

**SUCCESSOR AGENCY TO
INDUSTRY URBAN-DEVELOPMENT AGENCY
(A COMPONENT UNIT OF CITY OF INDUSTRY)**

For The Year Ended June 30, 2015

Financial Statements

With

Independent Auditor's Reports

SUCCESSOR AGENCY TO
INDUSTRY URBAN-DEVELOPMENT AGENCY
(A COMPONENT UNIT OF CITY OF INDUSTRY)

FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITOR'S REPORT

JUNE 30, 2015

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
of the Successor Agency to Industry Urban-Development Agency
City of Industry, California

Report on Financial Statements

We have audited the accompanying Statement of Fiduciary Net Position of the Successor Agency to Industry Urban-Development Agency (the "SA to IUDA"), a component unit of the City of Industry, California (the "City") as of June 30, 2015 and the related Statement of Changes in Fiduciary Net Position for the year then ended, and the related notes to the financial statements, which collectively comprise the SA to IUDA's basic financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the SA to IUDA as of June 30, 2015, and the changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Management has omitted Management's Discussion and Analysis that accounting principles generally accepted in the United States of America requires to be presented to supplement the basic financial statements. Such missing information, 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 the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the SA to IUDA's basic financial statements. The Schedules of Long-Term Debt are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Schedules of Long-Term Debt are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements 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 February 19, 2016, on our consideration of the SA to IUDA'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 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 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 SA to IUDA's internal control over financial reporting and compliance.

The PwC Group, LLP

Santa Ana, California
February 19, 2016

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Basic Financial Statements

SUCCESSOR AGENCY
TO THE INDUSTRY URBAN-DEVELOPMENT AGENCY
(A COMPONENT UNIT OF CITY OF INDUSTRY)
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2015

	<u>Private-purpose Trust Fund</u>
ASSETS	
Cash	\$ 3,607,619
Cash - Restricted	10,767,465
Investments	31,247,881
Investments - Restricted	16,332,486
Investments with fiscal agent - restricted	83,743,904
Notes receivable	16,623,701
Other receivables	811,172
Property held for sale or disposition	452,317,125
Total assets	<u>615,451,353</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred charge on refunding	836,228
Total deferred outflows of resources	<u>836,228</u>
LIABILITIES	
Accounts payable	6,441,009
Interest payable	9,097,002
Due to City of Industry	47,095,390
Bonds payable, net	467,315,608
Total liabilities	<u>529,949,009</u>
FIDUCIARY NET POSITION	<u>\$ 86,338,572</u>

The accompanying notes are an integral part of this statement

SUCCESSOR AGENCY
TO THE INDUSTRY URBAN-DEVELOPMENT AGENCY
(A COMPONENT UNIT OF CITY OF INDUSTRY)
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2015

		<u>Private-purpose Trust Fund</u>
ADDITIONS		
Redevelopment agency property tax trust fund	\$ 60,800,703	
Less: Administrative expenses	(1,054,833)	
Pass through payments	<u>(5,326,947)</u>	
Net		<u>54,418,923</u>
Revenues from the use of money and property		
Interest income		989,023
Rental and other income		13,845,650
Gain on sale of property		<u>3,475,488</u>
Total revenues from the use of money and property		<u>18,310,161</u>
Other sources-write off of escheated liabilities		733,489
Other sources-debt service paid by tax override		<u>81,885,018</u>
Total revenues from other sources		<u>82,618,507</u>
Total additions		<u>155,347,591</u>
DEDUCTIONS		
Bond interest expense		75,580,926
Administrative expenses		3,581,430
Write down of property		<u>960,000</u>
Total deductions		<u>80,122,356</u>
Changes in net assets		<u>75,225,235</u>
FIDUCIARY NET POSITION, beginning of year		<u>11,113,337</u>
Fiduciary Net position - ending	\$	<u><u>86,338,572</u></u>

The accompanying notes are an integral part of this statement

Notes to the Financial Statements

SUCCESSOR AGENCY TO THE
INDUSTRY URBAN-DEVELOPMENT AGENCY
(A COMPONENT UNIT OF CITY OF INDUSTRY)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

1. Summary of significant accounting policies

Description of the reporting entity

The Industry-Urban-Development Agency (referred to as the "IUDA") was a component unit and an integral part of the City of Industry (referred to as the "City"). On December 29, 2011, the California Supreme Court upheld Assembly Bill X1 26 (referred to as the "Bill") that provides for the dissolution of all redevelopment agencies in the State of California. This action impacted the reporting entity of the City that previously had reported a redevelopment agency blended component unit.

The Bill provides that upon dissolution of a redevelopment agency, either the City or another unit of local government will agree to serve as the "successor agency" to hold the assets until they are distributed to the other units of state and local government. The City has elected to become the Successor Agency to the Industry Urban-Development Agency (referred to as the "SA to IUDA"). The City and the Successor Agency have separate Board of Directors. However, individuals serving on the City Council also serve on the Successor Agency Board. The Successor Agency is a component unit 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.

After enactment of the law, which occurred on June 28, 2011, redevelopment agencies in the State of California cannot enter into new projects, obligations, or commitments. Subject to the control of a newly established oversight board, remaining assets can only be used to pay enforceable obligations in existence at the date of dissolution (including the completion of any unfinished projects that were subject to legally enforceable contractual commitments).

Successor agencies are allocated revenue only in the amount that is necessary to pay the estimated annual installment payments on enforceable obligations of the former redevelopment agency until all enforceable obligations of the prior redevelopment agency have been paid in full and all assets have been liquidated.

Under the provisions of AB 1484, SA to IUDA is required to have a Due Diligence Review (DDR) of the unobligated balances in the Low and Moderate Housing Fund and in November 2012 the DDR report was approved with no additional funds required to be remitted to the Auditor-Controller. In April 2013, Department of Finance completed its review of the Due Diligence Review of the Other Funds and Accounts and the SA to IUDA remitted \$17,185,869 to the Auditor-Controller based upon this review.

SUCCESSOR AGENCY TO THE
INDUSTRY URBAN-DEVELOPMENT AGENCY
(A COMPONENT UNIT OF CITY OF INDUSTRY)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

1. Summary of significant accounting policies (continued)

Description of the reporting entity (continued)

In May 2013, the SA to IUDA was granted its Finding of Completion notice from the Department of Finance. The SA to IUDA may now do the following:

- 1) Place loan agreements between the former redevelopment agency on the ROPS as an enforceable obligation provided the Oversight Board makes a finding that the loan was for legitimate redevelopment purposes.
- 2) Utilize bond proceeds issued prior to January 1, 2011 in a manner consistent with the original bond covenants.
- 3) In addition the SA to IUDA is required to submit a Long-Range Property Management Plan to the DOF for its review and approval. The Long-Range Property Management Plan was approved by the DOF in February 2014.

Basis of presentation

The component unit financial statements of SA to IUDA have been prepared in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) as applicable to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. Fiduciary fund financial statements are presented using the full-accrual basis of accounting.

Cash and investments

Investments in inactive public deposits, securities and short-term obligations are stated at cost or amortized cost, which approximates fair value.

Cash deposits are reported at their carrying amount, which reasonably estimates fair value. Short-term investments are reported at 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.

Redevelopment property tax revenues

Pursuant to the Redevelopment Dissolution Law, funds that would have been distributed to the former Agency as tax increment, hereafter referred to as redevelopment property tax revenues, are deposited into the SA to IUDA's Redevelopment Property Tax Trust Fund ("Trust Fund") administered by the Los Angeles County's Auditor-Controller for the benefit of holders of the former IUDA's enforceable obligations and the taxing entities that receive pass-through payments. Any remaining funds in the Trust Fund, plus any unencumbered redevelopment cash and funds from asset sales are distributed by the County to the local agencies in the project area unless needed to pay enforceable obligations.

SUCCESSOR AGENCY TO THE
INDUSTRY URBAN-DEVELOPMENT AGENCY
(A COMPONENT UNIT OF CITY OF INDUSTRY)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

1. Summary of significant accounting policies (continued)

Redevelopment property tax revenues (continued)

Distributions are to be made twice each year on the following cycles:

<u>Distribution Dates</u>	<u>Covers Recognized Obligation Payment Schedules to be Paid</u>
January 2	January 1 through June 30
June 1	July 1 through December 31

The amounts distributed for Recognized Obligation Payment Schedules (ROPS) are forward looking to the next six month period.

Tax Override Monies

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. So long as the IUDA bonds remain outstanding, the City shall make withdrawals from the Agency Override Fund solely for the purpose of covering debt service shortfalls. See note 4 for further discussion.

Subsequent to June 30, 2015, the SA to IUDA has refinanced all of its bonds as further described in note 12 which requires the City to deposit with the bond trustee the funds received for the Agency Override Fund on a monthly basis.

Property held for sale or disposition

Property held for sale or disposition is reported in the financial statements at the lower of cost or net realizable value. The SA to IUDA does not record depreciation expense on its capital assets as these assets are being held for sale or disposition.

Bond issuance costs and premiums/discounts

Bond premiums and discounts in the statement of fiduciary net position are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are recognized as an outflow of resources in the period incurred on the statement of changes in fiduciary net position. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

SUCCESSOR AGENCY TO THE
INDUSTRY URBAN-DEVELOPMENT AGENCY
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

1. Summary of significant accounting policies (continued)

Use of estimates

The preparation of basic financial statements in conformity with U.S. GAAP requires management to make certain estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

2. Cash and investments

Cash and investments as of June 30, 2015, consisted of the following:

	<u>Amount</u>
Cash	\$ 3,607,619
Cash - Restricted	10,767,465
Investments	31,247,881
Investments - Restricted	16,332,486
Investments with fiscal agent - restricted	<u>83,743,904</u>
Total cash and investments	<u><u>\$ 145,699,355</u></u>
Cash	\$ 14,375,084
Investments	<u>131,324,271</u>
Total cash and investments	<u><u>\$ 145,699,355</u></u>

The amounts held as "Cash-Restricted" of \$10,767,465 and "Investments-Restricted" of \$16,332,486 represents amounts specifically restricted to pay for project costs or loan payments to the City of Industry.

The \$83,743,904 of investments with fiscal agent are held by the bond trustee to be used for future debt service payments.

Cash

SA to IUDA may waive collateral requirements for deposits, which are fully insured up to \$250,000 by the Federal Deposit Insurance Corporation (FDIC). As of June 30, 2015, SA to IUDA's deposits exceeded federally insured limits by \$13,773,810.

SUCCESSOR AGENCY TO THE
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

2. Cash and investments (continued)

Investments authorized by SA to IUDA's investment policy

Under provision of SA to IUDA's Investment Policy, and in accordance with Section 53601 and Section 53635 of the California Government Code, and the Section 33603 of the Health and Safety Code, SA to IUDA may invest in the following types of investments:

Securities of the U.S. Government, or its agencies
Bonds, notes, warrants, or other evidence of indebtedness of the City of Industry
Inactive Public Deposits; Non – negotiable and /or non –transferable certificate of deposit.
Bankers Acceptances
Commercial Paper
Local Agency Investment Fund (State Pool) Deposits ("LAIF")
Passbook Savings Account Demand Deposits
Repurchase Agreements
Los Angeles County Investment Pool

The SA to IUDA's investment policy does not contain any specific provisions intended to limit SA to IUDA's exposure to interest rate risk, credit risk, and concentration risk other than those specified in the California Government Code.

Investments authorized by debt agreements

Investments of debt proceeds held by the bond trustee are governed by provisions of the debt agreements.

The debt agreement held by SA to IUDA and its bond trustees have investment policies that are the same as SA to IUDA's general investment policy, as listed above.

SA to IUDA has monies held by trustees or fiscal agents pledged for the payment or security of tax allocation bonds. The California Government Code provides that these monies, in the absence of specific statutory provisions governing the issuance of bonds, may be invested in accordance with the ordinances, resolutions or indentures specifying the types of investments its trustees or fiscal agents may make. These ordinances, resolutions and indentures are generally less restrictive than SA to IUDA's general investment policy. In no instance have additional types of investments, not permitted by SA to IUDA's general investment policy, been authorized.

Custodial credit risk

Custodial credit risk is the risk that, in the event of a failure by the counterparty, SA to IUDA will not be able recover the value of its investments or collateral security that are in the possession of an outside party. Under section 53652 of the California Government Code, it is required that the depository secure active or inactive deposits with eligible securities having a fair market value of at least 10% in excess of the total amount of all deposits. As of June 30, 2015, the financial institutions that hold collateral for SA to IUDA had satisfied this requirement.

SUCCESSOR AGENCY TO THE
INDUSTRY URBAN-DEVELOPMENT AGENCY
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

2. Cash and investments (continued)

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 SA to IUDA 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. SA to IUDA monitors the interest rate risk inherent in its portfolio by measuring the weighted average maturity of its portfolio.

Investment Type	Amount	Weighted Average Maturity (in months)
Commercial paper	\$ 3,608,426	1.60
LAIF	27,639,455	9.69
Investments - Restricted		
Treasury Obligations	16,332,486	
Held by bond trustee:		
Treasury obligations	33,993,390	N/A
Government obligations	49,750,514	N/A
Total investments	<u>\$ 131,324,271</u>	

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, SA to IUDA's investment policy, or debt agreements, and the actual rating as of year-end for each investment type.

Investment Type	Amount	Minimum Legal Rating	Rating as of June 30, 2015		
			Actual Rating	Rated	Not Rated
Commercial paper	\$ 3,608,426	Aaa/P-1	P-1	\$ 3,608,426	
LAIF	27,639,455	N/A			27,639,455
Investments - Restricted					
Treasury Obligations - Restricted Use	16,332,486	Aaa/P-1	Aaa	16,332,486	
Held by bond trustee:					
Treasury Obligations	33,993,390	Aaa/P-1	Aaa	33,993,390	
Government Obligations	49,750,514	Aaa/P-1	Aaa	49,750,514	
Total investments	<u>\$ 131,324,271</u>			<u>\$ 103,684,816</u>	<u>\$ 27,639,455</u>

SUCCESSOR AGENCY TO THE
INDUSTRY URBAN-DEVELOPMENT AGENCY
(A COMPONENT UNIT OF CITY OF INDUSTRY)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

2. Cash and investments (continued)

State of California Local Agency Investment Fund

SA to IUDA is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The fair value of the SA to IUDA's investment in the investment pool is approximately the same as the value of the pool shares. Included in LAIF's investment portfolio are collateralized mortgage obligations, mortgage-backed securities, other asset-backed securities, loans to certain state funds, and floating rate securities issued by federal agencies, government sponsored enterprises, and corporations.

At June 30, 2015, the carrying amount of the investments in LAIF amounted to \$27,639,455 and its fair value amounted to \$27,649,847.

3. Property held for sale or disposition

All property is held for sale or disposition and is carried at the lower of cost or net realizable value. The SA to IUDA is no longer recording depreciation expense on its capital assets.

As of June 30, 2015, the carrying amount of SA to IUDA's property held for sale or disposition amounted to \$452,317,125 and consists of the following:

PROPERTY HELD FOR SALE OR DISPOSITION	BALANCE July 1, 2014	ADDITIONS	RETIREMENTS	BALANCE June 30, 2015
Capital Assets Not Being Depreciated:				
Land	\$ 184,366,620	\$	\$ (10,222,819)	\$ 174,143,801
Construction in progress	55,780,500	44,639,200		100,419,700
Infrastructure	187,616,550			187,616,550
Buildings and improvements	16,149,551		(927,605)	15,221,946
Furniture and fixtures	676,222			676,222
Vehicles	33,312			33,312
Totals	<u>444,622,755</u>	<u>44,639,200</u>	<u>(11,150,424)</u>	<u>478,111,531</u>
Less: Accumulated depreciation	<u>26,106,673</u>		<u>(312,267)</u>	<u>25,794,406</u>
Capital assets, net	<u>\$ 418,516,082</u>	<u>\$ 44,639,200</u>	<u>\$ (10,838,157)</u>	<u>\$ 452,317,125</u>

The SA to IUDA sold five parcels of land for \$12,061,646 and recognized a gain of \$3,475,488. In addition the SA to IUDA has written down certain of its capital assets to their net realizable value and has recognized a loss of \$960,000. On August 27, 2014, pursuant to resolution no. OB 2014-21, certain parcels of property listed on the Long-Range Property Management Plan were transferred to the Caltrans at no cost.

SUCCESSOR AGENCY TO THE
INDUSTRY URBAN-DEVELOPMENT AGENCY
(A COMPONENT UNIT OF CITY OF INDUSTRY)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

4. Bonds Payable

2003 Tax Allocation Bonds (Taxable)

On December 29, 2003, IUDA issued several bond issues to advance refund the 1995 Subordinate Tax Allocation Refunding Bonds for all three project areas, the taxable bonds that were issued were Project No. 1 \$78,720,000 2003 Tax Allocation Bonds Series A, Project No. 2 \$39,730,000 2003 Tax Allocation Bonds, and Project No. 3 \$44,585,000 2003 Tax Allocation Bonds.

As part of the aforementioned bond issuances the IUDA and City entered into a loan agreement in order to enhance the security of the IUDA bonds and thereby reduce the overall borrowing costs. The City agreed to loan IUDA \$14,019,840 to secure the aforementioned IUDA bonds and to provide an additional source of funding for the bonds. IUDA agreed to repay all advances with interest at 8% per annum. In accordance with the loan agreement, the City deposited with U.S. Bank (the "Trustee") \$14,019,840, hereinafter referred to as the "Loan Fund". The monies are held in trust for the benefit of the City and the bond owners.

IUDA has assigned all of its rights to these proceeds to the Trustee as security for the bonds and their owners. The City has advanced all the monies in the Loan Fund to IUDA. These monies are deposited with U.S. Bank as trustee and have been recorded on the accompanying financial statements as "Investments with fiscal agent – restricted" in the amount of \$14,421,307 and a liability due to the City. Upon the payment or discharge of all the outstanding bonds all amounts then held in the Loan fund will be transferred to the City.

2003 Subordinate Lien Tax Allocation Refunding Bonds

On December 30, 2003, IUDA and the City entered into the "Bond Exchange Agreement". IUDA incurred debt to the City in the amount of approximately \$213,200,000 including accrued interest of \$17,654,981 from loans from the City's Redevelopment Revolving Fund. On December 30, 2003, the IUDA issued and exchanged the following bonds for cancellation of the indebtedness to the City: Project No. 1 \$83,785,692 2003 Subordinate Lien Tax Allocation Refunding Bonds, Project No. 2 \$119,719,962 2003 Subordinate Lien Tax Allocation Refunding Bonds, and Project No. 3 \$9,726,529 2003 Subordinate Lien Tax Allocation Refunding Bonds.

On November 25, 2014 the Successor Agency to the Industry Urban-Development Agency redeemed \$15,516,634 in principal of the Industry Urban-Development Agency Transportation-Distribution-Industrial Redevelopment Project No. 2 2003 Subordinate Lien Tax Allocation Refunding Bonds for a total amount of \$51,592,265. Included in this amount was \$29,445,691 of compounded interest redeemed and \$6,629,940 in redemption premium. The \$51,592,265 was paid using funds from the City's Agency Tax Override Fund.

SUCCESSOR AGENCY TO THE
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

4. Bonds Payable (continued)

2005 Subordinate Lien Tax Allocation Refunding Bonds

On April 20, 2005, the City and IUDA entered into the "2005 Revolving Fund Loan Agreement". The City issued its 2005 Taxable Sales Tax Revenue Bonds in the aggregate principal amount of \$113,420,000 and deposited the net proceeds of approximately \$102,200,000 from this issue into the Redevelopment Revolving Fund which constitutes a loan to IUDA. In April 2005, IUDA issued and exchanged the following bonds for cancellation of the indebtedness to the City: Project No. 1 \$71,868,838 2005 Subordinate Lien Tax Allocation Refunding Bonds, Project No. 2 \$17,788,304 2005 Subordinate Lien Tax Allocation Refunding Bonds and Project No. 3 \$12,574,490 2005 Subordinate Lien Tax Allocation Refunding Bonds.

In March 2009, IUDA redeemed the \$12,574,490 2005 Subordinate Lien Tax Allocation Refunding Bond of Project No. 3.

2008 Subordinate Lien Tax Allocation Refunding Bonds

On April 1, 2008, IUDA and City entered into the "2008 Revolving Fund Loan Agreement". The City issued its 2008 Taxable Sales Tax Revenue Bonds in the aggregate principal amount of \$77,540,000 and deposited the net proceeds of approximately \$69,900,000 from this issue into the Redevelopment Revolving Fund which constitutes a loan to IUDA. In April 2008, IUDA issued and exchanged the following bonds for cancellation of the indebtedness to the City: \$33,673,437 2008 Project No.1 Subordinate Lien Tax Allocation Refunding Bonds with average interest rate of 8.25%; \$31,083,172 2008 Project No. 2 Subordinate Lien Tax Allocation Refunding Bonds with average interest rate of 5.75%; \$5,120,288 2008 Project No. 3 Subordinate Lien Tax Allocation Refunding Bonds with average interest of 10%.

2010 Subordinate Lien Tax Allocation Refunding Bonds

IUDA and the City, on April 20, 2010, entered into the "2010 Revolving Fund Loan Agreement." The City issued its 2010 Sales Tax Revenue Bonds in the aggregate principal amount of \$45,380,000 and deposited the net proceeds of approximately \$40,000,000 from this issue into the Redevelopment Revolving Fund, which constitutes the 2010 Redevelopment Revolving Fund Loan, a loan to IUDA.

In April 2010, IUDA issued the 2010 Subordinate Lien Tax Allocation Refunding Bonds to the City in the amount of \$40,000,000 and the City had then agreed to accept the bonds for cancellation of the 2010 Redevelopment Revolving Fund loan.

Civic-Recreational-Industrial Redevelopment Project No. 1

On April 16, 2002, IUDA issued \$197,000,000 of Industry Urban-Development Agency Civic-Recreational-Industrial Redevelopment Project No. 1 2002 Tax Allocation Bonds, Series B. IUDA used the proceeds to purchase U.S. government securities to advance refunding of the 1992 and 1997 Series Bonds. The bonds are payable from and secured by a pledge and a first lien on the tax increment revenues from Project Area No. 1.

SUCCESSOR AGENCY TO THE
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

4. Bonds Payable (continued)

Civic-Recreational-Industrial Redevelopment Project No. 1 (continued)

In February 2007, IUDA redeemed the 2002 IUDA Tax Allocation Bonds and sold the bonds to the City of Industry Public Facilities Authority (referred to as "PFA"). The payments made by IUDA for the 2002 IUDA TA Bonds would be used to secure the payments of PFA's \$169,695,000 Tax Allocation Revenue Bond ("2007 PFA TAR Bonds").

Principal and interest payments are made by SA to IUDA to PFA for the payment of the 2002 IUDA TA Bonds. PFA then uses those monies to make principal and interest payments on the 2007 PFA TA Bonds. Any surplus funds received by PFA are returned to SA to IUDA.

In December 2003, IUDA issued \$78,720,000 of Industry Urban-Development Agency Civic-Recreational-Industrial Redevelopment Project No. 1 2003 Tax Allocation Bonds Series A, to refund previously issued \$19,275,826 Industry Urban-Development Agency Civic-Recreational-Industrial Redevelopment Project No. 1 1995 Subordinate Tax Allocation Refunding Bonds and partially repay a portion of the outstanding revolving fund debt to the City.

On December 30, 2003, IUDA issued \$68,090,000 of Industry Urban-Development Agency Civic-Recreational-Industrial Redevelopment Project No. 1 2003 Tax Allocation Bonds, Series B, with an average interest rate of 3.785%. The bonds were issued to finance the completion, extension and construction of projects contained in the Redevelopment Plan. A portion of the Bond proceeds were used to fund a reserve for the Bonds and to pay costs associated with the Bond issuance.

In November 2009, IUDA partially redeemed the \$68,090,000 2003 Tax Allocation Bonds, Series B. The partial redemption amounted to \$27,170,000 and the remaining principal balance amounted to \$26,470,000.

On February 1, 2007, IUDA issued \$16,038,957 of Industry Urban-Development Agency Civic-Recreational-Industrial Redevelopment Project No. 1 2007 Subordinate Lien Taxable Tax Allocation Refunding Bonds with an average interest rate of 8.00%. The bonds were sold to the City in exchange for the cancellation of the 2006 Revolving Fund Loan with principal and interest amounts of \$15,000,000 and \$1,038,958, respectively.

Transportation-Distribution-Industrial Redevelopment Project No. 2

On August 15, 2002, IUDA issued \$17,270,000 of Industry-Urban-Development Agency Transportation-Distribution-Industrial Redevelopment Project No. 2. 2002 Tax Allocation Refunding Bonds to advance refund \$18,010,000 of outstanding 1992 Tax Allocation Refunding Bonds.

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NOTES TO THE FINANCIAL STATEMENTS
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4. Bonds Payable (continued)

Transportation-Distribution-Industrial Redevelopment Project No. 2 (continued)

In December 2003, IUDA issued \$39,730,000 of Industry Urban-Development Agency Transportation-Distribution-Industrial Redevelopment Project No. 2 2003 Tax Allocation Bonds to refund a portion of the previously issued \$65,103,890 Industry Urban-Development Agency Transportation-Distribution-Industrial Redevelopment Project No. 2 1995 Subordinate Tax Allocation Refunding Bonds and to repay a portion of the revolving fund debt.

Transportation-Distribution-Industrial Redevelopment Project No. 3

On August 15, 2002, IUDA issued \$17,455,000 of Industry-Urban-Development Agency Transportation-Distribution-Industrial Redevelopment Project No. 3. 2002 Tax Allocation Refunding Bonds to effect an advance refunding of the previously issued \$19,780,000 1992 Tax Allocation Refunding Bonds.

In December 2003, IUDA issued \$44,585,000 of Industry Urban-Development Agency Transportation-Distribution-Industrial Redevelopment Project No. 3 2003 Tax Allocation Bonds to refund previously issued \$33,498,474 Industry Urban-Development Agency Transportation-Distribution-Industrial Redevelopment Project No. 3 1995 Subordinate Tax Allocation Refunding Bonds and to repay a portion of the revolving fund debt.

All bonds listed above have been refunded on July 1, 2015. Refer to Note 12 Subsequent Event for more details.

Revenue pledged

All of the bonds described in this note are secured by a pledge of all future tax increment 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, 2015 amounted to \$864,380,907. With the dissolution of the redevelopment agency, tax increment is no longer received and instead the SA receives payments from the RPTTF fund. Annual principal and interest payments on the bonds are expected to require 100% of the RPTTF funds. For the year ended June 30, 2015, total tax increment revenues calculated by the Los Angeles Auditor-Controller amounted to \$60,800,703, which the SA received \$54,418,923 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.

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NOTES TO THE FINANCIAL STATEMENTS
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4. Bonds Payable (continued)

Revenue pledged (continued)

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 X1 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.

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. So long as the IUDA bonds remain outstanding, the City shall make withdrawals from the Agency Override Fund solely for the purpose of covering debt service shortfalls.

Subsequent to June 30, 2015, the SA to IUDA has refinanced all of its bonds as further described in note 12 which requires the City to deposit with the bond trustee the funds received for the Agency Override Fund on a monthly basis.

The SA received RPTTF Funds for the year ending June 30, as follows:

	2015	2014
RPTTF Funds	\$ 60,800,703	\$ 59,878,794
Less: Administrative expenses	(1,054,833)	(1,075,629)
Pass through payments	(5,326,947)	(3,779,408)
Net	\$ <u>54,418,923</u>	\$ <u>55,023,757</u>

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4. Bonds Payable (continued)

For the year ending June 30, 2015 principal and interest on the bonds amounted to \$135,787,310 which resulted in a debt service shortfall of \$81,877,818. The debt service shortfall was paid directly to the bank trustee or bond holder by the City of Industry from the Agency Override Fund. This amount is shown as "Additions" on the statement of changes in fiduciary net position.

As of June 30, 2015, details of bonds payable are as follows:

<u>DESCRIPTION / TERMS</u>	<u>INTEREST RATE</u>	<u>BALANCE JULY 01, 2014</u>	<u>ADDITIONS (RETIRED)</u>	<u>BALANCE JUNE 30, 2015</u>	<u>AMOUNTS DUE WITHIN ONE YEAR</u>
Industry Urban-Development					
Agency Project No. 1:					
\$197,000,000 2002 Tax Allocation Refunding Bonds Series B, due in annual principal installments of \$11,775,000 to \$14,915,000 through May 1, 2021	5.00% to 5.50%	\$ 90,920,000	\$ (11,260,000)	\$ 79,660,000	\$ 11,775,000
\$78,720,000 2003 Tax Allocation Bonds, Series A (Taxable), due in annual principal installments of \$4,980,000 to \$6,660,000 through May 1, 2021	6.00%	39,450,000	(4,725,000)	34,725,000	4,980,000
\$68,090,000 2003 Tax Allocation Bonds, Series B, due in annual principal installments of \$2,290,000 to \$3,180,000 through May 1, 2021	4.00% to 5.00%	18,385,000	(2,110,000)	16,275,000	2,290,000
\$83,785,692 2003 Subordinate Lien Tax Allocation Refunding Bonds, due in annual principal installments of \$5,915,000 \$9,525,000 through December 1, 2020	10.00%	51,005,000	(5,375,000)	45,630,000	5,915,000
\$71,868,838 2005 Subordinate Lien Tax Allocation Refunding Bonds, due in annual principal installments of \$3,110,000 to \$5,900,000 through December 1, 2025	6.30% to 6.80%	50,820,000	(2,920,000)	47,900,000	3,110,000
\$16,038,957 2007 Subordinate Lien Tax Allocation Refunding Bonds, due in annual principal installments of \$1,335,000 to \$2,115,000 through December 1, 2021	8.00%	13,135,000	(1,235,000)	11,900,000	1,335,000
\$33,673,437 2008 Subordinate Lien Tax Allocation Refunding Bonds, due in annual principal installments of \$1,959,000 to \$3,695,000 through December 1, 2024	8.25%	26,537,000	(1,810,000)	24,727,000	1,959,000
Totals - Project No. 1		\$ 290,252,000	\$ (29,435,000)	\$ 260,817,000	\$ 31,364,000

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4. Bonds Payable (continued)

DESCRIPTION / TERMS	INTEREST RATE	BALANCE JULY 01, 2014	ADDITIONS (RETIRED)	BALANCE JUNE 30, 2015	AMOUNTS DUE WITHIN ONE YEAR
Industry Urban-Development					
Agency Project No. 2:					
\$17,270,000 2002 Tax Allocation Refunding Bonds, due in annual principal installments of \$830,000 to \$1,190,000 through May 1, 2024	4.38% to 4.75%	\$ 9,775,000	\$ (795,000)	\$ 8,980,000	\$ 830,000
\$39,730,000 2003 Tax Allocation Bonds (Taxable), due in annual principal installments of \$1,965,000 to \$3,125,000 through May 1, 2024	5.50% to 6.10%	24,370,000	(1,865,000)	22,505,000	1,965,000
\$119,719,962 2003 Subordinate Lien Tax Allocation Refunding Bonds, due in annual principal installments of \$4,736,269 to \$8,622,914 through December 1, 2024	10.00%	79,794,915	(21,069,281)	58,725,634	4,736,269
\$17,788,304 2005 Subordinate Lien Tax Allocation Refunding Bonds, due in annual principal installments of \$770,000 to \$1,460,000 through December 1, 2025	6.30% to 6.80%	12,580,000	(720,000)	11,860,000	770,000
\$31,083,172 2008 Subordinate Lien Tax Allocation Refunding Bonds, due in annual principal installments of \$850,000 to \$6,050,000 through December 1, 2026	5.75%	27,675,000	(805,000)	26,870,000	850,000
\$40,000,000 2010 Subordinate Tax Allocation Refunding Bonds, due in annual principal installments of \$1,660,000 to \$4,335,000 through December 1, 2026	9.15%	35,195,000	(1,515,000)	33,680,000	1,660,000
Totals - Project No. 2		\$ 189,389,915	\$ (26,769,281)	\$ 162,620,634	\$ 10,811,269

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4. Bonds Payable (continued)

DESCRIPTION / TERMS	INTEREST RATE	BALANCE JULY 01, 2014	ADDITIONS (RETIRED)	BALANCE JUNE 30, 2015	AMOUNTS DUE WITHIN ONE YEAR
Industry Urban-Development					
Agency Project No. 3:					
\$17,455,000 2002 Tax Allocation					
Refunding Bonds, due in annual principal installments of \$835,000 to \$1,200,000 through May 1, 2024	4.38% to 5.00%	\$ 9,860,000	\$ (805,000)	\$ 9,055,000	\$ 835,000
\$44,585,000 2003 Tax Allocation Bonds					
(Taxable), due in annual principal installments of \$2,205,000 to \$3,510,000 through May 1, 2024	5.50% to 6.10%	27,335,000	(2,090,000)	25,245,000	2,205,000
\$9,726,529 2003 Subordinate Lien Tax					
Allocation Refunding Bonds, due in annual principal installments of \$875,000 to \$1,165,000 through December 1, 2018	10.00%	4,865,000	(800,000)	4,065,000	875,000
\$5,120,288 2008 Subordinate Lien Tax					
Allocation Refunding Bonds, due in annual principal installments of \$77,886 to \$1,267,544 beginning in December 1, 2017 through December 1, 2026	10.00%	5,120,289		5,120,289	
Totals - Project No. 3		<u>47,180,289</u>	<u>(3,695,000)</u>	<u>43,485,289</u>	<u>3,915,000</u>
Combined totals		\$ <u>526,822,204</u>	\$ <u>(59,899,281)</u>	\$ <u>466,922,923</u>	\$ <u>46,090,269</u>

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4. Bonds Payable (continued)

The annual requirements to amortize the bonds outstanding as of June 30, 2015 are as follows:

YEAR ENDED JUNE 30, 2015

<u>PROJECT AREA NO. 1</u>	<u>INTEREST</u>	<u>PRINCIPAL</u>	<u>TOTALS</u>
2016	\$ 17,306,079	\$ 31,364,000	\$ 48,670,079
2017	15,163,970	33,461,000	48,624,970
2018	12,924,376	35,636,000	48,560,376
2019	10,516,741	37,986,000	48,502,741
2020	7,843,264	40,606,000	48,449,264
2021-2025	10,805,706	75,864,000	86,669,706
2026-2027	200,600	5,900,000	6,100,600
Total	\$ <u>74,760,736</u>	\$ <u>260,817,000</u>	\$ <u>335,577,736</u>
<u>PROJECT AREA NO. 2</u>	<u>INTEREST</u>	<u>PRINCIPAL</u>	<u>TOTAL</u>
2016	\$ 17,480,140	\$ 10,811,269	\$ 28,291,409
2017	19,570,507	11,578,560	31,149,067
2018	22,133,258	12,409,438	34,542,696
2019	25,272,522	13,311,249	38,583,771
2020	29,108,605	14,267,294	43,375,899
2021-2025	175,828,767	78,702,824	254,531,591
2026-2027	1,512,739	21,540,000	23,052,739
Total	\$ <u>290,906,538</u>	\$ <u>162,620,634</u>	\$ <u>453,527,172</u>
<u>PROJECT AREA NO. 3</u>	<u>INTEREST</u>	<u>PRINCIPAL</u>	<u>TOTAL</u>
2016	\$ 2,305,364	\$ 3,915,000	\$ 6,220,364
2017	2,055,558	4,165,000	6,220,558
2018	2,096,516	4,644,792	6,741,308
2019	1,853,923	4,936,985	6,790,908
2020	2,154,258	4,207,870	6,362,128
2021-2025	9,425,973	19,184,761	28,610,734
2026-2027	11,899,119	2,430,881	14,330,000
Total	\$ <u>31,790,711</u>	\$ <u>43,485,289</u>	\$ <u>75,276,000</u>

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NOTES TO THE FINANCIAL STATEMENTS
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4. Bonds Payable (continued)

The annual requirements to amortize the combined bonds outstanding as of June 30, 2015 are as follows:

TOTALS		INTEREST		PRINCIPAL		TOTAL
2016	\$	37,091,583	\$	46,090,269	\$	83,181,852
2017		36,790,035		49,204,560		85,994,595
2018		37,154,150		52,690,230		89,844,380
2019		37,643,186		56,234,234		93,877,420
2020		39,106,127		59,081,164		98,187,291
2021-2025		196,060,446		173,751,585		369,812,031
2026-2027		13,612,458		29,870,882		43,483,339
Total	\$	<u>397,457,985</u>	\$	<u>466,922,923</u>	\$	<u>864,380,908</u>

Changes in long-term liabilities for the year ended June 30, 2015 are as follows:

	July 1, 2014	Increases	Decreases	June 30, 2015	Amounts due within one year
Bonds payable:					
Tax allocation	\$ 526,822,204	\$	\$ (59,899,281)	\$ 466,922,923	\$ 46,090,269
Less deferred amounts:					
Unamortized premiums on refundings	552,495		(159,810)	392,685	392,685
Total bonds payable	\$ <u>527,374,699</u>	\$ <u></u>	\$ <u>(60,059,091)</u>	\$ <u>467,315,608</u>	\$ <u>46,482,954</u>

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NOTES TO THE FINANCIAL STATEMENTS
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5. Receivables

Developer notes receivable - construction loan

In June 2000, the IUDA entered into an agreement with a Developer to redevelop certain real property located within the City of Industry, 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, the IUDA had 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:

	Amount June 30, 2015	Principal Amounts due in one year	Non-current Principal
Due June, 2022, payable in monthly payments of \$78,171 including interest at 4.00% per annum beginning July 2002	\$ 5,718,968	\$ 722,448	\$ 4,996,520
Due June, 2022, payable in monthly payments of \$66,658 including interest at 4.00% per annum beginning July 2002	4,876,639	616,041	4,260,598
Due June, 2022, payable in monthly payments of \$22,441 including interest at 4.00% per annum beginning July 2002	1,641,778	207,398	1,434,380
Totals	\$ <u>12,237,385</u>	\$ <u>1,545,887</u>	\$ <u>10,691,498</u>

Total interest received on these notes during the year ended in June 30, 2015 amounted to \$521,875.

Developer notes receivable – Nissan Auto Mall

In May 2010, IUDA entered into an agreement with a Developer to redevelop certain real property located within the City of Industry, Redevelopment Plan for Project Area No. 1. In order to finance the property acquisition, the IUDA had provided the Developer with a loan of \$4,500,000. Under the agreement, the developer made interest only payments at \$5,000 per month starting on May 1, 2010 through April 1, 2012.

On May 1, 2012, the Developer started making monthly principal and interest payments at an annual rate of 4% due monthly on the outstanding note balance.

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5. Receivables (continued)

Developer notes receivable – Nissan Auto Mall (continued)

	Amount June 30, 2015	Principal Amounts due in one year	Non-current Principal
Due May, 2022, payable in monthly payments of \$25,069 and a final balloon payment of \$3,427,959 including interest at 4.00% per annum beginning May 2012	\$ 4,386,316	\$ 127,703	\$ 4,258,613

Total interest income received on this note during the year ended June 30, 2015, amounted to \$178,127.

As of June 30, 2015, receivables on the statement of net position consisted of the following:

	Balance June 30, 2015
Notes receivables:	
Developer notes receivable - construction loans	\$ 12,237,385
Developer note receivable - Nissan	4,386,316
Total notes receivable	\$ 16,623,701

	Balance June 30, 2015
Other receivables:	
Accrued interest receivable	\$ 22,954
Accounts receivable	788,218
Total other receivables	\$ 811,172

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6. Rental property

The SA to IUDA rents land, buildings and housing to others through non-cancelable rental agreements. Future minimum rental income payments based on terms in effect at June 30, 2015 are as follows:

YEAR ENDING JUNE 30	Amount
2016	\$ 8,335,327
2017	9,039,238
2018	7,693,371
2019	6,461,468
2020	6,451,734
2021-2025	32,568,246
2026-2030	32,258,670
2031-2035	32,258,670
Thereafter	210,553,448

The Successor Agency is in the process of winding down its activities in accordance with the dissolution of redevelopment agencies in the State of California. The above table does not take into account when or if the property will be sold in the future.

On April 28, 2005, IUDA entered into an agreement with a private company to lease land owned by IUDA to the Company for the purpose of having the land developed and operated by the Company. SA to IUDA is required to perform substantial public improvements surrounding the project area. The term of the agreement continues for 65 years from the commencement date. The agreement allows for SA to IUDA and the Company to split revenues generated by rents of the buildings after deductions for any loan payments or costs associated with the ownership, operation, financing, maintenance, and leasing of the various buildings.

In the event that rental income on the buildings is insufficient to repay any loans outstanding related to any financing of such building projects, and operation and maintenance of the various buildings, the SA to IUDA is required to contribute fifty percent for any shortfall as a capital contribution if the Company issues a demand for additional capital. Such payments if made by SA to IUDA on the projects would be subject to return by the Company with interest at the prime rate plus three percent provided that future rents generate revenue for SA to IUDA. During the year ended June 30, 2015, SA to IUDA earned and received \$7,327,978 in rental income from the Company.

SA to IUDA leases land, buildings, and permanently attached equipment to the Industry Convalescent Hospital d.b.a. El Encanto Healthcare and Habilitation Center for \$1 a year, renewed annually, which at the time of renewal, the lease may be terminated or the lease payment renegotiated by SA to IUDA.

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7. Self-insurance plan

The City has established a Self-Insurance Plan (the "Plan") to pay for liability claims against the City and SA to IUDA. 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 authority with 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, 2015, there are no pending claims or litigation outstanding against the SA to IUDA.

8. Low and moderate income housing

In December of 1992, pursuant to the authority of Government Code 65584.3, IUDA entered into an agreement with the City and the Housing Authority of the County of Los Angeles ("HACoLA"). Under this agreement, IUDA agreed to pay HACoLA each fiscal year an amount equal to 20 percent of tax increment revenues accruing to IUDA for such fiscal year (the "HACoLA Payment").

The HACoLA Payments for fiscal year 2011-12 and fiscal year 2012-13 are listed on the Successor Agency's Recognized Obligation Payment Schedule ("ROPS"). However, the DOF has denied these ROPS items, arguing that the HACoLA Payments were no longer enforceable obligations after the dissolution of IUDA pursuant to AB X1 26.

The matter is the subject of a pending lawsuit, *Southern California Association of Non-Profit Housing v. State of California Department of Finance et al.* (Sacramento County Superior Court Case No. 34-2012-80001355; Court of Appeal Case No. C075705). In November 2013, the Superior Court of the State of California for the County of Sacramento entered judgment in favor of DOF, finding that the HACoLA Payments were no longer enforceable obligations. Petitioner, a non-profit housing association, has appealed the judgment. The opening brief on appeal was filed in November 2014.

No liability has been recorded in the accompanying financial statements due to the uncertainty of the outcome of the pending lawsuit and the amount due to HACoLA cannot be reasonably estimated at this time.

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9. Transactions with related parties

As of June 30, 2015, SA to IUDA had amounts due to the City of Industry of \$47,095,390. Included in the \$47,095,390 is a \$34,139,469 loan made by the City to the SA to IUDA as further described below.

In August 2014, the City of Industry and the SA to the IUDA entered into "Agreement for Advance and Reimbursement of Costs for Construction Contracts Constituting Enforceable Obligations", the City has agreed to advance money from time to time as may be required to enable the SA to the IUDA to make timely payment of the Contract Costs, and in an aggregate amount not to exceed \$50,000,000. These advances will constitute the Loan under the Agreement and the advances shall bear no interest. The loan is to be repaid from proceeds of property sales of the SA to the IUDA. As of June 30, 2015 there was \$13,317,444 held in a trust account from property sales which be used to repay the loan in the ROPS 15-16B period of January 1, 2016 to June 30, 2016. No interest has been imputed on this loan in accordance with GASB no. 62.

Also included in the \$47,095,390 is a \$14,421,307 loan as described in note 4 made in connection with the 2003 Tax Allocation Bonds (Taxable) and \$1,465,387 reimbursements of administrative expenses paid by the City on behalf of the SA to IUDA and other items.

A total of \$270,477,924 of IUDA bonds are owned by the City and \$79,660,000 in IUDA bonds are owned by the Industry Public Facilities Authority, a component unit of the City of Industry.

10. Commitments and contingencies

Risk management

The SA to IUDA is exposed to various risks of loss related to torts, theft, damage to and destruction of assets, errors and omissions, and general liabilities. As further discussed in Note 7, the City has a self-insurance plan to cover such risks. Claim expenses and liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated.

Project commitments

As of June 30, 2015, the total net position held in trust were \$86,338,572. All of the net position are fully committed to funding project obligations and the debt service on the bonds payable.

SUCCESSOR AGENCY TO
THE INDUSTRY URBAN-DEVELOPMENT AGENCY
(A COMPONENT UNIT OF CITY OF INDUSTRY)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

11. Subsequent events

On July 1, 2015, the Successor Agency issued the following bonds to refund and defease all of its outstanding bonds as described in Note 4. The new refunding bonds were purchased by City of Industry Public Facilities Authority and are secured by a pledge of all future tax increment revenues of each project area until the bonds are fully paid off. Interest rates on the refunding bonds range from 1.764% to 5.750% and will generate a gross savings of approximately \$102.1 million and a net present value in savings to the Successor Agency in the amount of \$42.8 million.

Tax Allocation Revenue Refunding Bonds Series 2015A (Civic-Recreational-Industrial Redevelopment Project No. 1) Taxable	\$ 239,525,000
Tax Allocation Revenue Refunding Bonds Series 2015A (Transportation-Distribution-Industrial Redevelopment Project No. 2) Tax Exempt	\$ 7,140,000
Tax Allocation Revenue Refunding Bonds Series 2015B (Transportation-Distribution-Industrial Redevelopment Project No. 2) Taxable	\$ 249,770,000
Subordinate Tax Allocation Revenue Refunding Bonds Series 2015A (Transportation-Distribution-Industrial Redevelopment Project No. 2) Taxable	\$ 33,815,000
	<u>\$ 290,725,000</u>
Tax Allocation Revenue Refunding Bonds Series 2015A (Transportation-Distribution-Industrial Redevelopment Project No. 3) Tax Exempt	\$ 7,230,000
Tax Allocation Revenue Refunding Bonds Series 2015B (Transportation-Distribution-Industrial Redevelopment Project No. 3) Taxable	\$ 37,425,000
	<u>\$ 44,655,000</u>
Total	<u>\$ 574,905,000</u>

SUCCESSOR AGENCY TO
THE INDUSTRY URBAN-DEVELOPMENT AGENCY
(A COMPONENT UNIT OF CITY OF INDUSTRY)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

11. Subsequent events (continued)

The annual debt service requirements for these bonds are as follows:

YEAR ENDING JUNE 30,		INTEREST		PRINCIPAL		TOTAL
2016	\$	-	\$	-	\$	-
2017		32,952,580		47,815,000		80,767,580
2018		21,027,086		59,995,000		81,022,086
2019		19,516,717		61,515,000		81,031,717
2020		17,621,192		63,395,000		81,016,192
2021-2025		49,359,183		321,535,000		370,894,183
2026-2030		1,566,162		20,650,000		22,216,162
Totals	\$	<u>142,042,920</u>	\$	<u>574,905,000</u>	\$	<u>716,947,920</u>

Other Supplementary Information

SUCCESSOR AGENCY TO THE
INDUSTRY URBAN - DEVELOPMENT AGENCY
(A COMPONENT UNIT OF CITY OF INDUSTRY)
CIVIC-RECREATIONAL-INDUSTRIAL REDEVELOPMENT PROJECT NO. 1

SCHEDULE OF LONG-TERM DEBT
\$197,000,000 2002 TAX ALLOCATION REFUNDING BONDS - MATURITY SCHEDULE
JUNE 30, 2015

Year Ending June 30,	Date	Principal	Interest Rate	Interest	Debt Service	Annual Debt Service
	11/1/2015	\$	5.50%	\$ 2,127,575	\$ 2,127,575	\$
2016	5/1/2016	11,775,000	5.50%	2,127,575	13,902,575	16,030,150
	11/1/2016		5.00%	1,803,763	1,803,763	
2017	5/1/2017	12,320,000	5.00%	1,803,763	14,123,763	15,927,526
	11/1/2017		5.00%	1,495,763	1,495,763	
2018	5/1/2018	12,910,000	5.00%	1,495,763	14,405,763	15,901,526
	11/1/2018		5.50%	1,173,013	1,173,013	
2019	5/1/2019	13,535,000	5.50%	1,173,013	14,708,013	15,881,026
	11/1/2019		5.50%	800,800	800,800	
2020	5/1/2020	14,205,000	5.50%	800,800	15,005,800	15,806,600
	11/1/2020		5.50%	410,163	410,163	
2021	5/1/2021	14,915,000	5.50%	410,163	15,325,163	15,735,326
		<u>\$ 79,660,000</u>		<u>\$ 15,622,154</u>	<u>\$ 95,282,154</u>	<u>\$ 95,282,154</u>

SUCCESSOR AGENCY TO THE
INDUSTRY URBAN - DEVELOPMENT AGENCY
(A COMPONENT UNIT OF CITY OF INDUSTRY)
CIVIC-RECREATIONAL-INDUSTRIAL REDEVELOPMENT PROJECT NO. 1

SCHEDULE OF LONG-TERM DEBT
\$78,720,000 2003 TAX ALLOCATION BONDS SERIES A (TAXABLE) - MATURITY SCHEDULE
JUNE 30, 2015

Year Ending June 30,	Date	Principal	Interest Rate	Interest	Debt Service	Annual Debt Service
	11/1/2015	\$	6.00%	\$ 1,041,750	\$ 1,041,750	\$
2016	5/1/2016	4,980,000	6.00%	1,041,750	6,021,750	7,063,500
	11/1/2016		6.00%	892,350	892,350	
2017	5/1/2017	5,275,000	6.00%	892,350	6,167,350	7,059,700
	11/1/2017		6.00%	734,100	734,100	
2018	5/1/2018	5,595,000	6.00%	734,100	6,329,100	7,063,200
	11/1/2018		6.00%	566,250	566,250	
2019	5/1/2019	5,930,000	6.00%	566,250	6,496,250	7,062,500
	11/1/2019		6.00%	388,350	388,350	
2020	5/1/2020	6,285,000	6.00%	388,350	6,673,350	7,061,700
	11/1/2020		6.00%	199,800	199,800	
2021	5/1/2021	6,660,000	6.00%	199,800	6,859,800	7,059,600
		\$ <u>34,725,000</u>		\$ <u>7,645,200</u>	\$ <u>42,370,200</u>	\$ <u>42,370,200</u>

SUCCESSOR AGENCY TO THE
INDUSTRY URBAN - DEVELOPMENT AGENCY
(A COMPONENT UNIT OF CITY OF INDUSTRY)
CIVIC-RECREATIONAL-INDUSTRIAL REDEVELOPMENT PROJECT NO. 1

SCHEDULE OF LONG-TERM DEBT
\$68,090,000 2003 TAX ALLOCATION BONDS SERIES B (TAXABLE) - MATURITY SCHEDULE
JUNE 30, 2015

Year Ending June 30,	Date	Principal	Interest Rate	Interest	Debt Service	Annual Debt Service
	11/1/2015	\$	4.00%	\$ 374,744	\$ 374,744	\$
2016	5/1/2016	2,290,000	4.00%	374,744	2,664,744	3,039,488
	11/1/2016		4.13%	328,944	328,944	
2017	5/1/2017	2,490,000	4.13%	328,944	2,818,944	3,147,888
	11/1/2017		4.25%	277,588	277,588	
2018	5/1/2018	2,610,000	4.25%	277,588	2,887,588	3,165,176
	11/1/2018		5.00%	222,125	222,125	
2019	5/1/2019	2,745,000	5.00%	222,125	2,967,125	3,189,250
	11/1/2019		5.00%	153,500	153,500	
2020	5/1/2020	2,960,000	5.00%	153,500	3,113,500	3,267,000
	11/1/2020		5.00%	79,500	79,500	
2021	5/1/2021	3,180,000	5.00%	79,500	3,259,500	3,339,000
		<u>\$ 16,275,000</u>		<u>\$ 2,872,802</u>	<u>\$ 19,147,802</u>	<u>\$ 19,147,802</u>

SUCCESSOR AGENCY TO THE
INDUSTRY URBAN - DEVELOPMENT AGENCY
(A COMPONENT UNIT OF CITY OF INDUSTRY)
CIVIC-RECREATIONAL-INDUSTRIAL REDEVELOPMENT PROJECT NO. 1

SCHEDULE OF LONG-TERM DEBT
\$83,785,692 2003 SUBORDINATE LIEN TAX ALLOCATION REFUNDING BONDS - MATURITY SCHEDULE
JUNE 30, 2015

Year Ending June 30,	Date	Principal	Interest Rate	Interest	Debt Service	Annual Debt Service
	12/1/2015	\$ 5,915,000	10.00%	\$ 2,281,500	\$ 8,196,500	\$
2016	6/1/2016		10.00%	1,985,750	1,985,750	10,182,250
	12/1/2016	6,505,000	10.00%	1,985,750	8,490,750	
2017	6/1/2017		10.00%	1,660,500	1,660,500	10,151,250
	12/1/2017	7,155,000	10.00%	1,660,500	8,815,500	
2018	6/1/2018		10.00%	1,302,750	1,302,750	10,118,250
	12/1/2018	7,870,000	10.00%	1,302,750	9,172,750	
2019	6/1/2019		10.00%	909,250	909,250	10,082,000
	12/1/2019	8,660,000	10.00%	909,250	9,569,250	
2020	6/1/2020		10.00%	476,250	476,250	10,045,500
	12/1/2020	9,525,000	10.00%	476,250	10,001,250	
2021	6/1/2021					10,001,250
		<u>\$ 45,630,000</u>		<u>\$ 14,950,500</u>	<u>\$ 60,580,500</u>	<u>\$ 60,580,500</u>

SUCCESSOR AGENCY TO THE
INDUSTRY URBAN - DEVELOPMENT AGENCY
(A COMPONENT UNIT OF CITY OF INDUSTRY)
CIVIC-RECREATIONAL-INDUSTRIAL REDEVELOPMENT PROJECT NO. 1

SCHEDULE OF LONG-TERM DEBT
\$71,868,838 2005 SUBORDINATE LIEN TAX ALLOCATION REFUNDING BONDS - MATURITY SCHEDULE
JUNE 30, 2015

Year Ending June 30,	Date	Principal	Interest Rate	Interest	Debt Service	Annual Debt Service
	12/1/2015	\$ 3,110,000	6.40%	\$ 1,596,221	\$ 4,706,221	\$
2016	6/1/2016		6.40%	1,496,701	1,496,701	6,202,922
	12/1/2016	3,310,000	6.30%	1,496,701	4,806,701	
2017	6/1/2017		6.30%	1,392,436	1,392,436	6,199,137
	12/1/2017	3,515,000	6.55%	1,392,436	4,907,436	
2018	6/1/2018		6.55%	1,277,320	1,277,320	6,184,756
	12/1/2018	3,740,000	6.55%	1,277,320	5,017,320	
2019	6/1/2019		6.55%	1,154,835	1,154,835	6,172,155
	12/1/2019	3,990,000	6.70%	1,154,835	5,144,835	
2020	6/1/2020		6.70%	1,021,170	1,021,170	6,166,005
	12/1/2020	4,255,000	6.70%	1,021,170	5,276,170	
2021	6/1/2021		6.70%	878,628	878,628	6,154,798
	12/1/2021	4,540,000	6.70%	878,628	5,418,628	
2022	6/1/2022		6.70%	726,538	726,538	6,145,166
	12/1/2022	4,845,000	6.70%	726,538	5,571,538	
2023	6/1/2023		6.70%	564,230	564,230	6,135,768
	12/1/2023	5,175,000	6.80%	564,230	5,739,230	
2024	6/1/2024		6.80%	388,280	388,280	6,127,510
	12/1/2024	5,520,000	6.80%	388,280	5,908,280	
2025	6/1/2025		6.80%	200,600	200,600	6,108,880
	12/1/2025	5,900,000	6.80%	200,600	6,100,600	
2026	6/1/2026					6,100,600
		\$ <u>47,900,000</u>		\$ <u>19,797,697</u>	\$ <u>67,697,697</u>	\$ <u>67,697,697</u>

SUCCESSOR AGENCY TO THE
INDUSTRY URBAN - DEVELOPMENT AGENCY
(A COMPONENT UNIT OF CITY OF INDUSTRY)
CIVIC-RECREATIONAL-INDUSTRIAL REDEVELOPMENT PROJECT NO. 1

SCHEDULE OF LONG-TERM DEBT
\$16,038,957 2007 SUBORDINATE LIEN TAX ALLOCATION REFUNDING BONDS - MATURITY SCHEDULE
JUNE 30, 2015

Year Ending June 30,	Date	Principal	Interest Rate	Interest	Debt Service	Annual Debt Service
	12/1/2015	\$ 1,335,000	8.00%	\$ 476,000	\$ 1,811,000	\$
2016	6/1/2016		8.00%	422,600	422,600	2,233,600
	12/1/2016	1,440,000	8.00%	422,600	1,862,600	
2017	6/1/2017		8.00%	365,000	365,000	2,227,600
	12/1/2017	1,555,000	8.00%	365,000	1,920,000	
2018	6/1/2018		8.00%	302,800	302,800	2,222,800
	12/1/2018	1,680,000	8.00%	302,800	1,982,800	
2019	6/1/2019		8.00%	235,600	235,600	2,218,400
	12/1/2019	1,815,000	8.00%	235,600	2,050,600	
2020	6/1/2020		8.00%	163,000	163,000	2,213,600
	12/1/2020	1,960,000	8.00%	163,000	2,123,000	
2021	6/1/2021		8.00%	84,600	84,600	2,207,600
	12/1/2021	2,115,000	8.00%	84,600	2,199,600	
2022	6/1/2022					2,199,600
		\$ <u>11,900,000</u>		\$ <u>3,623,200</u>	\$ <u>15,523,200</u>	\$ <u>15,523,200</u>

SUCCESSOR AGENCY TO THE
INDUSTRY URBAN - DEVELOPMENT AGENCY
(A COMPONENT UNIT OF CITY OF INDUSTRY)
TRANSPORTATION-DISTRIBUTION-INDUSTRIAL REDEVELOPMENT PROJECT NO. 1

SCHEDULE OF LONG-TERM DEBT
\$33,673,437 2008 SUBORDINATE LIEN TAX ALLOCATION REFUNDING BONDS - MATURITY SCHEDULE
JUNE 30, 2015

Year Ending June 30,	Date	Principal	Interest Rate	Interest	Debt Service	Annual Debt Service
	12/1/2015	\$ 1,959,000	8.25%	\$ 1,019,989	\$ 2,978,989	\$
2016	6/1/2016		8.25%	939,180	939,180	3,918,169
	12/1/2016	2,121,000	8.25%	939,180	3,060,180	
2017	6/1/2017		8.25%	851,689	851,689	3,911,869
	12/1/2017	2,296,000	8.25%	851,689	3,147,689	
2018	6/1/2018		8.25%	756,979	756,979	3,904,668
	12/1/2018	2,486,000	8.25%	756,979	3,242,979	
2019	6/1/2019		8.25%	654,431	654,431	3,897,410
	12/1/2019	2,691,000	8.25%	654,431	3,345,431	
2020	6/1/2020		8.25%	543,428	543,428	3,888,859
	12/1/2020	2,913,000	8.25%	543,428	3,456,428	
2021	6/1/2021		8.25%	423,266	423,266	3,879,694
	12/1/2021	3,153,000	8.25%	423,266	3,576,266	
2022	6/1/2022		8.25%	293,205	293,205	3,869,471
	12/1/2022	3,413,000	8.25%	293,205	3,706,205	
2023	6/1/2023		8.25%	152,419	152,419	3,858,624
	12/1/2023	3,695,000	8.25%	152,419	3,847,419	
2024	6/1/2024					3,847,419
		\$ <u>24,727,000</u>		\$ <u>10,249,183</u>	\$ <u>34,976,183</u>	\$ <u>34,976,183</u>

SUCCESSOR AGENCY TO THE
INDUSTRY URBAN - DEVELOPMENT AGENCY
(A COMPONENT UNIT OF CITY OF INDUSTRY)
TRANSPORTATION-DISTRIBUTION-INDUSTRIAL REDEVELOPMENT PROJECT NO. 2

SCHEDULE OF LONG-TERM DEBT
\$17,270,000 2002 TAX ALLOCATION REFUNDING BONDS - MATURITY SCHEDULE
JUNE 30, 2015

Year Ending June 30,	Date	Principal	Interest Rate	Interest	Debt Service	Annual Debt Service
	11/1/2015	\$	4.38%	\$ 208,365	\$ 208,365	\$
2016	5/1/2016	830,000	4.38%	208,365	1,038,365	1,246,730
	11/1/2016		4.40%	190,209	190,209	
2017	5/1/2017	865,000	4.40%	190,209	1,055,209	1,245,418
	11/1/2017		4.50%	171,179	171,179	
2018	5/1/2018	905,000	4.50%	171,179	1,076,179	1,247,358
	11/1/2018		4.60%	150,816	150,816	
2019	5/1/2019	945,000	4.60%	150,816	1,095,816	1,246,632
	11/1/2019		4.75%	129,081	129,081	
2020	5/1/2020	990,000	4.75%	129,081	1,119,081	1,248,162
	11/1/2020		4.75%	105,569	105,569	
2021	5/1/2021	1,035,000	4.75%	105,569	1,140,569	1,246,138
	11/1/2021		4.75%	80,988	80,988	
2022	5/1/2022	1,085,000	4.75%	80,988	1,165,988	1,246,976
	11/1/2022		4.75%	55,219	55,219	
2023	5/1/2023	1,135,000	4.75%	55,219	1,190,219	1,245,438
	11/1/2023		4.75%	28,263	28,263	
2024	5/1/2024	1,190,000	4.75%	28,263	1,218,263	1,246,526
		\$ <u>8,980,000</u>		\$ <u>2,239,378</u>	\$ <u>11,219,378</u>	\$ <u>11,219,378</u>

SUCCESSOR AGENCY TO THE
INDUSTRY URBAN - DEVELOPMENT AGENCY
(A COMPONENT UNIT OF CITY OF INDUSTRY)
TRANSPORTATION-DISTRIBUTION-INDUSTRIAL REDEVELOPMENT PROJECT NO. 2

SCHEDULE OF LONG-TERM DEBT
\$39,730,000 2003 TAX ALLOCATION BONDS (TAXABLE) - MATURITY SCHEDULE
JUNE 30, 2015

Year Ending June 30,	Date	Principal	Interest Rate	Interest	Debt Service	Annual Debt Service
	11/1/2015	\$	5.50%	\$ 675,973	\$ 675,973	\$
2016	5/1/2016	1,965,000	5.50%	675,973	2,640,973	3,316,946
	11/1/2016		6.00%	621,935	621,935	
2017	5/1/2017	2,075,000	6.00%	621,935	2,696,935	3,318,870
	11/1/2017		6.00%	559,685	559,685	
2018	5/1/2018	2,195,000	6.00%	559,685	2,754,685	3,314,370
	11/1/2018		6.00%	493,835	493,835	
2019	5/1/2019	2,330,000	6.00%	493,835	2,823,835	3,317,670
	11/1/2019		6.00%	423,935	423,935	
2020	5/1/2020	2,470,000	6.00%	423,935	2,893,935	3,317,870
	11/1/2020		6.10%	349,835	349,835	
2021	5/1/2021	2,620,000	6.10%	349,835	2,969,835	3,319,670
	11/1/2021		6.10%	269,925	269,925	
2022	5/1/2022	2,775,000	6.10%	269,925	3,044,925	3,314,850
	11/1/2022		6.10%	185,288	185,288	
2023	5/1/2023	2,950,000	6.10%	185,288	3,135,288	3,320,576
	11/1/2023		6.10%	95,313	95,313	
2024	5/1/2024	3,125,000	6.10%	95,313	3,220,313	3,315,626
		\$ <u>22,505,000</u>		\$ <u>7,351,448</u>	\$ <u>29,856,448</u>	\$ <u>29,856,448</u>

SUCCESSOR AGENCY TO THE
INDUSTRY URBAN - DEVELOPMENT AGENCY
(A COMPONENT UNIT OF CITY OF INDUSTRY)
TRANSPORTATION-DISTRIBUTION-INDUSTRIAL REDEVELOPMENT PROJECT NO. 2

SCHEDULE OF LONG-TERM DEBT
\$119,719,962 2003 SUBORDINATE LIEN TAX ALLOCATION REFUNDING BONDS - MATURITY SCHEDULE
JUNE 30, 2015

Year Ending June 30,	Date	Principal	Interest Rate	Interest	Debt Service	Annual Debt Service
2016	12/1/2016	\$ 4,736,269	10.00%	\$ 10,419,305	\$ 15,155,574	\$ 15,155,574
2017	12/1/2017	5,108,560	10.00%	12,913,596	18,022,156	18,022,156
2018	12/1/2018	5,509,438	10.00%	15,919,724	21,429,162	21,429,162
2019	12/1/2019	5,941,249	10.00%	19,535,806	25,477,055	25,477,055
2020	12/1/2020	6,407,294	10.00%	23,884,374	30,291,668	30,291,668
2021	12/1/2021	6,910,302	10.00%	29,108,994	36,019,296	36,019,296
2022	12/1/2022	7,452,518	10.00%	35,375,585	42,828,103	42,828,103
2023	12/1/2023	8,037,090	10.00%	42,882,131	50,919,221	50,919,221
2024	12/1/2024	8,622,914	10.00%	51,609,806	60,232,720	60,232,720
		<u>\$ 58,725,634</u>		<u>\$ 241,649,321</u>	<u>\$ 300,374,955</u>	<u>\$ 300,374,955</u>

SUCCESSOR AGENCY TO THE
INDUSTRY URBAN - DEVELOPMENT AGENCY
(A COMPONENT UNIT OF CITY OF INDUSTRY)
TRANSPORTATION-DISTRIBUTION-INDUSTRIAL REDEVELOPMENT PROJECT NO. 2

SCHEDULE OF LONG-TERM DEBT
\$17,788,304 2005 SUBORDINATE LIEN TAX ALLOCATION REFUNDING BONDS - MATURITY SCHEDULE
JUNE 30, 2015

Year Ending June 30,	Date	Principal	Interest Rate	Interest	Debt Service	Annual Debt Service
	12/1/2015	\$ 770,000	6.40%	\$ 395,218	\$ 1,165,218	\$
2016	6/1/2016		6.40%	370,578	370,578	1,535,796
	12/1/2016	820,000	6.30%	370,577	1,190,577	
2017	6/1/2017		6.30%	344,747	344,747	1,535,324
	12/1/2017	870,000	6.55%	344,748	1,214,748	
2018	6/1/2018		6.55%	316,255	316,255	1,531,003
	12/1/2018	930,000	6.55%	316,255	1,246,255	
2019	6/1/2019		6.55%	285,798	285,798	1,532,053
	12/1/2019	985,000	6.70%	285,797	1,270,797	
2020	6/1/2020		6.70%	252,800	252,800	1,523,597
	12/1/2020	1,055,000	6.70%	252,800	1,307,800	
2021	6/1/2021		6.70%	217,458	217,458	1,525,258
	12/1/2021	1,125,000	6.70%	217,458	1,342,458	
2022	6/1/2022		6.70%	179,770	179,770	1,522,228
	12/1/2022	1,200,000	6.70%	179,770	1,379,770	
2023	6/1/2023		6.70%	139,570	139,570	1,519,340
	12/1/2023	1,280,000	6.80%	139,570	1,419,570	
2024	6/1/2024		6.80%	96,050	96,050	1,515,620
	12/1/2024	1,365,000	6.80%	96,050	1,461,050	
2025	6/1/2025		6.80%	49,640	49,640	1,510,690
	12/1/2025	1,460,000	6.80%	49,640	1,509,640	
2026	6/1/2026		6.80%			1,509,640
		<u>\$ 11,860,000</u>		<u>\$ 4,900,549</u>	<u>\$ 16,760,549</u>	<u>\$ 16,760,549</u>

SUCCESSOR AGENCY TO THE
INDUSTRY URBAN - DEVELOPMENT AGENCY
(A COMPONENT UNIT OF CITY OF INDUSTRY)
TRANSPORTATION-DISTRIBUTION-INDUSTRIAL REDEVELOPMENT PROJECT NO. 2

SCHEDULE OF LONG-TERM DEBT
\$31,083,172 2008 SUBORDINATE LIEN TAX ALLOCATION REFUNDING BONDS - MATURITY SCHEDULE
JUNE 30, 2015

Year Ending June 30,	Date	Principal	Interest Rate	Interest	Debt Service	Annual Debt Service
	12/1/2015	\$ 850,000	5.75%	\$ 772,513	\$ 1,622,513	\$
2016	6/1/2016		5.75%	748,075	748,075	2,370,588
	12/1/2016	900,000	5.75%	748,075	1,648,075	
2017	6/1/2017		5.75%	722,200	722,200	2,370,275
	12/1/2017	955,000	5.75%	722,200	1,677,200	
2018	6/1/2018		5.75%	694,744	694,744	2,371,944
	12/1/2018	1,010,000	5.75%	694,744	1,704,744	
2019	6/1/2019		5.75%	665,706	665,706	2,370,450
	12/1/2019	1,065,000	5.75%	665,706	1,730,706	
2020	6/1/2020		5.75%	635,088	635,088	2,365,794
	12/1/2020	1,125,000	5.75%	635,088	1,760,088	
2021	6/1/2021		5.75%	602,744	602,744	2,362,832
	12/1/2021	1,190,000	5.75%	602,744	1,792,744	
2022	6/1/2022		5.75%	568,531	568,531	2,361,275
	12/1/2022	1,260,000	5.75%	568,531	1,828,531	
2023	6/1/2023		5.75%	532,306	532,306	2,360,837
	12/1/2023	1,335,000	5.75%	532,306	1,867,306	
2024	6/1/2024		5.75%	493,925	493,925	2,361,231
	12/1/2024	5,410,000	5.75%	493,925	5,903,925	
2025	6/1/2025		5.75%	338,388	338,388	6,242,313
	12/1/2025	5,720,000	5.75%	338,388	6,058,388	
2026	6/1/2026		5.75%	173,938	173,938	6,232,326
	12/1/2026	6,050,000	5.75%	173,938	6,223,938	
2027	6/1/2027					6,223,938
		<u>\$ 26,870,000</u>		<u>\$ 13,123,803</u>	<u>\$ 39,993,803</u>	<u>\$ 39,993,803</u>

SUCCESSOR AGENCY TO THE
INDUSTRY URBAN - DEVELOPMENT AGENCY
(A COMPONENT UNIT OF CITY OF INDUSTRY)
TRANSPORTATION-DISTRIBUTION-INDUSTRIAL REDEVELOPMENT PROJECT NO. 2

SCHEDULE OF LONG-TERM DEBT
\$40,000,000 2010 SUBORDINATE LIEN TAX ALLOCATION REFUNDING BONDS (TAXABLE) - MATURITY SCHEDULE
JUNE 30, 2015

Year Ending June 30,	Date	Principal	Interest Rate	Interest	Debt Service	Annual Debt Service
	12/1/2015	\$ 1,660,000	9.15%	\$ 1,540,860	\$ 3,200,860	\$
2016	6/1/2016		9.15%	1,464,915	1,464,915	4,665,775
	12/1/2016	1,810,000	9.15%	1,464,915	3,274,915	
2017	6/1/2017		9.15%	1,382,108	1,382,108	4,657,023
	12/1/2017	1,975,000	9.15%	1,382,108	3,357,108	
2018	6/1/2018		9.15%	1,291,751	1,291,751	4,648,859
	12/1/2018	2,155,000	9.15%	1,291,751	3,446,751	
2019	6/1/2019		9.15%	1,193,160	1,193,160	4,639,911
	12/1/2019	2,350,000	9.15%	1,193,160	3,543,160	
2020	6/1/2020		9.15%	1,085,648	1,085,648	4,628,808
	12/1/2020	2,570,000	9.15%	1,085,648	3,655,648	
2021	6/1/2021		9.15%	968,070	968,070	4,623,718
	12/1/2021	2,805,000	9.15%	968,070	3,773,070	
2022	6/1/2022		9.15%	839,741	839,741	4,612,811
	12/1/2022	3,060,000	9.15%	839,741	3,899,741	
2023	6/1/2023		9.15%	699,746	699,746	4,599,487
	12/1/2023	3,340,000	9.15%	699,746	4,039,746	
2024	6/1/2024		9.15%	546,941	546,941	4,586,687
	12/1/2024	3,645,000	9.15%	546,941	4,191,941	
2025	6/1/2025		9.15%	380,183	380,183	4,572,124
	12/1/2025	3,975,000	9.15%	380,183	4,355,183	
2026	6/1/2026		9.15%	198,326	198,326	4,553,509
	12/1/2026	4,335,000	9.15%	198,326	4,533,326	
2027	6/1/2027		9.15%			4,533,326
		\$ <u>33,680,000</u>		\$ <u>21,642,038</u>	\$ <u>55,322,038</u>	\$ <u>55,322,038</u>

SUCCESSOR AGENCY TO THE
INDUSTRY URBAN - DEVELOPMENT AGENCY
(A COMPONENT UNIT OF CITY OF INDUSTRY)
TRANSPORTATION-DISTRIBUTION-INDUSTRIAL REDEVELOPMENT PROJECT NO. 3

SCHEDULE OF LONG-TERM DEBT
\$17,455,000 2002 TAX ALLOCATION REFUNDING BONDS - MATURITY SCHEDULE
JUNE 30, 2015

Year Ending June 30,	Date	Principal	Interest Rate	Interest	Debt Service	Annual Debt Service
	11/1/2015	\$	4.38%	\$ 213,037	\$ 213,037	\$
2016	5/1/2016	835,000	4.38%	213,037	1,048,037	1,261,074
	11/1/2016		4.40%	194,771	194,771	
2017	5/1/2017	875,000	4.40%	194,771	1,069,771	1,264,542
	11/1/2017		4.50%	175,521	175,521	
2018	5/1/2018	910,000	4.50%	175,521	1,085,521	1,261,042
	11/1/2018		4.60%	155,046	155,046	
2019	5/1/2019	955,000	4.60%	155,046	1,110,046	1,265,092
	11/1/2019		4.75%	133,081	133,081	
2020	5/1/2020	995,000	4.75%	133,081	1,128,081	1,261,162
	11/1/2020		4.75%	109,450	109,450	
2021	5/1/2021	1,045,000	4.75%	109,450	1,154,450	1,263,900
	11/1/2021		4.75%	84,631	84,631	
2022	5/1/2022	1,095,000	4.75%	84,631	1,179,631	1,264,262
	11/1/2022		5.00%	58,625	58,625	
2023	5/1/2023	1,145,000	5.00%	58,625	1,203,625	1,262,250
	11/1/2023		5.00%	30,000	30,000	
2024	5/1/2024	1,200,000	5.00%	30,000	1,230,000	1,260,000
		\$ <u>9,055,000</u>		\$ <u>2,308,324</u>	\$ <u>11,363,324</u>	\$ <u>11,363,324</u>

SUCCESSOR AGENCY TO THE
INDUSTRY URBAN - DEVELOPMENT AGENCY
(A COMPONENT UNIT OF CITY OF INDUSTRY)
TRANSPORTATION-DISTRIBUTION-INDUSTRIAL REDEVELOPMENT PROJECT NO. 3

SCHEDULE OF LONG-TERM DEBT
\$44,585,000 2003 TAX ALLOCATION BONDS (TAXABLE) - MATURITY SCHEDULE
JUNE 30, 2015

Year Ending June 30,	Date	Principal	Interest Rate	Interest	Debt Service	Annual Debt Service
	11/1/2015	\$	5.50%	\$ 758,270	\$ 758,270	\$
2016	5/1/2016	2,205,000	5.50%	758,270	2,963,270	3,721,540
	11/1/2016		6.00%	697,633	697,633	
2017	5/1/2017	2,325,000	6.00%	697,633	3,022,633	3,720,266
	11/1/2017		6.00%	627,883	627,883	
2018	5/1/2018	2,470,000	6.00%	627,883	3,097,883	3,725,766
	11/1/2018		6.00%	553,783	553,783	
2019	5/1/2019	2,610,000	6.00%	553,783	3,163,783	3,717,566
	11/1/2019		6.00%	475,483	475,483	
2020	5/1/2020	2,770,000	6.00%	475,483	3,245,483	3,720,966
	11/1/2020		6.10%	392,383	392,383	
2021	5/1/2021	2,935,000	6.10%	392,383	3,327,383	3,719,766
	11/1/2021		6.10%	302,865	302,865	
2022	5/1/2022	3,115,000	6.10%	302,865	3,417,865	3,720,730
	11/1/2022		6.10%	207,858	207,858	
2023	5/1/2023	3,305,000	6.10%	207,858	3,512,858	3,720,716
	11/1/2023		6.10%	107,055	107,055	
2024	5/1/2024	3,510,000	6.10%	107,055	3,617,055	3,724,110
		\$ <u>25,245,000</u>		\$ <u>8,246,426</u>	\$ <u>33,491,426</u>	\$ <u>33,491,426</u>

SUCCESSOR AGENCY TO THE
INDUSTRY URBAN - DEVELOPMENT AGENCY
(A COMPONENT UNIT OF CITY OF INDUSTRY)
TRANSPORTATION-DISTRIBUTION-INDUSTRIAL REDEVELOPMENT PROJECT NO. 3

SCHEDULE OF LONG-TERM DEBT
\$9,726,529 2003 SUBORDINATE LIEN TAX ALLOCATION REFUNDING BONDS - MATURITY SCHEDULE
JUNE 30, 2015

Year Ending June 30,	Date	Principal	Interest Rate	Interest	Debt Service	Annual Debt Service
	12/1/2015	\$ 875,000	10.00%	\$ 203,250	\$ 1,078,250	\$
2016	6/1/2016		10.00%	159,500	159,500	1,237,750
	12/1/2016	965,000	10.00%	159,500	1,124,500	
2017	6/1/2017		10.00%	111,250	111,250	1,235,750
	12/1/2017	1,060,000	10.00%	111,250	1,171,250	
2018	6/1/2018		10.00%	58,250	58,250	1,229,500
	12/1/2018	1,165,000	10.00%	58,250	1,223,250	
2019	6/1/2019					1,223,250
		<u>\$ 4,065,000</u>		<u>\$ 861,250</u>	<u>\$ 4,926,250</u>	<u>\$ 4,926,250</u>

SUCCESSOR AGENCY TO THE
INDUSTRY URBAN - DEVELOPMENT AGENCY
(A COMPONENT UNIT OF CITY OF INDUSTRY)
TRANSPORTATION-DISTRIBUTION-INDUSTRIAL REDEVELOPMENT PROJECT NO. 3

SCHEDULE OF LONG-TERM DEBT
\$5,120,288 2008 SUBORDINATE LIEN TAX ALLOCATION REFUNDING BONDS - MATURITY SCHEDULE
JUNE 30, 2015

Year Ending June 30,	Date	Principal	Interest Rate	Interest	Debt Service	Annual Debt Service
2017	12/1/2017	\$ 204,792	10.00%	\$ 320,208	\$ 525,000	\$ 525,000
2018	12/1/2018	206,985	10.00%	378,015	585,000	585,000
2019	12/1/2019	442,870	10.00%	937,130	1,380,000	1,380,000
2020	12/1/2020	213,951	10.00%	521,049	735,000	735,000
2021	12/1/2021	77,886	10.00%	217,114	295,000	295,000
2022	12/1/2022	123,332	10.00%	391,668	515,000	515,000
2023	12/1/2023	159,649	10.00%	575,351	735,000	735,000
2024	12/1/2024	1,259,943	10.00%	5,135,057	6,395,000	6,395,000
2025	12/1/2025	1,163,337	10.00%	5,346,663	6,510,000	6,510,000
2026	12/1/2026	1,267,544	10.00%	6,552,456	7,820,000	7,820,000
		<u>\$ 5,120,289</u>		<u>\$ 20,374,711</u>	<u>\$ 25,495,000</u>	<u>\$ 25,495,000</u>