
BERENS-TATE CONSULTING GROUP

SPECIALIZING IN TAX-EXEMPT BOND SERVICES

October 4, 2017

Paul Melikian
City of Reedley
845 "G" Street
Reedley, CA 93654

RE: Reedley Redevelopment Agency
\$8,275,000 Reedley Redevelopment Project
2011 Tax Allocation Bonds, Series A

Dear Mr. Melikian:

The City of Reedley ("City") has requested that we prepare certain computations related to the above bonds ("Bonds") from February 23, 2011, the issue date of the Bonds, through January 31, 2016 ("Computation Period"). The scope of our engagement consisted of preparing computations to determine the rebate amount for the Bonds for the Computation Period under Section 148(f) of the Internal Revenue Code (as amended, and Final Regulations promulgated thereunder) and this report is not to be used for any other purpose.

In order to prepare these computations, the City and Bank of New York Mellon ("Trustee") provided us with certain closing documents for the Bonds, bond proceeds and withdrawal detail, and investment information. The attached exhibits were prepared using the aforementioned information, as described in the Summary of Computational and Source Information.

In our opinion, the computations contained in the attached exhibits that were prepared using the information provided, are mathematically accurate. In the attached exhibits, the computations reflect for the Computation Period that no yield reduction payment is required and there were no positive arbitrage rebate earnings. Therefore, no payment is due and no filing with the Internal Revenue Service is necessary at this time. We have no obligation to update this report because of events occurring, or information coming to our attention, subsequent to the date of this report.

Very truly yours,

BERENS-TATE CONSULTING GROUP



Chris D. Berens

CITY OF REEDLEY
ARBITRAGE REBATE REPORT

TABLE OF CONTENTS

EXHIBIT

Summary of Computational and Source Information	A
Arbitrage Rebate Report (Summary)	B
Future Value Report (Detail Calculation)	C
Notes to the Report	D

CITY OF REEDLEY

SUMMARY OF COMPUTATIONAL AND SOURCE INFORMATION

COMPUTATIONAL INFORMATION

1. The issue date of the Bonds is February 23, 2011.
2. Computations of the bond yield and future values are based upon a 30-day month, 360-day year, and semiannual compounding.
3. The initial offering price of the Bonds is \$8,085,274.85 (\$8,275,000 par less \$189,725.15 original issue discount).
4. For cash flow and yield computation purposes, all payments and receipts are assumed to be paid or received, respectively, as shown in the attached schedules.

SOURCE INFORMATION

The information used to complete the rebate calculation was obtained from the following sources:

BOND DETAIL

SOURCE

Issue date

IRS Form 8038-G

Amounts and payment dates of
principal and interest

Official Statement

Initial offering price

IRS Form 8038-G

Deposit and withdrawal of bond proceeds

Statements provided by the City
and the Trustee

INVESTMENTS

Detail of all investment transactions

Statements provided by the City
and the Trustee

Reedley Redevelopment Agency (Fresno County, California)

\$8,275,000 Reedley Redevelopment Project

2011 Tax Allocation Bonds, Series A

Arbitrage Rebate Report

Computation Date	Yield on Issue	Payment Date	Amount Paid	Cumulative Arbitrage	FV Payments	Rebate Amount
01/31/2016	7.23973774%			(\$2,327,705.76)	\$0.00	(\$2,327,705.76)

Reedley Redevelopment Agency (Fresno County, California)
\$8,275,000 Reedley Redevelopment Project
2011 Tax Allocation Bonds, Series A

Future Value Report
As of January 31, 2016

	Computation Receipt	Future Values @ 7.23973774%	Cumulative Arbitrage	Investment Yield	
Project Fund	\$5,513,678.56	(\$7,548,475.40)	(\$2,034,796.84)	0.75319140%	1 cashflows
Reserve Fund	706,300.67	(989,892.18)	(283,591.51)	0.27946624%	3 cashflows
Computation Credit	0.00	(9,317.41)	(9,317.41)		5 cashflows
Total	\$6,219,979.23	(\$8,547,684.99)	(\$2,327,705.76)		

Date	Project Fund	Reserve Fund	Computation Credit				Periods
02/23/2011	(\$5,312,712.85)	(\$696,917.40)					9.87777778
02/03/2015		(2.09)					1.98888889
05/11/2015		297.33					1.44444444
01/31/2012			(\$1,550.00)				8.00000000
01/31/2013			(1,590.00)				6.00000000
01/31/2014			(1,620.00)				4.00000000
01/31/2015			(1,650.00)				2.00000000
01/31/2016			(1,650.00)				0.00000000
	(\$5,312,712.85)	(\$696,622.16)	(\$8,060.00)				

CITY OF REEDLEY

NOTES TO THE REPORT

1. The bond year-end may be chosen by the City, but must fall within 365 days of the bond delivery date. We used January 31st as the bond year-end.
2. Fixed yield investments held on the last day of the Computation Period may be valued at their present value or fair market value. We valued these fixed yield investments at their present value when calculating the computation date receipt. We used the fair market value of the money market accounts.
3. No provision has been made in this report for any debt service fund. Under Section 1.148-(3)(k) of the Treasury Regulations, a “bona fide debt service fund” for bonds issued after June 30, 1993, is not subject to rebate if the average annual debt service on the corresponding bonds is less than \$2,500,000. It appears this provision applies to the Bonds.
4. Purchase and sale prices of all investments are assumed to be at fair market value, exclusive of administrative or similar expenses, and representative of an arm's length transaction which did not artificially reduce the rebate amount for the Bonds. We did not analyze the investment purchases or sales to determine if they were completed at fair market value or complied with the safe harbors. We have assumed that withdrawals represent bona fide expenditures for tax purposes on the date withdrawn. In addition, we have undertaken no responsibility to review the tax-exempt status of interest on the Bonds.
5. Bond proceeds of \$121,014 were designated for costs of issuance on the Bonds. We assumed these funds earned less than the yield on the Bonds, therefore, we have not included them in the calculation.
6. 2011 Bond proceeds of \$1,851,193 were used to current refund the \$3,110,000 Reedley Redevelopment Project 1998 Tax Allocation Refunding Bonds, Series A. Proceeds from the 2011 Bonds and 1998A Bonds were used to redeem the outstanding 1998A Bonds on March 25, 2011. Except for proceeds related to the 1998A Bonds used to redeem the Bonds, we have assumed that there were no other proceeds remaining related to the 1998A Bonds.

The 2011 Bond proceeds used for the redemption have met the requirements of the six-month spending exception as described in Section 148(f) of the Internal Revenue Code (as amended and Final Regulations promulgated thereunder). Therefore, we have not included them in the calculation.