

CITY OF INDUSTRY
FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2022



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CITY OF INDUSTRY
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2022

INDEPENDENT AUDITORS' REPORT	1
MANAGEMENT'S DISCUSSION AND ANALYSIS	4
FINANCIAL STATEMENTS	
GOVERNMENT-WIDE FINANCIAL STATEMENTS	
STATEMENT OF NET POSITION	18
STATEMENT OF ACTIVITIES	20
FUND FINANCIAL STATEMENTS	
GOVERNMENTAL FUNDS	
BALANCE SHEET	22
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION	24
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES	25
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES	27
PROPRIETARY FUNDS	
STATEMENT OF NET POSITION	28
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION	29
STATEMENT OF CASH FLOWS	30
FIDUCIARY FUNDS	
STATEMENT OF FIDUCIARY NET POSITION	32
STATEMENT OF CHANGES IN NET POSITION	33
NOTES TO FINANCIAL STATEMENTS	34

**CITY OF INDUSTRY
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2022**

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE PLAN'S NET PENSION LIABILITY AND RELATED RATIOS (UNAUDITED)	87
SCHEDULE OF CONTRIBUTIONS – PENSION (UNAUDITED)	89
SCHEDULE OF CHANGES IN NET OTHER POSTEMPLOYMENT BENEFITS LIABILITY (ASSET) AND RELATED RATIOS (UNAUDITED)	91
BUDGETARY COMPARISON SCHEDULE – GENERAL FUND (UNAUDITED)	92
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION	93

SUPPLEMENTARY INFORMATION

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL	
CITY CAPITAL PROJECTS FUND	94
CITY DEBT SERVICE FUND	95
TAX OVERRIDE DEBT SERVICE FUND	96
INDUSTRY PUBLIC FACILITIES AUTHORITY DEBT SERVICE FUND	97
NONMAJOR GOVERNMENTAL FUNDS	
COMBINING BALANCE SHEET	98
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES	100
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL	
GAS TAX SPECIAL REVENUE FUND	102
MEASURE R LOCAL RETURN SPECIAL REVENUE FUND	103
PROPOSITION A SALES TAX SPECIAL REVENUE FUND	104
PROPOSITION C SALES TAX SPECIAL REVENUE FUND	105
MEASURE M SPECIAL REVENUE FUND	106

**CITY OF INDUSTRY
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2022**

MEASURE W SPECIAL REVENUE FUND	107
CARB TAX SPECIAL REVENUE FUND	108
CRIA CAPITAL PROJECTS FUND	109
 SCHEDULE OF LONG-TERM DEBT – CITY OF INDUSTRY ONLY	
\$43,340,000 GENERAL OBLIGATION REFUNDING BONDS, ISSUE OF 2010	110
\$28,985,000 GENERAL OBLIGATION REFUNDING BONDS, ISSUE OF 2014	111
\$336,570,000 TAXABLE SALES TAX REFUNDING BONDS, SERIES 2015A	112
\$51,460,000 TAXABLE SALES TAX REFUNDING BONDS, SERIES 2015B	114
\$34,340,000 TAXABLE SALES TAX REFUNDING BONDS, ISSUE OF 2017	116



INDEPENDENT AUDITORS' REPORT

Honorable City Council
City of Industry
Industry, California

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Industry (the City), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matters

Change in Accounting Principle

As described in Note 1E to the financial statements, effective July 1, 2021, the City adopted new accounting guidance, Statement of Governmental Accounting Standards Board (GASB Statement) No. 87, *Leases*. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 City of Industry's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about City of Industry's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Honorable City Council
City of Industry

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedules - general fund, schedule of the City's proportionate share of the plan's net pension liability and related ratios, schedule of contributions pension, the schedule of changes in the net OPEB liability/asset and related ratios, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Industry's basic financial statements. The combining and individual nonmajor fund financial statements and schedules and the schedules of long-term debt are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining and individual nonmajor fund financial statements and schedules and the schedules of long-term debt are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 26, 2023, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Irvine, California
January 26, 2023

City of Industry
Management Discussion and Analysis (Continued)
For the Year Ended June 30, 2022

As management of the City of Industry and its component units (“City”), we offer readers of the City’s financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2022. We encourage readers to consider the information presented here in conjunction with the City’s financial statements.

Financial Highlights

- The assets and deferred outflows of the City’s governmental activities exceeded its liabilities and deferred inflows at June 30, 2022 by \$783.5 million (Net Position). Of this amount, \$101.4 million is invested in capital assets, \$22.5 million is restricted for debt service and \$647.9 million in unrestricted net position. Net Position reflects a decrease of \$9.3 million from prior period and is mainly attributable to decrease in revenues from use of money and property and increase in community services, and offset mainly by a decrease in interest expense.
- The assets of the City’s business-type activities exceeded its liabilities at June 30, 2022 by \$56.1 million (Net Position). Of this amount, \$41.7 million is invested in capital assets, net of related debt, and \$14.3 million in unrestricted net position. Net position increased by \$2.1 million due to a positive effect of net transfers and contributions, offset by a net loss from operations during the year ended June 30, 2022.
- The City’s total debt and liabilities decreased by \$100.8 million, of which is primarily attributed to reductions in long-term liabilities due in more than one year as a result of scheduled and early redemption principal payments on long-term debts.
- In the General Fund, the net change in fund balance was a decrease of \$36.1 million. The decrease in fund balance was attributed mostly to a decrease in revenues from use of money and property by \$9.1 million, an increase in public works and capital projects of \$7.1 million and an increase in community services by \$3.5 million. At June 30, 2022, the General Fund’s ending fund balance was \$671.4 million with an unassigned balance of \$596.0 million.

General Overview of the Financial Statements

This annual report consists of four parts – *management’s discussion and analysis*, the *basic financial statements*, *required supplementary information*, and other supplementary information section that presents *combining financial statements* and *debt amortization schedules*. The basic financial statements are comprised of 3 parts – (1) the government-wide financial statements, (2) the fund financial statements and (3) the notes to the financial statements. The government-wide financial statements, the Statement of Net Position and the Statement of Activities provide information about the activities of the City as a whole and present a long-term view of the City’s finances. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the City’s operations in more detail than the government-wide statements by providing information about the City’s most significant funds.

City of Industry
Management Discussion and Analysis (Continued)
For the Year Ended June 30, 2022

Government-Wide Statements

The Statement of Net Position and the Statement of Activities

The Statement of Net Position and the Statement of Activities report information about the City as a whole and about its activities. These statements include all assets, deferred outflows of resources, liabilities, and deferred inflows of resources using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the City's Net Position and changes thereto. Net Position, the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources are one way to measure the City's financial health or financial position. Over time, increases or decreases in Net Position are an indicator of whether the financial health is improving or deteriorating.

However, it is important to consider other non-financial factors such as changes in the City's property tax base or condition of the City's roads to accurately assess the overall health of the City.

The Statement of Net Position and the Statement of Activities, present information about the following:

Governmental Activities - All of the City's basic services are considered to be governmental activities, including general government, community development, public safety, public works, and community services. Property taxes, transient occupancy taxes, sales taxes, and franchise fees finance most of these activities.

Proprietary Activities/Business Type Activities - The City charges a fee to customers to cover all or most of the cost of the services provided. The Industry Public Utilities Commission (the "IPUC"), the Industry Hills Expo Center, and the Industry Property and Housing Authority (the "Housing Authority") are reported in this category.

Component Units - The City's government-wide financial statements include the blending with the City of the following entities: The Civic-Recreational-Industrial Authority ("CRIA"), the Industry Public Utilities Commission, the City of Industry Public Facilities Authority (the "PFA") and the Industry Property and Housing Management Authority (the "Housing Authority"). Although legally separate, these "component units" are important because the City is financially accountable for them.

Reporting the City's Most Significant Funds

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds – not the City as a whole. Some funds are required to be established by State law and by bond covenants. However, management establishes many other funds that aid in the administration of resources for particular purposes or meet legal responsibilities associated with the usage of certain taxes, grants, and other money. The City's three kinds of funds, governmental, proprietary and fiduciary, use different accounting approaches as explained below.

Governmental Funds - Most of the City's basic services are reported in governmental funds. Governmental funds focus on how resources flow in and out with balances remaining at year-end that are available for spending. These funds are reported using an accounting method called modified accrual, which measures cash and all other financial assets that can be readily converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information shows whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs.

City of Industry
Management Discussion and Analysis (Continued)
For the Year Ended June 30, 2022

We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds through a reconciliation following the fund financial statements.

Proprietary Funds – The City maintains three enterprise funds. The enterprise funds are classified as proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for the IPUC, Industry Hills Expo Center, and Housing Authority. These funds use the full accrual method of accounting.

Fiduciary Funds – Agency Funds are used to account for assets held by the City as an agent for individuals, other governments and/or other funds. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement or results of operations. The Private-Purpose Trust Fund is a fiduciary fund used by the City to report trust arrangements under which the principal and income benefits other governments. This fund reports the assets, liabilities and activities of the Successor Agency of the Industry Urban-Development Agency.

The City is the trustee, or fiduciary, for certain amounts held on behalf of developers, property owners, and others. These fiduciary activities are reported in Private-Purpose Trust Fund. The City is responsible for ensuring that the assets are used for their intended purposes. Therefore, fiduciary activities are excluded from the City's other financial statements because the assets cannot be used to finance operations.

The City as a Whole

Our analysis focuses on the net position (Tables 1 and 3) and changes in net position (Tables 2 and 4) of the City's governmental and business activities.

City of Industry
Management Discussion and Analysis (Continued)
For the Year Ended June 30, 2022

Governmental Activities – Net Position

Table 1
 Net Position

	Governmental Activities		
	2022	2021	Change
Current and other assets	\$ 920,763,138	\$ 1,041,597,632	\$ (120,834,494)
Capital assets, net	283,207,034	269,792,441	13,414,593
Total assets	<u>1,203,970,172</u>	<u>1,311,390,073</u>	<u>(107,419,901)</u>
Deferred outflows of resources			
Deferred loss on refunding, net	604,471	688,732	(84,261)
Deferred outflows of resources - pension	3,591,092	489,629	3,101,463
Deferred outflow of resources - OPEB	1,388,904	405,290	983,614
Total deferred outflows of resources	<u>5,584,467</u>	<u>1,583,651</u>	<u>4,000,816</u>
Long-term liabilities	373,625,272	427,566,286	(53,941,014)
Other liabilities	42,913,583	89,800,882	(46,887,299)
Total liabilities	<u>416,538,855</u>	<u>517,367,168</u>	<u>(100,828,313)</u>
Deferred inflows of resources			
Deferred inflow of resources - leases	5,557,288	-	5,557,288
Deferred inflows of resources - pension	839,544	806,610	32,934
Deferred inflows of resources - OPEB	3,064,128	1,937,195	1,126,933
Total deferred inflow of resources	<u>9,460,960</u>	<u>2,743,805</u>	<u>6,717,155</u>
Net position:			
Net investment in capital assets	101,422,456	135,809,638	(34,387,182)
Restricted for:			
Transportation and road	2,600,202	1,427,394	1,172,808
Pension Benefits	3,589,831	-	3,589,831
Debt service	22,533,095	112,754,845	(90,221,750)
Other Postemployment Benefits	5,482,179	4,602,228	879,951
Unrestricted	<u>647,927,061</u>	<u>538,268,646</u>	<u>109,658,415</u>
Total net position	<u><u>\$ 783,554,824</u></u>	<u><u>\$ 792,862,751</u></u>	<u><u>\$ (9,307,927)</u></u>

As noted above, Net Position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities for governmental activities by approximately \$783.5 million at June 30, 2022.

The largest portion of the Net Position, amounted to approximately \$647.9 is unrestricted by external sources on how the funds may be used. Approximately \$101.4 million is the City's net investment in its capital assets. In addition, \$2.6 million are restricted for transportation and capital projects combined, and \$22.5 million is restricted for the City's future debt service obligations. It should be noted that the resources needed to repay City's debt must be provided from sources other than capital assets, since the capital assets themselves cannot be used to liquidate these liabilities.

City of Industry
Management Discussion and Analysis (Continued)
For the Year Ended June 30, 2022

The City's total Net Position under governmental activities decreased over the prior year by \$9.3 million mainly attributable to decrease in revenues from use of money and property and increase in community services, and offset mainly by a decrease in interest expense.

Total liabilities and deferred inflows/outflows of resources decreased by approximately \$94.1 million primarily attributable to reductions in long-term liabilities due in more than one year, as a result of regular scheduled and early redemption principal payments on long-term debts.

The decrease in net investment in capital assets of \$34.4 million is a result of net additions and dispositions of capital assets, and depreciation expense for the current year.

Governmental Activities – Changes in Net Position

Table 2
 Change in Net Position

	Governmental Activities		
	2022	2021	Change
General revenues:			
Taxes	\$ 103,543,416	\$ 108,142,859	\$ (4,599,443)
Revenues from use of money and property	7,073,413	23,098,097	(16,024,684)
Other revenues	2,650,164	7,654,153	(5,003,989)
Total general revenues	113,266,993	138,895,109	(25,628,116)
Expenses in excess of program revenues:			
General government	1,208,705	6,903,769	(5,695,064)
Support services	3,810,462	6,475,646	(2,665,184)
Community development	48,248,897	54,312,169	(6,063,272)
Community services	8,655,172	5,152,022	3,503,150
Public safety	13,310,820	13,496,588	(185,768)
Public works	15,873,396	15,028,720	844,676
Interest expense	26,559,338	34,663,285	(8,103,947)
Total expenses in excess of program revenues	117,666,790	136,032,199	(18,365,409)
Decrease in net position before Other Items	(4,399,797)	2,862,910	(7,262,707)
Transfers, net	(4,908,130)	(11,280,300)	6,372,170
Decrease in net position	(9,307,927)	(8,417,390)	(890,537)
Net position, beginning of year	792,862,751	801,280,141	(8,417,390)
Net position, end of year	\$ 783,554,824	\$ 792,862,751	\$ (9,307,927)

The total revenues, reported as governmental activities, decreased by approximately \$25.6 million. This was due to a decrease in revenue from use of money and property of \$16.0 million attributable to a decrease in interest income and a reduced gain in the fair market value of City's investment.

City of Industry
Management Discussion and Analysis (Continued)
For the Year Ended June 30, 2022

The decrease in net position before other items was due to the decrease of expenses outpaced by the decrease of revenues.

Business-Type Activities – Net Position

Table 3
 Net Position

	Business-Type Activities		
	2022	2021	Change
Current and other assets	\$ 23,957,098	\$ 23,587,240	\$ 369,858
Capital assets, net	<u>41,742,123</u>	<u>39,950,700</u>	<u>1,791,423</u>
Total assets	<u>65,699,221</u>	<u>63,537,940</u>	<u>2,161,281</u>
Liabilities	9,610,171	9,502,836	107,335
Total liabilities	<u>9,610,171</u>	<u>9,502,836</u>	<u>107,335</u>
Net position:			
Net investment in capital assets	41,742,123	39,950,700	1,791,423
Unrestricted	<u>14,346,927</u>	<u>14,084,404</u>	<u>262,523</u>
Total net position	<u>\$ 56,089,050</u>	<u>\$ 54,035,104</u>	<u>\$ 2,053,946</u>

Total net position for the City's business type activities increased by approximately \$2.1 million as compared to the prior year. The increase was primarily attributable to an increase in net capital assets in CRIA.

City of Industry
Management Discussion and Analysis (Continued)
For the Year Ended June 30, 2022

Business-Type Activities – Change in Net Position

The change in Net Position for business type activities is summarized as follows:

Table 4
 Change in Net Position

	Business-Type Activities		
	2022	2021	Change
Revenues:			
Charges for services	\$ 9,004,097	\$ 12,022,153	\$ (3,018,056)
Revenues from use of money and property	<u>67,609</u>	<u>108,391</u>	<u>(40,782)</u>
Total revenues	<u>9,071,706</u>	<u>12,130,544</u>	<u>(3,058,838)</u>
Expenses:			
Purchased electricity	4,687,432	3,620,607	1,066,825
Water transmission and distribution	3,136,306	3,318,553	(182,247)
Cost of expo operations	<u>3,211,552</u>	<u>1,848,838</u>	<u>1,362,714</u>
Cost of housing authority operations	<u>890,600</u>	<u>788,027</u>	<u>102,573</u>
Total expenses	<u>11,925,890</u>	<u>9,576,025</u>	<u>2,349,865</u>
Income (Loss) from operations before transfers	(2,854,184)	2,554,519	(5,408,703)
Transfers and contributions	<u>4,908,130</u>	<u>11,280,300</u>	<u>(6,372,170)</u>
Change in net position	<u>2,053,946</u>	<u>13,834,819</u>	<u>(11,780,873)</u>
Net position, beginning of year	54,035,104	40,200,285	13,834,819
Net position, end of year	<u>\$ 56,089,050</u>	<u>\$ 54,035,104</u>	<u>\$ 2,053,946</u>

Revenues decreased by \$3.1 million over the prior year, primarily due to decrease in charges for services. The Covid-19 pandemic continued to have a negative impact on business-type activities revenues, especially on events and rentals,. The City continues to adjust to the ever-changing circumstances imposed by the pandemic.

Transfers-in from the general fund decreased by \$6.4 million mostly as a result of decreased transfers of assets and to support CRIA's capital expenditures.

City of Industry
Management Discussion and Analysis (Continued)
For the Year Ended June 30, 2022

Financial Analysis of the City's Funds

The City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the City's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the City's financing requirements. Below is a summary of the general fund revenues and expenditures compared to the prior year.

General Fund Comparison

	2022	2021	Change
Revenues:			
Taxes	\$ 47,051,238	\$ 47,723,464	\$ (672,226)
Intergovernmental	2,492,815	4,558,271	(2,065,456)
Charges for services	523,690	2,005,749	(1,482,059)
Licenses and permits	2,510,262	1,813,744	696,518
Fines, forfeitures and penalties	364,595	388,789	(24,194)
Revenues from use of money and property	4,139,439	13,289,165	(9,149,726)
Other revenue	3,461,674	3,112,422	349,252
Total revenues	60,543,713	72,891,604	(12,347,891)
Expenditures:			
Legislative	859,210	761,007	98,203
General administration	7,008,462	7,260,808	(252,346)
Community development	2,606,965	2,313,435	293,530
Community services	7,917,124	4,453,862	3,463,262
Public safety	12,283,269	12,351,434	(68,165)
Public works	15,328,460	12,904,450	2,424,010
Support services	4,213,701	4,754,324	(540,623)
Capital projects	6,870,398	2,193,370	4,677,028
Total expenditures	57,087,589	46,992,690	10,094,899
Excess of Revenues over Expenditures	3,456,124	25,898,914	(22,442,790)
Other Financing Sources (Uses):			
Proceeds from sale of assets	1,284,384	6,828,856	(5,544,472)
Net Transfers	(40,880,399)	(40,991,078)	110,679
Total other financing sources (uses)	(39,596,015)	(34,162,222)	(5,433,793)
Change in fund balances	\$ (36,139,891)	\$ (8,263,308)	\$ (27,876,583)

The General Fund is the main operating fund of the City. At the end of the current fiscal year, the General Fund reflects a fund balance of \$673.1 million, which is a decrease from prior year of \$36.1 million. The decrease was attributed mostly to a decrease in revenues from use of money and property by \$9.1 million, an increase in public works and capital projects of \$8.1 million and an increase in community services by \$3.5 million.

Other Financing Uses increased by \$5.4 million over the prior year, mainly due to net transfers to decrease of sales of assets of \$5.5 million.

City of Industry
Management Discussion and Analysis (Continued)
For the Year Ended June 30, 2022

General Fund Budgetary Highlights

The City adopts a budget every fiscal year. Differences between the budget and actual expenditures for the general fund are shown below:

Table 6
General Fund Budget to Actual Comparison

	Original Budget	Revised Budget	Actual	Variance
Legislative	\$ 868,400	\$ 937,100	\$ 859,210	\$ 77,890
General administration	7,275,400	8,354,700	7,008,462	1,346,238
Community development	1,776,200	1,787,600	2,606,965	(819,365)
Community services	7,911,600	7,734,400	7,917,124	(182,724)
Public safety	12,856,500	12,928,700	12,283,269	645,431
Public works	14,184,000	15,589,467	15,328,460	261,007
Support services	4,142,800	4,517,996	4,213,701	304,295
Capital outlay	<u>230,000</u>	<u>199,800</u>	<u>6,870,398</u>	<u>(6,670,598)</u>
Total expenditures	<u><u>\$ 49,244,900</u></u>	<u><u>\$ 52,049,763</u></u>	<u><u>\$ 57,087,589</u></u>	<u><u>\$ (5,037,826)</u></u>

Overall, total actual expenditures for the City were over the budgeted amounts. Capital outlay was over budget by \$6.7 million, primarily due to higher than expected capital outlay, offset by lowered than expected general administration.

Capital Asset and Debt Administration

Capital Assets

Net capital assets for governmental activities as of June 30, 2022 and 2021 are summarized as follows:

City of Industry
Management Discussion and Analysis (Continued)
For the Year Ended June 30, 2022

Table 7
 Net Capital Assets at Year-End

	<u>Government Activities</u>		
	2022	2021	Change
Capital assets not being depreciated			
Land	\$ 110,604,835	\$ 104,149,237	\$ 6,455,598
Construction in progress	<u>37,338,942</u>	<u>23,306,020</u>	<u>14,032,922</u>
Total capital assets, not being depreciated	<u>147,943,777</u>	<u>127,455,257</u>	<u>-</u>
Capital assets being depreciated			
Buildings and improvements	120,670,145	120,670,145	-
Equipment, furniture and fixtures	6,508,578	6,508,578	-
Infrastructure	<u>175,230,189</u>	<u>172,061,253</u>	<u>3,168,936</u>
Total capital assets, being depreciated	<u>302,408,912</u>	<u>299,239,976</u>	<u>3,168,936</u>
Less accumulated depreciation	<u>(164,145,655)</u>	<u>(156,902,792)</u>	<u>(7,242,863)</u>
Total capital assets being depreciated, net	<u>138,263,257</u>	<u>142,337,184</u>	<u>(4,073,927)</u>
Total governmental activities	<u>286,207,034</u>	<u>269,792,441</u>	<u>16,414,593</u>

As of June 30, 2022, the City's governmental activities had approximately \$286.2 million invested in capital assets including buildings, land, roads, and other general infrastructure, net of accumulated depreciation. This amount represents a net increase of \$16.4 million from prior year and it was due to additional capital improvement projects, as well as the City placing in service completed construction in progress projects for infrastructure, buildings and improvements. Accumulated depreciation increased by \$7.2 million.

Net capital assets for business-type activities as of June 30, 2022 and 2021 are summarized as follows:

City of Industry
Management Discussion and Analysis (Continued)
For the Year Ended June 30, 2022

Table 8
 Net Capital Assets at Year-End

	<u>Business Type Activities</u>		
	2022	2021	Change
Capital assets not being depreciated			
Land	\$ 6,764,880	\$ 6,764,880	\$ -
Water rights	441,200	441,200	-
Construction in progress	8,039,874	5,944,519	2,095,355
Total capital assets, not being depreciated	<u>15,245,954</u>	<u>13,150,599</u>	<u>2,095,355</u> -
Capital assets being depreciated			
Buildings and improvements	55,037,294	55,037,294	-
Equipment, furniture and fixtures	1,322,648	1,322,648	-
Infrastructure	9,571,703	8,618,194	953,509
Source of supply - electric	4,495,494	4,495,494	-
Total capital assets, being depreciated	<u>70,427,139</u>	<u>69,473,630</u>	<u>953,509</u>
Less accumulated depreciation	(43,930,970)	(42,673,529)	(1,257,441)
Total capital assets being depreciated, net	<u>26,496,169</u>	<u>26,800,101</u>	<u>(303,932)</u>
Total business activities	<u><u>41,742,123</u></u>	<u><u>39,950,700</u></u>	<u><u>1,791,423</u></u>

Capital assets in the Business-Type Activities belong to IPUC and the Industry Hills Expo Center. The increase in net capital assets of \$1.8 million was primarily due to contributions of capital assets from the City .

City of Industry
Management Discussion and Analysis (Continued)
For the Year Ended June 30, 2022

Debt

At June 30, 2022, the City had total long term debt and other non-current liabilities of approximately \$550.2 million which is a decrease of \$128.1 million from prior year. The reduction is primarily due to principal payments on and early redemption of outstanding debt.

Below is a summary of the outstanding debt at June 30, 2022:

Table 9
Outstanding Debt, at Year-End

	Governmental Activities		
	2022	2021	Change
General obligation bonds	37,310,000	\$ 45,860,000	\$ (8,550,000)
Revenue bonds	344,150,000	349,510,000	(5,360,000)
Tax allocation bonds	21,145,000	101,155,000	(80,010,000)
Original issue premium	(4,936,219)	(4,941,020)	4,801
Compensated absences	181,465	208,418	(26,953)
Net pension liability	(3,589,831)	656,759	(4,246,590)
Total outstanding debt	<u>\$ 394,260,415</u>	<u>\$ 492,449,157</u>	<u>\$ (98,188,742)</u>

City of Industry
Management Discussion and Analysis (Continued)
For the Year Ended June 30, 2022

Economic Factors and Next Year's Budgets and Rates

Despite the many challenges caused by the aftermath of the Covid-19 pandemic, the City has experienced steady development within the City limits during the past year. Economic trends in the Los Angeles area are comparable with the indices.

The City's General Fund has adopted an operating budget of \$65.6 million in revenues and \$52.3 million in expenses. Additionally, approximately \$74.9 million in capital project expenditures is budgeted for several funds in the 2022-2023 fiscal year. The following is a summary of the major capital improvement projects for citywide.

Table 10
Capital Projects For FY 2022-2023

Project Description	Budget 2022-23
1 GRADE SEPARATION PROJECTS	\$ 805,000
2 STREET WIDENING, RECONSTRUCTION, RESURFACING AND SLURRY SEAL	27,015,000
3 STORM DRAIN IMPROVEMENTS	4,080,000
4 TRAFFIC SIGNAL IMPROVEMENTS	7,935,000
5 BRIDGE WIDENING, SEISMIC RETROFIT AND MAINTENANCE IMPROVEMENTS	1,100,000
6 HOMESTEAD MUSEUM	650,000
7 INDUSTRY HILLS GOLF & CONVENTION FACILITIES	1,020,000
8 EL ENCANTO C.I.P.	1,345,000
9 EXPO CENTER AT INDUSTRY HILLS	6,015,000
10 OPEN SPACES/ TONNER CANYON/TRES HERMANOS	395,000
11 TRES HERMANOS RANCH PROPERTY	315,000
12 PROPERTY REDEVELOPMENT & DEMO	35,000
13 IPUC - WATER UTILITY (IPU)	2,155,000
14 IPUC - ELECTRIC UTILITY (IPU)	7,490,000
15 MISCELLANEOUS	765,000
16 CIVIC CENTER FACILITIES	4,360,000
17 FACILITIES IMPROVEMENTS	8,435,000
18 IPHMA CAPITAL IMPROVEMENTS	1,000,000
Total	<u><u>\$ 74,915,000</u></u>

The Operating Budget for Fiscal Year 2022-23 is a well-balanced budget that reflects the City's commitment to the betterment of the community and stay within the City's financial constraint. Budget documents are available online at www.cityofindustry.org. Questions or requests for information regarding the City of Industry's budget should be sent to the Finance Department at the address below.

Request for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any information provided in this report or request for additional financial information should be directed to the Finance Department at the City of Industry, 15625 Mayor Dave Way, City of Industry, California 91744.

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CITY OF INDUSTRY
STATEMENT OF NET POSITION
JUNE 30, 2022

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current Assets:			
Cash	\$ 2,493,188	\$ 4,803,286	\$ 7,296,474
Investments	332,287,351	17,479,922	349,767,273
Investments with Fiscal Agent - Unrestricted	266,066,643	-	266,066,643
Accounts Receivable, Net	12,826,446	1,251,890	14,078,336
Accrued Interest	752,409	32,726	785,135
Lease Receivable, Current Portion	1,843,895	-	1,843,895
Internal Balances	32,551	(32,551)	-
Inventories	178,906	47,734	226,640
Prepaid Items	6,035,359	371,091	6,406,450
Deposits	-	3,000	3,000
Total Current Assets	<u>622,516,748</u>	<u>23,957,098</u>	<u>646,473,846</u>
Noncurrent Assets:			
Investments with Fiscal Agent - Restricted	239,984,732	-	239,984,732
Investments In SA to IUDA	21,145,000	-	21,145,000
Lease Receivable	3,767,959	-	3,767,959
Notes Receivable	21,276,689	-	21,276,689
Net Pension Asset	3,589,831	-	3,589,831
Net OPEB Asset	5,482,179	-	5,482,179
Capital Assets:			
Not Being Depreciated	147,943,777	15,245,954	163,189,731
Being Depreciated (Net of Accumulated Depreciation)	<u>138,263,257</u>	<u>26,496,169</u>	<u>164,759,426</u>
Total Noncurrent Assets	<u>581,453,424</u>	<u>41,742,123</u>	<u>623,195,547</u>
Total Assets	<u>1,203,970,172</u>	<u>65,699,221</u>	<u>1,269,669,393</u>
DEFERRED OUTFLOWS OF RESOURCES			
Loss on Refunding	604,471	-	604,471
Deferred Amounts from Pension Plans	3,591,092	-	3,591,092
Deferred Amounts from OPEB	1,388,904	-	1,388,904
Total Deferred Outflows of Resources	<u>5,584,467</u>	<u>-</u>	<u>5,584,467</u>

See accompanying Notes to Financial Statements.

CITY OF INDUSTRY
STATEMENT OF NET POSITION (CONTINUED)
JUNE 30, 2022

	Governmental Activities	Business-Type Activities	Total
LIABILITIES			
Current Liabilities:			
Accounts Payable	\$ 8,251,313	\$ 2,130,817	\$ 10,382,130
Accrued Liabilities	798,722	-	798,722
Deposits	9,257	3,150,225	3,159,482
Interest Payable	9,629,317	-	9,629,317
Unearned Revenue	-	4,329,129	4,329,129
Long-Term Liabilities, Current Portion	<u>24,224,974</u>	<u>-</u>	<u>24,224,974</u>
Total Current Liabilities	<u>42,913,583</u>	<u>9,610,171</u>	<u>52,523,754</u>
Noncurrent Liabilities:			
Long-Term Liabilities, Net of Current Portion	<u>373,625,272</u>	<u>-</u>	<u>373,625,272</u>
Total Liabilities	<u>416,538,855</u>	<u>9,610,171</u>	<u>426,149,026</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Amounts from Leases	5,557,288	-	5,557,288
Deferred Amounts from Pension Plans	839,544	-	839,544
Deferred Amounts from OPEB	<u>3,064,128</u>	<u>-</u>	<u>3,064,128</u>
Total Deferred Inflows of Resources	<u>9,460,960</u>	<u>-</u>	<u>9,460,960</u>
NET POSITION			
Net Investment in Capital Assets	101,422,456	41,742,123	143,164,579
Restricted for:			
Transportation and Road	2,600,202	-	2,600,202
Debt Service	22,533,095	-	22,533,095
Pension Benefits	3,589,831	-	3,589,831
Other Postemployment Benefits	5,482,179	-	5,482,179
Unrestricted	<u>647,927,061</u>	<u>14,346,927</u>	<u>662,273,988</u>
Total Net Position	<u>\$ 783,554,824</u>	<u>\$ 56,089,050</u>	<u>\$ 839,643,874</u>

See accompanying Notes to Financial Statements.

CITY OF INDUSTRY
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2022

	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
FUNCTIONS/PROGRAMS				
Governmental Activities:				
General Government	\$ 3,239,674	\$ 2,006,808	\$ 24,161	\$ -
Support Services	3,810,462	-	-	-
Community Development	51,257,151	3,008,254	-	-
Community Services	8,655,172	-	-	-
Public Safety	14,090,363	356,535	423,008	-
Public Works	20,100,440	-	3,857,703	369,341
Interest Expense and Fiscal Charges	26,559,339	-	-	-
Total Governmental Activities	<u>127,712,600</u>	<u>5,371,597</u>	<u>4,304,872</u>	<u>369,341</u>
Business-Type Activities:				
Industry Public Utilities Commission:				
Water Utility	3,136,306	3,538,028	-	-
Electric Utility	4,687,432	4,747,229	-	-
Industry-Hill Expo Center	3,211,552	552,823	-	-
Property and Housing Management Authority	890,600	166,017	-	-
Total Business-Type Activities	<u>11,925,890</u>	<u>9,004,097</u>	<u>-</u>	<u>-</u>
Total Functions/Programs	<u><u>\$ 139,638,490</u></u>	<u><u>\$ 14,375,694</u></u>	<u><u>\$ 4,304,872</u></u>	<u><u>\$ 369,341</u></u>

GENERAL REVENUES AND TRANSFERS

Taxes:

 Property Tax
 Sales Tax
 Franchise Tax
 Documentary Transfer Tax
 Transient Occupancy Tax

 Total Taxes

 Investment Income

 Gain on Sale of Capital Assets

 Other

Transfers

 Total General Revenues and Transfers

CHANGE IN NET POSITION

Net Position - Beginning of Year

NET POSITION - END OF YEAR

See accompanying Notes to Financial Statements.

CITY OF INDUSTRY
STATEMENT OF ACTIVITIES (CONTINUED)
YEAR ENDED JUNE 30, 2022

	Net Revenue (Expense) and Change in Net Position		
	Governmental Activities	Business-Type Activities	Total
FUNCTIONS/PROGRAMS			
Governmental Activities:			
General Government	(1,208,705)	\$ -	\$ (1,208,705)
Support Services	(3,810,462)	-	(3,810,462)
Community Development	(48,248,897)	-	(48,248,897)
Community Services	(8,655,172)	-	(8,655,172)
Public Safety	(13,310,820)	-	(13,310,820)
Public Works	(15,873,396)	-	(15,873,396)
Interest Expense and Fiscal Charges	(26,559,339)	-	(26,559,339)
Total Governmental Activities	<u>(117,666,790)</u>	<u>-</u>	<u>(117,666,790)</u>
Business-Type Activities:			
Industry Public Utilities Commission:			
Water Utility	-	401,722	401,722
Electric Utility	-	59,797	59,797
Industry-Hill Expo Center	-	(2,658,729)	(2,658,729)
Property and Housing Management Authority	-	(724,583)	(724,583)
Total Business-Type Activities	<u>-</u>	<u>(2,921,793)</u>	<u>(2,921,793)</u>
Total Functions/Programs	<u>(117,666,790)</u>	<u>(2,921,793)</u>	<u>(120,588,583)</u>
GENERAL REVENUES AND TRANSFERS			
Taxes:			
Property Tax	63,342,428	-	63,342,428
Sales Tax	36,460,412	-	36,460,412
Franchise Tax	2,738,652	-	2,738,652
Documentary Transfer Tax	442,141	-	442,141
Transient Occupancy Tax	559,783	-	559,783
Total Taxes	<u>103,543,416</u>	<u>-</u>	<u>103,543,416</u>
Investment Income	7,073,413	67,609	7,141,022
Gain on Sale of Capital Assets	1,165,384	-	1,165,384
Other	1,484,780	-	1,484,780
Transfers	<u>(4,908,130)</u>	<u>4,908,130</u>	<u>-</u>
Total General Revenues and Transfers	<u>108,358,863</u>	<u>4,975,739</u>	<u>113,334,602</u>
CHANGE IN NET POSITION			
	(9,307,927)	2,053,946	(7,253,981)
Net Position - Beginning of Year	<u>792,862,751</u>	<u>54,035,104</u>	<u>846,897,855</u>
NET POSITION - END OF YEAR	\$ 783,554,824	\$ 56,089,050	\$ 839,643,874

See accompanying Notes to Financial Statements.

**CITY OF INDUSTRY
BALANCE SHEET
JUNE 30, 2022**

	General Fund	City Capital Projects Funds	Debt Service Funds		
			City Debt Service Fund	Tax Override Fund	
ASSETS					
Cash	\$ 1,432,270	\$ -	\$ 1,114	\$ 2,161	
Investments	328,056,568	14,840	1,926,956	-	
Investments with Fiscal Agent - Unrestricted	266,066,643	-	-	-	
Accounts Receivable, Net	8,384,509	-	1,427,562	2,806,674	
Accrued Interest	185,315	28	3,608	-	
Lease Receivable	5,611,854	-	-	-	
Inventory	178,906	-	-	-	
Prepays and Deposits	234,469	-	3,325,857	-	
Due from Other Funds	436,849	578,289	-	-	
Notes Receivable	21,276,689	-	-	-	
Investments with Fiscal Agent - Restricted	-	114,525,540	82,722,374	-	
Investments in City and SA to IUDA Bonds	-	-	-	-	
Advances to Other Funds	53,702,175	-	-	-	
Total Assets	\$ 685,566,247	\$ 115,118,697	\$ 89,407,471	\$ 2,808,835	
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$ 5,720,077	\$ 2,247,065	\$ 9,050	\$ -	
Accrued Liabilities	798,722	-	-	-	
Deposits	9,257	-	-	-	
Due to Other Funds	297,741	-	-	-	
Advance from Other Funds	-	3,352,052	-	-	
Total Liabilities	6,825,797	5,599,117	9,050	-	
DEFERRED INFLOWS OF RESOURCES					
Deferred Inflows in Leases	5,557,288	-	-	-	
Total Deferred Inflows of Resources	5,557,288	-	-	-	
FUND BALANCES					
Nonspendable:					
Prepaid Items	234,469	-	-	-	
Inventory	178,906	-	-	-	
Notes Receivable	21,276,689	-	-	-	
Advances to Other Funds	53,702,175	-	-	-	
Restricted:					
Capital Projects	-	109,519,580	-	-	
Debt Service	-	-	89,398,421	2,808,835	
Transportation and Roads	-	-	-	-	
Assigned:					
Capital Projects	-	-	-	-	
Unassigned	597,790,923	-	-	-	
Total Fund Balances	673,183,162	109,519,580	89,398,421	2,808,835	
Total Liabilities and Fund Balances	\$ 685,566,247	\$ 115,118,697	\$ 89,407,471	\$ 2,808,835	

See accompanying Notes to Financial Statements.

CITY OF INDUSTRY
BALANCE SHEET (CONTINUED)
JUNE 30, 2022

	Debt Service Fund		Nonmajor Governmental Funds	Total
	Industry Public Facilities Authority			
ASSETS				
Cash	\$ -	\$ 1,057,643	\$ 2,493,188	
Investments	-	2,288,987	332,287,351	
Investments with Fiscal Agent - Unrestricted	-	-	266,066,643	
Accounts Receivable, Net	-	207,701	12,826,446	
Accrued Interest	2,059,243	4,338	2,252,532	
Lease Receivable	-	-	5,611,854	
Inventory	-	-	178,906	
Prepays and Deposits	2,475,033	-	6,035,359	
Due from Other Funds	-	50,000	1,065,138	
Notes Receivable	-	-	21,276,689	
Investments with Fiscal Agent - Restricted	42,736,818	-	239,984,732	
Investments in City and SA to IUDA Bonds	65,047,665	-	65,047,665	
Advances to Other Funds	-	-	53,702,175	
 Total Assets	 \$ 112,318,759	 \$ 3,608,669	 \$ 1,008,828,678	
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 1,500	\$ 273,621	\$ 8,251,313	
Accrued Liabilities	-	-	798,722	
Deposits	-	-	9,257	
Due to Other Funds	-	734,846	1,032,587	
Advance from Other Funds	50,350,123	-	53,702,175	
 Total Liabilities	 50,351,623	 1,008,467	 63,794,054	
DEFERRED INFLOWS OF RESOURCES				
Deferred Inflows in Leases	-	-	5,557,288	
Total Deferred Inflows of Resources	-	-	5,557,288	
FUND BALANCES				
Nonspendable:				
Prepaid Items	-	-	234,469	
Inventory	-	-	178,906	
Notes Receivable	-	-	21,276,689	
Advances to Other Funds	-	-	53,702,175	
Restricted:				
Capital Projects	-	-	109,519,580	
Debt Service	61,967,136	-	154,174,392	
Transportation and Roads	-	2,600,202	2,600,202	
Assigned:				
Capital Projects	-	-	-	
Unassigned	-	-	597,790,923	
Total Fund Balances	61,967,136	2,600,202	939,477,336	
 Total Liabilities and Fund Balances	 \$ 112,318,759	 \$ 3,608,669	 \$ 1,008,828,678	

See accompanying Notes to Financial Statements.

CITY OF INDUSTRY
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION
JUNE 30, 2022

Fund Balances of Governmental Funds \$ 939,477,336

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not current financial resources and, therefore, are not included in the funds. These assets consist of:

Capital Assets	450,352,689
Accumulated Depreciation	(164,145,655)
Total	<u>286,207,034</u>

Long-term liabilities applicable to governmental activities are not due and payable in the current period and, accordingly, are not reported as fund liabilities. Long-term liabilities are included in the statement of net position as follows:

City of Industry:	
Bonds Payable	(430,310,000)
(Premium) Discount, Net	4,936,219
Compensated Absences	(181,465)
Deferred Loss on Refunding, Net	604,471
City of Industry Public Facilities Authority:	
Bonds Payable	(21,145,000)
Total	<u>(446,095,775)</u>

Accrued interest payable for the current portion of interest due on bonds are not reported in the governmental funds.

(11,129,440)

Internal activities are eliminated in the governmental activities:

Investment In City Bonds	(43,902,665)
Bonds Payable	48,850,000
Total	<u>4,947,335</u>

Pension related liabilities applicable to the City's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. Deferred outflows of resources and deferred inflows of resources related to pensions are only reported in the statement of net position as the changes in these amounts affect only the government-wide statements for governmental activities:

Deferred Outflows of Resources	3,591,092
Deferred Inflows of Resources	(839,544)
Pension Asset	3,589,831
Total	<u>6,341,379</u>

OPEB related liabilities applicable to the City's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. Deferred outflows of resources and deferred inflows of resources related to OPEB are only reported in the statement of net position as the changes in these amounts affect only the government-wide statements for governmental activities:

Deferred Outflows of Resources	1,388,904
Deferred Inflows of Resources	(3,064,128)
OPEB Asset	5,482,179
Total	<u>3,806,955</u>

Net Position of Governmental Activities \$ 783,554,824

CITY OF INDUSTRY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2022

	General Fund	City Capital Projects Funds	Debt Service Funds	
			City Debt Service Fund	Tax Override Fund
REVENUES				
Taxes	\$ 47,051,238	\$ -	\$ 13,034,215	\$ 43,468,414
Intergovernmental	2,492,815	-	-	-
Charges for Services	523,690	-	-	-
Licenses and Permits	2,510,262	-	-	-
Fines, Forfeitures, and Penalties	364,595	-	-	-
Use of Money and Property	4,139,439	33,716	20,150	2
Other Revenue	3,461,674	-	-	-
Total Revenues	60,543,713	33,716	13,054,365	43,468,416
EXPENDITURES				
Current:				
Legislative	859,210	-	-	-
General Administration	7,008,462	-	17,550	-
Support Services	4,213,701	-	-	-
Community Development	2,606,965	-	-	-
Community Services	7,917,124	-	-	-
Public Safety	12,283,269	-	-	-
Public Works	15,328,460	-	-	-
Capital Outlay	6,870,398	16,834,346	-	-
Debt Service:				
Principal Retirement	-	-	14,470,000	-
Interest and Fiscal Charges	-	-	22,210,509	-
Total Expenditures	57,087,589	16,834,346	36,698,059	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES				
	3,456,124	(16,800,630)	(23,643,694)	43,468,416
OTHER FINANCING SOURCES (USES)				
Transfers In	18,339,343	18,693,108	38,027,686	-
Transfers Out	(59,219,742)	(22,188,606)	-	(42,558,026)
Proceeds from Sale of Capital Assets	1,284,384	-	-	-
Total Other Financing Sources (Uses)	(39,596,015)	(3,495,498)	38,027,686	(42,558,026)
NET CHANGE IN FUND BALANCES				
	(36,139,891)	(20,296,128)	14,383,992	910,390
Fund Balances - Beginning of Year	709,323,053	129,815,708	75,014,429	1,898,445
FUND BALANCES - END OF YEAR	\$ 673,183,162	\$ 109,519,580	\$ 89,398,421	\$ 2,808,835

See accompanying Notes to Financial Statements.

CITY OF INDUSTRY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2022

	<u>Debt Service Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
	<u>Industry Public Facilities Authority</u>		
REVENUES			
Taxes	\$ -	\$ 6,707	\$ 103,560,574
Intergovernmental	- -	2,286,087	4,778,902
Charges for Services	- -	- -	523,690
Licenses and Permits	- -	- -	2,510,262
Fines, Forfeitures, and Penalties	- -	- -	364,595
Use of Money and Property	(602,377)	7,622	3,598,552
Other Revenue	- -	- -	3,461,674
Total Revenues	<u>(602,377)</u>	<u>2,300,416</u>	<u>118,798,249</u>
EXPENDITURES			
Current:			
Legislative	- -	- -	859,210
General Administration	- -	- -	7,026,012
Support Services	- -	- -	4,213,701
Community Development	49,159,789	- -	51,766,754
Community Services	- -	- -	7,917,124
Public Safety	- -	- -	12,283,269
Public Works	- -	2,666,284	17,994,744
Capital Outlay	- -	- -	23,704,744
Debt Service:			
Principal Retirement	80,010,000	- -	94,480,000
Interest and Fiscal Charges	9,745,016	- -	31,955,525
Total Expenditures	<u>138,914,805</u>	<u>2,666,284</u>	<u>252,201,083</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES			
	<u>(139,517,182)</u>	<u>(365,868)</u>	<u>(133,402,834)</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	42,572,289	5,460,986	123,093,412
Transfers Out	- -	(4,035,168)	(128,001,542)
Proceeds from Sale of Capital Assets	- -	- -	1,284,384
Total Other Financing Sources (Uses)	<u>42,572,289</u>	<u>1,425,818</u>	<u>(3,623,746)</u>
NET CHANGE IN FUND BALANCES			
Fund Balances - Beginning of Year	(96,944,893)	1,059,950	(137,026,580)
FUND BALANCES - END OF YEAR	<u>\$ 61,967,136</u>	<u>\$ 2,600,202</u>	<u>\$ 939,477,336</u>

See accompanying Notes to Financial Statements.

CITY OF INDUSTRY
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
TO THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2022

Net Change in Fund Balances of Governmental Funds \$ (137,026,580)

Amount reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over the estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation and disposals in the current period.

Capital Outlay Expense	23,776,456
Depreciation Expense	(7,242,863)
Disposals	(119,000)
Total	16,414,593

The issuance of long term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance cost, discounts and similar items when the debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. These amounts are the net effect of these differences in the treatments of long-term debt and related items.

Principal Repayments	94,480,000
Bond Defeasance Amortization	(84,262)
Bond Premium And Discount Amortization	(4,800)
Total	94,390,938

Accrued interest for long-term liabilities. This is the net change in accrued interest in the current period. 1,850,193

Net effect of internal activities are eliminated in the statement of activities. 6,984,225

Compensated absences expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. 26,953

Pension expenditures reported in the governmental funds includes the annual required contributions. In the statement of activities, pension expense includes the change in the net pension liability, and related change in pension amounts for deferred outflows of resources and deferred inflows of resources. 7,315,119

OPEB expenditures reported in the governmental funds includes the actual premium payments. In the statement of activities, OPEB expense includes the change in the net OPEB liability and related change in OPEB amounts for deferred outflows deferred inflows of resources. 736,632

Change in Net Position of Governmental Activities \$ (9,307,927)

CITY OF INDUSTRY
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2022

	Industry	Public Utilities	Commission	Civic	Recreational	Industrial	Authority	Property	and Housing	Management	Authority Fund	Total
				Water								
				Fund								
ASSETS												
Current Assets:												
Cash and Investments	\$ 1,747,074	\$ 2,794,703	\$ 219,079	\$ 42,430	\$ 4,803,286							
Investments	6,352,031	11,124,624	-	3,267	17,479,922							
Accounts Receivable, Net	572,419	566,495	111,408	1,568	1,251,890							
Accrued Interest	11,892	20,828	-	6	32,726							
Inventory of Materials and Supplies	10,000	-	37,734	-	47,734							
Prepaid Items	357,108	5,289	8,694	-	371,091							
Due from Other Funds	-	-	-	9,695	9,695							
Deposits	-	-	3,000	-	3,000							
Total Current Assets	<u>9,050,524</u>	<u>14,511,939</u>	<u>379,915</u>	<u>56,966</u>	<u>23,999,344</u>							
Noncurrent Assets:												
Capital Assets:												
Capital Assets Not Being Depreciated	550,338	4,893,756	3,072,480	6,729,380	15,245,954							
Capital Assets Being Depreciated, Net	7,877,997	3,249,548	11,910,005	3,458,619	26,496,169							
Total Noncurrent Assets	<u>8,428,335</u>	<u>8,143,304</u>	<u>14,982,485</u>	<u>10,187,999</u>	<u>41,742,123</u>							
Total Assets	<u>17,478,859</u>	<u>22,655,243</u>	<u>15,362,400</u>	<u>10,244,965</u>	<u>65,741,467</u>							
LIABILITIES												
Current Liabilities:												
Accounts Payable	807,610	562,268	657,943	102,996	2,130,817							
Deposits	22,096	3,090,529	36,300	1,300	3,150,225							
Unearned Revenue	4,225,653	-	103,476	-	4,329,129							
Due to Other Funds	-	42,246	-	-	42,246							
Total Current Liabilities	<u>5,055,359</u>	<u>3,695,043</u>	<u>797,719</u>	<u>104,296</u>	<u>9,652,417</u>							
NET POSITION												
Net Investment In Capital Assets	8,428,335	8,143,304	14,982,485	10,187,999	41,742,123							
Unrestricted	<u>3,995,165</u>	<u>10,816,896</u>	<u>(417,804)</u>	<u>(47,330)</u>	<u>14,346,927</u>							
Total Net Position	<u>\$ 12,423,500</u>	<u>\$ 18,960,200</u>	<u>\$ 14,564,681</u>	<u>\$ 10,140,669</u>	<u>\$ 56,089,050</u>							

See accompanying Notes to Financial Statements.

CITY OF INDUSTRY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2022

	Industry Public Utilities Commission			Civic Recreational Industrial Authority Industry Hills Expo Center Fund	Property and Housing Management Authority Fund	Total
	Water Fund	Electric Fund				
OPERATING REVENUES						
Water Sales and Service	\$ 3,468,798	\$ -	\$ -	\$ -	\$ -	\$ 3,468,798
Electric and Solar Energy Sales	-	4,513,967	-	-	-	4,513,967
Event and Rental Revenues	-	-	551,694	-	166,017	717,711
Other Revenue	69,230	233,262	1,129	-	-	303,621
Total Operating Revenues	3,538,028	4,747,229	552,823	166,017	9,004,097	
OPERATING EXPENSES						
Purchased Water	349,757	-	-	-	-	349,757
Purchased Electricity	-	3,082,211	-	-	-	3,082,211
General Administration	2,262,253	1,484,898	1,137,653	40,433	-	4,925,237
Expo Center Operations	-	-	1,609,510	-	-	1,609,510
Housing Authority Operations	-	-	-	701,734	-	701,734
Depreciation	524,296	120,323	464,389	148,433	-	1,257,441
Total Operating Expenses	3,136,306	4,687,432	3,211,552	890,600	11,925,890	
OPERATING INCOME (LOSS)						
	401,722	59,797	(2,658,729)	(724,583)	(2,921,793)	
NONOPERATING REVENUES						
Investment Income	24,448	43,148	-	13	67,609	
Loss on Disposal of Capital Assets	-	-	-	-	-	
Total Nonoperating Revenues	24,448	43,148	-	13	67,609	
INCOME (LOSS) BEFORE TRANSFERS AND CONTRIBUTIONS						
	426,170	102,945	(2,658,729)	(724,570)	(2,854,184)	
TRANSFERS						
Transfers In	1,081,045	412,556	3,601,894	457,635	5,553,130	
Transfers Out	(260,000)	(385,000)	-	-	(645,000)	
Total Transfers	821,045	27,556	3,601,894	457,635	4,908,130	
CONTRIBUTIONS						
Capital Contribution	-	-	-	-	-	
CHANGES IN NET POSITION						
	1,247,215	130,501	943,165	(266,935)	2,053,946	
Net Position - Beginning of Year	11,176,285	18,829,699	13,621,516	10,407,604	54,035,104	
NET POSITION - END OF YEAR	\$ 12,423,500	\$ 18,960,200	\$ 14,564,681	\$ 10,140,669	\$ 56,089,050	

See accompanying Notes to Financial Statements.

CITY OF INDUSTRY
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2022

	Industry	Public Utilities	Civic			Property and Housing Management Authority Fund	Total
			Recreational	Industrial	Authority		
			Water Fund	Electric Fund	Hills Expo Center Fund		
CASH FLOWS FROM OPERATING ACTIVITIES							
Cash Received from Customers and Users		\$ 2,898,197	\$ 4,760,765	\$ 695,990	\$ 166,036	\$ 8,520,988	
Cash Payments for Water Purchases		(349,757)	-	-	-	(349,757)	
Cash Payments for Electric Purchases		-	(3,082,211)	-	-	(3,082,211)	
Cash Payments for Services and Supplies		(2,250,991)	(1,647,827)	(2,110,522)	(693,886)	(6,703,226)	
Net Cash Provided (Used) by Operating Activities		297,449	30,727	(1,414,532)	(527,850)	(1,614,206)	
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES							
Cash Received from Other Funds		1,081,045	439,243	3,601,894	457,635	5,579,817	
Cash Paid to Other Funds		(264,279)	(385,001)	-	(17,784)	(667,064)	
Net Cash Provided by Noncapital Financing Activities		816,766	54,242	3,601,894	439,851	4,912,753	
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES							
Acquisition and Construction of Capital Assets		(824,968)	(252,266)	(1,971,630)	-	(3,048,864)	
CASH FLOWS FROM INVESTING ACTIVITIES							
Interest Received		17,784	31,615	-	10	49,409	
NET CHANGE IN CASH AND CASH EQUIVALENTS							
Cash and Cash Equivalents - Beginning of Year		307,031	(135,682)	215,732	(87,989)	299,092	
CASH AND CASH EQUIVALENTS - END OF YEAR		7,792,074	14,055,009	3,347	133,686	21,984,116	
CASH AND CASH EQUIVALENTS		\$ 8,099,105	\$ 13,919,327	\$ 219,079	\$ 45,697	\$ 22,283,208	
CASH AND CASH EQUIVALENTS							
Cash		\$ 1,747,074	\$ 2,794,703	\$ 219,079	\$ 42,430	\$ 4,803,286	
Investment in LAIF		6,352,031	11,124,624	-	3,267	17,479,922	
Total Cash and Cash Equivalents		\$ 8,099,105	\$ 13,919,327	\$ 219,079	\$ 45,697	\$ 22,283,208	

See accompanying Notes to Financial Statements.

CITY OF INDUSTRY
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2022

	Industry	Public Utilities Water Fund	Commissioner Electric Fund	Civic Recreational Industrial Authority Industry Hills Expo Center Fund	Property and Housing Management Authority Fund	Total
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES						
Operating Income (Loss)						
	\$ 401,722	\$ 59,797	\$ (2,658,729)	\$ (724,583)	\$ (2,921,793)	
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:						
Depreciation	524,296	120,323	464,389	148,433	1,257,441	
Changes in Operating Assets and Liabilities:						
(Increase) Decrease in:						
Accounts Receivable	(101,165)	(116,493)	132,517	19	(85,122)	
Prepaid Items	42,358	-	(20)	-	42,338	
Inventory	-	-	(14,405)	-	(14,405)	
Increase (Decrease) in:						
Accounts Payable	(31,096)	(162,929)	601,818	48,281	456,074	
Accrued Liabilities	-	-	-	-	-	
Customer Deposits	(26,723)	130,029	10,650	-	113,956	
Unearned Revenues	(511,943)	-	49,248	-	(462,695)	
Total Adjustments	(104,273)	(29,070)	1,244,197	196,733	1,307,587	
Net Cash Provided (Used) by Operating Activities	\$ 297,449	\$ 30,727	\$ (1,414,532)	\$ (527,850)	\$ (1,614,206)	
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES						
Contributed Capital	\$ -	\$ -	\$ -	\$ -	\$ -	

See accompanying Notes to Financial Statements.

CITY OF INDUSTRY
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2022

	<u>Private-Purpose Trust Fund</u>	<u>Custodial Fund</u>
ASSETS		
Cash	\$ 2,393,527	\$ -
Investments	58,050,908	-
Accounts	527,899	-
Notes Receivable	1,003,623	-
Property Held for Sale or Disposition	50,064,421	-
Restricted Assets:		
Investments	46,628,576	-
Investments with Fiscal Agent	32,533,080	-
Capital Assets, Net of Depreciation	<u>373,548,534</u>	<u>-</u>
 Total Assets	 <u>564,750,568</u>	 <u>-</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Loss on Refunding	<u>239,403</u>	<u>-</u>
LIABILITIES		
Current Liabilities:		
Accounts Payable	2,583,208	-
Interest Payable	559,119	-
Due to Bond Holders	-	-
Bonds Payable, Due within One Year	<u>9,705,000</u>	<u>-</u>
Total Current Liabilities	<u>12,847,327</u>	<u>-</u>
 Noncurrent Liabilities:		
Bonds Payable, Due in More than One Year	<u>11,440,000</u>	<u>-</u>
 Total Liabilities	 <u>24,287,327</u>	 <u>-</u>
NET POSITION		
Restricted for Successor Agency	540,702,644	-
Restricted for Other Organization	-	-
Total Net Position	<u>\$ 540,702,644</u>	<u>\$ -</u>

See accompanying Notes to Financial Statements.

CITY OF INDUSTRY
STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS
YEAR ENDED JUNE 30, 2022

	Private-Purpose Trust Fund	Custodial Fund
ADDITIONS		
Taxes, Net	\$ 32,526,694	\$ -
Interest Income/(loss)	(445,921)	164
Rental and Other Income	12,069,130	-
Contribution from City of Industry	49,159,789	-
Gain on Sale of Capital Assets, Net	6,438,531	-
Other Revenues	13,867	-
Total Additions	<u>99,762,090</u>	<u>164</u>
DEDUCTIONS		
General Administration	282,846	-
Project Expenses	3,029,559	-
Contribution to City of Industry	-	816,185
Bond Principal Expense	-	490,000
Bond Interest Expense	<u>9,334,537</u>	<u>13,781</u>
Total Deletions	<u>12,646,942</u>	<u>1,319,966</u>
CHANGES IN NET POSITION	87,115,148	(1,319,802)
Net Position - Beginning of Year	<u>453,587,496</u>	<u>1,319,802</u>
NET POSITION - END OF YEAR	<u>\$ 540,702,644</u>	<u>\$ -</u>

See accompanying Notes to Financial Statements.

CITY OF INDUSTRY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Industry (the City), California, have been prepared in accordance with generally accepted accounting principles (GAAP) as applied to governmental agencies. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

A. Description of the Reporting Agency

The City is a municipal corporation governed by an elected five-member council of which the mayor is appointed by the members of the city council. The accompanying financial statements present the financial activities of the City, which is the primary government, and the financial activities of its component units, which are entities for which the City is financially accountable. Although legally separate entities, blended component units are in substance, part of the City's operations and are reported as an integral part of the City's financial statements. Blended component units, include the Civic-Recreational-Industrial Authority (CRIA), the Industry Public Utilities Commission (IPUC), the Industry Public Facilities Authority (IPFA), and the Industry Property and Housing Management Authority (the Housing Authority). They are reported as blended for the following reasons: (1) the governing board is substantively the same as the primary government, and there is a financial benefit or burden relationship between the primary government and the component unit; and (2) the component unit provides services entirely, or almost entirely, to the primary government or otherwise exclusively, or almost exclusively, benefits the primary government even though it does not provide services directly to it.

Blended Component Units

CRIA was established to develop and finance projects within the City and is governed by a commission of five members. Four members are appointed by the City Council and one member by the Council of the City of La Puente. The City transfers funds to CRIA to fund operations and capital projects. CRIA is represented by capital projects and proprietary funds.

IPUC was established to provide reliable utility service at reasonable rates to the residents and to assist in the promotion and stability for business owners in the City. IPUC manages the Industry Waterworks System and the Industry Electric System. The board that governs the IPUC consists of the council members of the City. The IPUC is reported as a proprietary fund.

IPFA was established for the purpose of establishing a vehicle to reduce local borrowing costs, accelerate construction, repair and maintenance of needed public capital improvements. The Board consists of all members of the City Council. IPFA receives all of its funding from payments received on bonds issued by the City and SA to IUDA which IPFA owns as investments. IPFA is reported as part of the debt service fund.

**CITY OF INDUSTRY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Description of the Reporting Agency (Continued)

Blended Component Units (Continued)

The Housing Authority was established to manage the property and housing rental activity in the City. The Board consists of five members who are appointed by the City Council. The Housing Authority is reported as proprietary funds.

Fiduciary Component Unit

The City has elected to become the Successor Agency to the Industry Urban-Development Agency (SA to IUDA). The City and the SA to IUDA have separate Boards of Directors. However, individuals serving on the City's Council also serve on the SA to IUDA Board. The SA to IUDA is reported as private-purpose trust fund of the City that is fiduciary in nature and is reported in the statements of fiduciary net position and changes in fiduciary net position within the City's fiduciary funds.

Complete financial statements of CRIA, SA to IUDA and IPFA may be obtained from the finance department, which is located at 15625 Mayor Dave Way, City of Industry, California 91744. Separate financial statements are not prepared for IPUC and Housing Authority.

B. Government-Wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. All internal balances in the statement of net position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. The types of transactions reported as program revenues for the City are reported in three categories:

1. Charges for services,
2. Operating grants and contributions, and
3. Capital grants and contributions.

CITY OF INDUSTRY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-Wide Financial Statements (Continued)

Charges for services include revenues from customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function. Grants and contributions include revenues restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

C. Fund Financial Statements

The accounts of the City are organized on the basis of funds or account groups, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts, which are comprised of each fund's assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Fund financial statements for the primary government are governmental and proprietary funds, which are presented after the government-wide financial statements. These statements display information about major funds individually and nonmajor funds in the aggregate for governmental and enterprise funds. Fiduciary statements include financial information for private purpose trust funds and custodial funds. Fiduciary funds of the City primarily represent assets held by the City in a trust or custodial capacity for other individuals or organizations.

The City reports the following major governmental funds:

General Fund – This is the City's primary operating fund. It accounts for all activities of the general government, except those required to be accounted for in another fund.

City Capital Projects Funds – The Capital Projects Funds are used to account for financial resources to be used for the acquisition and construction of major capital projects (other than those financed by Proprietary Funds).

City Debt Service Fund – The Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general long-term debt, principal, interest, and related costs.

**CITY OF INDUSTRY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Fund Financial Statements (Continued)

Tax Override Debt Service Fund – Pursuant to Resolution No. CC 2013-25, the City has established a segregated fund in the treasury designated the Agency Override Fund and shall deposit all Agency Override Portion received by the City into the Agency Override Fund. Upon notification by the SA to IUDA of the debt service shortfall, the City shall apply the necessary amount (but only to the extent available) from the Agency Override Fund to pay the bond trustee or, to the extent that there is no trustee for any bond issue, the bondholders directly, to cover the debt service shortfall.

Industry Public Facilities Authority Debt Service Fund – The Industry Public Facilities Authority Debt Service Fund is used to account for the accumulation of resources for, and the payment of the Authority's long-term debt, principal, interest, and related costs.

The City reports the following major proprietary funds:

Water Enterprise Fund – This fund accounts for activities of providing water services to the public.

Electric Enterprise Fund – This fund accounts for activities of providing limited electrical services to the public.

Civic-Recreational-Industrial Authority Industry Hills Expo Center Enterprise Fund – This fund accounts for space rentals for events and equestrian activities to the general public.

Industry Property and Housing Management Authority Enterprise Fund – This fund accounts for property and housing rental activity.

Additionally, the City reports the following fund types:

Governmental Fund Types

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or major capital projects), that are restricted to expenditures for special purposes.

Fiduciary Fund Types

The Private-Purpose Trust Fund is a fiduciary fund type used by the City to report trust arrangements under which the principal and income benefits other governments. This fund reports the assets, liabilities and activities of the Successor Agency of the Industry Urban-Development Agency.

**CITY OF INDUSTRY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Fund Financial Statements (Continued)

Fiduciary Fund Types (Continued)

The Custodial Fund is used to account for assets held by the City as an agent for individuals, other governments and/or other funds. The assets, liabilities, and activities of the Assessment District are reported in the Custodial Fund.

D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary and fiduciary funds.

Under the *economic resources measurement focus*, all assets, deferred outflows of resources, liabilities, and deferred inflows of resources (whether current or noncurrent) associated with their activity are included on their statements of net position.

Operating statements present increases (revenues) and decreases (expenses) in total net position. Under the *accrual basis of accounting*, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Nonexchange transactions, in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange include property taxes, grants, entitlements, and donations. On an accrual basis, property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the proprietary funds are utility charges for service and event revenues. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

CITY OF INDUSTRY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Under the *current financial resources measurement focus*, only current assets, current liabilities, and deferred inflows of resources are generally included on their balance sheets. The reported fund balance is considered to be a measure of “available spendable resources.”

Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in fund balance. Accordingly, they are said to present a summary of sources and uses of “available spendable resources” during a period. Noncurrent portions of long-term receivables are reported on the funds’ balance sheets in spite of their spending measurement focus.

Under the *modified accrual basis of accounting* 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 purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, except for principal and interest on general long-term liabilities, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term liabilities are reported as other financing sources.

Property taxes, franchise fees, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

E. New Accounting Pronouncements

GASB 87

In June 2017, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 87, *Leases*. This standard requires the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and as inflows of resources or outflows of resources recognized based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this standard, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The Entity adopted the requirements of the guidance effective July 1, 2021, and has applied the provisions of this standard to the beginning of the period of adoption.

**CITY OF INDUSTRY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Cash and Investments

For purposes of the statement of cash flows, the City considers all highly liquid investments purchased with an initial maturity of three months or less to be cash equivalents.

Short-term investments are reported at amortized cost, which approximates fair value. Investments that exceed more than one year in maturity and that are traded on a national exchange are valued at their quoted market price. Certain investments that exceed more than one year in maturity may be valued by pricing models that require inputs to the valuation methodology that include quoted prices of similar assets and certain observable inputs.

G. Accounts Receivable

Accounts receivable are stated at the amount management expects to collect from outstanding balances. A receivable balance is charged off in the period in which the receivable is deemed uncollectible. Management evaluates uncollectible amounts based on its assessment of the current status of individual accounts.

H. Interfund Transactions

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as due to/from other funds (i.e., current portion of interfund loans) and advances from/to other funds (i.e., noncurrent portion of interfund loans). Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as internal balances.

I. Inventories

Inventories of the Industry Hills Expo Center Enterprise Fund consist of food and beverages. Inventories of IPUC Enterprise Fund consist of materials and supplies. Inventories of operating supplies, including fuel are maintained and accounted for in the General Fund. The inventories are carried at the lower of cost or net realizable value on the first-in, first-out basis of accounting.

J. Prepaid Items

Prepaid items are payments made to vendors for services or insurance premiums that will benefit periods beyond the fiscal year ended.

K. Property Held for Sale or Disposition

Property held for sale or disposition is reported in the fiduciary fund financial statements at the lower of cost or net realizable value.

**CITY OF INDUSTRY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Restricted Assets

Certain proceeds of debt issues, as well as certain resources set aside for their repayment, are classified as restricted assets in the financial statements because their use is limited by applicable bond covenants.

M. Deferred Outflows and Inflows of Resources

In addition to assets, the statement of net position and governmental funds balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until that time. The City has the following items that qualify for reporting in this category:

- Unamortized loss on bond defeasance reported in the government-wide statement of net position and the fiduciary funds financial statements. An unamortized loss on bond defeasance results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the life of the refunding debt.
- Deferred outflow related to pensions equal to employer contributions made after the measurement date of the net pension liability. These amounts will be recognized in the next fiscal year.
- Deferred outflow related to OPEB for change in assumptions. These amounts are amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the plan.
- Deferred outflow related to OPEB for differences between actual and expected experiences. These amounts are amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the plan.
- Deferred outflow related to pensions resulting from the difference in projected and actual earnings on investments of the pension plan fiduciary net position. These amounts are amortized over five years.
- Deferred outflows related to pensions for the changes in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions. These amounts are amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the plans.

**CITY OF INDUSTRY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Deferred Outflows and Inflows of Resources (Continued)

In addition to liabilities, the statement of net position and governmental funds balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. The City has the following items that qualify for reporting in this category:

- Deferred inflow related to OPEB resulting from the difference in projected and actual earnings on investments of the OPEB plan fiduciary net position. These amounts are amortized over five years.
- Deferred inflow related to pension and OPEB for differences between actual and expected experiences. These amounts are amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pension and OPEB through the plans.
- Deferred inflows related to pensions for the changes in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions. These amounts are amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the plans.

N. Capital Assets and Depreciation

Capital assets, including infrastructure, are recorded at cost where historical records are available and at an estimated original cost where no historical records exist. Donated capital assets are reported at acquisition value on the date of donation. Generally capital asset purchases in excess of \$5,000 are capitalized if they have an expected useful life of two years or more. Capital assets include public domain (infrastructure) general capital assets consisting of certain improvements including roads, streets, sidewalks, medians, and storm drains.

If a cost does not extend an asset's useful life, increase its productivity or improve its operating efficiency the cost is regarded as repairs and maintenance and recognized as an expense as incurred; if it does, the cost is regarded as major renewals and betterments and capitalized.

**CITY OF INDUSTRY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Capital Assets and Depreciation (Continued)

Capital assets used in operations are depreciated over their estimated useful lives using the straight-line method in the government - wide financial statements and in the fund financial statements of the proprietary fund types. Depreciation is charged as an expense against operations and accumulated depreciation is reported on the respective statement of net position.

The SA to IUDA has capital assets that are not depreciated as they will be transferred to another entity that will be responsible for the maintenance of the capital assets at which time depreciation will commence.

The range of lives used for depreciation purposes for each capital asset class is as follows:

Building and Improvements	45 Years
Equipment	3 to 10 Years
Infrastructure	20 to 50 Years

O. Unearned Revenue and Unavailable Revenue

Unavailable revenues arise when revenue susceptible to accrual does not meet both the "measurable" and "available" criteria for recognition in the current period. Unearned revenues also arise when resources are received by the government before it has a legal claim to them. In subsequent periods, when both revenue recognition criteria are met or when the government has a legal claim to the resources, unearned revenue reported as liabilities and unavailable revenue reported as deferred inflows of resources are removed from the balance sheet and revenues are recognized.

P. Property Taxes

The valuation of property is determined as of March 1 each year and equal installments of taxes levied upon secured property become delinquent on the following 10th of December and April. Taxes on unsecured property are due when billed and become delinquent after August 31. If taxes are not paid on or before the date and time they become delinquent, a penalty of 10% is added. Unsecured property accrues an additional penalty of 1% per month beginning the first day of the third month following the delinquency date.

An initiative Constitutional Amendment, commonly known as the "Jarvis-Gann Initiative," providing for, among other things, certain property tax limitations, was approved as Proposition 13 on the June 6, 1978, statewide election. The principal thrust of Proposition 13 is to limit the amount of ad valorem taxes on real property to 1% of "full cash value," to define "full cash value" as the 1975-76 full cash value, to limit annual increases to two percent and to provide for reassessment after sale, transfer, or construction.

**CITY OF INDUSTRY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Q. Bond Issuance Costs and Premiums/Discounts

Bond premiums and discounts in the government-wide and fiduciary funds financial statements are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are recognized as expense in the period incurred in the statement of changes in net position. In the governmental fund financial statements, governmental funds report bond premiums and discounts as other financial sources. Bond issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

R. Defined Benefit Pension Plan

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the plans and additions to/deductions from the plans' fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

S. Other Postemployment Benefits (OPEB) Plan

For purposes of measuring the net OPEB liability (asset), deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the plans and additions to/deductions from the plans' fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

T. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick leave (compensated absences). All vacation pay and eligible sick leave pay is accrued when incurred in the government-wide financial statements. Compensated absences are reported in governmental funds only if they matured (i.e., unused reimbursable leave still outstanding following an employee's termination from employment). Typically, the General Fund has been used in prior years to liquidate the liability for compensated absences.

**CITY OF INDUSTRY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

U. Net Position

Net position in the government-wide and proprietary fund financial statements is classified as following:

Net Investment in Capital Assets – This component of net position consists of capital assets, net of accumulated depreciation, and reduced by outstanding debt attributed to the acquisition of these assets, net of unspent debt proceeds, related deferred outflows and inflows of resources, and retention payable.

Restricted – This component of net position consists of assets, net of any related liabilities, which have had restrictions imposed on them by external creditors, grantors, contributors, or laws or regulations of other governments or laws through constitutional provisions or enabling legislations.

Unrestricted – This component of net position consists of amounts that do not meet the definition of net investment in capital assets or restricted net position.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first and then unrestricted resources, as they are needed.

V. Fund Balance

In the governmental fund financial statements, fund balances are classified in the following categories:

Nonspendable – items that cannot be spent because they are not in spendable form or items that are legally or contractually required to be maintained intact.

Restricted – restricted fund balances are amounts with constraints placed on their use that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; (b) imposed by law by constitutional provisions or enabling legislation.

Committed – committed fund balances encompass the portion of net fund resources, the use of which is constrained by limitations that the City imposes upon itself at its highest level of decision making authority (the City Council) through resolutions and that remain binding unless removed in the same manner.

Assigned – assigned fund balances are amounts that are constrained by the City's intent to be used for specific purposes. The intent can be established at either the highest level of decision making, or by a body or an official designated for that purpose. The City Council is authorized for this purpose.

CITY OF INDUSTRY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

V. Fund Balance (Continued)

Unassigned – includes the residual balance for the government's general fund and includes all spendable amounts not contained in other classifications. In other funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

When both restricted and unrestricted resources are available in a fund, expenditures are to be paid first from restricted resources, and then unrestricted resources in the order of committed, assigned, then unassigned.

W. Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities and deferred inflows of resources at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 CASH AND INVESTMENTS

At June 30, 2022, cash and cash investments are classified in the accompanying financial statements as follows:

	Government-Wide Statement of Net Position	Fiduciary Fund Statement of Net Position	Total
Cash and Investments:			
Unrestricted Cash and Investments:			
Cash	\$ 7,296,474	\$ 2,393,527	\$ 9,690,001
Investments	349,767,273	58,050,908	407,818,181
Investments with Fiscal Agent	266,066,643	-	266,066,643
Restricted Cash and Investments:			
Investment	-	46,628,576	46,628,576
Investments with Fiscal Agent	239,984,732	32,533,080	272,517,812
Investments in SA to IUDA Bonds	21,145,000	-	21,145,000
Total Cash and Investments	<u>\$ 884,260,122</u>	<u>\$ 139,606,091</u>	<u>\$ 1,023,866,213</u>

At June 30, 2022, cash and investments consisted of the following:

Cash and Investments:			
Cash on Hand		\$ 18,771	
Deposits with Financial Institutions		9,671,230	
Investments		454,446,757	
Investments with Fiscal Agent		559,729,455	
Total Cash and Investments		<u>\$ 1,023,866,213</u>	

CITY OF INDUSTRY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

A. Demand Deposits

The carrying amount of the City's cash deposits was \$9,671,230 at June 30, 2022. Bank balances before reconciling items were \$10,025,559 at that date, the total amount of which was insured or collateralized with securities held by the pledging financial institutions in the City's name as discussed below. The California Government Code requires California banks and savings and loan associations to secure the City's cash deposits by pledging securities as collateral. This Code states that collateral pledged in this manner shall have the effect of perfecting a security interest in such collateral superior to those of a general creditor. Thus, collateral for cash deposits is considered to be held in the City's name. The market value of pledged securities must equal at least 110% of the City's cash deposits. California law also allows institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the City's total cash deposits. The City may waive collateral requirements for cash deposits, which are fully insured up to \$250,000 by the Federal Deposit Insurance Corporation (FDIC). The City, however, has not waived the collateralization requirements. As of June 30, 2022, City's deposits are federally insured or collateralized.

B. Investments Authorized by the City's Investment Policy and California Government Code

Under provision of the City's Investment Policy, and in accordance with Section 53601 of the California Government Code, the City may invest in the following types of investments:

Authorized Investment Type	Maximum Maturity	Maximum Percentage Allowed	Maximum Investment in One Issuer
U.S. Treasury Obligations	5 Years	None	None
U.S. Government Sponsored Enterprise Securities	5 Years	None	None
Money Market Funds (Composed Entirely of Security of U.S. Government and Agencies)	N/A	20 %	None
Banker's Acceptances	180 Days	40 %	30 %
Commercial Paper	270 Days	25 %	10 %
Negotiable Certificates of Deposit	5 Years	None	None
Non-Negotiable Certificates of Deposit	5 Years	None	None
Local Agency Investment Fund (LAIF)	N/A	None	None
Repurchase Agreements	1 Year	None	None
Los Angeles County Investment Pool	N/A	None	None
Local Agency Bonds	5 Years	None	None
U.S. Corporate Bonds/Notes	5 Years	30 %	None

CITY OF INDUSTRY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

C. Investments Authorized by Debt Agreements

Investments of debt proceeds held by a bond trustee are governed by provisions of the debt agreements rather than the general provisions of the California Government Code or the City's investment policy. The table below identifies the investment types that are authorized for investments held by a bond trustee. The table also identifies certain provisions of these debt agreements that address interest rate risk, credit risk, and concentration of credit risk.

Authorized Investment Type	Maximum Maturity	Maximum Percentage Allowed	Maximum Investment in One Issuer
U.S. Treasury Obligations	None	None	None
U.S. Government Sponsored Enterprise Securities	None	None	None
Money Market Funds	None	None	None
Certificates of Deposit	None	None	None
Commercial Paper	None	None	None
Banker's Acceptances	18 Months	None	None
U.S. Corporate Bonds/Notes	None	None	None
Municipal Bonds	None	None	None
Noninvestment Grade Bonds	None	10 %	None
Exchange Traded Funds	None	None	None
Mortgage-Backed Securities	None	None	None
Investment Contracts	None	None	None
LAIF	None	None	None
Foreign Government Bonds	None	None	None
Foreign Corporate Bonds/Notes	None	None	None

D. Risk Disclosures

Interest Rate Risk

Interest rate risk is the risk of changes in market interest rates that will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in the market interest rates. One of the ways that the City and its component units manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

CITY OF INDUSTRY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

D. Risk Disclosures (Continued)

Interest Rate Risk (Continued)

The City and its component units and fiduciary funds monitor the interest rate risk inherent in its portfolio by measuring the weighted average maturity of its portfolio.

Investment Type	Amounts	Weighted-Average Maturity
Investments - Unrestricted:		
Money Market Funds	\$ 84,090,656	N/A
U.S. Treasury Obligation	26,764,520	9.86 Months
Commercial Paper	210,201,812	24.66 Months
Corporate Bonds	1,997,880	2.37 Months
LAIF	84,763,313	N/A
Investment - Restricted:		
Money Market Funds	46,628,562	N/A
LAIF	14	N/A
Investment Held by Fiscal Agent:		
Money Market Funds	515,487,987	N/A
Investment in SA to IUDA Bonds	21,145,000	13.52 Months
U.S. Treasury Obligation	1,000,150	.11 Months
Commercial Paper	18,100,558	3.72 Months
Corporate Bonds	3,995,760	4.73 Months
Total	\$ 1,014,176,212	

CITY OF INDUSTRY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

D. Risk Disclosures (Continued)

Credit Risk

Credit risk is generally the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical organization. Presented below is the minimum rating required by Section 53601 and Section 53635 of the California Government Code, Section 33603 of the Health and Safety Code, the City and its component unit's investment policy, or debt agreements, and the actual rating as of year-end for each investment type.

Investment Type	Minimum Legal Rating	Aaa/P-1	A1	Exempt from Rating	Not Rated	Total as of June 30, 2022
Investments - Unrestricted:						
Money Market Funds	N/A	\$ -	\$ -	\$ -	\$ 84,090,656	\$ 84,090,656
Commercial Paper	N/A	-	-	-	26,764,520	26,764,520
Corporate Bonds	A-1/AA	210,201,812	-	-	-	210,201,812
LAIF	A-1	-	-	1,997,880	-	1,997,880
Investments - Restricted:						
Money Market Funds	N/A	-	-	-	84,763,313	84,763,313
LAIF	N/A	-	-	46,628,562	-	46,628,562
Investment Held by	A-1	14	-	-	-	14
Fiscal Agent:						
Money Market Funds	Aaa/P-1	515,487,987	-	-	-	515,487,987
Investment in SA to						
IUDA Bonds	N/A	-	-	-	21,145,000	21,145,000
Mortgage-Backed Securities	N/A	-	-	1,000,150	-	1,000,150
U.S. Treasury Obligation	A-1	18,100,558	-	-	-	18,100,558
Commercial Paper	N/A	-	3,995,760	-	-	3,995,760
Total		\$ 743,790,371	\$ 3,995,760	\$ 49,626,592	\$ 216,763,489	\$ 1,014,176,212

**CITY OF INDUSTRY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

D. Risk Disclosures (Continued)

Concentration of Credit Risk

The investment policy of the City and its component units contain no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. The investments subjected to 5% concentration credit risk disclosure and represent 5% or more of the total investments of the City are IUDA bonds.

E. State of California Local Agency Investment Fund

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The fair value of the City's investment in this pool is reported in the accompanying financial statements at amounts based upon the City's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF.

F. Investment in IUDA Bonds

As of June 30, 2022, the City has investments in IUDA bonds in the amounts totaling \$21,155,000. The City intends to hold the investments until the maturity date. As a result, these investments are reported at amortized cost, instead of fair value.

G. Investment in City Bonds

As of June 30, 2022, the IPFA has investments in City bonds in the amounts totaling \$48,850,000. These investments are reported in the Industry Public Facilities Authority Debt Service Fund. These assets arise from interfund activity and have been eliminated from the government-wide financial statements.

H. Fair Value Measurement

The City categorizes its fair value measurement within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the relative inputs used to measure the fair value of the investments. Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are valued using a matrix pricing technique in where investments are valued based on the investments' relationship to benchmark quoted prices, and Level 3 inputs are significant unobservable inputs.

CITY OF INDUSTRY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

H. Fair Value Measurement (Continued)

The City has the following recurring fair value measurements as of June 30, 2022:

Investment Type	Measurement Input					Total
	Level 1	Level 2	Level 3	Uncategorized		
Investments - Unrestricted:						
Money Market Funds	\$ -	\$ -	\$ -	\$ 84,090,656	\$ 84,090,656	
U.S. Treasury Obligation	-	26,764,520	-	-	26,764,520	
Commercial Paper	-	210,201,812	-	-	210,201,812	
Corporate Bonds	-	1,997,880	-	-	1,997,880	
LAIF	-	-	-	84,763,313	84,763,313	
Investments - Restricted:						
Money Market Funds	-	-	-	46,628,562	46,628,562	
U.S. Treasury Obligation	-	14	-	-	-	14
Investment Held by						
Fiscal Agent:						
Money Market Funds	-	-	-	515,487,987	515,487,987	
Investment in SA to						
IUDA Bonds	-	-	-	21,145,000	21,145,000	
U.S. Treasury Obligation	-	1,000,150	-	-	1,000,150	
Commercial Paper	-	18,100,558	-	-	18,100,558	
Corporate Bonds	-	3,995,760	-	-	3,995,760	
Total	\$ -	\$ 262,060,694	\$ -	\$ 752,115,518	\$ 1,014,176,212	

NOTE 3 ACCOUNTS RECEIVABLE

As of June 30, 2022, accounts receivable for governmental funds consisted of the following:

	General Fund	City Debt Service Fund	Tax Override Debt Service Fund	Nonmajor Governmental Funds		Total
Sales Tax Receivable	\$ 6,129,283	\$ -	\$ -	\$ -	\$ -	\$ 6,129,283
Property Tax Receivable	69,995	1,427,562	2,806,674	-	-	4,304,231
Receivable from Successor Agency	1,808,230	-	-	-	-	1,808,230
Other	377,001	-	-	207,701	207,701	584,702
Total	\$ 8,384,509	\$ 1,427,562	\$ 2,806,674	\$ 207,701	\$ 207,701	\$ 12,826,446

CITY OF INDUSTRY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 4 NOTES RECEIVABLE

As of June 30, 2022, notes receivable consisted of the following:

	Governmental Activities	Fiduciary Fund
Notes Receivable:		
City of La Puente	\$ 1,276,689	\$ -
San Gabriel Valley Water and Power LLC	20,000,000	-
Developer Notes Receivable - Construction Loans	-	1,003,623
Total Notes Receivable	<u>\$ 21,276,689</u>	<u>\$ 1,003,623</u>

A. City of La Puente Loan

In October 2015, The City entered into an agreement with the City of La Puente to mitigate noise, traffic and railroad impact and for other public purposes. As part of the agreement, the City of Industry agreed to lend to the City of La Puente, and the City of La Puente agreed to borrow and repay to the City, the loan in the amount of \$5,952,908 for La Puente to use in constructing a sound wall along the north side of Valley Boulevard and the railroad tracks on the south side of Valley Boulevard along with other public improvements. The City of La Puente has borrowed a total of \$1,801,762 of the original amount of the loan. The project has been completed and the City of La Puente does not plan on borrowing any additional funds. In October 2019, the loan agreement has been modified to pay off the remaining \$1,422,945 over 28 years. Beginning November 1, 2019, the annual payment will be \$53,287 including interest at 0.33%.

B. San Gabriel Valley Water and Power, LLC

The City entered into master lease agreement (the Lease) with San Gabriel Valley Water and Power, LLC (SGVWP) and leased properties to SGVWP for a period of twenty-five years for the development of solar projects. As part of the Lease, as further amended, the City agreed to advance \$20,000,000 for funding of the project development costs. At June 30, 2022, the outstanding balance of the advance was in the amount of \$20,000,000. Also refer to Note 17 for more contingency disclosures.

CITY OF INDUSTRY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 4 NOTES RECEIVABLE (CONTINUED)

C. Developer Notes Receivable – Grand Central Recycling & Transfer Station, Inc. Construction Loan

In June 2000, IUDA entered into an agreement with a Developer to redevelop certain real property located within the City, Redevelopment Plan for Project Area No. 1. As part of the agreement, the Developer purchased the land from IUDA for \$12,900,000. In order to finance construction costs, IUDA has provided the Developer with construction loans totaling \$14,703,280. The promissory notes for the construction loans and land purchase is secured by a deed of trust and is payable in equal installments over 20 years including principal and interest at a rate of 4% per annum and consisted of the following:

	<u>Outstanding Balance at June 30, 2022</u>	<u>Principal Amounts Due within One Year</u>	<u>Principal Amounts Due in More than One Year</u>
Due June 2022, payable in monthly payments of \$78,171 including interest at 4.00% per annum beginning July 2002	\$ 469,029	\$ 469,029	\$ -
Due June 2022, payable in monthly payments of \$66,658 including interest at 4.00% per annum beginning July 2002	134,647	134,647	-
Due June 2022, payable in monthly payments of \$22,441 including interest at 4.00% per annum beginning July 2002	399,947	399,947	-
Totals	\$ 1,003,623	\$ 1,003,623	\$ -

The total interest received on these loans during the year ended June 30, 2022, was approximately \$31,000.

NOTE 5 LEASE RECEIVABLE

The City, acting as lessor, leases land and buildings under long-term, noncancelable lease agreements. The leases expire at various dates through 2026 and provide various renewal options ranging from three months to six years. During the year ended June 30, 2022, the City recognized \$2,236,406 and \$35,194 in lease revenue and interest revenue, respectively, pursuant to these contracts.

Certain leases provide for increases in future minimum annual rental payments based on defined increases in the Consumer Price Index, subject to certain minimum increases.

CITY OF INDUSTRY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 5 LEASE RECEIVABLE (CONTINUED)

Total future minimum lease payments to be received under lease agreements are as follows:

<u>Year Ending June 30,</u>	<u>Governmental Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 1,843,895	\$ 64,941	\$ 1,908,836
2024	1,285,489	62,791	1,348,280
2025	1,305,105	63,176	1,368,281
2026	597,539	42,901	640,440
2027	128,850	20,910	149,760
2028-2031	450,976	73,184	524,160
Total	\$ 5,611,854	\$ 327,903	\$ 5,939,757

NOTE 6 INDUSTRY CONVALESCENT HOSPITAL

During 1992, the City Council passed a resolution stating that periodic advances made to Industry Convalescent Hospital dba: El Encanto Healthcare and Habilitation Center in the past, as well as currently, are treated as loans. The note is payable on demand with simple interest at 6% per annum on the unpaid balance. As of June 30, 2022, the unpaid note balance amounted to \$24,614,364 and accrued interest amounted to \$31,139,714. As the collectability of this note and accrued interest is uncertain, the loan amounts are offset with allowance for doubtful account in the financial statements; and the City will recognize the collections on the note receivable as revenue as the amounts are collected.

The Hospital leased property from SA to IUDA for \$1 a year, which was renewed annually, and at the time of renewal the lease may be terminated or the lease payment renegotiated by SA to IUDA. In November 2018, the SA to IUDA sold the property to the City. The City is currently working with the Hospital on the new lease agreement. During the June 30, 2022, the City incurred expenses on behalf of the Hospital totaling \$882,073 relating to contract labor, security, and repairs and maintenance.

NOTE 7 PREPAID ITEMS

At June 30, 2022, government-wide financial statements report the following prepaid items:

	<u>Governmental</u>	<u>Business-Type</u>	
	<u>Activities</u>	<u>Activities</u>	<u>Total</u>
Prepaid Bond Insurance	\$ 5,800,890	\$ -	\$ 5,800,890
Other Prepaid Items	234,469	371,091	605,560
Total	\$ 6,035,359	\$ 371,091	\$ 6,406,450

CITY OF INDUSTRY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 7 PREPAID ITEMS (CONTINUED)

At June 30, 2022, fund financial statements reported the following prepaid items:

	Governmental Fund					Enterprise Fund			
	City Debt		Tax Override Debt		Total	IPUC Water Fund	IPUC Electric Fund	Industry Hills - Expo Center Fund	
	General Fund	Service Fund	Service Fund	Total				Total	Total
Prepaid Bond Insurance	\$ -	\$ 3,325,857	\$ 2,475,033	\$ 5,800,890	\$ -	\$ -	\$ -	\$ -	\$ -
Other Prepaid Items	234,469	-	-	234,469	357,108	5,289	8,694	8,694	371,091
Total	<u>\$ 234,469</u>	<u>\$ 3,325,857</u>	<u>\$ 2,475,033</u>	<u>\$ 6,035,359</u>	<u>\$ 357,108</u>	<u>\$ 5,289</u>	<u>\$ 8,694</u>	<u>\$ 8,694</u>	<u>\$ 371,091</u>

NOTE 8 INTERFUND TRANSACTIONS

All interfund assets, liabilities, fund equity, revenues, expenditures, and operating transfers have been eliminated in the statement of net position and the statement of activities.

A. Due to/from Other Funds

Due to/from other funds consisted of the following at June 30, 2022:

Due to Other Funds	Due from Other Funds					Total	
	Governmental Fund						
	General Fund	City Capital Projects Fund	Nonmajor Governmental Fund	IPHMA Enterprise Fund			
Governmental Funds:							
General Fund	\$ -	\$ 238,046	\$ 50,000	\$ 9,695	\$ 297,741		
Nonmajor Governmental Fund	394,603	340,243	-	-	734,846		
IPHMA Enterprise Fund	42,246	-	-	-	42,246		
Total	<u>\$ 436,849</u>	<u>\$ 578,289</u>	<u>\$ 50,000</u>	<u>\$ 9,695</u>	<u>\$ 1,074,833</u>		

The majority of the interfund balances were a result of routine short-term borrowing or reimbursement of expenditures.

B. Advances to/from Other Funds

Advances to/from other funds consisted of the following at June 30, 2022:

Advance from Other Funds	Advance to Other Funds	
	Governmental Fund	
Governmental Fund:	General Fund	
Industry Public Facilities		
Authority Debt Service Fund	\$ 50,350,123	
City Capital Projects Fund	3,352,052	
Total	<u>\$ 53,702,175</u>	

CITY OF INDUSTRY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 8 INTERFUND TRANSACTIONS (CONTINUED)

B. Advances to/from Other Funds (Continued)

On December 1, 2015, the IPFA entered into loan agreement with the City to borrow \$51,460,000 for the purchase of City of Industry Subordinate Sales Tax Revenue Bonds, Series 2015B (Taxable). The loan bears interest ranging from 2.75% to 7.75% annually, due February 1 and August 1 each year. The principal payments are due on February 1 each year and range from \$520,000 to \$3,905,000.

As of June 30, 2022, the total outstanding balance amounted to \$50,350,123 (principal of \$48,850,000 and accrued interest of \$1,500,123). Interest revenue for the City and interest expense for the IPFA in the amount of \$3,635,055 is eliminated in the statement of activities.

The repayment schedule for the advances is as following:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 585,000	\$ 3,620,298	\$ 4,205,298
2024	615,000	3,592,510	4,207,510
2025	645,000	3,561,760	4,206,760
2026	680,000	3,527,898	4,207,898
2027	715,000	3,490,158	4,205,158
2028 to 2031	4,315,000	16,720,003	21,035,003
2032 to 2036	6,065,000	14,966,325	21,031,325
2037 to 2041	8,670,000	12,362,187	21,032,187
2042 to 2046	12,545,000	8,492,450	21,037,450
2047 to 2051	14,015,000	2,816,738	16,831,738
Total	\$ 48,850,000	\$ 73,150,327	\$ 122,000,327

As of June 30, 2022, the General Fund has advanced funds totaling \$3,352,052 to the City Capital Projects Fund for various projects.

CITY OF INDUSTRY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 8 INTERFUND TRANSACTIONS (CONTINUED)

C. Transfers

Transfers in and transfers out for the year ended June 30, 2022, consisted of the following:

Transfers In	Transfers Out								Total	
	Governmental Funds				Proprietary Funds					
	General Fund	City Capital Projects Funds	Tax Override Debt Service Funds	Nonmajor Governmental Funds	IPUC Water Fund	IPUC Electric Fund				
Governmental Funds:										
General Fund	\$ -	\$ 18,239,343	\$ -	\$ -	\$ -	\$ -	\$ 100,000	\$ 18,339,343		
Capital Projects Funds	18,259,834	-	-	433,274	-	-	-	-	18,693,108	
City Debt Service Fund	37,910,827	116,859	-	-	-	-	-	-	38,027,686	
IPFA Debt Service Fund	14,263	-	42,558,026	-	-	-	-	-	42,572,289	
Nonmajor Governmental Funds	2,535,318	2,925,668	-	-	-	-	-	-	5,460,986	
Proprietary Funds:										
IPUC Water Fund	-	821,045	-	-	-	-	260,000	1,081,045		
IPUC Electric Fund	125,000	27,556	-	-	260,000	-	-	-	412,556	
Expo Center Enterprise Fund	-	-	-	3,601,894	-	-	-	-	3,601,894	
PHMA Enterprise Fund	374,500	58,135	-	-	-	-	25,000	457,635		
Total	\$ 59,219,742	\$ 22,188,606	\$ 42,558,026	\$ 4,035,168	\$ 260,000	\$ 385,000	\$ 128,646,542			

The General Fund made the following transfers:

- \$18,259,834 to Capital Projects Funds to fund project expenditures.
- \$37,910,827 net transferred to Debt Service Funds to fund sales tax revenue bond payments with the General Fund.
- \$42,558,026 transferred to IPFA Debt Service Fund for tax override received
- \$457,635 to PHMA Enterprise Fund for cover housing project costs.
- The City Capital Projects Funds made the following transfers:
 - \$18,239,343 to General Fund to reimburse General Fund for project cost incurred.
 - The amount of \$116,859 to Debt Service Funds was to transfer interest income earned on bond proceeds for the project funds.
 - The total amount of \$906,736 to IPUC Water And Electric Funds and PHMA Enterprise Fund was to provide funding for capital projects.

CITY OF INDUSTRY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 9 CAPITAL ASSETS

A. Governmental Activities

A summary of changes in capital asset activity for the year ended June 30, 2022, is as follows:

Capital Assets	Balance at July 1, 2021	Additions	Deletions	Transfer and Reclassification	Balance at June 30, 2022
Primary Government:					
Governmental Activities:					
Capital Assets, Not being Depreciated:					
Land	\$ 104,149,237	\$ 6,455,598	\$ -	\$ -	\$ 110,604,835
Construction in Progress	23,306,020	17,320,858	-	(3,287,936)	37,338,942
Total Capital Assets, Not being Depreciated	127,455,257	23,776,456	-	(3,287,936)	147,943,777
Capital Assets, being Depreciated:					
Buildings and Improvements	120,670,145	-	-	-	120,670,145
Machinery and Equipment	1,926,746	-	-	-	1,926,746
Furniture and Fixtures	4,581,832	-	-	-	4,581,832
Infrastructure	172,061,253	-	(119,000)	3,287,936	175,230,189
Total Capital Assets, being Depreciated	299,239,976	-	(119,000)	3,287,936	302,408,912
Less Accumulated Depreciation:					
Buildings and Improvements	(71,717,466)	(2,675,306)	-	-	(74,392,772)
Machinery and Equipment	(1,904,340)	(9,083)	-	-	(1,913,423)
Furniture and Fixtures	(4,513,342)	(33,227)	-	-	(4,546,569)
Infrastructure	(78,767,644)	(4,525,247)	-	-	(83,292,891)
Total Accumulated Depreciation	(156,902,792)	(7,242,863)	-	-	(164,145,655)
Total Capital Assets, being Depreciated, Net	142,337,184	(7,242,863)	(119,000)	3,287,936	138,263,257
Total Governmental Activities	\$ 269,792,441	\$ 16,533,593	\$ (119,000)	\$ -	\$ 286,207,034

Depreciation expense was charged to the primary government in the governmental activities in the amount of \$7,242,863 to the following functions:

General Government	\$ 609,849
Support Services	1,736,839
Community Development	120,956
Community Services	738,048
Public Safety	1,807,094
Public Works	2,230,078
Total Depreciation Expense	\$ 7,242,863

CITY OF INDUSTRY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 9 CAPITAL ASSETS (CONTINUED)

B. Business-Type Activities

A summary of changes in capital asset activity for the year ended June 30, 2022, is as follows:

Capital Assets	Balance at July 1, 2021	Additions	Deletions	Transfer and Reclassification	Balance at June 30, 2022
Business-Type Activities:					
Capital Assets, Not being Depreciated:					
Land	\$ 6,764,880	\$ -	\$ -	\$ -	\$ 6,764,880
Water Rights	441,200	-	-	-	441,200
Construction in Progress	5,944,519	3,048,864	-	(953,509)	8,039,874
Total Capital Assets, Not being Depreciated	<u>13,150,599</u>	<u>3,048,864</u>	<u>-</u>	<u>(953,509)</u>	<u>15,245,954</u>
Capital Assets, being Depreciated:					
Buildings and Improvements	55,037,294	-	-	-	55,037,294
Equipment, Furniture, and Fixtures	1,322,648	-	-	-	1,322,648
Infrastructure	8,618,194	-	-	953,509	9,571,703
Source of Supply - Electric	4,495,494	-	-	-	4,495,494
Total Capital Assets, being Depreciated	<u>69,473,630</u>	<u>-</u>	<u>-</u>	<u>953,509</u>	<u>70,427,139</u>
Less Accumulated Depreciation:					
Buildings and Improvements	(39,282,748)	(865,922)	-	-	(40,148,670)
Equipment, Furniture, and Fixtures	(1,299,781)	(8,299)	-	-	(1,308,080)
Infrastructure	(153,305)	(292,543)	-	-	(445,848)
Source of Supply - Electric	(1,937,695)	(90,677)	-	-	(2,028,372)
Total Accumulated Depreciation	<u>(42,673,529)</u>	<u>(1,257,441)</u>	<u>-</u>	<u>-</u>	<u>(43,930,970)</u>
Total Capital Assets, being Depreciated, Net	<u>26,800,101</u>	<u>(1,257,441)</u>	<u>-</u>	<u>953,509</u>	<u>26,496,169</u>
Total Business-Type Activities	<u>\$ 39,950,700</u>	<u>\$ 1,791,423</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 41,742,123</u>

Depreciation expenses for business activities in the amount of \$1,255,861 were charged to the following activities:

Water	\$ 524,296
Electric	120,323
CRIA Expo Center	464,389
IPHMA	148,433
Total Depreciation Expense	<u>\$ 1,257,441</u>

CITY OF INDUSTRY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 9 CAPITAL ASSETS (CONTINUED)

C. Private-Purpose Trust Fund

The SA to IUDA has the following assets held for sale or disposition.

Property Held for Sale or Disposition:	Balance at	Transfer	Additions	Deletions	Balance at
	July 1, 2021				June 30, 2022
Land	\$ 50,064,421	\$ -	\$ -	\$ -	\$ 50,064,421

In addition, the SA to IUDA has the following capital assets at June 30, 2022.

Capital Assets, being Depreciated:	Balance at	Transfer	Additions	Deletions	Balance at
	July 1, 2021				June 30, 2022
Land	\$ 7,151,286	\$ -	\$ -	\$ -	\$ 7,151,286
Construction in Progress	173,954,363	6,006,924	-	-	179,961,287
Buildings and Improvements	2,969,734	-	-	-	2,969,734
Vehicles	-	-	-	-	-
Infrastructure	204,294,396	-	-	-	204,294,396
Less: Accumulated Depreciation	(20,828,169)	-	-	-	(20,828,169)
Capital Assets, Net	<u>\$ 367,541,610</u>	<u>\$ 6,006,924</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 373,548,534</u>

NOTE 10 UNEARNED REVENUE

Reclaimed Water Sales

The City purchases 10,000 acre feet of reclaimed water from LA County Sanitation District annually. The City also entered into separate joint use and development agreements with the Rowland Water District (RWD) and the Upper San Gabriel Valley Water District (SGVWD). The purpose of the agreements is to sell 3,400 and 2,500 acre feet of reclaimed water to RWD and SGVWD, respectively. Under the agreements, RWD and SGVWD had the option to pay their allocated shares of cost in advance or over 20 years. On July 15, 2009, RWD paid its allocated share of cost in advance in the amount of \$5,958,516. Subsequently, SGVWD also paid its allocable share of cost in advance in the amount of \$4,280,345 on November 10, 2012. Both advances are to be amortized and recognized as revenue over 20 years. At June 30, 2022, total unearned revenue from the sale of reclaimed water to RWD and SGVWD was in the amount of \$4,225,653.

Civic-Recreational-Industrial Authority

Unearned revenue for CRIA are for event rental fees collected prior to the event. At June 30, 2022, unearned revenue for CRIA was in the amount of \$103,476.

CITY OF INDUSTRY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 11 LONG-TERM LIABILITIES

A summary of changes in the governmental activities long-term liabilities for the year ended June 30, 2022, is as follows:

	Balance at July 1, 2021	Additions	Deletions	Balance at June 30, 2022	Amount Due in One Year	Amount Due in More than One Year
Governmental Activities:						
Bonds Payable:						
City of Industry:						
General Obligation Bonds	\$ 45,860,000	\$ -	\$ (8,550,000)	\$ 37,310,000	\$ 8,835,000	\$ 28,475,000
Sales Tax Revenue Bonds	349,510,000	-	(5,360,000)	344,150,000	5,520,000	338,630,000
Public Facilities Authority:						
Tax Allocation Bonds	101,155,000	-	(80,010,000)	21,145,000	9,705,000	11,440,000
Lease Revenue Bonds	-	-	-	-	-	-
Subtotal	<u>496,525,000</u>	<u>-</u>	<u>(93,920,000)</u>	<u>402,605,000</u>	<u>24,060,000</u>	<u>378,545,000</u>
Deferred Amounts:						
Unamortized Premium/Discounts	(4,941,019)	-	4,800	(4,936,219)	164,974	(5,101,193)
Total Bonds Payable	<u>491,583,981</u>	<u>-</u>	<u>(93,915,200)</u>	<u>397,668,781</u>	<u>24,224,974</u>	<u>373,443,807</u>
Compensated Absences	208,418	-	(26,953)	181,465	-	181,465
Total Long-Term Liabilities	<u>\$ 491,792,399</u>	<u>\$ -</u>	<u>\$ (93,942,153)</u>	<u>\$ 397,850,246</u>	<u>\$ 24,224,974</u>	<u>\$ 373,625,272</u>

A. City of Industry General Obligation Bonds

	Balance at July 1, 2021	Additions	Deletions	Balance at June 30, 2022	Amount Due in More than One Year
General Obligation Bonds:					
2010 GO Refunding Bonds	\$ 21,345,000	\$ -	\$ (2,675,000)	\$ 18,670,000	\$ 2,800,000
2014 GO Refunding Bonds	<u>24,515,000</u>	<u>-</u>	<u>(5,875,000)</u>	<u>18,640,000</u>	<u>6,035,000</u>
Total General Obligation Bonds	<u>\$ 45,860,000</u>	<u>\$ -</u>	<u>\$ (8,550,000)</u>	<u>\$ 37,310,000</u>	<u>\$ 8,835,000</u>

2010 General Obligation Refunding Bonds

On August 31, 2010, the City issued \$43,340,000 of General Obligation Refunding Bonds (the 2010 GO Refunding Bonds). Proceeds from the 2010 GO Refunding Bonds were used to refund the \$27,245,000 2004 GO Refunding Bonds, Series A, and the \$29,015,000 2004 GO Refunding Bonds, Series B. The defeased bonds were fully redeemed on September 17, 2010.

Principal ranges from \$1,550,000 to \$3,240,000 maturing annually through July 1, 2029. The bonds bear interest at rate ranging from 4.000% to 5.000%, due semiannually on January 1 and July 1. Debt service requirement to maturity is as follows:

Year Ending June 30,	Principal	Interest	Total
2023	\$ 2,800,000	\$ 792,400	\$ 3,592,400
2024	2,940,000	648,900	3,588,900
2025	3,095,000	498,025	3,593,025
2026	3,240,000	347,400	3,587,400
2027	1,550,000	241,213	1,791,213
2028-2030	<u>5,045,000</u>	<u>322,188</u>	<u>5,367,188</u>
Total	<u>\$ 18,670,000</u>	<u>\$ 2,850,126</u>	<u>\$ 21,520,126</u>

CITY OF INDUSTRY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 11 LONG-TERM LIABILITIES (CONTINUED)

A. City of Industry General Obligation Bonds (Continued)

2014 General Obligation Refunding Bonds

In May 2014, the City issued \$28,985,000 of General Obligation Refunding Bonds, Series 2014 (Federally Taxable) (the 2014 GO Refunding Bonds). Proceeds from the 2014 GO Refunding Bonds, along with other funds, were used to refund the \$35,000,000 Taxable General Obligation Bonds, Issue of 2002. In addition to the funds received, the City used approximately \$1,764,000 from other funds to fund the redemption of the 2002 bonds. The 2002 Taxable General Obligation Bonds were fully redeemed on May 28, 2014.

Principal ranges from \$6,035,000 to \$6,395,000 maturing annually through July 1, 2024. The bonds bear interest at rates ranging from 2.750% to 3.125%, due semiannually on January 1 and July 1. Debt service requirement to maturity is as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 6,035,000	\$ 472,897	\$ 6,507,897
2024	6,210,000	292,993	6,502,993
2025	6,395,000	99,922	6,494,922
Total	\$ 18,640,000	\$ 865,812	\$ 19,505,812

All the general obligation bonds are secured by property taxes received by the City. The general obligation bonds will be paid off through the fiscal year ending 2030. Principal and interest payments outstanding at June 30, 2022, on the bonds amounted to \$41,025,938. Annual principal and interest payments on the general obligation bonds are expected to require more than 100% of the property taxes. For the year ended June 30, 2022, total monies received to pay for these bonds amounted to \$13,034,215. Principal and interest paid on the bonds during the June 30, 2022, amounted to \$10,115,257.

B. City of Industry Sales Tax Revenue Bonds

	<u>Balance at</u> <u>July 1, 2021</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at</u> <u>June 30, 2022</u>	<u>Amount</u> <u>Due in More</u> <u>than One Year</u>
Sales Tax Revenue Bonds:					
2015 Sales Tax Revenue Refunding Bonds, Series A	\$ 328,190,000	\$ -	\$ (2,065,000)	\$ 326,125,000	\$ 2,130,000
2015 Sales Tax Revenue Bonds, Series B	49,410,000	-	(560,000)	48,850,000	585,000
2017 Sales Tax Refunding Revenue Bonds	21,320,000	-	(3,295,000)	18,025,000	3,390,000
Elimination of City Bonds Issued to PFA	(49,410,000)	-	560,000	(48,850,000)	(585,000)
Total Sales Tax Revenue Bonds	\$ 349,510,000	\$ -	\$ (5,360,000)	\$ 344,150,000	\$ 5,520,000

CITY OF INDUSTRY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 11 LONG-TERM LIABILITIES (CONTINUED)

B. City of Industry Sales Tax Revenue Bonds (Continued)

2015 Taxable Sales Tax Revenue Refunding Bonds, Series A

On December 3, 2015, the City issued \$336,570,000 Senior Sales Tax Revenue Refunding Bonds, Series A (Taxable) to: (1) refund its 2005 and 2008 Sales Tax Revenue Bonds, (2) to finance certain improvements and expenditures of the City, (3) purchase a surety for the reserve fund for the bonds, (4) purchase a municipal bond insurance policy for the bonds, and (5) pay certain costs of issuance of the bonds. The 2005 Taxable Sales Tax Revenues Bonds and 2008 Taxable Sales Tax Revenue Bonds were fully redeemed on December 13, 2015.

Principal ranges from \$2,130,000 to \$21,875,000 maturing annually through January 1, 2051. The bonds bear interest at rates ranging from 3.000% to 5.125%, due semiannually on January 1 and July 1. Debt service requirement to maturity is as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 2,130,000	\$ 16,131,138	\$ 18,261,138
2024	2,200,000	16,061,913	18,261,913
2025	2,270,000	15,990,412	18,260,412
2026	2,345,000	15,910,963	18,255,963
2027	2,435,000	15,825,956	18,260,956
2028 to 2031	39,490,000	75,495,600	114,985,600
2032 to 2036	49,420,000	65,570,238	114,990,238
2037 to 2041	63,280,000	51,707,406	114,987,406
2042 to 2046	81,245,000	33,742,744	114,987,744
2047 to 2051	81,310,000	10,677,938	91,987,938
Total	\$ 326,125,000	\$ 317,114,308	\$ 643,239,308

2015 Taxable Sales Tax Revenue Refunding Bonds, Series B

On December 3, 2015, the City issued \$51,460,000 Subordinate Sales Tax Revenue Bonds, Series 2015B (Taxable) to finance working capital expenditures and/or project costs. Principal ranges from \$585,000 to \$3,905,000 maturing annually through February 1, 2051. The bonds bear interest at rates ranging from 4.750% to 7.750%, due semiannually on January 1 and July 1.

CITY OF INDUSTRY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 11 LONG-TERM LIABILITIES (CONTINUED)

B. City of Industry Sales Tax Revenue Bonds (Continued)

2015 Taxable Sales Tax Revenue Refunding Bonds, Series B (Continued)

Debt service requirement to maturity is as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 585,000	\$ 3,620,298	\$ 4,205,298
2024	615,000	3,592,510	4,207,510
2025	645,000	3,561,760	4,206,760
2026	680,000	3,527,898	4,207,898
2027	715,000	3,490,158	4,205,158
2028 to 2031	4,315,000	16,720,003	21,035,003
2032 to 2036	6,065,000	14,966,325	21,031,325
2037 to 2041	8,670,000	12,362,187	21,032,187
2042 to 2046	12,545,000	8,492,450	21,037,450
2047 to 2051	14,015,000	2,816,738	16,831,738
Total	\$ 48,850,000	\$ 73,150,327	\$ 122,000,327

2017 Senior Taxable Sales Tax Revenue Refunding Bonds

On April 11, 2017, the City issued \$34,340,000 Senior Sales Tax Revenue Refunding Bonds (Taxable) to: (1) defease its 2010 Sales Tax Revenue Bonds, (2) purchase a surety for the reserve fund for the bonds, (3) purchase a municipal bond insurance policy for the bonds, and (4) pay certain costs of issuance of the bonds.

Principal ranges from \$3,390,000 to \$3,835,000 maturing annually through January 1, 2027. The bonds bear interest at rates ranging from 2.750% to 3.500%, due semiannually on January 1 and July 1. Debt service requirement to maturity is as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 3,390,000	\$ 587,206	\$ 3,977,206
2024	3,490,000	485,506	3,975,506
2025	3,595,000	376,444	3,971,444
2026	3,715,000	259,606	3,974,606
2027	3,835,000	134,225	3,969,225
Total	\$ 18,025,000	\$ 1,842,987	\$ 19,867,987

Revenue Pledged

The sales tax revenue bonds are secured by sales tax revenues received by the City until the bonds are paid off in fiscal year 2051. Principal and interest payments outstanding at June 30, 2022, on the bonds amounted to \$785,107,622. Annual principal and interest payments on the sales tax revenue bonds are expected to require 68% of the sales tax revenues. For the year ended June 30, 2022, total sales tax revenues received to pay for these bonds amounted to \$36,460,412. Principal and interest paid on the bonds during the year ended June 30, 2022, amounted to \$26,436,403.

CITY OF INDUSTRY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 11 LONG-TERM LIABILITIES (CONTINUED)

C. Public Facilities Authority Tax Allocation Revenue Bonds

	Balance at July 1, 2021	Additions	Deletions	Balance at June 30, 2022	Amount Due within One Year
Direct Borrowings:					
Tax Allocation Revenue Bonds:					
2015 Tax Allocation Revenue Refunding Bonds, Series A (Project No. 1)	\$ 57,385,000	\$ -	\$(36,240,000)	\$ 21,145,000	\$ 9,705,000
2015 Tax Allocation Revenue Refunding Bonds, Series A (Project No. 2)	3,635,000	- -	(3,635,000)	-	-
2015 Tax Allocation Revenue Refunding Bonds, Series B (Project No. 2)	15,015,000	- -	(15,015,000)	-	-
2015 Tax Allocation Revenue Refunding Bonds, Series A (Project No. 3)	3,680,000	- -	(3,680,000)	-	-
2015 Tax Allocation Revenue Refunding Bonds, Series B (Project No. 3)	21,440,000	- -	(21,440,000)	-	-
Total Tax Allocation Revenue Bonds	<u>\$ 101,155,000</u>	<u>\$ -</u>	<u>\$(80,010,000)</u>	<u>\$ 21,145,000</u>	<u>\$ 9,705,000</u>

2015 Tax Allocation Revenue Refunding Bonds, Series A (Project No. 1)

On July 1, 2015, the IPFA issued the \$239,525,000 Tax Allocation Revenue Refunding Bonds, Series 2015A (Civic-Recreational-Industrial Redevelopment Project No. 1) (Taxable) for the purpose of acquiring the SA to IUDA's Project No. 1 2015 A Bonds, which was issued to defease all IUDA Project No. 1's 2002 Tax Allocation Refunding Bonds Series B, 2003 Tax Allocation Bonds, Series A, 2003 Tax Allocation Bonds, Series B, 2003 Subordinate Lien Tax Allocation Refunding Bonds, 2005 Subordinate Lien Tax Allocation Refunding Bonds, 2007 Subordinate Lien Tax Allocation Refunding Bonds, and 2008 Subordinate Lien Tax Allocation Refunding Bonds. The IPFA has funded its debt service bond reserve requirement by purchasing insurance in the amount of \$23,952,000. Principal ranges from \$1,335,000 to \$10,105,000 maturing annually through January 1, 2025. The bonds bear interest at rates ranging from 4.044% to 4.344%, due semiannually on January 1 and July 1.

CITY OF INDUSTRY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 11 LONG-TERM LIABILITIES (CONTINUED)

C. Public Facilities Authority Tax Allocation Revenue Bonds (Continued)

2015 Tax Allocation Revenue Refunding Bonds, Series A (Project No. 1) (Continued)
 Debt service requirement to maturity is as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 9,705,000	\$ 1,118,239	\$ 10,823,239
2024	10,105,000	725,769	10,830,769
2025	1,335,000	28,996	1,363,996
Total	\$ 21,145,000	\$ 1,873,004	\$ 23,018,004

2015 Tax Allocation Revenue Refunding Bonds, Series A and B (Project No. 2)

On July 1, 2015, the IPFA issued the \$7,140,000 Tax Allocation Revenue Refunding Bonds, Series 2015A (Transportation-Distribution-Industrial Redevelopment Project No. 2) (Tax-Exempt) for the purpose of acquiring the SA to IUDA's Project No. 2 2015A Bonds, issued to defease all IUDA Project No. 2's outstanding 2002 Tax Allocation Refunding Bonds. The IPFA also issued the \$249,770,000 Tax Allocation Revenue Refunding Bonds, Series 2015B (Transportation-Distribution-Industrial Redevelopment Project No. 2) (Taxable) for the purpose of acquiring the SA to IUDA's Project No. 2 2015B Bonds, issued to defease a portion of 2003 Subordinate Lien Tax Allocation Refunding Bonds (with outstanding accreted value of \$178,967,753) and all IUDA Project No. 2's outstanding 2003 Tax Allocation Bonds, 2005 Subordinate Lien Tax Allocation Refunding Bonds, 2008 Subordinate Lien Tax Allocation Refunding Bonds, 2010 Subordinate Tax Allocation Refunding Bonds. The remaining outstanding balance of the Series A bonds were redeemed early during the fiscal year. The Series B were paid off during the fiscal year.

2015 Tax Allocation Revenue Refunding Bonds, Series A and B (Project No. 3)

On July 1, 2015, the IPFA issued the \$7,230,000 Tax Allocation Revenue Refunding Bonds, Series 2015A (Transportation-Distribution-Industrial Redevelopment Project No. 3) (Tax-Exempt) for the purpose of acquiring the SA to IUDA's Project No. 3 2015A Bonds, which was issued to defease IUDA's Project No. 3 outstanding 2002 Tax Allocation Refunding Bonds. The IPFA also issued the \$37,425,000 Tax Allocation Revenue Refunding Bonds, Series 2015B (Transportation-Distribution-Industrial Redevelopment Project No. 3) (Taxable) for the purpose of acquiring the SA to IUDA's Project No. 3 2015B Bonds, which was issued to defease IUDA's Project No. 3 2003 Tax Allocation Bonds, 2003 Subordinate Lien Tax Allocation Refunding Bonds, and 2008 Subordinate Lien Tax Allocation Refunding Bonds. The remaining outstanding balance of the Series A and B bonds were redeemed early during the fiscal year

CITY OF INDUSTRY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 11 LONG-TERM LIABILITIES (CONTINUED)

C. Public Facilities Authority Tax Allocation Revenue Bonds (Continued)

Revenue Pledged

All of the 2015 Tax Allocation Refunding Bonds described in Note 10C are secured and payable in the following order of priority: (1) pledged tax revenue through ownership to local obligation bonds, (2) investment income with respect to the funds and accounts established under the indenture, and (3) certain override revenues until the bonds are fully paid off which is scheduled to be during the year ending 2027. Principal and interest payments outstanding at June 30, 2022, amounted to \$28,018,004.

At June 30, 2022, IPFA and the Successor Agency had funds held by the bond trustee that was and will be used to fund the bond payments on the 2015 A & B Public Facilities Authority Tax Allocation Revenue Refunding Bonds as follows:

PFA Tax Override Funds:

Tax Override Funds Transferred	
during the Year Ended June 30, 2022	\$ 42,558,026
Carryover from Prior Year and	
Interest Income	<u>137,293</u>
Total Tax Override Funds	
Held by PFA Bond Trustee	
at June 30, 2022	42,695,319
Successor Agency RPTTF Funds	<u>32,533,080</u>
Total Tax Override and	
SA RPTTF Funds Held by	
Bond Trustee at June 30, 2022	<u>\$ 75,228,399</u>

2015A & B IPFA Tax Allocation Revenue Refunding Bond Payments during the Year Ending June 30, 2022 will be as follows:

Payment Date:	Principal	Interest	Total
July 1, 2022	\$ -	\$ 559,119	\$ 559,119
January 1, 2023	9,705,000	559,119	10,264,119
Total	<u>\$ 9,705,000</u>	<u>\$ 1,118,238</u>	<u>\$ 10,823,238</u>

IPFA will have approximately \$32,000,000 funds available to fund an early redemption of the 2015 A & B Public Facilities Authority Tax Allocation Revenue Refunding Bonds.

Prior Years' Defeased Obligations

In prior years, the IPFA defeased certain bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. At June 30, 2022, the IPFA had redeemed all prior year bonds that are considered defeased.

CITY OF INDUSTRY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 11 LONG-TERM LIABILITIES (CONTINUED)

D. Non-City Obligation Bonds

In December 1998, the City issued \$6,735,000 of 1998 Revenue Bonds, the purpose of providing funds to acquire the City of industry Limited Obligation Refunding Improvement Bonds, Assessment District No. 91-1. These funds were used to advance refund and to defease the 1991 Assessment Bonds. The 1998 Revenue Bonds are special obligations of the City, payable from revenues consisting primarily of debt service payments received from the Refunding Improvement Bonds which revenues are secured by liens of unpaid reassessments on the properties within the Assessment.

Any surplus revenues, after paying administrative costs or paying of installments upon properties which are subject to the reassessment, will be paid over to the City to be used for any lawful purpose of the City. The 1998 Revenue Bonds and the City of industry Limited Obligation Refunding Improvement Bonds, Assessment District No. 91-1 are not debt or liabilities of the City. However, the bonds are payable solely by the revenues and funds pledged in the indenture. Accordingly, these obligations have not been reflected as obligations on the financial statements of the City. The outstanding balance was paid off during the fiscal year.

E. Compensated Absences

At June 30, 2022, compensated absences totaled to \$181,465, which will be liquidated by the General Fund.

NOTE 12 SUCCESSOR AGENCY BONDS PAYABLE

A summary of changes in the Successor Agency to IUDA's bonds payables for the year ended June 30, 2022, is as follows:

	Balance at July 1, 2021	Additions	Deletions	Balance at June 30, 2022	Amount Due in One Year	Amount Due in More than One Year
Direct Placements:						
Project Area 1:						
2015 Tax Allocation Revenue						
Refunding Bonds, Series A	\$ 57,385,000	\$ -	\$ (36,240,000)	\$ 21,145,000	\$ 9,705,000	\$ 11,440,000
Total Project Area 1	<u>57,385,000</u>	<u>-</u>	<u>(36,240,000)</u>	<u>21,145,000</u>	<u>9,705,000</u>	<u>11,440,000</u>
Project Area 2:						
2015 Tax Allocation Revenue						
Refunding Bonds, Series A	3,635,000	-	(3,635,000)	-	-	-
2015 Tax Allocation Revenue						
Refunding Bonds, Series B	15,015,000	-	(15,015,000)	-	-	-
Total Project Area 2	<u>18,650,000</u>	<u>-</u>	<u>(18,650,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Project Area 3:						
2015 Tax Allocation Revenue						
Refunding Bonds, Series A	3,680,000	-	(3,680,000)	-	-	-
2015 Tax Allocation Revenue						
Refunding Bonds, Series B	21,440,000	-	(21,440,000)	-	-	-
Total Project Area 3	<u>25,120,000</u>	<u>-</u>	<u>(25,120,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Tax Allocation Bonds	<u>101,155,000</u>	<u>-</u>	<u>(80,010,000)</u>	<u>21,145,000</u>	<u>9,705,000</u>	<u>11,440,000</u>
Deferred Amounts:						
Unamortized Premium/Discounts	160,178	-	(160,178)	-	82,103	(82,103)
Total Bonds Payable	<u>\$ 101,315,178</u>	<u>\$ -</u>	<u>\$ (80,170,178)</u>	<u>\$ 21,145,000</u>	<u>\$ 9,787,103</u>	<u>\$ 11,357,897</u>

CITY OF INDUSTRY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 12 SUCCESSOR AGENCY BONDS PAYABLE (CONTINUED)

2015 Tax Allocation Revenue Refunding Bonds, Series A (Project No. 1)

On July 1, 2015, the SA to IUDA issued the \$239,525,000 Tax Allocation Revenue Refunding Bonds, Series 2015A (Civic-Recreational-Industrial Redevelopment Project No. 1) (Taxable) for the purpose to defease all IUDA Project No. 1 outstanding 2002 Tax Allocation Refunding Bonds Series B, 2003 Tax Allocation Bonds, Series A, 2003 Tax Allocation Bonds, Series B, 2003 Subordinate Lien Tax Allocation Refunding Bonds, 2005 Subordinate Lien Tax Allocation Refunding Bonds, 2007 Subordinate Lien Tax Allocation Refunding Bonds, and 2008 Subordinate Lien Tax Allocation Refunding Bonds. Principal ranges from \$1,335,000 to \$10,105,000, maturing annually through January 1, 2025. The bonds bear interest at rates ranging from 4.044% to 4.344%, due semiannually on January 1 and July 1. The debt service requirement to maturity is as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 9,705,000	\$ 1,118,239	\$ 10,823,239
2024	10,105,000	725,769	10,830,769
2025	1,335,000	28,996	1,363,996
Total	\$ 21,145,000	\$ 1,873,004	\$ 23,018,004

2015 Tax Allocation Revenue Refunding Bonds, Series A and B (Project No. 2)

On July 1, 2015, the SA to IUDA issued the \$7,140,000 Tax Allocation Revenue Refunding Bonds, Series 2015A (Transportation-Distribution-Industrial Redevelopment Project No. 2) (Tax-Exempt) for the purpose to defease all IUDA Project No. 2 outstanding 2002 Tax Allocation Refunding Bonds. The SA to IUDA also issued the \$249,770,000 Tax Allocation Revenue Refunding Bonds, Series 2015B (Transportation-Distribution-Industrial Redevelopment Project No. 2) (Taxable) for the purpose to defease a portion of 2003 Subordinate Lien Tax Allocation Refunding Bonds (with outstanding accreted value of \$178,967,753) and all IUDA Project No. 2 outstanding 2003 Tax Allocation Bonds, 2005 Subordinate Lien Tax Allocation Refunding Bonds, 2008 Subordinate Lien Tax Allocation Refunding Bonds, 2010 Subordinate Tax Allocation Refunding Bonds. The remaining outstanding balance of the Series A bonds were redeemed early during the fiscal year. The Series B were paid off during the fiscal year.

2015 Tax Allocation Revenue Refunding Bonds, Series A and B (Project No. 3)

On July 1, 2015, the SA to IUDA issued the \$7,230,000 Tax Allocation Revenue Refunding Bonds, Series 2015A (Transportation-Distribution-Industrial Redevelopment Project No. 3) (Tax-Exempt) for the purpose to defease IUDA's Project No. 3 outstanding 2002 Tax Allocation Refunding Bonds. The SA to IUDA also issued the \$37,425,000 Tax Allocation Revenue Refunding Bonds, Series 2015B (Transportation-Distribution-Industrial Redevelopment Project No. 3) (Taxable) for the purpose to defease all IUDA's Project No. 3 outstanding 2003 Tax Allocation Bonds, 2003 Subordinate Lien Tax Allocation Refunding Bonds, and 2008 Subordinate Lien Tax Allocation Refunding Bonds. The remaining outstanding balance of the Series A and B bonds were redeemed early during the fiscal year.

**CITY OF INDUSTRY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 12 SUCCESSOR AGENCY BONDS PAYABLE (CONTINUED)

**2015 Tax Allocation Revenue Refunding Bonds, Series A and B (Project No. 3)
(Continued)**

Prior Years' Defeased Obligations

In prior years, the SA to IUDA defeased certain bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. At June 30, 2022, the SA to IUDA had redeemed all prior year bonds that are considered defeased.

Revenue Pledged

All of the bonds described in this note are secured by a pledge of all future payments from the Redevelopment Property Tax Trust Fund (RPTTF) funds until the bonds are fully paid off which is scheduled to be during the year ending 2027. Principal and interest payments outstanding at June 30, 2022, amounted to \$23,018,004. Annual principal and interest payments on the bonds are expected to require 100% of the RPTTF funds. For the year ended June 30, 2022, total tax increment revenues calculated by the Los Angeles Auditor-Controller amounted to \$83,317,226, of which the SA received \$32,526,694 after deductions.

Prior to the dissolution of the Industry Urban-Development Agency, the IUDA undertook a program to redevelop each Project Area pursuant to the Community Redevelopment Law. The IUDA issued bonds discussed in the note and secured the bonds by a pledge of tax increment revenues allocated and paid to the IUDA pursuant to HSC Section 33670(b). In 1978, the City's voters authorized the City to levy an ad valorem tax (the Property Tax Override) and the City continues to levy the Property Tax Override on taxable properties in the City, including properties within three Project Areas.

Since the Property Tax Override was authorized in 1978, the tax increment revenues allocated and paid to the IUDA before its dissolution in 2012 included a portion of the Property Tax Override. Pursuant to the IUDA bond indentures, the tax increment revenues pledged to the IUDA bonds included the Property Tax Override. Pursuant to the mandate set forth in HSC Section 34175, the pledge of property tax revenues for the IUDA bonds must not be affected and pledged revenues must continue to include the Agency Override Portion. However, the Los Angeles Auditor-Controller in administering the allocation of property taxes pursuant to AB XI 26, is disbursing the Agency Override Portion to the City of Industry, instead of depositing the Agency Override Portion into the Successor Agency's RPTTF fund.

In recognition of the above the SA to IUDA has adopted resolution no. SA 2013-10 on September 25, 2013, authorizing the Executive Director to do as follows, if during each six month ROPS period the moneys received by the SA to IUDA from the Los Angeles Auditor-Controller's RPTTF disbursement is insufficient to pay the principal and interest payments with respect to the IUDA bonds coming due during the ROPS period, the Executive Director shall notify the City of the shortfall.

**CITY OF INDUSTRY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 12 SUCCESSOR AGENCY BONDS PAYABLE (CONTINUED)

2015 Tax Allocation Revenue Refunding Bonds, Series A and B (Project No. 3)
(Continued)

Revenue Pledged (Continued)

On September 26, 2013, pursuant to resolution no. CC 2013-25, the City has established a segregated fund in the treasury designated the Agency Override Fund and shall deposit all Agency Override Portion received by the City into the Agency Override Fund. Upon notification by the SA to IUDA of the Debt Service Shortfall, the City shall apply the necessary amount (but only to the extent available) from the Agency Override Fund to pay the bond trustee or, to the extent that there is no trustee for any bond issue, the bondholders directly, to cover the Debt Service Shortfall. The City subsequently assigns, and covenants and agrees to transfer to the IPFA and only to the IPFA as and when received by the City, all such override revenues for deposit in the revenue fund, to the extent permitted by law, as consideration to IPFA for refunding all SA to IUDA debts by the IPFA.

The SA to IUDA received RPTTF Funds for the year ended June 30, 2022, was as follows:

RPTTF Funds	\$ 83,317,226
Less:	
Administrative Expenses	(1,424,492)
Pass-Through Payments	<u>(49,366,040)</u>
Net RPTTF Funds	<u><u>\$ 32,526,694</u></u>

At June 30, 2022, the IPFA owned 100% of the outstanding bonds of the SA to the IUDA.

NOTE 13 DEFINED BENEFIT PENSION PLAN

A. General Information about the Pension Plan

Plan Description

The City contributes to CalPERS, a cost-sharing multiple-employer defined benefit pension plan, for its miscellaneous employees. CalPERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. CalPERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by State statute and City ordinance. Copies of CalPERS's annual financial report may be obtained from its executive office at 400 P Street, Sacramento, California 95814.

CITY OF INDUSTRY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 13 DEFINED BENEFIT PENSION PLAN (CONTINUED)

A. General Information about the Pension Plan (Continued)

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 to 62 with statutorily reduced benefits. All members are eligible for nonindustrial disability benefits after five (5) years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The Plans' provisions and benefits in effect at June 30, 2022, are summarized as follows:

	Classic Tier 1	Classic Tier 2	PEPRA
Benefit Formula	2% @ 55	2% @ 60	2% @ 62
Benefit Vesting Schedule	5 Years of Service	5 Years of Service	5 Years of Service
Benefit Payments	Monthly for Life	Monthly for Life	Monthly for Life
Retirement Age	50 to 63	50 to 63	52 to 67
Monthly Benefits, as a Percentage of Eligible Compensation	1.426% to 2.418%	1.426% to 2.418%	1.000% to 2.500%
Required Employee Contribution Rates	8.000 %	7.000 %	7.500 %
Required Employer Contribution Rates:			
Normal Cost Rate	15.870%	10.470%	8.090%
Payment of Unfunded Liability	\$ 39,767	\$ 2,215	\$ 3,502

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS's annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. City contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contributions requirements are classified as plan member contributions.

CITY OF INDUSTRY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 13 DEFINED BENEFIT PENSION PLAN (CONTINUED)

B. Pension Liabilities, Pension Expenses, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

As of June 30, 2022, the City reported net pension liabilities for its proportionate shares of the net pension liability of all Plans as follows:

	Proportionate Share of Net Pension Liability (Asset)
Miscellaneous	<u>\$ (3,589,831)</u>

The City's net pension liability for each Plan is measured as the proportionate share of the net pension liability. The net pension liability of each of the Plans is measured as of June 30, 2021, and the total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2020, rolled forward to June 30, 2021, using standard update procedures. The City's proportionate share of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined.

The City's proportionate share of the net pension liability for the Plan as of the measurement dates ended June 30, 2020 and 2021, was as follows:

	<u>Miscellaneous</u>
Proportion - June 30, 2020	0.01557 %
Proportion - June 30, 2021	<u>(0.00189)</u>
Change - Decrease	<u>(0.01746)%</u>

For the year ended June 30, 2022, the City recognized pension income of \$7,006,494. At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension Contributions Subsequent to Measurement Date	\$ 308,625	\$ -
Differences between Actual and Expected Experience	-	(402,561)
Change in Employer's Proportion and Differences between the Employer's Contributions and the Employer's Proportionate Share of Contributions	148,734	(436,983)
Net Differences between Projected and Actual Earnings on Plan Investments	3,133,733	-
Total	<u>\$ 3,591,092</u>	<u>\$ (839,544)</u>

CITY OF INDUSTRY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 13 DEFINED BENEFIT PENSION PLAN (CONTINUED)

B. Pension Liabilities, Pension Expenses, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

The amount of \$308,625 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2023	\$ 298,940
2024	547,511
2025	730,470
2026	866,002
2027	-
Thereafter	-
Total	<u>\$ 2,442,923</u>

Actuarial Assumptions

The total pension liability for the June 30, 2021, measurement period was determined by an actuarial valuation as of June 30, 2020, with update procedures used to roll forward the total pension liability to June 30, 2021. The total pension liability was based on the following assumptions:

	Miscellaneous
Valuation Date	June 30, 2020
Measurement Date	June 30, 2021
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.15 %
Inflation	2.50
Salary Increases	Varies by Entry Age and Service
Mortality Rate Table	(a)
Post Retirement Benefit Increase	(b)

(a) The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from December 2017 that can be found on the CalPERS website.

(b) The lesser of Contract COLA or 2.50% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.50% thereafter.

CITY OF INDUSTRY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 13 DEFINED BENEFIT PENSION PLAN (CONTINUED)

B. Pension Liabilities, Pension Expenses, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all of the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short- term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses. The expected real rates of return by asset class are as follows:

Asset Class (a)	Assumed	Real Return	Real Return
	Asset Allocation	Years 1 to 10 (b)	Years 11+ (c)
Global Equity	50.00 %	4.80 %	5.98 %
Fixed Income	28.00	1.00	2.62
Inflation Assets	0.00	0.77	1.81
Private Equity	8.00	6.30	7.23
Real Assets	13.00	3.75	4.93
Liquidity	1.00	0.00	(0.92)
Total	<u>100.00 %</u>		

- (a) In the CalPERS CAFR, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.
- (b) An expected inflation of 2.0% used for this period
- (c) An expected inflation of 2.92% used for this period

**CITY OF INDUSTRY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 13 DEFINED BENEFIT PENSION PLAN (CONTINUED)

B. Pension Liabilities, Pension Expenses, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.15%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the City's proportionate share of the net pension liability of the Plan as of the measurement date, calculated using the discount rate of 7.15%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.15%) or one percentage point higher (8.15%) than the current rate:

	<u>Miscellaneous</u>
1% Decrease	6.15 %
Net Pension Liability	\$ 588,139
Current Discount Rate	7.15 %
Net Pension Liability (Asset)	\$ (3,589,831)
1% Increase	8.15 %
Net Pension Liability (Asset)	\$ (7,043,700)

Pension Plan Fiduciary Net Position

Detailed information about the plan's fiduciary net position is available in the separately issued CalPERS's financial report and can be obtained from CalPERS's website under Forms and Publications.

C. Payable to the Pension Plan

At June 30, 2022, the City had no outstanding amount of contributions to the pension plan required for the year ended June 30, 2022.

CITY OF INDUSTRY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 14 DEFERRED COMPENSATION PLAN

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all City employees, permits them to defer a portion of their salary until future years. Participation in the plan is optional. The deferred compensation is not available to employees until termination, retirement, death or an unforeseeable emergency. All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights (until paid or made available to the employees or other beneficiary) are solely the property and rights of the participant and are not subject to the claims of the City's general creditors.

Investments are managed by the plan's trustee under one of several investment options, or a combination thereof. The choice of the investment options is made by the participants. Plan assets are held in trust for the exclusive benefit of participant and their beneficiaries; and therefore, are not included in the accompanying financial statements. As of June 30, 2022, the plan had investments in the amount of \$2,091,214.

NOTE 15 OTHER POSTEMPLOYMENT BENEFITS

A. General Information about the OPEB Plan

Plan Description

The City provides other postemployment benefits (OPEB) through the California Employer's Retiree Benefit Trust Fund (CERBT), an agent multiple-employer defined benefit plan to provide postemployment medical benefits. Specifically, the City offers postretirement medical, dental and vision benefits to all employees who retire from the City. The plan does not provide a publicly available financial report.

Benefits provided by the plan are as follows:

Benefit Types Provided	General Employees	Management
	Medical, Dental, and Vision	Medical, Dental, and Vision
Duration of Benefits	Lifetime	Lifetime
Required Services	15 Years (b)	15 Years (b)
Minimum Age	50 Years Old	50 Years Old
Dependent Coverage	Yes	Yes
City Contribution Percentage	100.00%	100.00%
City Cap	None	None

(a) Elected and appointed officials qualify for City-paid coverage after eight or more years.

(b) 25 years for those hired April 26, 1990, to June 30, 2012; 10 years for those hired prior to April 26, 1990

CITY OF INDUSTRY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 15 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

A. General Information about the OPEB Plan (Continued)

Employees Covered by Benefit Term

At the June 30, 2021, valuation date, the following employees were covered by the benefit term:

Active Employees	27
Inactive Employees Receiving Benefits	29
Total	<u>56</u>

Contribution

The obligation of the City to contribute to the plan is established and may be amended by the City Council. Employees are not required to contribute to the plan.

B. Net OPEB Liability (Asset)

The City's net OPEB liability (asset) was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of June 30, 2021.

Actuarial Assumptions

Total OPEB liability in the June 30, 2021, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified.

CITY OF INDUSTRY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 15 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

B. Net OPEB Liability (Asset) (Continued)

Actuarial Cost Method	Entry Age Actuarial Cost Method
Actuarial Assumptions:	
Inflation	2.75%
Investment Rate of Return/Discount Rate	7.00%
Healthcare Cost Trend	4.00%
Payroll Increase	2.75%
Mortality Rate Table	2014 CalPERS Active Mortality for Miscellaneous Employees
Retirement Rate:	
Hired before January 1, 2013	2009 CalPERS 2.7% @ 55 Rates for Miscellaneous Employees
Hired before December 31, 2012	2009 CalPERS 2.0% @ 60 Rates for Miscellaneous Employees Adjusted to Reflect Minimum Retirement Age of 52
Service Requirement:	
General Employees:	
Hired before April 26, 1990	100% at 10 Years of Service
Hired April 26, 1990, to June 30, 2012	100% at 25 Years of Service
Hired July 1, 2012, or Later	100% at 15 Years of Service
Elected and Appointed Officials	100% at 8 Years of Service
Management	100% at 15 Years of Service
Participation Rate:	
< 65 Non-Medicare Participation	% at 100%
> 65 Medicare Participation	% at 100%
Turnover	2009 CalPERS Turnover for Miscellaneous Employees

Discount Rate

The discount rate of 7% was used in the valuation. It was assumed that contributions would be sufficient to fully fund the obligation over a period not to exceed 30 years. The City used historic 27-year real rates of return for each asset class along with the assumed long-term inflation assumption to set the discount rate. The City offset the expected investment return by investment expenses of 25 basis points. The following is the assumed asset allocation and assumed rate of return:

Asset Class	Percentage of Portfolio	Assumed Gross Return
All Equities	59.000 %	7.795 %
All Fixed Income	25.000	4.500
Real Estate Investment Trusts	8.000	7.500
All Commodities	3.000	7.795
Treasury Inflation Protection Securities (TIPS)	5.000	3.250
	<u>100.000 %</u>	

CITY OF INDUSTRY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 15 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

B. Net OPEB Liability (Asset) (Continued)

Discount Rate (Continued)

The City looked at rolling periods of time for all asset classes in combination to appropriately reflect correlation between asset classes. That means that the average returns for any asset class don't necessarily reflect the averages over time individually, but reflect the return for the asset class for the portfolio average. The City used geometric means.

C. Change in the Net OPEB Liability (Asset)

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability (Asset)
Balance at June 30, 2020 (Measurement Date)	\$ 6,598,460	\$ 11,200,688	\$ (4,602,228)
Changes Recognized for the Measurement Period:			
Service Cost	228,121	-	228,121
Interest on Total OPEB Liability	453,854	-	453,854
Change in assumptions	609,924	-	609,924
Difference between Expected and Actual Experience	975,729	-	975,729
Contributions- Employer	-	31,285	(31,285)
Investment Income	-	3,120,564	(3,120,564)
Administrative Expenses	-	(4,270)	4,270
Benefit Payments	(560,106)	(560,106)	-
Net Change During Measurement Period 2020 to 2021	<u>1,707,522</u>	<u>2,587,473</u>	<u>(879,951)</u>
Balance at June 30, 2021 (Measurement Date)	<u>\$ 8,305,982</u>	<u>\$ 13,788,161</u>	<u>\$ (5,482,179)</u>

Sensitivity of the Net OPEB Asset to Changes in the Discount Rate

The following presents the net OPEB asset of the City, as well as what the City's net OPEB asset would be if it were calculated using a discount rate that is one percentage point lower (6.0%) or one percentage point higher (8.0%) than the current discount rate:

	Net OPEB Asset		
	Current	Discount Rate	Discount Rate
Measurement Date	Discount Rate	Discount Rate	Discount Rate
June 30, 2021	-1% (6.00%)	(7.00%)	+1% (8.00%)
	<u>\$ (3,881,380)</u>	<u>\$ (5,482,179)</u>	<u>\$ (5,203,469)</u>

CITY OF INDUSTRY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 15 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

C. Change in the Net OPEB Liability (Asset) (Continued)

Sensitivity of the Net OPEB Liability (Asset) to Changes in the Healthcare Cost Trend Rates

The following presents the net OPEB liability (asset) of the City, as well as what the City's net OPEB liability (asset) would be if it were calculated using healthcare cost trend rates that are one percentage point lower (4.0% decreasing to 3.0%) or one percentage point higher (4.0% increasing to 5.0%) than the current healthcare cost trend rates:

Measurement Date	Net OPEB Asset		
	Current		Healthcare Cost Trend Rate
	Healthcare Cost Trend Rate	Healthcare Cost Trend Rate	
June 30, 2021	<u>-1% (3.00%)</u>	<u>(4.00%)</u>	<u>+1% (5.00%)</u>
	<u>\$ (6,335,161)</u>	<u>\$ (5,482,179)</u>	<u>\$ (4,457,373)</u>

D. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2022, the City recognized OPEB expense in the amount of \$705,349. At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Actual and Expected Experience	\$ 889,876	\$ (1,399,084)
Change in assumptions	499,028	-
Net Differences between Projected and Actual Earnings on Plan Investments	-	(1,665,044)
Total	<u>\$ 1,388,904</u>	<u>\$ (3,064,128)</u>

The amounts reported as deferred outflows and deferred inflows of resources related to OPEB will be recognized in the future OPEB expense as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2023	\$ (626,205)
2024	(609,934)
2025	(411,839)
2026	(171,389)
2027	144,143
Thereafter	-
Total	<u>\$ (1,675,224)</u>

CITY OF INDUSTRY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 16 SELF-INSURANCE PLAN

The City established a Self-insurance Plan (the Plan) to pay for liability claims against the City and its component units. The Plan is administered by an insurance committee which is responsible for approving all claims of \$25,000 or less and for making provision to have sufficient funds available to pay approved claims and legal and investigative expenses. The insurance committee has vested this responsibility to the City Manager. Potential liability for claims in excess of \$250,000 up to \$10,000,000 is covered by excess liability insurance policies. As of June 30, 2022, there are approximately \$647,000 in pending liability claims and litigation outstanding against the City and its component units plus incurred but not recorded (IBNR) of approximately \$81,300 for a total liability of approximately \$728,300. This balance is included in the accrued liabilities of the general fund in the governmental balance sheet. Based on information presently available, the City believes that there are substantial defenses to such litigation and disputes and that, in any event, the ultimate liability, if any, resulting there from will not have a material effect on the financial position of the City and its component units.

Changes in the liability since June 30, 2020, resulted from the following:

	<u>Liability</u>
Liability at June 30, 2020	\$ 728,314
Estimates During the Year	105,504
Claim Payments During the Year	<u>(105,504)</u>
Liability at June 30, 2021	728,314
Estimates During the Year	36,608
Claim Payments During the Year	<u>-</u>
Liability at June 30, 2022	<u>\$ 764,922</u>

NOTE 17 COMMITMENTS AND CONTINGENCIES

San Gabriel Valley Water and Power, LLC

On or about May 17, 2016, the City entered into the Lease with SGVWP. The Lease was ratified by the City Council on or about October 12, 2017. Among the Lease's various provisions, the City provided SGVWP with a \$20 million loan (Note 4) for SGVWP to analyze the feasibility of constructing a "solar farm" and other necessary public infrastructure improvements. The Lease potentially included two separate and adjacent properties. Under Section 25.3 of the Lease, repayment on the loan would be triggered "upon commencement of construction of the first project pursuant to the Lease." In January 2018, SGVWP failed to comply with certain material provisions of the Lease. The City gave SGVWP written notice of its obligations under the Lease and requested immediate compliance. On or about May 23, 2018, under Section 17.2.1 of the Lease, because SGVWP had failed to cure its default, the City informed SGVWP that the lease was null and void and of no further force or effect. During the year ended June 30, 2020, the City filed the lawsuit against SGVWP. At this time, given the termination of the Lease and the litigation, it is unknown whether SGVWP will repay the loan.

CITY OF INDUSTRY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 18 JOINT GOVERNED ORGANIZATION – TRES HERMANOS CONSERVATION AUTHORITY

The Tres Hermanos Ranch (the Ranch) consists of approximately 2,445 acres of largely undeveloped property. Approximately 1,750 acres are within the City of Chino Hills (Chino Hills) and 695 acres are within the City of Diamond Bar (Diamond Bar). The Ranch was acquired by the IUDA in 1978 and owned by SA to IUDA due to the dissolution of the IUDA. On January 19, 1999, Chino Hills and Diamond Bar entered into a certain Joint Exercise of Powers (1999 Agreement) for the purpose to coordinate the overall development and conservation of the Ranch. The City was made an ex-officio nonvoting member in 1999. As previously discussed in Note 4B, the City entered into a master lease agreement with SGVWP for the development of the solar project located at the Ranch with the plan to purchase the Ranch from SA to IUDA. Litigation was brought against the development of the solar project by Chino Hills and Diamond Bar. The three cities later entered into a settlement agreement dated February 4, 2019, where: (1) Chino Hills and Diamond Bar collectively contribute 10% of the City's \$41,650,000 purchase price for the Ranch from SA to IUDA, (2) preserve the Ranch as environmental, scientific, educational, and recreational resources, and (3) transfer the ownership of the Ranch to a re-constituted Tres Hermanos Conservation Authority (the Authority).

On February 6, 2019, the three cities entered into Amended and Restated Tres Hermanos Conservation Authority Joint Powers Agreement (the Agreement) which superseded the 1999 Agreement in its entirety. The general purpose of the Authority is to coordinate the overall conservation, use and potential improvement of the Ranch through collaboration by its members. The board consist of seven voting directors where three appointed by the City and two each appointed by Chino Hills and Diamond Bar. Each member city pays an equal one-third share of the cost for the reasonable annual and recurring maintenance of the Ranch. Any costs over the annual maintenance cost will be allocated and invoiced separately to the member cities based on the benefits provided.

In addition, the City is responsible for a onetime remediation work for the Arnold Reservoir dam. After the completion of the one-time remediation work, the City will not be responsible for any future repair, maintenance or other work to the Arnold Reservoir dam.

In February 2019, Chino Hills and Diamond Bar collectively contributed \$4,165,000, and the City contributed the remaining \$37,485,000 toward the purchase of the Ranch for the Authority. The financial statement of the Authority can be obtained at 14000 City Center Drive, Chino Hills, California.

NOTE 19 TRANSACTIONS WITH RELATED PARTIES

The related party transactions of the City are summarized as follows:

Service Provided by Vendor	Related Parties	Expenditures for the Year Ended June 30, 2022
Auto Body and Towing Services	City Council Member	\$ 7,773
Landscaping Services	City Council Member	2,188,661

CITY OF INDUSTRY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 19 TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

Other Related Party Transactions	Related Parties	Amount for the Year Ended June 30, 2022
Tenant of the City's (Housing Authority) Properties	City Council Members, Commissioners, and Board Members	\$ 69,888

NOTE 20 EXCESS OF EXPENDITURES OVER APPROPRIATIONS

During the year ended June 30, 2022, expenditures in excess of appropriations are as follows:

	<u>Appropriation</u>	<u>Expenditures</u>	<u>Variance</u>
General Fund:			
Community Development	\$ 1,787,600	\$ 2,606,965	\$ (819,365)
Capital Outlay	199,800	6,870,398	(6,670,598)
Transfers Out	38,846,300	59,219,742	(20,373,442)
City Capital Projects Fund:			
Transfers Out	(1,797,400)	22,188,606	(23,986,006)
Debt Service Fund:			
General Administration	16,700	17,550	(850)
Interest	22,081,900	22,210,509	(128,609)
Tax Override Debt Service Fund:			
Transfers Out	-	42,558,026	(42,558,026)
Industry Public Facilities			
Authority Debt Service Fund:			
Community Development	-	49,159,789	(49,159,789)
Principal Retirement	79,450,000	80,010,000	(560,000)
Interest and Fiscal Charges	8,745,600	9,745,016	(999,416)
Transfers Out	-	-	-
Measure R Local Return			
Special Revenue Fund:			
Public Works	6,000	6,707	(707)
Proposition A Sales Tax			
Special Revenue Fund:			
Public Works	299,000	328,249	(29,249)
Proposition C Sales Tax			
Special Revenue Fund:			
Public Works	8,000	8,945	(945)
Measure M Special Revenue Fund:			
Public Works	7,000	7,590	(590)
CRIA Capital Projects Fund:			
Public Works	1,193,800	1,437,542	(243,742)
Transfers Out	-	4,035,168	(4,035,168)

CITY OF INDUSTRY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 21 SUBSEQUENT EVENT

In July 2022, the following bonds have been paid off before their original maturities:

City of Industry 2010 General Obligation Refunding Bonds
City of Industry 2014 General Obligation Refunding Bonds
Industry Public Financing Authority 2015 Tax Allocation Revenue Refunding Bonds, Series A, Project No.1

CITY OF INDUSTRY
SCHEDULE OF THE CITY'S PROPORTIONAL SHARE OF THE PLAN'S
NET PENSION LIABILITY AND RELATED RATIOS (UNAUDITED)
LAST TEN YEARS*

California Public Employees' Retirement System (CalPERS) Miscellaneous Classic Plan					
Measurement Period	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	
Reporting Period	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	
Plan's Proportion of the Net Pension Liability (Asset)	(0.00189)%	0.01557 %	0.00098 %	(0.00150)%	
Plan's Proportionate Share of the Net Pension Liability (Asset)	\$ (3,589,831)	\$ 656,759	\$ 39,088	\$ (144,690)	
Plan's Covered Payroll	\$ 2,840,527	\$ 2,376,701	\$ 1,730,895	\$ 1,680,481	
Plan's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Its Covered Payroll	(126.38)%	27.63 %	2.26 %	(8.61)%	
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	97.84 %	97.84 %	75.26 %	69.13 %	

Notes to Schedule:

Benefit Changes:

There were no changes in benefits.

Changes in Assumptions:

From fiscal year June 30, 2015, to June 30, 2016:

GASB 68, paragraph 68, states that the long-term expected rate of return should be determined net of pension plan investment expense but without reduction for pension plan administrative expense. The discount rate of 7.50% used for the June 30, 2014, measurement date was net of administrative expenses. The discount rate of 7.65% used for the June 30, 2015, measurement date is without reduction of pension plan administrative expense.

From fiscal year June 30, 2016, to June 30, 2017:

There were no changes in assumptions.

From fiscal year June 30, 2017, to June 30, 2018:

The discount rate was reduced from 7.65% to 7.15%.

From fiscal year June 30, 2018, to June 30, 2019:

There were no significant changes in assumptions.

From fiscal year June 30, 2019, to June 30, 2020:

There were no changes in assumptions.

From fiscal year June 30, 2020, to June 30, 2021:

There were no changes in assumptions.

From fiscal year June 30, 2021, to June 30, 2022:

There were no changes in assumptions.

*Historical information is presented only for measurement periods for which GASB 68 is applicable. Additional years of information will be presented as they become available.

CITY OF INDUSTRY
SCHEDULE OF THE CITY'S PROPORTIONAL SHARE OF THE PLAN'S
NET PENSION LIABILITY AND RELATED RATIOS (UNAUDITED) (CONTINUED)
LAST TEN YEARS*

	California Public Employees' Retirement System (CalPERS) Miscellaneous Classic Plan			
Measurement Period	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Reporting Period	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Plan's Proportion of the Net Pension Liability (Asset)	0.09069 %	0.09088 %	0.09232 %	0.07687 %
Plan's Proportionate Share of the Net Pension Liability (Asset)	\$ 8,994,206	\$ 7,864,664	\$ 6,336,456	\$ 4,782,916
Plan's Covered Payroll	\$ 2,072,156	\$ 1,936,492	\$ 1,988,262	\$ 1,779,595
Plan's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Its Covered Payroll	434.05 %	406.13 %	318.69 %	268.76 %
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	69.70 %	70.71 %	77.21 %	83.03 %

CITY OF INDUSTRY
SCHEDULE OF CONTRIBUTIONS – PENSION (UNAUDITED)
LAST TEN YEARS*

Fiscal Year Ended	California Public Employees' Retirement System (CalPERS) Miscellaneous Classic Plan				
	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Actuarially Determined Contribution	\$ 308,625	\$ 291,851	\$ 245,590	\$ 195,741	\$ 640,586
Contributions in Relation to the Actuarially Determined Contributions	<u>(308,625)</u>	<u>(291,851)</u>	<u>(245,590)</u>	<u>(195,741)</u>	<u>(9,206,926)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (8,566,340)</u>
Covered Payroll	\$ 2,840,527	\$ 2,615,700	\$ 2,376,701	\$ 1,730,895	\$ 1,680,481
Contributions as a Percentage of Covered Payroll	27.63 %	27.63 %	24.16 %	24.16 %	24.16 %
Notes to Schedule:					
Valuation Date	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Methods and Assumptions Used to Determine Contribution Rates:					
Actuarial Cost Method	Entry Age (a) Fair Value	Entry Age (a) Fair Value	Entry Age (a) Fair Value	Entry Age (a) Fair Value	Entry Age (a) Fair Value
Amortization Method					
Asset Valuation Method					
Inflation	2.500 %	2.500 %	2.625 %	2.750 %	2.750 %
Salary Increases	(b)	(b)	(b)	(b)	(b)
Investment Rate of Return	7.00 % (c)	7.00 % (c)	7.25 % (c)	7.38 % (c)	7.50 % (c)
Retirement Age	(d)	(d)	(d)	(d)	(d)
Mortality	(e)	(e)	(e)	(e)	(e)

- (a) Level Percentage of Payroll, Closed
- (b) Depending on Age, Service, and Type of Employment
- (c) Net of Pension Plan Investment Expense, including Inflation
- (d) 50 to 67 Years Old
- (e) Mortality assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS board.

*Historical information is presented only for measurement periods for which GASB 68 is applicable. Additional years of information will be presented as they become available.

CITY OF INDUSTRY
SCHEDULE OF CONTRIBUTIONS – PENSION (UNAUDITED) (CONTINUED)
LAST TEN YEARS*

Fiscal Year Ended	California Public Employees' Retirement System (CalPERS) Miscellaneous Classic Plan			
	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Actuarially Determined Contribution	\$ 567,355	\$ 534,918	\$ 255,850	\$ 303,098
Contributions in Relation to the Actuarially Determined Contributions	<u>(567,355)</u>	<u>(534,918)</u>	<u>(255,850)</u>	<u>(303,098)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 2,072,156	\$ 1,936,492	\$ 1,988,262	\$ 1,779,595
Contributions as a Percentage of Covered Payroll	27.38 %	27.62 %	12.87 %	17.03 %

Notes to Schedule:

Valuation Date	June 30, 2014	June 30, 2013	June 30, 2012	June 30, 2012
Methods and Assumptions Used to Determine Contribution Rates:				
Actuarial Cost Method	Entry Age (a)	Entry Age (a)	Entry Age (a)	Entry Age (a)
Amortization Method	Fair Value	Fair Value	15 Year Smoothed Market Method	15 Year Smoothed Market Method
Asset Valuation Method				
Inflation	2.750 %	2.750 %	2.750 %	2.750 %
Salary Increases	(b)	(b)	(b)	(b)
Investment Rate of Return	7.50 % (c)	7.50 % (c)	7.50 % (c)	7.50 % (c)
Retirement Age	(d)	(d)	(d)	(d)
Mortality	(e)	(e)	(e)	(e)

- (a) Level Percentage of Payroll, Closed
- (b) Depending on Age, Service, and Type of Employment
- (c) Net of Pension Plan Investment Expense, including Inflation
- (d) 50 to 67 Years Old
- (e) Mortality assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS board.

*Historical information is presented only for measurement periods for which GASB 68 is applicable. Additional years of information will be presented as they become available.

CITY OF INDUSTRY
SCHEDULE OF CHANGES IN NET OTHER POSTEMPLOYMENT
BENEFITS LIABILITY (ASSET) AND RELATED RATIOS (UNAUDITED)
LAST TEN YEARS*

Reporting Period	Measurement Period Ended				
	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Total OPEB Liability:					
Service Cost	\$ 228,121	\$ 222,016	\$ 268,372	\$ 261,189	\$ 254,199
Interest on Total Pension Liability	453,854	438,946	638,477	619,722	602,445
Differences between Expected And Actual Experience	975,729	105,870	(3,185,366)	95,803	-
Changes in Assumptions	609,924	-	-	-	-
Changes in Benefits	-	-	-	-	-
Benefit Payments	(560,106)	(550,184)	(825,116)	(579,992)	(653,626)
Actual Minus Expected Benefit Payments	-	-	171,949	(95,803)	-
Net Change in Total Pension Liability	1,707,522	216,648	(2,931,684)	300,919	203,018
Total Pension Liability - Beginning of Year	6,598,460	6,381,812	9,313,496	9,012,577	8,809,559
Total OPEB Liability - End of Year (a)	8,305,982	6,598,460	6,381,812	9,313,496	9,012,577
OPEB Fiduciary Net Position:					
Investment Income	\$ 3,120,564	\$ 401,157	\$ 715,105	\$ 904,934	\$ 1,136,614
Contributions - Employer	31,285	-	-	-	-
Benefit Payments	(560,106)	(550,184)	(825,116)	(579,992)	(653,626)
Administrative Expenses	(4,270)	(5,586)	(2,471)	(20,767)	(9,512)
Other	-	-	-	2,091	-
Net Change in OPEB Fiduciary Net Position	2,587,473	(154,613)	(112,482)	306,266	473,476
Total Fiduciary Net Position - Beginning of Year	11,200,688	11,355,301	11,467,783	11,161,517	10,688,041
Total Fiduciary Net Position - End of Year (a)	13,788,161	11,200,688	11,355,301	11,467,783	11,161,517
Net OPEB Asset	\$ (5,482,179)	\$ (4,602,228)	\$ (4,973,489)	\$ (2,154,287)	\$ (2,148,940)
Plan's Fiduciary Net Position as a Percentage of the Total OPEB Liability	166.00 %	169.75 %	177.93 %	123.13 %	123.84 %
Covered-Employee Payroll	\$ 2,615,700	\$ 2,376,701	\$ 1,730,895	\$ 1,680,481	\$ 2,072,156
Net OPEB Asset as a Percentage of Covered-Employee Payroll	(209.59)%	(193.64)%	(287.34)%	(128.19)%	(103.71)%

Notes to Schedule:

Benefit Changes:

There were no changes in benefits.

Changes in Assumptions:

From fiscal year June 30, 2017, to June 30, 2018:

There were no changes in assumptions.

From fiscal year June 30, 2018, to June 30, 2019:

There were no changes in assumptions.

From fiscal year June 30, 2019, to June 30, 2020:

There were no changes in assumptions.

From fiscal year June 30, 2020, to June 30, 2021:

There were no changes in assumptions.

From fiscal year June 30, 2021, to June 30, 2022:

There were no changes in assumptions.

*Historical information is presented only for measurement periods for which GASB 75 is applicable. Additional years of information will be presented as they become available.

CITY OF INDUSTRY
BUDGETARY COMPARISON SCHEDULE – GENERAL FUND (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2022

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes	\$ 35,599,000	\$ 37,748,000	\$ 47,051,238	\$ 9,303,238
Intergovernmental	1,131,500	2,631,500	2,492,815	(138,685)
Charges for Services	2,386,000	609,700	523,690	(86,010)
License and Permits	1,602,000	2,409,000	2,510,262	101,262
Fines, Forfeitures, and Penalties	434,000	434,000	364,595	(69,405)
Use of Money and Property	12,598,000	12,219,400	4,139,439	(8,079,961)
Other	2,697,300	2,697,300	3,461,674	764,374
Total Revenues	<u>56,447,800</u>	<u>58,748,900</u>	<u>60,543,713</u>	<u>1,794,813</u>
EXPENDITURES				
Current:				
Legislative	868,400	937,100	859,210	77,890
General Administration	7,275,400	8,354,700	7,008,462	1,346,238
Support Services	4,142,800	4,517,996	4,213,701	304,295
Community Development	1,776,200	1,787,600	2,606,965	(819,365)
Community Services	7,911,600	8,134,400	7,917,124	217,276
Public Safety	12,856,500	12,928,700	12,283,269	645,431
Public Works	14,184,000	15,589,467	15,328,460	261,007
Capital Outlay	230,000	199,800	6,870,398	(6,670,598)
Total Expenditures	<u>49,244,900</u>	<u>52,449,763</u>	<u>57,087,589</u>	<u>(4,637,826)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	7,202,900	6,299,137	3,456,124	(2,843,013)
OTHER FINANCING USES				
Transfers In	3,109,600	3,109,600	18,339,343	(15,229,743)
Transfers Out	(36,846,300)	(38,846,300)	(59,219,742)	(20,373,442)
Proceeds from Sale of Capital Assets	-	-	1,284,384	1,284,384
Total Other Financing Uses	<u>(33,736,700)</u>	<u>(35,736,700)</u>	<u>(39,596,015)</u>	<u>(34,318,801)</u>
NET CHANGE IN FUND BALANCE	(26,533,800)	(29,437,563)	(36,139,891)	(37,161,814)
Fund Balance - Beginning of Year	709,323,053	709,323,053	709,323,053	-
FUND BALANCE - END OF YEAR	<u>\$ 682,789,253</u>	<u>\$ 679,885,490</u>	<u>\$ 673,183,162</u>	<u>\$ (37,161,814)</u>

CITY OF INDUSTRY
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2022

The City Council adopts an annual budget, submitted by the City Manager prior to June 30. The appropriated budget is prepared by fund, function and department. All annual appropriations lapse at the end of the fiscal year. The City Council has the legal authority to amend the budget at any time during the fiscal year. There were no amendments to the budget during the year. The City Manager has the authority to make adjustments to the operating budget within a fund. Transfers of operating budgets between funds or from appropriated reserve accounts, use of unappropriated fund balances, cancellation of appropriation and all changes in capital improvement project budgets require the approval of the City Council.

The annual budget is prepared on a basis consistent with generally accepted accounting principles and is adopted for all governmental type funds other than Measure W Special Revenue Fund.

The City maintains budgetary controls to ensure compliance with legal provisions embodied in the appropriated budget approved by the City Council. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) for the operating budget is at the fund level.

Excess Expenditures over Appropriations

	<u>Appropriation</u>	<u>Expenditures</u>	<u>Variance</u>
General Fund:			
Community Development	\$ 1,787,600	\$ 2,606,965	\$ (819,365)
Capital Outlay	199,800	6,870,398	(6,670,598)

CITY OF INDUSTRY
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
CITY CAPITAL PROJECTS FUND – MAJOR FUND
YEAR ENDED JUNE 30, 2022

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Use of Money and Property	\$ 810,000	\$ 810,000	\$ 33,716	\$ (776,284)
EXPENDITURES				
Current:				
Capital Outlay	<u>39,100,000</u>	<u>38,346,937</u>	<u>16,834,346</u>	<u>21,512,591</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(38,290,000)</u>	<u>(37,536,937)</u>	<u>(16,800,630)</u>	<u>20,736,307</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	4,019,600	4,019,600	18,693,108	14,673,508
Transfers Out	(1,797,400)	(1,797,400)	(22,188,606)	(20,391,206)
Total Other Financing Sources (Uses)	<u>2,222,200</u>	<u>2,222,200</u>	<u>(3,495,498)</u>	<u>(5,717,698)</u>
NET CHANGE IN FUND BALANCE	<u>(36,067,800)</u>	<u>(35,314,737)</u>	<u>(20,296,128)</u>	<u>15,018,609</u>
Fund Balance - Beginning of Year	<u>129,815,708</u>	<u>129,815,708</u>	<u>129,815,708</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 93,747,908</u></u>	<u><u>\$ 94,500,971</u></u>	<u><u>\$ 109,519,580</u></u>	<u><u>\$ 15,018,609</u></u>

CITY OF INDUSTRY
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
CITY DEBT SERVICE FUND – MAJOR FUND
YEAR ENDED JUNE 30, 2022

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Property Taxes	\$ 11,020,000	\$ 11,020,000	\$ 13,034,215	\$ 2,014,215
Use of Money and Property	221,000	221,000	20,150	(200,850)
Total Revenues	<u>11,241,000</u>	<u>11,241,000</u>	<u>13,054,365</u>	<u>1,813,365</u>
EXPENDITURES				
Current:				
General Administration	16,700	16,700	17,550	(850)
Debt Service:				
Principal	14,470,000	14,470,000	14,470,000	-
Interest and Fiscal Charges	22,081,900	22,081,900	22,210,509	(128,609)
Total Expenditures	<u>36,568,600</u>	<u>36,568,600</u>	<u>36,698,059</u>	<u>(129,459)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(25,327,600)	(25,327,600)	(23,643,694)	1,683,906
OTHER FINANCING SOURCES				
Transfers In	32,285,000	32,285,000	38,027,686	5,742,686
Transfers Out	(47,758,600)	(47,758,600)	-	47,758,600
Total Other Financing Sources	<u>(15,473,600)</u>	<u>(15,473,600)</u>	<u>38,027,686</u>	<u>53,501,286</u>
NET CHANGE IN FUND BALANCE	(40,801,200)	(40,801,200)	14,383,992	55,185,192
Fund Balance - Beginning of Year	<u>75,014,429</u>	<u>75,014,429</u>	<u>75,014,429</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 34,213,229</u>	<u>\$ 34,213,229</u>	<u>\$ 89,398,421</u>	<u>\$ 55,185,192</u>

CITY OF INDUSTRY
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
TAX OVERRIDE DEBT SERVICE FUND – MAJOR FUND
YEAR ENDED JUNE 30, 2022

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Property Taxes	\$ 44,649,000	\$ 44,649,000	\$ 43,468,414	\$ (1,180,586)
Use of Money and Property	100	100	2	(98)
Total Revenues	<u>44,649,100</u>	<u>44,649,100</u>	<u>43,468,416</u>	<u>(1,180,684)</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	-	-	(42,558,026)	(42,558,026)
NET CHANGE IN FUND BALANCE	44,649,100	44,649,100	910,390	(43,738,710)
Fund Balance - Beginning of Year	1,898,445	1,898,445	1,898,445	-
FUND BALANCE - END OF YEAR	<u>\$ 46,547,545</u>	<u>\$ 46,547,545</u>	<u>\$ 2,808,835</u>	<u>\$ (43,738,710)</u>

CITY OF INDUSTRY
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
INDUSTRY PUBLIC FACILITIES AUTHORITY DEBT SERVICE FUND – MAJOR FUND
YEAR ENDED JUNE 30, 2022

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Use of Money and Property	\$ 10,579,200	\$ 11,139,200	\$ (602,377)	\$ (11,741,577)
EXPENDITURES				
Current:				
Community Development	-	-	49,159,789	(49,159,789)
Debt Service:				
Principal	78,890,000	79,450,000	80,010,000	(560,000)
Interest and Fiscal Charges	8,745,600	8,745,600	9,745,016	(999,416)
Total Expenditures	<u>87,635,600</u>	<u>88,195,600</u>	<u>138,914,805</u>	<u>(50,719,205)</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	<u>(77,056,400)</u>	<u>(77,056,400)</u>	<u>(139,517,182)</u>	<u>(62,460,782)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	44,649,000	44,649,000	42,572,289	(2,076,711)
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>44,649,000</u>	<u>44,649,000</u>	<u>42,572,289</u>	<u>(2,076,711)</u>
NET CHANGE IN FUND BALANCE	<u>(32,407,400)</u>	<u>(32,407,400)</u>	<u>(96,944,893)</u>	<u>(64,537,493)</u>
Fund Balance - Beginning of Year	<u>158,912,029</u>	<u>158,912,029</u>	<u>158,912,029</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 126,504,629</u></u>	<u><u>\$ 126,504,629</u></u>	<u><u>\$ 61,967,136</u></u>	<u><u>\$ (64,537,493)</u></u>

CITY OF INDUSTRY
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2022

	Special Revenue Funds				
	State Gas Tax	Measure R Local Return	Proposition A - Sales Tax	Proposition C - Sales Tax	AQMD Grants
ASSETS					
Cash	\$ -	\$ -	\$ 193,618	\$ 9,673	\$ -
Investments	- -	- -	47,468	- -	- -
Accounts Receivable, Net	7,230	- -	- -	- -	471
Accrued Interest	- -	- -	89	- -	- -
Due from Funds	- -	- -	50,000	- -	- -
Total Assets	\$ 7,230	\$ -	\$ 291,175	\$ 9,673	\$ 471
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$ - -	\$ - -	\$ 33,673	\$ - -	\$ - -
Due to Other Funds	- -	- -	409	764	- -
Total Liabilities	- -	- -	34,082	764	- -
FUND BALANCES					
Restricted for Transportation and Roads	7,230	- -	257,093	8,909	471
Total Liabilities and Fund Balances	\$ 7,230	\$ -	\$ 291,175	\$ 9,673	\$ 471

CITY OF INDUSTRY
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2022

	Special Revenue Funds			Authority Capital Projects Fund		Total
	Measure M	Measure W	CARB Grant			
ASSETS						
Cash	\$ -	\$ 29,511	\$ 795,779	\$ 29,062	\$ 1,057,643	
Investments	-	2,157,690	-	83,829	2,288,987	
Accounts Receivable, Net	-	-	-	200,000	207,701	
Accrued Interest	-	4,092	-	157	4,338	
Due from Funds	-	-	-	-	50,000	
Total Assets	\$ -	\$ 2,191,293	\$ 795,779	\$ 313,048	\$ 3,608,669	
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Accounts Payable	\$ -	\$ 28,354	\$ -	\$ 211,594	\$ 273,621	
Due to Other Funds	-	733,673	-	-	734,846	
Total Liabilities	-	762,027	-	211,594	1,008,467	
FUND BALANCES						
Restricted for Transportation and Roads	-	1,429,266	795,779	101,454	2,600,202	
Total Liabilities and Fund Balances	\$ -	\$ 2,191,293	\$ 795,779	\$ 313,048	\$ 3,608,669	

CITY OF INDUSTRY
COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2022

	Special Revenue Funds				
	State Gas Tax	Measure R Local Return	Proposition A - Sales Tax	Proposition C - Sales Tax	Proposition C - AQMD Grants
REVENUES					
Taxes	\$ -	\$ 6,707	\$ -	\$ -	\$ -
Licenses, Fees, and Permits	- -	- -	- -	- -	- -
Intergovernmental	21,778	- -	310,783	8,945	- -
Use of Money and Property	- -	- -	520	- -	- -
Contributions	- -	- -	- -	- -	- -
Other	- -	- -	- -	- -	- -
Total Revenues	21,778	6,707	311,303	8,945	- -
EXPENDITURES					
Current:					
Public Works	21,778	6,707	328,249	8,945	- -
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES					
	- -	- -	(16,946)	- -	- -
OTHER FINANCING SOURCES					
Transfers In	- -	- -	- -	- -	- -
Transfers Out	- -	- -	- -	- -	- -
Total Other Financing Sources (Uses)	- -	- -	- -	- -	- -
NET CHANGE IN FUND BALANCES					
	- -	- -	(16,946)	- -	- -
Fund Balances - Beginning of Year	7,230	- -	274,039	8,909	471
FUND BALANCES - END OF YEAR	\$ 7,230	\$ - -	\$ 257,093	\$ 8,909	\$ 471

CITY OF INDUSTRY
COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2022

	Special Revenue Funds			Authority Capital Projects Fund		Total
	Measure M	Measure W	CARB Grant			
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,707
Licenses, Fees, and Permits	-	-	-	-	-	-
Intergovernmental	7,590	1,601,686	335,305	-	-	2,286,087
Use of Money and Property	-	6,782	-	320	-	7,622
Contributions	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total Revenues	7,590	1,608,468	335,305	320	2,300,416	
EXPENDITURES						
Current:						
Public Works	7,590	855,473	-	1,437,542	2,666,284	
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	752,995	335,305	(1,437,222)	(365,868)	
OTHER FINANCING SOURCES						
Transfers In	-	-	-	5,460,986	5,460,986	
Transfers Out	-	-	-	(4,035,168)	(4,035,168)	
Total Other Financing Sources (Uses)	-	-	-	1,425,818	1,425,818	
NET CHANGE IN FUND BALANCES	-	752,995	335,305	(11,404)	1,059,950	
Fund Balances - Beginning of Year	-	676,271	460,474	112,858	1,540,252	
FUND BALANCES - END OF YEAR	\$ -	\$ 1,429,266	\$ 795,779	\$ 101,454	\$ 2,600,202	

CITY OF INDUSTRY
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
GAS TAX SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2022

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Intergovernmental	\$ 26,000	\$ 26,000	\$ 21,778	\$ (4,222)
EXPENDITURES				
Current:				
Public Works	<u>26,000</u>	<u>26,000</u>	<u>21,778</u>	<u>4,222</u>
EXCESS OF REVENUES OVER EXPENDITURES	-	-	-	-
Fund Balance - Beginning of Year	<u>17,903</u>	<u>17,903</u>	<u>17,903</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 17,903</u></u>	<u><u>\$ 17,903</u></u>	<u><u>\$ 17,903</u></u>	<u><u>\$ -</u></u>

CITY OF INDUSTRY
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
MEASURE R LOCAL RETURN SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2022

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Intergovernmental	\$ 6,000	\$ 6,000	\$ 6,707	\$ 707
EXPENDITURES				
Current:				
Public Works	6,000	6,000	6,707	(707)
EXCESS OF REVENUES OVER EXPENDITURES	-	-	-	-
Fund Balance - Beginning of Year	-	-	-	-
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF INDUSTRY
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
PROPOSITION A SALES TAX SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2022

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Intergovernmental	\$ 9,000	\$ 9,000	\$ 310,783	\$ 301,783
Use of Money and Property	17,000	17,000	520	(16,480)
Total Revenues	<u>26,000</u>	<u>26,000</u>	<u>311,303</u>	<u>285,303</u>
EXPENDITURES				
Current:				
Public Works	254,000	299,000	328,249	(29,249)
Capital Outlay	-	-	-	-
Total Expenditures	<u>254,000</u>	<u>299,000</u>	<u>328,249</u>	<u>(29,249)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(228,000)	(273,000)	(16,946)	256,054
Fund Balance - Beginning of Year	274,039	274,039	274,039	-
FUND BALANCE - END OF YEAR	<u>\$ 46,039</u>	<u>\$ 1,039</u>	<u>\$ 257,093</u>	<u>\$ 256,054</u>

CITY OF INDUSTRY
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
PROPOSITION C SALES TAX SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2022

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Intergovernmental	\$ 8,000	\$ 8,000	\$ 8,945	\$ 945
EXPENDITURES				
Current:				
Public Works	8,000	8,000	8,945	(945)
EXCESS OF REVENUES OVER EXPENDITURES	-	-	-	-
Fund Balance - Beginning of Year	8,909	8,909	8,909	-
FUND BALANCE - END OF YEAR	\$ 8,909	\$ 8,909	\$ 8,909	\$ -

CITY OF INDUSTRY
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
MEASURE M SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2022

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Intergovernmental	\$ 7,000	\$ 7,000	\$ 7,590	\$ 590
EXPENDITURES				
Current:				
Public Works	7,000	7,000	7,590	(590)
EXCESS OF REVENUES OVER EXPENDITURES	-	-	-	-
Fund Balance - Beginning of Year	-	-	-	-
FUND BALANCE - END OF YEAR	\$ -	\$ -	\$ -	\$ -

CITY OF INDUSTRY
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
MEASURE W SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2022

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Intergovernmental	\$ 1,600,000	\$ 1,600,000	\$ 1,601,686	\$ 1,686
Use of Money and Property	-	-	6,782	6,782
Total Revenues	<u>1,600,000</u>	<u>1,600,000</u>	<u>1,608,468</u>	<u>8,468</u>
EXPENDITURES				
Current:				
Public Works	<u>1,020,000</u>	<u>1,630,000</u>	<u>855,473</u>	<u>774,527</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES				
	580,000	(30,000)	752,995	782,995
Fund Balance - Beginning of Year	<u>676,271</u>	<u>676,271</u>	<u>676,271</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 1,256,271</u></u>	<u><u>\$ 646,271</u></u>	<u><u>\$ 1,429,266</u></u>	<u><u>\$ 782,995</u></u>

CITY OF INDUSTRY
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
CARB TAX SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2022

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Intergovernmental	\$ 150,000	\$ 335,000	\$ 335,305	\$ 305
EXPENDITURES				
Current:				
Public Works	<u>550,000</u>	<u>550,000</u>	-	550,000
NET CHANGE IN FUND BALANCE	(400,000)	(215,000)	335,305	550,305
Fund Balance - Beginning of Year	<u>460,474</u>	<u>460,474</u>	460,474	-
FUND BALANCE - END OF YEAR	<u>\$ 60,474</u>	<u>\$ 245,474</u>	<u>\$ 795,779</u>	<u>\$ 550,305</u>

CITY OF INDUSTRY
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
CRIA CAPITAL PROJECTS FUND
YEAR ENDED JUNE 30, 2022

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Use of Money and Property	\$ 1,000	\$ 1,000	\$ 320	\$ (680)
Other	-	-	-	-
Total Revenues	1,000	1,000	320	(680)
EXPENDITURES				
Current:				
Public Works	1,177,900	1,193,800	1,437,542	(243,742)
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(1,176,900)	(1,192,800)	(1,437,222)	(244,422)
OTHER FINANCING SOURCES (USES)				
Transfers In	-	15,900	5,460,986	5,445,086
Transfers Out	-	-	(4,035,168)	(4,035,168)
Total Other Financing Sources (Uses)	-	15,900	1,425,818	1,409,918
NET CHANGE IN FUND BALANCE	(1,176,900)	(1,176,900)	(11,404)	1,165,496
Fund Balance - Beginning of Year	112,858	112,858	112,858	-
FUND BALANCE - END OF YEAR	<u>\$ (1,064,042)</u>	<u>\$ (1,064,042)</u>	<u>\$ 101,454</u>	<u>\$ 1,165,496</u>

CITY OF INDUSTRY
SCHEDULE OF LONG-TERM DEBT – CITY OF INDUSTRY ONLY
\$43,340,000 GENERAL OBLIGATION REFUNDING BONDS, ISSUE OF 2010
YEAR ENDED JUNE 30, 2022

Period Ending	Principal	Interest Rate	Interest	Debt Service	Annual Debt Service
July 1, 2022	\$ 2,800,000	5.000 %	\$ 431,200	\$ 3,231,200	\$ -
January 1, 2023	-	5.000	361,200	361,200	3,592,400
July 1, 2023	2,940,000	5.000	361,200	3,301,200	-
January 1, 2024	-	5.000	287,700	287,700	3,588,900
July 1, 2024	3,095,000	5.000	287,700	3,382,700	-
January 1, 2025	-	5.000	210,325	210,325	3,593,025
July 1, 2025	3,240,000	4.500	210,325	3,450,325	-
January 1, 2026	-	4.500	137,075	137,075	3,587,400
July 1, 2026	1,550,000	4.250	137,075	1,687,075	-
January 1, 2027	-	4.250	104,138	104,138	1,791,213
July 1, 2027	1,615,000	4.000	104,138	1,719,138	-
January 1, 2028	-	4.000	71,837	71,837	1,790,975
July 1, 2028	1,680,000	4.125	71,838	1,751,838	-
January 1, 2029	-	4.125	37,187	37,187	1,789,025
July 1, 2029	1,750,000	4.250	37,188	1,787,188	-
January 1, 2030	-	4.250	-	-	1,787,188
	<hr/> <u>\$ 18,670,000</u>		<hr/> <u>\$ 2,850,126</u>	<hr/> <u>\$ 21,520,126</u>	<hr/> <u>\$ 21,520,126</u>

CITY OF INDUSTRY
SCHEDULE OF LONG-TERM DEBT – CITY OF INDUSTRY ONLY
\$28,985,000 GENERAL OBLIGATION REFUNDING BONDS, ISSUE OF 2014
YEAR ENDED JUNE 30, 2022

Period Ending	Principal	Interest Rate	Interest	Debt Service	Annual Debt Service
July 1, 2022	\$ 6,035,000	2.750 %	\$ 279,825	\$ 6,314,825	\$ -
January 1, 2023	-	2.875	193,072	193,072	6,507,897
July 1, 2023	6,210,000	2.875	193,072	6,403,072	-
January 1, 2024	-	3.000	99,921	99,921	6,502,993
July 1, 2024	6,395,000	3.000	99,921	6,494,921	-
January 1, 2025	-	3.125	-	-	6,494,921
	<u>\$ 18,640,000</u>		<u>\$ 865,811</u>	<u>\$ 19,505,811</u>	<u>\$ 19,505,811</u>

CITY OF INDUSTRY
SCHEDULE OF LONG-TERM DEBT – CITY OF INDUSTRY ONLY
\$336,570,000 TAXABLE SALES TAX REFUNDING BONDS, SERIES 2015A
YEAR ENDED JUNE 30, 2022

Period Ending	Principal	Interest Rate	Interest	Debt Service	Annual Debt Service
July 1, 2022	-	3.000 %	\$ 8,065,569	\$ 8,065,569	\$ -
January 1, 2023	\$ 2,130,000	3.250	8,065,569	10,195,569	18,261,138
July 1, 2023	-	3.250	8,030,956	8,030,956	-
January 1, 2024	2,200,000	3.250	8,030,956	10,230,956	18,261,913
July 1, 2024	-	3.250	7,995,206	7,995,206	-
January 1, 2025	2,270,000	3.500	7,995,206	10,265,206	18,260,413
July 1, 2025	-	3.500	7,955,481	7,955,481	-
January 1, 2026	2,345,000	3.625	7,955,481	10,300,481	18,255,963
July 1, 2026	-	3.625	7,912,978	7,912,978	-
January 1, 2027	2,435,000	4.000	7,912,978	10,347,978	18,260,956
July 1, 2027	-	4.000	7,864,278	7,864,278	-
January 1, 2028	7,270,000	4.000	7,864,278	15,134,278	22,998,556
July 1, 2028	-	4.000	7,718,878	7,718,878	-
January 1, 2029	7,560,000	4.125	7,718,878	15,278,878	22,997,756
July 1, 2029	-	4.125	7,562,953	7,562,953	-
January 1, 2030	7,870,000	4.250	7,562,953	15,432,953	22,995,906
July 1, 2030	-	4.250	7,395,716	7,395,716	-
January 1, 2031	8,205,000	4.625	7,395,716	15,600,716	22,996,431
January 1, 2021	-	4.625	7,205,975	7,205,975	-
January 1, 2032	8,585,000	4.625	7,205,975	15,790,975	22,996,950
July 1, 2032	-	4.625	7,007,447	7,007,447	-
January 1, 2033	8,985,000	4.625	7,007,447	15,992,447	22,999,894
July 1, 2033	-	4.625	6,799,669	6,799,669	-
January 1, 2034	9,400,000	4.625	6,799,669	16,199,669	22,999,338
July 1, 2034	-	4.625	6,582,294	6,582,294	-
January 1, 2035	9,835,000	5.125	6,582,294	16,417,294	22,999,588
July 1, 2035	-	5.125	6,330,272	6,330,272	-
January 1, 2036	10,335,000	5.125	6,330,272	16,665,272	22,995,544
July 1, 2036	-	5.125	6,065,438	6,065,438	-
January 1, 2037	10,865,000	5.125	6,065,438	16,930,438	22,995,875
July 1, 2037	-	5.125	5,787,022	5,787,022	-
January 1, 2038	11,425,000	5.125	5,787,022	17,212,022	22,999,044
July 1, 2038	-	5.125	5,494,256	5,494,256	-
January 1, 2039	12,010,000	5.125	5,494,256	17,504,256	22,998,513
July 1, 2039	-	5.125	5,186,500	5,186,500	-
January 1, 2040	12,625,000	5.125	5,186,500	17,811,500	22,998,000
July 1, 2040	-	5.125	4,862,984	4,862,984	-
January 1, 2041	13,270,000	5.125	4,862,984	18,132,984	22,995,969
July 1, 2041	-	5.125	4,522,941	4,522,941	-
January 1, 2042	13,950,000	5.125	4,522,941	18,472,941	22,995,881
July 1, 2042	-	5.125	4,165,472	4,165,472	-
January 1, 2043	14,665,000	5.125	4,165,472	18,830,472	22,995,944
July 1, 2043	-	5.125	3,789,681	3,789,681	-
January 1, 2044	15,420,000	5.125	3,789,681	19,209,681	22,999,363
July 1, 2044	-	5.125	3,394,544	3,394,544	-
January 1, 2045	16,210,000	5.125	3,394,544	19,604,544	22,999,088
July 1, 2045	-	5.125	2,979,163	2,979,163	-
January 1, 2046	17,040,000	5.125	2,979,163	20,019,163	22,998,325
July 1, 2046	-	5.125	2,542,513	2,542,513	-

CITY OF INDUSTRY
SCHEDULE OF LONG-TERM DEBT – CITY OF INDUSTRY ONLY
\$336,570,000 TAXABLE SALES TAX REFUNDING BONDS, SERIES 2015A (CONTINUED)
YEAR ENDED JUNE 30, 2022

Period Ending	Principal	Interest Rate	Interest	Debt Service	Annual Debt Service
January 1, 2047	\$ 17,910,000	5.125 %	\$ 2,542,513	\$ 20,452,513	\$ 22,995,025
July 1, 2047	-	5.125	2,083,569	2,083,569	-
January 1, 2048	18,830,000	5.125	2,083,569	20,913,569	22,997,138
July 1, 2048	-	5.125	1,601,050	1,601,050	-
January 1, 2049	19,795,000	5.125	1,601,050	21,396,050	22,997,100
July 1, 2049	-	5.125	1,093,803	1,093,803	-
January 1, 2050	20,810,000	5.125	1,093,803	21,903,803	22,997,606
July 1, 2050	-	5.125	560,547	560,547	-
January 1, 2051	21,875,000	5.125	560,547	22,435,547	22,996,094
	<u><u>\$ 326,125,000</u></u>		<u><u>\$ 317,114,308</u></u>	<u><u>\$ 643,239,308</u></u>	<u><u>\$ 643,239,306</u></u>

CITY OF INDUSTRY
SCHEDULE OF LONG-TERM DEBT – CITY OF INDUSTRY ONLY
\$51,460,000 TAXABLE SALES TAX REFUNDING BONDS, SERIES 2015B
YEAR ENDED JUNE 30, 2022

Period Ending	Principal	Interest Rate	Interest	Debt Service	Annual Debt Service
August 1, 2022	\$ -	4.750 %	\$ 1,810,149	\$ 1,810,149	\$ -
February 1, 2023	585,000	4.750	1,810,149	2,395,149	4,205,298
August 1, 2023	-	5.000	1,796,255	1,796,255	-
February 1, 2024	615,000	5.000	1,796,255	2,411,255	4,207,510
August 1, 2024	-	5.250	1,780,880	1,780,880	-
February 1, 2025	645,000	5.250	1,780,880	2,425,880	4,206,760
August 1, 2025	-	5.550	1,763,948	1,763,948	-
February 1, 2026	680,000	5.550	1,763,949	2,443,949	4,207,897
August 1, 2026	-	5.850	1,745,078	1,745,078	-
February 1, 2027	715,000	5.850	1,745,079	2,460,079	4,205,157
August 1, 2027	-	6.150	1,724,165	1,724,165	-
February 1, 2028	755,000	6.150	1,724,165	2,479,165	4,203,330
August 1, 2028	-	6.450	1,700,949	1,700,949	-
February 1, 2029	805,000	6.450	1,700,949	2,505,949	4,206,898
August 1, 2029	-	6.750	1,674,988	1,674,988	-
February 1, 2030	860,000	6.750	1,674,988	2,534,988	4,209,976
August 1, 2030	-	7.000	1,645,962	1,645,962	-
February 1, 2031	915,000	7.000	1,645,963	2,560,963	4,206,925
August 1, 2031	-	7.250	1,613,937	1,613,937	-
February 1, 2032	980,000	7.250	1,613,938	2,593,938	4,207,875
August 1, 2032	-	7.250	1,578,412	1,578,412	-
February 1, 2033	1,050,000	7.250	1,578,413	2,628,413	4,206,825
August 1, 2033	-	7.250	1,540,350	1,540,350	-
February 1, 2034	1,125,000	7.250	1,540,350	2,665,350	4,205,700
August 1, 2034	-	7.250	1,499,569	1,499,569	-
February 1, 2035	1,205,000	7.250	1,499,569	2,704,569	4,204,138
August 1, 2035	-	7.250	1,455,887	1,455,887	-
February 1, 2036	1,295,000	7.250	1,455,888	2,750,888	4,206,775
August 1, 2036	-	7.500	1,408,943	1,408,943	-
February 1, 2037	1,390,000	7.500	1,408,944	2,798,944	4,207,887
August 1, 2037	-	7.500	1,356,819	1,356,819	-
February 1, 2038	1,490,000	7.500	1,356,819	2,846,819	4,203,638
August 1, 2038	-	7.500	1,300,944	1,300,944	-
February 1, 2039	1,605,000	7.500	1,300,944	2,905,944	4,206,888
August 1, 2039	-	7.500	1,240,756	1,240,756	-
February 1, 2040	1,725,000	7.500	1,240,756	2,965,756	4,206,512
August 1, 2040	-	7.500	1,176,068	1,176,068	-
February 1, 2041	1,855,000	7.500	1,176,069	3,031,069	4,207,137
August 1, 2041	-	7.750	1,106,506	1,106,506	-
February 1, 2042	1,995,000	7.750	1,106,506	3,101,506	4,208,012
August 1, 2042	-	7.750	1,029,200	1,029,200	-
February 1, 2043	2,150,000	7.750	1,029,200	3,179,200	4,208,400
August 1, 2043	-	7.750	945,888	945,888	-
February 1, 2044	2,315,000	7.750	945,888	3,260,888	4,206,776
August 1, 2044	-	7.750	856,181	856,181	-
February 1, 2045	2,495,000	7.750	856,181	3,351,181	4,207,362
August 1, 2045	-	7.750	759,500	759,500	-
February 1, 2046	2,685,000	7.750	759,500	3,444,500	4,204,000
August 1, 2046	-	7.750	655,456	655,456	-

CITY OF INDUSTRY
SCHEDULE OF LONG-TERM DEBT – CITY OF INDUSTRY ONLY
\$51,460,000 TAXABLE SALES TAX REFUNDING BONDS, SERIES 2015B (CONTINUED)
YEAR ENDED JUNE 30, 2022

Period Ending	Principal	Interest Rate	Interest	Debt Service	Annual Debt Service
February 1, 2047	\$ 2,900,000	7.750 %	\$ 655,456	\$ 3,555,456	\$ 4,210,912
August 1, 2047	-	7.750	543,081	543,081	-
February 1, 2048	3,120,000	7.750	543,081	3,663,081	4,206,162
August 1, 2048	-	7.750	422,181	422,181	-
February 1, 2049	3,365,000	7.750	422,181	3,787,181	4,209,362
August 1, 2049	-	7.750	291,788	291,788	-
February 1, 2050	3,625,000	7.750	291,788	3,916,788	4,208,576
August 1, 2050	-	7.750	151,319	151,319	-
February 1, 2051	3,905,000	7.750	151,319	4,056,319	4,207,638
	<u>\$ 48,850,000</u>		<u>\$ 73,150,326</u>	<u>\$ 122,000,326</u>	<u>\$ 122,000,326</u>

CITY OF INDUSTRY
SCHEDULE OF LONG-TERM DEBT – CITY OF INDUSTRY ONLY
\$34,340,000 TAXABLE SALES TAX REFUNDING BONDS, ISSUE OF 2017
YEAR ENDED JUNE 30, 2022

Period Ending	Principal	Interest Rate	Interest	Debt Service	Annual Debt Service
July 1, 2022	\$ -	2.750 %	\$ 293,603	\$ 293,603	\$ -
January 1, 2023	3,390,000	3.000	293,603	3,683,603	3,977,206
July 1, 2023	-	3.000	242,753	242,753	-
January 1, 2024	3,490,000	3.125	242,753	3,732,753	3,975,506
July 1, 2024	-	3.125	188,222	188,222	-
January 1, 2025	3,595,000	3.250	188,222	3,783,222	3,971,444
July 1, 2025	-	3.250	129,803	129,803	-
January 1, 2026	3,715,000	3.375	129,803	3,844,803	3,974,606
July 1, 2026	-	3.375	67,113	67,113	-
January 1, 2027	3,835,000	3.500	67,113	3,902,113	3,969,225
	<u>\$ 18,025,000</u>		<u>\$ 1,842,988</u>	<u>\$ 19,867,988</u>	<u>\$ 19,867,988</u>



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