation

The financial statements are prepared by the Successor Agency on the basis of the financial reporting provisions of bonding financial disclosure requirements, which is a basis of accounting other than accounting principles generally accepted in the United States of America. This is done to comply with the financial disclosure provisions of the bonding contractual relationships as explained below.

The Former Redevelopment Agency was a party to various bonding arrangements and those bond issues require financial reporting of the various assets, liabilities, revenues and expenditures segregated by redevelopment project area for pledged revenues and bonding transactions. To demonstrate that reporting, the accompanying financial statements have been prepared which are segregated by the project areas of the Former Redevelopment Agency. The various governmental funds presented are limited to those that involve debt service operations of the Successor Agency. Since that is only a portion of the total operations of the Successor Agency (surviving entity of the dissolution process), these financial statements do not report the financial position and results of operations of the complete Successor Agency which has been done as part of the City of Montclair's financial reporting.

**City of Montclair as Successor Agency
for the City of Montclair Redevelopment Agency (Successor Agency)
Notes to Financial Statements
June 30, 2015**

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

The accompanying fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this period, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

The County of San Bernardino collects property taxes for the entities. Tax liens attach annually as of 12:01 A.M. on the first day in January preceding the fiscal year for which the taxes are levied. The tax levy covers the fiscal period July 1 to June 30. All secured personal property taxes and one-half of the taxes on real property are due November 1; the second installment is due February 1. All taxes are delinquent, if unpaid, on December 10 and April 10, respectively. Unsecured personal property taxes become due on the first of January each year and are delinquent on August 31. All property taxes are deposited, by the County of San Bernardino, into a Redevelopment Property Tax Trust Fund (RPTTF). Allocations from the RPTTF occur twice during the fiscal year and cover an upcoming six month period. These allocations are based upon Department of Finance (DOF) approved enforceable obligations that are reported, by the Successor Agency, on a Redevelopment Obligation Payment Schedules (ROPS). The County of San Bernardino deducts from the RPTTF administrative charges and pass through obligations that it calculates and if sufficient monies remain the DOF approved amount of enforceable obligations. Any remaining balance in the RPTTF after the enforceable obligation distribution is distributed to the taxing entities, by the County, as residual balances. If insufficient monies are present to accomplish the required allocation for DOF approved enforceable obligations then the subordination of pass through obligations will be considered. Enforceable obligation allocations serve as the resources to accomplish debt service payments. Based upon information received from the County, the RPTTF allocations have been grossed up in the accompanying financial statements to show the total of property taxes received as well as administrative costs, pass through payments and residual balance allocations made.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

2) CASH AND INVESTMENTS

As of June 30, 2014 cash and investments were reported in the accompanying financial statements as follows:

Cash and Investments	\$	-
Cash and Investments with Trustee		<u>6,572,671</u>
Total Cash and Investments	\$	<u>6,572,671</u>

The Successor Agency maintains a cash and investment pool that is available for use for all of its funds. The amounts above represent only a portion of that investment pool applicable to

**City of Montclair as Successor Agency
for the City of Montclair Redevelopment Agency (Successor Agency)
Notes to Financial Statements
June 30, 2015**

2) CASH AND INVESTMENTS - Continued

its debt service funds. Monies held by its fiscal agents, under the provisions of bond indentures, are not part of this cash and investment pool and are reported separately as cash and investments with trustees. The Successor Agency has adopted an investment policy, which authorizes it to invest in various investments. Since the amounts above represent only a portion of the cash and investment pool of the Successor Agency, information on specific investments has not been included here. That information is available in the City of Montclair's financial report where the Successor Agency is blended as a component unit.

3) INTERFUND TRANSFERS

The accompanying financial statements report debt service funds for the Successor Agency. These funds receive pledged revenue and then transfer those amounts to the funds specified in the applicable bond indentures. Once the pledged revenues exceed the requirements of the bond indentures then the pledge is satisfied and any remaining amounts are available for use in accordance with applicable legal requirements. Transfers In and Out have been broken down on the accompanying financial statements and were as follows:

Transfers In

Debt service requirements	\$ <u>3,782,789</u>
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Transfers Out

Debt service requirements	\$ <u>3,782,789</u>
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As indicated above, only accounting funds applicable to the debt servicing operation of the Successor Agency are presented in the accompanying financial statements. Administrative allowance and operational fund payments were made from the tax increment operations of the Successor Agency to remove monies from accounting funds handling pledged revenue to accounting funds which would accomplish distributions to taxing entities and pay administrative costs of the Successor Agency. Additionally, during Fiscal Year 2014-15, the Department of Finance directed the Successor Agency to pay \$91,196 of operational reserve monies for debt service on Project Area No. 5 bonds.

4) LONG-TERM DEBT

The following is a summary of changes in long-term debt of the Successor Agency for the year ended June 30, 2015:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Tax Allocation Bonds	\$ 47,720,000	\$ -	\$ 1,365,000	\$ 46,355,000	\$ 1,435,000

The following schedule illustrates the debt service requirements to maturity for bonds outstanding as of June 30, 2015:

**City of Montclair as Successor Agency
for the City of Montclair Redevelopment Agency (Successor Agency)
Notes to Financial Statements
June 30, 2015**

4) LONG-TERM DEBT – Continued

	1997 Taxable Tax Allocation Bonds, Project Area I		2001 Tax Allocation Refunding Bonds, Project Area V		2004 Tax Allocation Refunding Bonds, Project Area IV	
	Principal	Interest	Principal	Interest	Principal	Interest
2015 - 2016	\$ 20,000	\$ 13,020	\$ 340,000	\$ 415,960	\$ 160,000	\$ 204,250
2016 - 2017	20,000	11,340	360,000	398,460	170,000	196,000
2017 - 2018	20,000	9,660	375,000	380,085	180,000	187,250
2018 - 2019	25,000	7,770	395,000	360,835	185,000	178,125
2019 - 2020	25,000	5,670	415,000	340,585	195,000	168,625
2020 - 2025	55,000	4,830	2,410,000	1,350,848	1,135,000	682,625
2025 - 2030	-	-	3,120,000	622,750	1,455,000	360,125
2030 - 2035	-	-	725,000	19,213	685,000	34,625
2035 - 2040	-	-	-	-	-	-
2040 - 2045	-	-	-	-	-	-
2045 - 2050	-	-	-	-	-	-
Totals	\$ 165,000	\$ 52,290	\$ 8,140,000	\$ 3,888,736	\$ 4,165,000	\$ 2,011,625

	2006A Tax Allocation Bonds, Project Area V		2006B Tax Allocation Bonds, Project Area V		2007A Taxable Tax Allocation Bonds, Project Area III	
	Principal	Interest	Principal	Interest	Principal	Interest
2015 - 2016	\$ 205,000	\$ 360,685	\$ -	\$ 155,800	\$ 570,000	\$ 1,007,775
2016 - 2017	215,000	348,504	-	155,800	600,000	981,450
2017 - 2018	230,000	335,175	-	155,800	620,000	954,000
2018 - 2019	245,000	320,569	-	155,800	645,000	925,538
2019 - 2020	260,000	305,040	-	155,800	675,000	897,525
2020 - 2025	1,560,000	1,256,753	-	779,000	3,840,000	4,021,078
2025 - 2030	400,000	947,715	1,655,000	589,119	5,395,000	3,029,506
2030 - 2035	2,870,000	436,035	1,625,000	158,769	7,810,000	1,452,234
2035 - 2040	-	-	-	-	1,800,000	45,000
Totals	\$5,985,000	\$4,310,476	\$ 3,280,000	\$ 2,305,888	\$21,955,000	\$13,314,106

	2007B Taxable Tax Allocation Bonds, Project		Total	
	Principal	Interest	Principal	Interest
2015 - 2016	\$ 140,000	\$ 154,275	\$ 1,435,000	\$ 2,311,765
2016 - 2017	145,000	146,267	1,510,000	2,237,821
2017 - 2018	160,000	137,696	1,585,000	2,159,666
2018 - 2019	170,000	128,100	1,665,000	2,076,737
2019 - 2020	180,000	117,600	1,750,000	1,990,845
2020 - 2025	1,065,000	408,750	10,065,000	8,503,884
2025 - 2030	805,000	74,550	12,830,000	5,623,765
2030 - 2035	-	-	13,715,000	2,100,876
2035 - 2040	-	-	1,800,000	45,000
Totals	\$2,665,000	\$1,167,238	\$46,355,000	\$27,050,359

**City of Montclair as Successor Agency
for the City of Montclair Redevelopment Agency (Successor Agency)
Notes to Financial Statements
June 30, 2015**

4) LONG-TERM DEBT - Continued

A description of long-term debt outstanding (excluding defeased debt) of the Former Redevelopment Agency as of June 30, 2015, follows:

On November 1, 1997, the Agency issued \$325,000 of Redevelopment Project Area No. 1 1997, Taxable Tax Allocation Bonds. Interest is payable semi-annually on April 1 and October 1 in each year, commencing on April 1, 1998, and continue through October 1, 2021. The bonds carry an interest rate of 8.4%. The balance at June 30, 2015, was \$165,000.

On July 1, 2001, the Agency issued \$9,350,000 of Redevelopment Project Area No. 5, 2001 Tax Allocation Refunding Bonds. The bonds were issued to refund the Agency's 1992 Tax Allocation Bonds outstanding in the amount of \$4,435,000 and the 1995 Tax Allocation Bonds outstanding in the amount of \$1,945,000. Interest on the bonds is payable semi-annually on April 1 and October 1, in each year, commencing on October 1, 2001. Principal maturities on the term bonds are October 1, 2020, and October 1, 2030, and carry interest rates of 5.17% and 5.37%, respectively. The balance at June 30, 2015, was \$8,140,000.

On February 1, 2004, the Agency issued \$5,700,000 of Redevelopment Project Area No. 4, 2004 Tax Allocation Refunding Bonds. The bonds were issued to currently refund the Agency's 1992 Tax Allocation Bonds outstanding in the amount of \$1,605,000. Interest on the bonds is payable semi-annually on April 1 and October 1, in each year, commencing on October 1, 2004. The bonds carry an interest rate of 5.07%. Principal maturities begin on October 1, 2004, and continue on October 1, of each year through October 1, 2031. The balance at June 30, 2015, was \$4,165,000.

On July 6, 2006, the Agency issued Taxable Allocation Refunding Bonds 2006A in the amount of \$8,235,000. The Bonds were issued with the purpose of paying monies in accordance with a Disposition and Development Agreement with Costco Wholesale Corporation in the amount of \$2,500,000, advance refunding the 1995 Tax Allocation Bonds in the amount of \$1,155,000, and to provide monies to finance the redevelopment project. Interest on the bonds is payable semi-annually on April 1 and October 1, in each year, commencing on October 1, 2006. The bonds carry interest rates ranging from 5.55% to 6.15%. Serial bonds maturities begin October 1, 2007, and continue annual through October 1, 2016, ranging from \$160,000 to \$420,000 and term bonds mature in the amount of \$2,365,000 on October 1, 2025, and \$3,200,000 on October 1, 2033. The balance at June 30, 2015, was \$5,985,000.

On July 6, 2006, the Agency issued Taxable Allocation Bonds 2006B in the amount of \$3,280,000. The bonds were issued to provide monies to finance the redevelopment project. Interest on the bonds is payable semi-annually on April 1 and October 1, in each year, commencing on October 1, 2006. The bonds carry interest rate of 4.75%. Term bonds in the amount of \$3,280,000 mature October 1, 2033. The balance at June 30, 2015, was \$3,280,000.

**City of Montclair as Successor Agency
for the City of Montclair Redevelopment Agency (Successor Agency)
Notes to Financial Statements
June 30, 2015**

4) LONG-TERM DEBT - Continued

On September 27, 2007, the Agency issued Taxable Allocation Refunding Bonds 2007A in the amount of \$25,450,000. The Bonds were issued with the purpose of refunding the 1997 Tax Allocation Bonds in the amount of \$14,485,000, refunding a portion of the 1998 Taxable Allocation bonds and to provide monies to finance the redevelopment project. Interest on the bonds is payable semi-annually on March 1 and September 1, in each year, commencing on September 1, 2008. The bonds carry interest rates ranging from 3.4% to 4.5%. Serial bonds maturities begin September 1, 2008, and continue annually through September 1, 2021, ranging from \$440,000 to \$735,000 and term bonds mature in the amount of \$5,135,000 on September 1, 2027, \$5,565,000 on September 1, 2031, and \$6,705,000 on September 1, 2035. The balance at June 30, 2014, was \$21,955,000.

On September 27, 2007, the Agency issued Taxable Allocation Bonds 2007B in the amount of \$3,500,000. The bonds were issued to provide monies to advance refund the 1998 Tax Allocation Bonds. Interest on the bonds is payable semi-annually on March 1 and September 1, in each year, commencing on September 1, 2008. The bonds carry interest rate ranging from 5.170 to 6.00%. Term bonds in the amount of \$3,280,000 mature October 1, 2033. The balance at June 30, 2015, was \$2,665,000.

5) AVAILABLE RESOURCES OF SUCCESSOR AGENCY

As part of the elimination of the City of Montclair Redevelopment Agency, AB 1484 required that "due diligence" reviews be conducted on the Successor Agency to determine amounts that were to be paid to the county for allocation to taxing entities. Two reviews were required. The first related to Low and Moderate Income Housing Funds held by the Successor Agency and the second was for all other funds of the Successor Agency. The Low and Moderate Income Housing review was completed, approved by the Department of Finance and resulted in \$7,884,597 being paid to the County of San Bernardino for allocation to the respective taxing entities. The Other Funds review has also been completed by the Successor Agency, approved by the Department of Finance and it resulted in \$7,876,440 being paid to the County of San Bernardino for allocation to the respective taxing entities. As a result of these payments, the resources available to the Successor Agency to provide monies for debt service, etc. have been substantially depleted. On May 16, 2013, DOF issued a Finding of Completion to the Successor Agency indicating that all required payments specified under the legislation had been met.



VLF Van Lant &
Fankhanel, LLP
— Certified Public Accountants —