



THE TOWN OF
Corte Madera
California

Town of Corte Madera

Old Landing Road Sewer Assessment District

Fiscal Year 2016/17
Annual District Administration Report

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ANNUAL DISTRICT ADMINISTRATION REPORT FISCAL YEAR 2016/17

TOWN OF CORTE MADERA OLD LANDING ROAD SEWER ASSESSMENT DISTRICT



THE TOWN OF
CORTE MADERA

MARIN COUNTY CALIFORNIA

Prepared for

TOWN OF CORTE MADERA
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Prepared by

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TABLE OF CONTENTS

This report provides a summary of the financial and administrative information for Old Landing Road Sewer Assessment District (“District”) of the Town of Corte Madera (“City”) and is organized in the following sections:

INTRODUCTION

- A. **FORMATION**
- B. **BOUNDARIES AND DEVELOPMENT SUMMARY**
- C. **BONDS**
- D. **FINANCED FACILITIES**

I. LEVY SUMMARY OVERVIEW

- A. **FISCAL YEAR 2016/17 LEVY AMOUNTS**
- B. **FISCAL YEAR 2016/17 HANDBILL AMOUNTS**

II. FINANCIAL OBLIGATIONS

- A. **FISCAL YEAR 2016/17 LEVY COMPONENTS**
- B. **PREPAYMENT SUMMARY**
- C. **HISTORICAL BOND CALL SUMMARY**

III. DELINQUENCY AND FORECLOSURE STATUS

- A. **DELINQUENCY SUMMARY**
- B. **FORECLOSURE COVENANT**
- C. **DELINQUENCY MONITORING ACTIONS**

EXHIBITS

- EXHIBIT A: FISCAL YEAR 2016/17 CHARGE DETAIL REPORT**
- EXHIBIT B: BOUNDARY DIAGRAM**
- EXHIBIT C: DELINQUENCY SUMMARY**
- EXHIBIT D: DEBT SERVICE SCHEDULE(S)**
- EXHIBIT E: ANNUAL LEVY VS. DEBT SERVICE PROJECTIONS (DEBT VARIANCE SUMMARY)**

INTRODUCTION

The information provided in this report is derived primarily from documents developed at the time the District was formed and from data provided by the City or accessed through the City. The information sources include the Rate and Method of apportionment, annual budget, debt service schedule(s), and special tax/assessment delinquency data. The development status, prepayments and historical information were accessed through the City and/or the developer and are maintained by Willdan Financial Services.

The Municipal Improvement Act of 1913 (Streets and Highways Code Section 10000 et seq., the "1913 Act") contains provision for establishing Assessment Districts. Upon formation of the Assessment District, the 1915 Act (Streets and Highways Code Section 8500 et seq., the "1915 Act") governs the issuance of the bonds and the ongoing administration of the district. Proceeds of the sale of assessment bonds may be used to finance a broad range of local public improvements, mostly related to public infrastructure facilities. An Assessment District ("AD") or ("LID") or ("District") is not a separate legal entity; it has no separate governing board and no authority to act independently of the local agency that established it.

A. FORMATION

On September 19, 1995, the City conducted the Resolution of Intention to form the District by the adoption of Resolution No. 95-12. The City has established the Assessment District and confirmed the Assessments on the Assessment Parcels to finance the costs of certain public improvements specially benefiting such properties.

B. BOUNDARIES AND DEVELOPMENT SUMMARY

The Assessment District lies on the shore of the San Francisco Bay on the northeast side of the Tiburon peninsula in southern Marin County, and is about 9 miles north of San Francisco. The District is comprised of forty (40) parcels. Of the forty (40) parcels within the boundaries of the district, thirty-eight (38) are assessed, two (2) are not assessed. Of the thirty-eight (38) parcels assessed, four (4) parcels prepaid the assessment leaving 34 unpaid assessed parcels.

C. BONDS

Pursuant to an Official Statement dated October 2, 1995, The Bonds described herein (the "Bonds") are limited obligation improvement bonds being issued by the Sanitary District No. 2 of Marin County (a subsidiary district of the Town of Corte Madera), California (the "District"), to finance the construction and acquisition of certain public improvements specially benefiting properties located within the boundaries of the District's Old Landing Road Sewer Assessment District (the "Assessment District").

D. FINANCED FACILITIES

The improvements for the District include; Design and install approximately 2,100 lineal feet of 6-inch diameter sewer main in a common driveway, Old Landing Road, easements and Paradise Drive along with the required number of sewer manholes. Also design and install a sewer pump station and a sewer force main to connect with the Paradise Drive line of Sanitary District No. 2, together with all necessary appurtenances. Sewer laterals are not included, as it is assumed each property owner will be responsible for this portion of the work.

I. LEVY SUMMARY OVERVIEW

A. FISCAL YEAR 2016/17 LEVY AMOUNTS

The following table summarizes the amounts levied (including handbilled/direct billed charges) for Fiscal Year 2016/17 for the District.

Parcel Count	Charge Amount
34	\$49,487.48

B. FISCAL YEAR 2016/17 HANDBILL AMOUNTS

The following table summarizes the amounts billed directly to the property owner rather than placed on the Secured Property Tax Roll, due to the tax exempt status in Fiscal Year 2016/17 for the District.

Parcel Count	Charge Amount
0	\$0.00

II. FINANCIAL OBLIGATIONS

A. FISCAL YEAR 2016/17 LEVY COMPONENTS

The following table summarizes the financial obligations of the District.

Uses of Funds	Amount
Principal	\$29,999.98
Interest	12,149.96
Administrative Costs	8,687.45
Adjustments Applied to the Levy – Addition/(Credit)	1,349.94
Total Charge Amount Levied ⁽¹⁾	\$49,487.45

⁽¹⁾ Slight variance to actual "Charge Amount" in Section (I)(A) above due to rounding.

FOR DETAILED INFORMATION REGARDING BOND(S) ISSUED FOR THIS DISTRICT, PLEASE REFER TO EXHIBIT D (DEBT SERVICE SCHEDULE) OF THIS REPORT.

B. PREPAYMENTS

For Fiscal Year 2016/17, there were no (0) parcels that prepaid their special tax/assessment obligations. The following table lists the parcels that prepaid and amount of the prepayment.

APN	Prepayment Total ⁽¹⁾
N/A	\$0.00
Prepayment Total	\$0.00

⁽¹⁾ Total prepayment amount including but not limited to, reserve credit, redemption amount and premium, investment earnings and administrative fees.

C. HISTORICAL BOND CALL SUMMARY

The following table summarizes historical bond calls performed to date.

Date of Call	Amount	Source of Funds
N/A	N/A	N/A
Total Bond Call to Date		

III. DELINQUENCY AND FORECLOSURE STATUS

A. DELINQUENCY SUMMARY

The following table summarizes delinquencies for the most recent fiscal year and the cumulative for all years with delinquencies as of May 19, 2016.

Summary for Most Recent Fiscal Year		Cumulative Summary for All Years with Delinquencies	
777.99	1.51%	777.99	1.51%

FOR A MORE COMPREHENSIVE SUMMARY, PLEASE SEE EXHIBIT C OF THIS REPORT.

B. FORECLOSURE COVENANT

The District covenants for the benefit of the Owners of the Bonds that it will determine or cause to be determined, No later than November 1 in any year, the District shall file and prosecute an action in the Superior Court to foreclose the lien on each assessment delinquent in the amount of at least \$2,000 if the sum of uncured assessment delinquencies for the preceding fiscal year exceeds five percent (5%) of the assessment installments posted to the tax roll for that fiscal year, and if the amount of the Reserve Account is less than the Reserve Requirement. The District will similarly file and prosecute such action against any property owner delinquent in the amount of \$3,500 or more (including penalties and statutory interest).

C. DELINQUENCY MANAGEMENT ACTIONS

There is no single property owner delinquent of \$3,500 or more and there is no single parcel representing five percent (5%) or more of the special tax levy delinquent in the payment of its Special Taxes.

However, Willdan Financial Services has taken the initial steps toward foreclosure proceedings or reducing delinquencies by performing the following Delinquency Monitoring Actions since July 1, 2015.

Action(s)	Date Performed	Number of Parcels
Reminder Letter	February 8, 2016	2

EXHIBIT A

TOWN OF CORTE MADERA OLD LANDING ROAD SEWER ASSESSMENT DISTRICT

Fiscal Year 2016/17 Charge Detail Report

Town of Corte Madera
Old Landing Road Sewer Assessment District
Charge Detail Report (Sorted by Assessor's Parcel Number)

Assessor's Parcel Number	Situs Address	Land Assessed Value	Structure Assessed Value	Total Assessed Value	Original Assessment	Remaining ⁽¹⁾	Value-To-Lien Ratio ⁽²⁾	2016/17 Total Charge
038-162-11	26 OLD LANDING RD	\$71,783.00	\$72,822.00	\$144,605.00	\$15,675.67	\$4,545.42	31.81:1	\$1,498.50
038-162-19	1 OLD LANDING RD	1,227,810.00	130,281.00	1,358,091.00	15,675.67	4,545.42	298.78:1	1,498.50
038-162-20	15 OLD LANDING RD	976,570.00	888,226.00	1,864,796.00	15,675.67	4,545.42	410.26:1	1,498.50
038-162-23	4366 PARADISE DR	57,979.00	60,052.00	118,031.00	15,675.67	4,545.42	25.97:1	1,498.50
038-162-24	23 OLD LANDING RD	1,686,074.00	1,315,500.00	3,001,574.00	15,675.67	4,545.42	660.35:1	1,498.50
038-162-25	4376 PARADISE DR	57,989.00	107,505.00	165,494.00	15,675.67	4,545.42	36.41:1	1,498.50
038-162-26	25 OLD LANDING RD	51,767.00	82,826.00	134,593.00	15,675.67	4,545.42	29.61:1	1,498.50
038-162-27	4386 PARADISE DR	1,573,637.00	761,437.00	2,335,074.00	15,675.67	4,545.42	513.72:1	1,498.50
038-162-28	33 OLD LANDING RD	1,269,062.00	572,601.00	1,841,663.00	15,675.67	4,545.42	405.17:1	1,498.50
038-162-30	4220 PARADISE DR	1,449,742.00	879,164.00	2,328,906.00	15,675.67	4,545.42	512.36:1	1,498.50
038-162-37	14 OLD LANDING RD	278,733.00	437,963.00	716,696.00	15,675.67	4,545.42	157.67:1	1,498.50
038-162-38	8 OLD LANDING RD	1,102,643.00	886,796.00	1,989,439.00	15,675.67	4,545.42	437.68:1	1,498.50
038-162-39	4420 PARADISE DR	88,716.00	178,628.00	267,344.00	15,675.67	4,545.42	58.82:1	1,498.50
038-162-40	4410 PARADISE DR	1,240,244.00	401,923.00	1,642,167.00	15,675.67	4,545.42	361.28:1	1,513.98
038-162-44	NO SITUS AVAILABLE	1,252,015.00	21,220.00	1,273,235.00	15,675.67	4,545.42	280.11:1	1,498.50
038-162-52	4338 PARADISE DR	1,061,030.00	732,709.00	1,793,739.00	15,675.67	4,545.42	394.63:1	1,498.50
038-162-53	4350 PARADISE DR	370,078.00	249,164.00	619,242.00	15,675.67	4,545.42	136.23:1	1,498.50
038-162-54	2 OLD LANDING RD	1,967,507.00	1,240,564.00	3,208,071.00	7,837.84	2,272.73	1411.55:1	752.26
038-162-55	4 OLD LANDING RD	1,731,540.00	1,598,279.00	3,329,819.00	7,837.83	2,272.73	1465.12:1	752.24
038-171-18	4210 PARADISE DR	1,319,825.00	786,818.00	2,106,643.00	15,675.67	4,545.42	463.46:1	1,498.50
038-171-38	4206 PARADISE DR	262,514.00	402,523.00	665,037.00	15,675.67	4,545.42	146.31:1	1,498.50
038-171-53	22 OLD LANDING RD	60,052.00	159,215.00	219,267.00	15,675.67	4,545.42	48.24:1	1,498.50
038-171-62	34 OLD LANDING RD	68,334.00	766,523.00	834,857.00	15,675.67	4,545.42	183.67:1	1,498.50
038-171-63	18 OLD LANDING RD	1,449,742.00	258,882.00	1,708,624.00	15,675.67	4,545.42	375.90:1	1,513.98
038-171-65	24 OLD LANDING RD	727,573.00	430,516.00	1,158,089.00	15,675.67	4,545.42	254.78:1	1,498.50
038-171-66	36 OLD LANDING RD	3,944,424.00	3,492,471.00	7,436,895.00	15,675.67	4,545.42	1636.13:1	1,498.50
038-171-68	32 OLD LANDING RD	93,649.00	186,073.00	279,722.00	15,675.67	4,545.42	61.54:1	1,498.50
038-171-70	20 1/2 OLD LANDING RD	32,812.00	686,339.00	719,151.00	15,675.67	4,545.42	158.21:1	1,498.50
038-171-71	20 OLD LANDING RD	82,814.00	113,891.00	196,705.00	15,675.67	4,545.42	43.28:1	1,498.50
038-171-79	16 OLD LANDING RD	2,639,650.00	1,218,300.00	3,857,950.00	15,675.88	4,545.54	848.73:1	1,498.52
038-171-81	28 OLD LANDING RD	901,364.00	833,618.00	1,734,982.00	15,675.67	4,545.45	381.70:1	1,498.50
038-171-84	27 OLD LANDING RD	1,201,297.00	378,787.00	1,580,084.00	15,675.67	4,545.45	347.62:1	1,498.50

Town of Corte Madera
Old Landing Road Sewer Assessment District
Charge Detail Report (Sorted by Assessor's Parcel Number)

Assessor's Parcel Number	Situs Address	Land Assessed Value	Structure Assessed Value	Total Assessed Value	Original Assessment	Remaining ⁽¹⁾	Value-To-Lien Ratio ⁽²⁾	2016/17 Total Charge
038-171-87	30 OLD LANDING RD	2,292,278.00	1,783,210.00	4,075,488.00	15,675.67	4,545.45	896.61:1	1,498.50
038-171-89	19 OLD LANDING RD	1,834,788.00	1,092,119.00	2,926,907.00	15,675.67	4,545.45	643.92:1	1,498.50
Total:		\$34,426,035.00	\$23,206,945.00	\$57,632,980.00	\$517,297.32	\$149,999.15		\$49,487.48
Parcel Count:								34

⁽¹⁾ Does not include principal levied on the Current Fiscal Year tax roll.

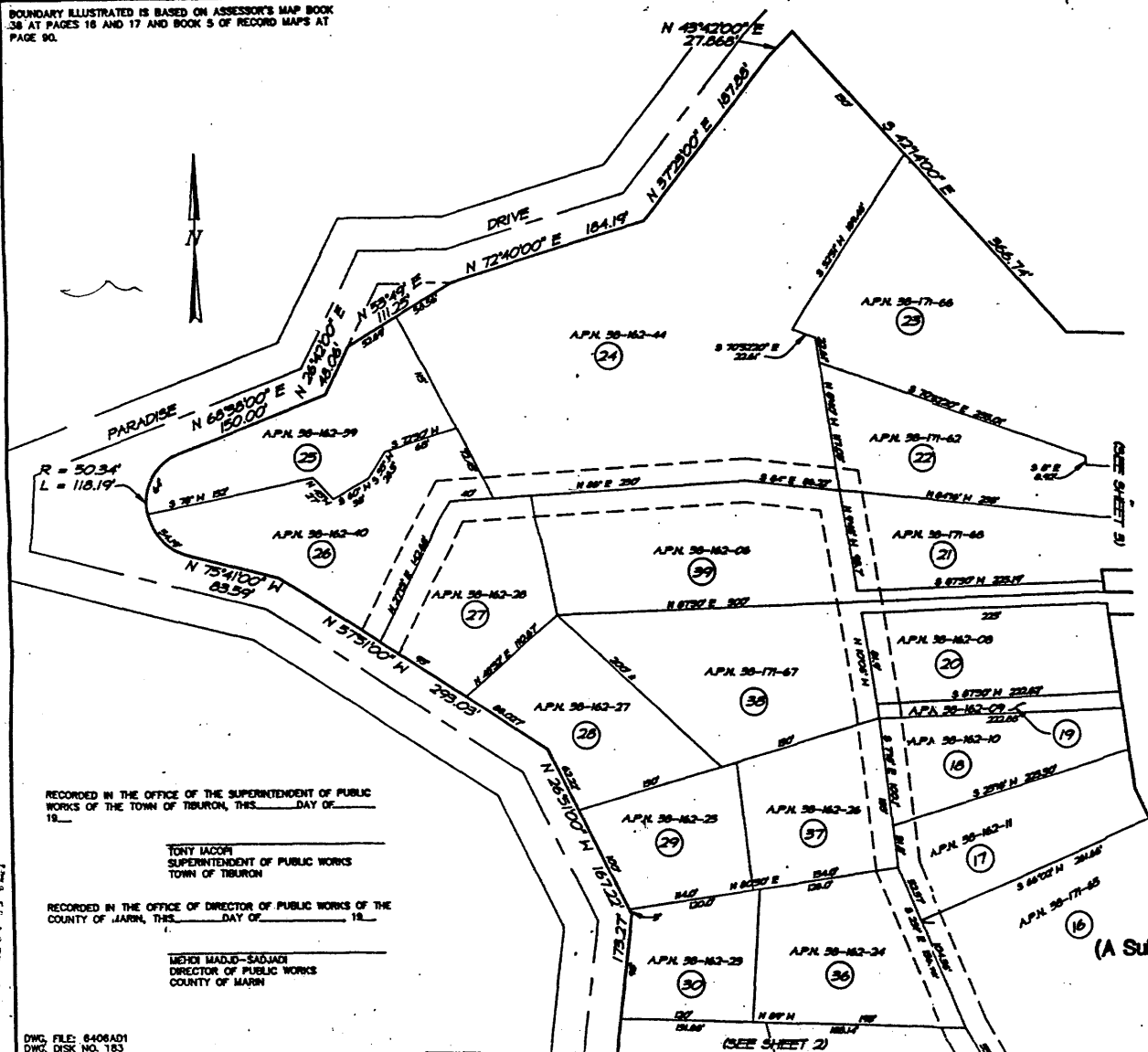
⁽²⁾ Value-To-Lien Ratio is Total Assessed Value/Remaining Principal.

EXHIBIT B

TOWN OF CORTE MADERA OLD LANDING ROAD SEWER ASSESSMENT DISTRICT

Boundary Diagram

BOUNDARY ILLUSTRATED IS BASED ON ASSESSOR'S MAP BOOK 38 AT PAGES 16 AND 17 AND BOOK 5 OF RECORD MAPS AT PAGE 90.



FILED IN THE OFFICE OF THE SECRETARY OF SANITARY DISTRICT NO. 2 OF MARIN COUNTY, THIS _____ DAY OF _____ 19__.

CHRISTINE BELL
SECRETARY OF THE BOARD OF DIRECTORS
OF SANITARY DISTRICT NO. 2 OF
MARIN COUNTY, STATE OF CALIFORNIA

RECORDED IN THE OFFICE OF THE DISTRICT ENGINEER OF SANITARY DISTRICT NO. 2 OF MARIN COUNTY, THIS _____ DAY OF _____ 19__.

DAVID BRACKEN
DISTRICT ENGINEER—SANITARY DISTRICT NO. 2 OF
MARIN COUNTY, STATE OF CALIFORNIA

AN ASSESSMENT WAS LEVIED BY THE BOARD OF DIRECTORS OF SANITARY DISTRICT NO. 2 OF MARIN COUNTY, CALIFORNIA, ON THE LOTS, PIECES AND PARCELS OF LAND SHOWN ON THIS ASSESSMENT DIAGRAM. SAID ASSESSMENT DIAGRAM AND THE ASSESSMENT ROLL WERE RECORDED IN THE OFFICE OF SANITARY DISTRICT NO. 2 OF MARIN COUNTY ON THE _____ DAY OF _____ 19__. REFERENCE IS MADE TO THE ASSESSMENT ROLL RECORDED IN THE OFFICE OF SANITARY DISTRICT NO. 2 FOR THE EXACT AMOUNT OF EACH ASSESSMENT LEVIED AGAINST EACH PARCEL OF LAND SHOWN ON THIS ASSESSMENT DIAGRAM.

CHRISTINE BELL
SECRETARY OF THE BOARD OF DIRECTORS
OF SANITARY DISTRICT NO. 2 OF
MARIN COUNTY, STATE OF CALIFORNIA

FILED THIS _____ DAY OF _____ 19__, AT THE HOUR OF _____ O'CLOCK _____ M. IN BOOK _____ OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS AT PAGE _____ IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY OF MARIN, STATE OF CALIFORNIA.

JOAN THAYER
COUNTY RECORDER
COUNTY OF MARIN, STATE OF CALIFORNIA

LEGEND

- _____ ASSESSMENT DISTRICT BOUNDARY
- _____ LOT LINE
- _____ EASEMENT LINE
- _____ CENTERLINE OF RIGHT-OF-WAY
- APN 30-162-30 ASSESSOR'S PARCEL NUMBER
- (20) ASSESSMENT NUMBER

ASSESSMENT DIAGRAM
of
OLD LANDING ROAD
SEWER ASSESSMENT DISTRICT
SANITARY DISTRICT NO. 2
OF MARIN COUNTY
(A Subsidiary District of the Town of Corte Madera)
Marin County, State of California
January, 1995

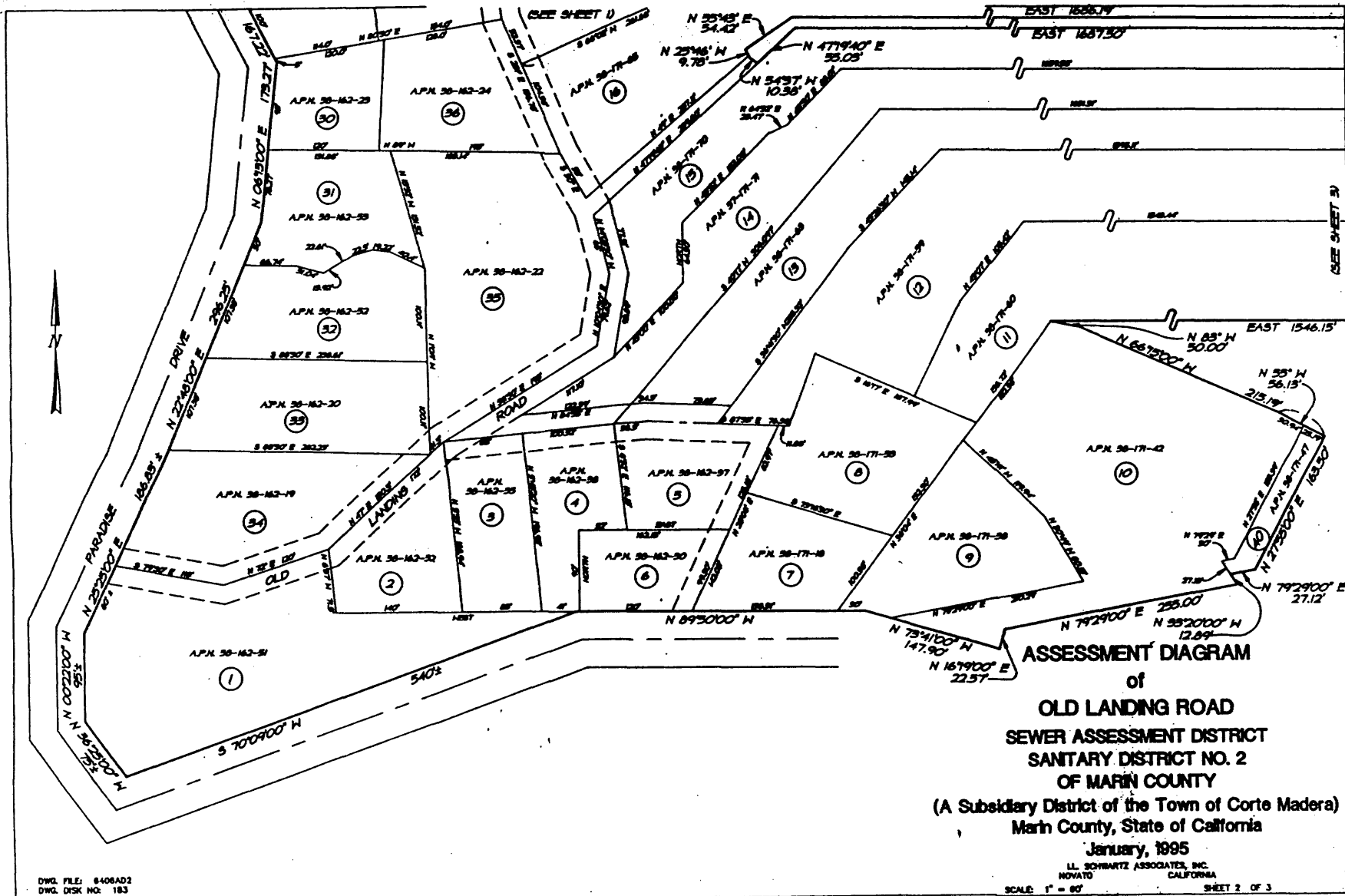
LL. SCHWARTZ ASSOCIATES, INC.
NOVATO CALIFORNIA
SCALE: 1" = 60'
SHEET 1 OF 3
JOB NO. 8408

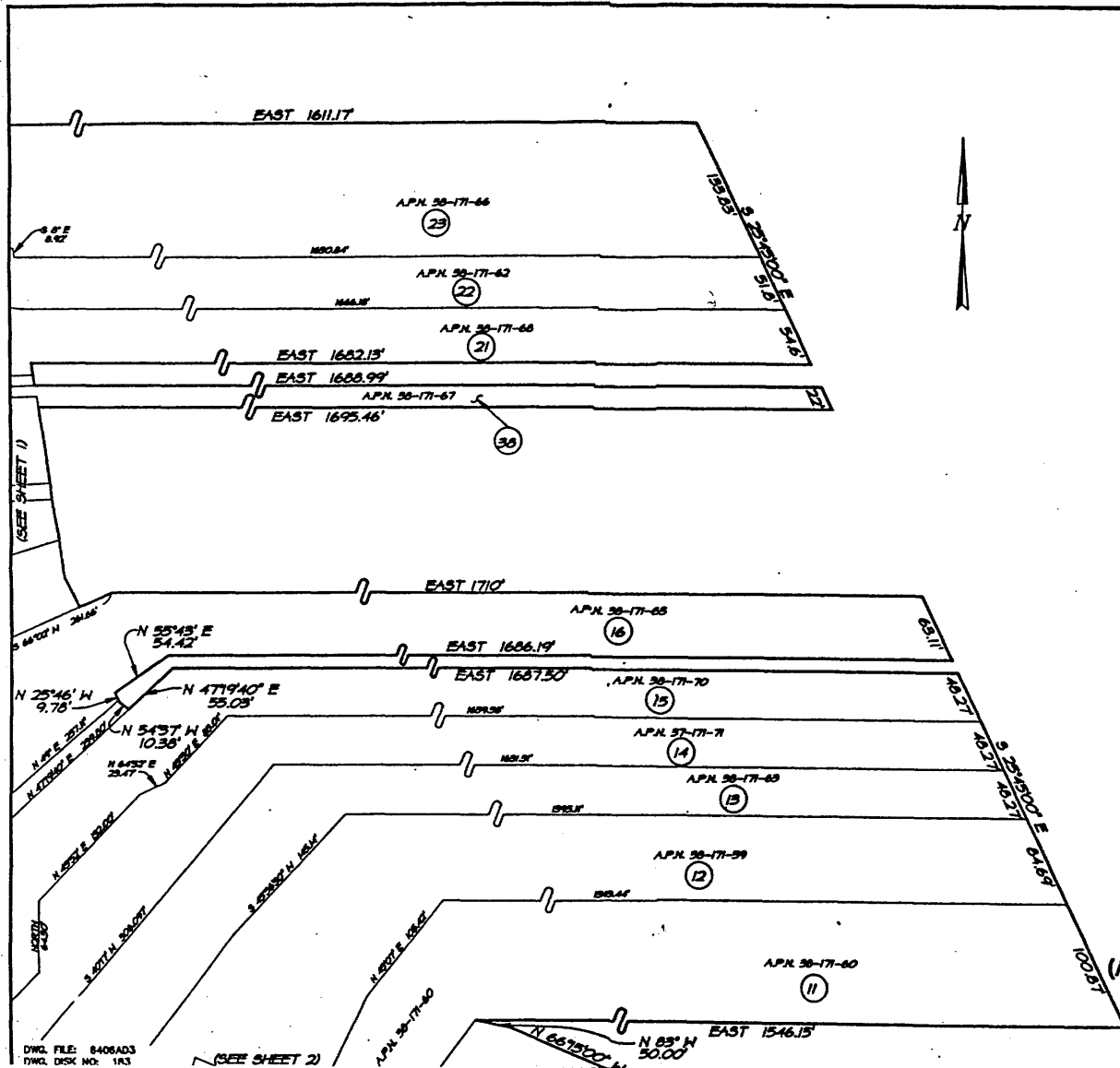
RECORDED IN THE OFFICE OF THE SUPERINTENDENT OF PUBLIC WORKS OF THE TOWN OF TIBURON, THIS _____ DAY OF _____ 19__.

TONY IACOP
SUPERINTENDENT OF PUBLIC WORKS
TOWN OF TIBURON

RECORDED IN THE OFFICE OF DIRECTOR OF PUBLIC WORKS OF THE COUNTY OF MARIN, THIS _____ DAY OF _____ 19__.

MICHAEL MADRID-SADAJI
DIRECTOR OF PUBLIC WORKS
COUNTY OF MARIN





ASSESSMENT DIAGRAM
of
OLD LANDING ROAD
SEWER ASSESSMENT DISTRICT
SANTARY DISTRICT NO. 2
OF MARIN COUNTY

(A Subsidiary District of the Town of Corte Madera)
Marin County, State of California

January, 1995

LL. SCHWARTZ ASSOCIATES, INC.
NOVATO CALIFORNIA

SCALE: 1" = 60' SHEET 3 OF 3

DWG. FILE: 8406A03
TWO. DISK NO. 1A3

(SEE SHEET 2)

JOB NO. 6408

EXHIBIT C

TOWN OF CORTE MADERA OLD LANDING ROAD SEWER ASSESSMENT DISTRICT

Delinquency Summary

DELINQUENCY SUMMARY BY DISTRICT

Town of Corte Madera

Old Landing Road Sewer Assessment District

DUE DATE	DOLLARS LEVIED	DOLLARS DELINQUENT	% DOLLARS DELINQUENT	PARCELS LEVIED	PARCELS DELINQUENT	DATA DATE
2015/16-1	\$25,676.68	\$0.00	0.00%	34	0	05/19/2016
2015/16-2	25,676.68	777.99	3.03%	34	1	05/19/2016
TOTAL	\$51,353.36	\$777.99	1.51%			

Calculations performed on 12/5/2016 9:26:00PM

Covenant to Commence Superior Court Foreclosure

No later than November 1 in any year, the District shall file and prosecute an action in the Superior Court to foreclose the lien on each assessment delinquent in the amount of at least \$2,000 if the sum of uncured assessment delinquencies for the preceding fiscal year exceeds five percent (5%) of the assessment installments posted to the tax roll for that fiscal year, and if the amount of the Reserve Account is less than the Reserve Requirement. The District will similarly file and prosecute such action against any property owner delinquent in the amount of \$3,500 or more (including penalties and statutory interest).

All of the foregoing notwithstanding, the District may, in any particular case, elect to advance (from any available funds other than any Funds or Accounts established under the Indenture) the amount of any delinquency excluding penalties and statutory interest on the delinquency but including interest on the delinquent amount at the blended yield of the outstanding bonds from the date of delinquency) to the Assessment Installment Fund. In the event the District need not initiate the foreclosure action. In such a case, the District may reimburse itself, when the delinquent assessment installment is paid on the property, for the principal amount of its advance plus the statutory interest and penalties paid in respect of the delinquency.

EXHIBIT D

TOWN OF CORTE MADERA

OLD LANDING ROAD SEWER ASSESSMENT DISTRICT

Debt Service Schedule(s)

**Town of Corte Madera
Old Landing Road Sewer Assessment District
REVISED DEBT SERVICE SCHEDULE**

Dated Date: 10/5/1995
First Coupon: 3/2/1996
First Maturity: 9/2/1997

Payment Due	Interest Rate	Bond Call	Called Amount	Principal Due	Interest Due	Semi-Annual Payment	Total Annual
3/2/1996					\$13,811.21	\$13,811.21	
9/2/1996	4.50000%			0.00	16,911.69	16,911.69	30,722.90
3/2/1997					16,911.69	16,911.69	
9/2/1997	4.50000%			7,297.32	16,911.69	24,209.01	41,120.70
3/2/1998					16,747.50	16,747.50	
9/2/1998	5.00000%			10,000.00	16,747.50	26,747.50	43,495.00
3/2/1999					16,497.50	16,497.50	
9/2/1999	5.20000%			10,000.00	16,497.50	26,497.50	42,995.00
3/2/2000					16,237.50	16,237.50	
9/2/2000	5.40000%			10,000.00	16,237.50	26,237.50	42,475.00
3/2/2001					15,967.50	15,967.50	
9/2/2001	5.60000%			10,000.00	15,967.50	25,967.50	41,935.00
3/2/2002					15,687.50	15,687.50	
9/2/2002	5.80000%			10,000.00	15,687.50	25,687.50	41,375.00
3/2/2003					15,397.50	15,397.50	
9/2/2003	6.00000%			10,000.00	15,397.50	25,397.50	40,795.00
3/2/2004					15,097.50	15,097.50	
9/2/2004	6.10000%			15,000.00	15,097.50	30,097.50	45,195.00
3/2/2005					14,640.00	14,640.00	
9/2/2005	6.20000%			15,000.00	14,640.00	29,640.00	44,280.00
3/2/2006					14,175.00	14,175.00	
9/2/2006	6.75000%			15,000.00	14,175.00	29,175.00	43,350.00
3/2/2007					13,668.75	13,668.75	
9/2/2007	6.75000%			15,000.00	13,668.75	28,668.75	42,337.50
3/2/2008					13,162.50	13,162.50	
9/2/2008	6.75000%			15,000.00	13,162.50	28,162.50	41,325.00
3/2/2009					12,656.25	12,656.25	
9/2/2009	6.75000%			20,000.00	12,656.25	32,656.25	45,312.50
3/2/2010		20,000.00			11,981.25	32,581.25	
9/2/2010	6.75000%			20,000.00	11,306.25	31,306.25	63,887.50
3/2/2011					10,631.25	10,631.25	
9/2/2011	6.75000%			20,000.00	10,631.25	30,631.25	41,262.50
3/2/2012					9,956.25	9,956.25	
9/2/2012	6.75000%			25,000.00	9,956.25	34,956.25	44,912.50
3/2/2013					9,112.50	9,112.50	
9/2/2013	6.75000%			25,000.00	9,112.50	34,112.50	43,225.00
3/2/2014					8,268.75	8,268.75	
9/2/2014	6.75000%			25,000.00	8,268.75	33,268.75	41,537.50
3/2/2015					7,425.00	7,425.00	
9/2/2015	6.75000%			30,000.00	7,425.00	37,425.00	44,850.00
3/2/2016					6,412.50	6,412.50	
9/2/2016	6.75000%			30,000.00	6,412.50	36,412.50	42,825.00
3/2/2017					5,400.00	5,400.00	
9/2/2017	6.75000%			30,000.00	5,400.00	35,400.00	40,800.00
3/2/2018					4,387.50	4,387.50	
9/2/2018	6.75000%		5,000.00	30,000.00	4,387.50	34,387.50	38,775.00
3/2/2019					3,375.00	3,375.00	
9/2/2019	6.75000%		5,000.00	30,000.00	3,375.00	33,375.00	36,750.00
3/2/2020					2,362.50	2,362.50	
9/2/2020	6.75000%		5,000.00	35,000.00	2,362.50	37,362.50	39,725.00
3/2/2021					1,181.25	1,181.25	
9/2/2021	6.75000%		5,000.00	35,000.00	1,181.25	36,181.25	37,362.50
Totals:		\$20,000.00	\$20,000.00	\$497,297.32	\$584,728.78	\$1,102,626.10	\$1,102,626.10

Outstanding Principal	\$160,000.00
Matured Principal	337,297.32
Called Principal	20,000.00
Total Bond Issue	\$517,297.32

EXHIBIT E

TOWN OF CORTE MADERA

OLD LANDING ROAD SEWER ASSESSMENT DISTRICT

Annual Levy vs. Debt Service Projections (Debt Variance)

Debt Variance Analysis compares what will be levied for a District each year until maturity of the District, to future interest and principal payments due to bondholders for the remaining life of the bonds. The amount to be levied for a District is the sum of the Revised District Amortization Schedules for each of the remaining active parcels in the District. The future debt service payments due to bondholders are determined by the revised debt service schedule for the bonds (net of bond calls). The Annual Levy vs. Debt Service Projections report included in this report illustrates this analysis. There are three basic variance patterns that emerge over the life of the typical assessment district. These variances are caused primarily by two factors.

The first type of variance is an over-levy, and occurs when future scheduled levy amounts exceed future debt service requirements creating a positive variance. This situation arises because surplus funds of some type are used to reduce the outstanding debt for the District by calling bonds early. The reduction in outstanding debt reduces future debt service payments. However, the number of parcels being levied and their associated liens remain the same; so future scheduled annual assessments do not change. The result is an annual levy that exceeds the amount required for debt service, and is a normal occurrence following this type of bond call. In order to offset this type of variance, credits can be applied annually to the levy. This will reduce annual assessments for property owners in the district and equalize projected levies with scheduled debt service payments.

The second type of variance is an under-levy, or negative variance. This variance arises because future scheduled levies of principal and interest will not be sufficient to meet future debt service requirements. This situation occurs when assessment liens for parcels in a district are prepaid in full, and a corresponding bond call is not performed. Ordinarily, a bond call should be performed as soon as possible following a prepayment, using the monies received by the Agency. This bond call will correct the negative variance. In some cases however, this bond call may be delayed for various reasons and the variance will persist. Until the bond call can be executed, annual debt service payments for the bonds will remain the same. However, the parcels that prepaid can no longer be levied, so the amount that can be collected to pay debt service is reduced. In this situation, it is critical that bonds be called as soon as possible in order to correct the variance. Prepayment funds will remain in the redemption fund and be used to offset the annual variance until bonds are called. Between the receipt of the prepayment and the bond call (March

or September) it is imperative that these funds be set aside for a bond call, and not erroneously applied as a surplus credit to the annual levy.

The third type of variance is one in which there will be over levies in some of the remaining years and under levies in others. This variance may result from the execution of a bond call following the receipt of prepayments. When a bond call is performed using prepayment funds, a variance will almost always result. This is because in order to retire outstanding debt, bonds must be called in even increments (in most cases \$1,000 or \$5,000), yet prepayments are typically received in odd amounts. As a result, it is usually not possible to retire an amount of principal that exactly matches the amount of the prepayments that were received. Nor is it possible to select bonds for redemption from various maturities in such a way that the spread of principal in the revised debt service schedule corresponds exactly to the original debt service schedule.

As a result, from the time of the first prepayment, there will always be a variance between future levies and scheduled debt service. Again, this is a normal occurrence and will not affect the District's ability to meet its debt service commitments. Generally, surplus funds collected during years where positive variances exist, along with interest earnings on Redemption Funds, will provide sufficient funds to offset reduced collections during years where under levies occur.

Town of Corte Madera
Old Landing Road Sewer Assessment District
ANNUAL LEVY vs. DEBT SERVICE PROJECTIONS

Period	DISTRICT AMORTIZATION SCHEDULE			DISTRICT DEBT SERVICE SCHEDULE			Over/Under
	Principal	Interest	Principal & Interest	Principal	Interest	Principal & Interest	
2016/17	\$29,999.98	\$12,149.96	\$42,149.94	\$30,000.00	\$10,800.00	\$40,800.00	\$1,349.94
2017/18	\$35,000.12	\$10,125.05	\$45,125.17	\$30,000.00	\$8,775.00	\$38,775.00	\$6,350.17
2018/19	\$35,000.12	\$7,762.58	\$42,762.69	\$30,000.00	\$6,750.00	\$36,750.00	\$6,012.69
2019/20	\$39,999.98	\$5,400.10	\$45,400.08	\$35,000.00	\$4,725.00	\$39,725.00	\$5,675.08
2020/21	\$39,998.93	\$2,700.05	\$42,698.98	\$35,000.00	\$2,362.50	\$37,362.50	\$5,336.48
Totals:	\$179,999.13	\$38,137.74	\$218,136.87	\$160,000.00	\$33,412.50	\$193,412.50	\$24,724.37