

**CITY OF INDUSTRY PUBLIC FACILITIES AUTHORITY
(A COMPONENT UNIT OF THE CITY OF INDUSTRY)**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

FOR THE YEAR ENDED JUNE 30, 2023

City of Industry Public Facilities Authority
(A Component Unit of the City of Industry)

Financial Statements
For the Year Ended June 30, 2023

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Independent Auditor's Report

Honorable City Council
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Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities and the major fund of the City of Industry Public Financing Authority (the IPFA), a component unit of the City of Industry, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise IPFA's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the governmental activities and the major fund of the IPFA, as of June 30, 2023, and the changes in financial position 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of IPFA 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.

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.



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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 IPFA'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.

Auditor's 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 auditor's 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 the IPFA'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 the IPFA'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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information, as listed in the table of contents, 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 auditing standards generally accepted in the United States of America, 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.

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require 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 financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinions on the basic financial statements is not affected by this missing information.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 12, 2024 on our consideration of the IPFA'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 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 IPFA's internal control over financial reporting and compliance.

Rogers, Anderson, Malody & Scott, LLP.

San Bernardino, California
March 12, 2024

City of Industry Public Facilities Authority
(A Component Unit of the City of Industry)

Statement of Net Position
June 30, 2023

	Governmental Activities
ASSETS	
Current assets:	
Accrued interest receivable	\$ 1,500,124
Total current assets	<u>1,500,124</u>
Noncurrent assets:	
Investment in City bonds	41,372,544
Total Noncurrent Assets	<u>41,372,544</u>
Total assets	<u>42,872,668</u>
LIABILITIES	
Current liabilities:	
Accounts payable	(508,490)
Interest payable	1,488,610
Total current liabilities	<u>980,120</u>
Long-term liabilities:	
Due within one year	615,000
Due in more than one year	47,650,000
Total long-term liabilities	<u>48,265,000</u>
Total liabilities	<u>49,245,120</u>
NET POSITION (DEFICIT)	
Unrestricted	<u>(6,894,456)</u>
Total net position	<u><u>\$ (6,894,456)</u></u>

The accompanying notes are an integral part of these financial statements.

City of Industry Public Facilities Authority
(A Component Unit of the City of Industry)

Statement of Activities
For the Year Ended June 30, 2023

		Operating grants and contributions	Net revenue (expense) and changes in net position
	Expenses	Charges for services	Governmental Activities
GOVERNMENTAL ACTIVITIES			
General administration	\$ 2,475,033	\$ 10,740	\$ (2,464,293)
Interest and fiscal charges	3,751,188	-	(3,751,188)
Total Governmental Activities	<u>\$ 6,226,221</u>	<u>\$ 10,740</u>	<u>(6,215,481)</u>
GENERAL REVENUES			
Other revenues			250,623
Investment income (loss)			1,781,958
Transfer out			<u>(42,974,573)</u>
Change in net position			(47,157,473)
NET POSITION (DEFICIT)			
Beginning of year			<u>40,263,017</u>
End of year			<u>\$ (6,894,456)</u>

The accompanying notes are an integral part of these financial statements.

City of Industry Public Facilities Authority
(A Component Unit of the City of Industry)

Balance Sheet
Governmental Fund
June 30, 2023

	General Fund
ASSETS	
Investment in City bonds	\$ 41,372,544
Accrued interest receivable	<u>1,500,124</u>
Total assets	<u><u>\$ 42,872,668</u></u>
LIABILITIES AND FUND BALANCE	
LIABILITIES	
Accounts payable	<u>\$ (508,490)</u>
FUND BALANCE	
Restricted for debt service	<u>42,859,154</u>
Total fund balance	<u>42,859,154</u>
Total liabilities and fund balance	<u><u>\$ 42,350,664</u></u>

The accompanying notes are an integral part of these financial statements.

City of Industry Public Facilities Authority
(A Component Unit of the City of Industry)

**Reconciliation of the Governmental Fund Balance Sheet to the
Government-Wide Statement of Net Position
June 30, 2023**

Fund balances of governmental funds	\$ 42,859,154
-------------------------------------	---------------

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

Accrued interest payable on outstanding bonds payable does not require the use of current financial resources, and accordingly, is not reported as expenditures in the governmental funds.	(1,488,610)
--	-------------

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 loan	<u>(48,265,000)</u>
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Net position of Governmental Activities	<u>\$ (6,894,456)</u>
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The accompanying notes are an integral part of these financial statements.

City of Industry Public Facilities Authority
(A Component Unit of the City of Industry)

Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2023

	General Fund
REVENUES	
Intergovernmental revenue	\$ 10,740
Use of money and property	1,781,958
Other revenue	250,623
Total revenues	2,043,321
EXPENDITURES	
Debt service:	
Principal retirement	21,730,000
Interest and fiscal charges	4,321,820
Loss on bond redemption	2,475,033
Total expenditures	28,526,853
OTHER FINANCING SOURCES/(USES)	
Transfers out	(42,974,573)
Net change in fund balance	(69,458,105)
FUND BALANCE	
Beginning of year	112,317,259
End of year	\$ 42,859,154

The accompanying notes are an integral part of these financial statements.

City of Industry Public Facilities Authority
(A Component Unit of the City of Industry)

**Reconciliation of the Governmental Fund Statement of Revenues, Expenditures and
Changes in Fund Balances to the Government-wide Statements of Net Position
For the Year Ended June 30, 2023**

Net change in fund balance - governmental fund \$ (69,458,105)

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

Repayment of bond principal is an expenditure in the governmental fund, but the repayment reduces long-term liabilities in the statement of net position.

Principal payments 21,730,000

Some 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 fund:

Change in accrued interest payable 570,632

Change in net position of Governmental Activities \$ (47,157,473)

The accompanying notes are an integral part of these financial statements.

City of Industry Public Facilities Authority
(A Component Unit of the City of Industry)

Notes to Financial Statements
June 30, 2023

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of the Reporting Agency

The City of Industry Public Facilities Authority (the IPFA) was created in 1990 by a joint exercise of power agreement and amended in 2005 between the City of Industry (the City) and the Industry Urban-Development Agency of the City of Industry (the IUDA). The agreement was made pursuant to the provisions of Article 1 through 4, Chapter 5, Division 7, Title 1 of the Government Code of the State of California, Sections 6500, et seq. On December 29, 2011, the California Supreme Court upheld Assembly Bill XI 26 that provides for the dissolution of all redevelopment agencies in the state of California. As a result, the City has elected to be the successor agency to the Industry Urban-Development Agency (the SA to IUDA).

The IPFA exists and acts as a separate entity. The governing board of the IPFA consists of five members, all members of the City Council.

The IPFA was established for the purpose of establishing a vehicle to reduce local borrowing costs, and accelerate construction, repair, and maintenance of needed public capital improvements. The IPFA was also established to borrow money for the purpose of financing the acquisition and construction of public capital improvements. The IPFA has the power to issue bonds, notes, or other evidence of indebtedness, and to expend their proceeds.

The IPFA is a component unit and an integral part of the City and accordingly has also been included in the basic financial statements of the City issued as of June 30 of each year. Only the funds of the IPFA are included herein; therefore, these financial statements do not purport to represent the financial position or results of operations of the City. Financial statements for the IPFA and the City may be obtained from the Finance Department located at 15625 Mayor Dave Way, City of Industry, California.

Financial Statement Presentation, Basis of Accounting and Measurement Focus

The component unit financial statements of the IPFA have been prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) as applicable to government units. The Governmental Accounting Standards Board is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

Government-Wide Financial Statements

The government-wide financial statements include a statement of net position and a statement of activities. These statements present summaries of governmental activities for the IPFA.

City of Industry Public Facilities Authority
(A Component Unit of the City of Industry)

Notes to Financial Statements
June 30, 2023

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

These statements are presented on an economic resources measurement focus and the accrual basis of accounting. Under the economic resources measurement focus, all economic resources including capital assets and long-term liabilities are included in the accompanying statement of net position.

Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

Amounts paid to acquire capital assets are capitalized as assets in the government-wide financial statements, rather than reported as expenditures. Proceeds of long-term debt are recorded as liabilities in the government-wide financial statements, rather than as financing sources. Amounts paid to reduce long-term indebtedness of the reporting government are reported as a reduction of the related liability, rather than as expenditures.

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 IPFA are reported in three categories:

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

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.

Fund Financial Statements

The accounts of the IPFA 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, liabilities, fund equity, revenues, and expenditures, 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 are presented after the governmentwide financial statements.

City of Industry Public Facilities Authority
(A Component Unit of the City of Industry)

Notes to Financial Statements
June 30, 2023

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Governmental Funds

In the fund financial statements, governmental funds are presented using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Measurable means that the amounts can be estimated, or otherwise determined. Revenues are considered available if they are collected within 60 days after year-end. Expenditures are generally recognized when the related liability is incurred. Exceptions to this general rule include principal and interest on long-term debt which are recognized when due.

In the fund financial statements, governmental funds are presented using the current financial resources measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. The statement of revenues, Expenditures, and changes in fund balances presents increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets.

The proceeds of long-term debt are recorded as other financing sources rather than a fund liability. Amounts paid to reduce long-term indebtedness are reported as fund expenditures.

General Fund

The IPFA's major fund type is the General Fund, which is used to account for the accumulation of resources for, and the payment of, general long-term debt, principal, interest, and related costs.

Investments

Investments in the bonds are stated at amortized cost. Short-term investments are reported at amortized cost, which approximates fair value. Investments that exceed more than one year in maturity are valued at fair value.

Investments with fiscal agent are restricted for the use of debt service.

City of Industry Public Facilities Authority
(A Component Unit of the City of Industry)

Notes to Financial Statements
June 30, 2023

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Bond Issuance Costs and Premiums/Discounts

Bond premiums and discounts in the government-wide financial statements are deferred and amortized over the life of the bonds. 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 governmental fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, at the time the bonds are issued. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Net Position

Net Position, the difference between assets and liabilities is classified as restricted and unrestricted. Restricted net position represents constraints on resources that are restricted by external creditors, grantors, contributors, laws, or regulations of other governments. Unrestricted net position is amounts which do not meet the definition of restricted net position.

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

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, or (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 IPFA imposes upon itself at its highest level of decision-making authority (the board of directors) through board resolutions and that remain binding unless removed in the same manner.

City of Industry Public Facilities Authority
(A Component Unit of the City of Industry)

Notes to Financial Statements
June 30, 2023

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Balance (Continued)

Assigned – assigned fund balances are amounts that are constrained by the IPFA'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 board of directors is authorized for this purpose.

Unassigned – this category represents fund balances that have not been restricted, committed, or assigned to specific purposes.

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.

Estimates

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

Transfers

The IPFA transferred \$20,065,847 to the City's debt service fund and also transferred \$22,908,726 to the City's capital project fund. Transfers are not eliminated on the government-wide financial statements since these statements only present the activity of the IPFA and not the City as a whole.

Note 2 INVESTMENTS

Investments as of June 30, 2023, consisted of the following:

Investments in City bonds	\$ 41,372,544
Total cash and investments	<u>\$ 41,372,544</u>

Investments with fiscal agents are restricted for future bond principal and interest payments. As of June 30, 2023, the IPFA's carrying value of these funds amounted to \$41,372,544.

City of Industry Public Facilities Authority
(A Component Unit of the City of Industry)

Notes to Financial Statements
June 30, 2023

Note 2 INVESTMENTS (Continued)

Investments Authorized by the Authority's Investment Policy

Under provision of the IPFA's Investment policy, and in accordance with Section 53601 of the California Government Code, The IPFA 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	N/A	20%	None
Bankers 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

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

Fair Value Measurement

The IPFA 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. The IPFA has the following recurring fair value measurements as of June 30, 2023:

Investment type	Value	Fair value measurement Level 2 input
Investments - restricted:		
City bonds*	\$ 41,372,544	\$ 41,372,544

*Valued based on institutional bond quotes

City of Industry Public Facilities Authority
(A Component Unit of the City of Industry)

Notes to Financial Statements
June 30, 2023

Note 2 INVESTMENTS (Continued)

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. The IPFA manages its exposure to interest rate risk by purchasing short-term investments and/or 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. IPFA's long-term investments in the City bonds have set interest rates between 3.000% and 7.750% over the life of the bonds.

<u>Investment type</u>	<u>Amounts</u>	<u>Weighted average maturity</u>
Investments - restricted:		
City bonds	<u>\$ 41,372,544</u>	81.87 Months

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.

<u>Investment type</u>	<u>Total as of June 30, 2023</u>	<u>Minimum legal rating</u>	<u>Not rated</u>
Investments - restricted:			
City bonds	<u>\$ 41,372,544</u>	None	<u>\$ 41,372,544</u>

Concentration of Credit Risk

The investment policy of IPFA contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. Investments in any one issuer (other than U.S. Treasury securities, mutual funds and external investment pools) that represent 5% or more of total IPFA's investments are as follows: City of Industry municipal bonds of \$41,372,544.

City of Industry Public Facilities Authority
(A Component Unit of the City of Industry)

Notes to Financial Statements
June 30, 2023

Note 2 INVESTMENTS (Continued)

Risk Disclosures (continued)

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and IPFA's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for investments. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools. IPFA's investments in City bonds are held by the trustee and are discussed in further detail under Note 3.

Note 3 INVESTMENT IN CITY BONDS

The following schedule represents the future payments to be paid to the City:

2015 Sales Tax Revenue Subordinate Bonds, Series B

Year ending June 30,	Principal	Interest	Total
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	755,000	3,448,330	4,203,330
2029 to 2033	4,610,000	16,428,502	21,038,502
2034 to 2038	6,505,000	15,824,084	22,329,084
2039 to 2043	9,330,000	10,406,006	19,736,006
2044 to 2048	13,515,000	7,520,212	21,035,212
2049 to 2051	10,895,000	1,730,576	12,625,576
	48,265,000	\$ 69,530,036	\$ 117,795,036
Fair value adjustment	(6,892,456)		
Total	<u>\$ 41,372,544</u>		

City of Industry Public Facilities Authority
(A Component Unit of the City of Industry)

Notes to Financial Statements
June 30, 2023

Note 4 LONG-TERM LIABILITIES

The changes in long-term liabilities for the year ended was as follows:

Error! Not a valid link.*2015 Tax Allocation Revenue Refunding Bonds, Series A (Project No. 1)*

The 2015 tax allocation bonds were paid off in their entirety during the current fiscal year.

Loans from the City of Industry – direct borrowing

On December 1, 2015, the IPFA entered into a 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 3.750% to 7.750% Annually, due February 1 and August 1 each year. The principal payments are due on February 1 each year and range from \$5,850,000 to \$3,905,000. As of June 30, 2023, debt service requirement to maturity is as follows:

Year ending June 30,	Principal	Interest	Total
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	755,000	3,448,330	4,203,330
2029 to 2033	4,610,000	16,428,502	21,038,502
2034 to 2038	6,505,000	15,824,084	22,329,084
2039 to 2043	9,330,000	10,406,006	19,736,006
2044 to 2048	13,515,000	7,520,212	21,035,212
2049 to 2051	10,895,000	1,730,576	12,625,576
Total	<u>\$ 48,265,000</u>	<u>\$ 69,530,036</u>	<u>\$ 117,795,036</u>

City of Industry Public Facilities Authority
(A Component Unit of the City of Industry)

Notes to Financial Statements
June 30, 2023

Note 5 SELF-INSURANCE PLAN

The City has established a Self-Insurance Plan (the Plan) to pay for liability claims against the City and the IPFA. The Plan is administered by an insurance committee which is responsible for approving all claims of \$25,000 or less and for making a provision for having sufficient funds available to pay approved claims and legal and investigative expenses. The insurance committee has given this authority to the City Manager. Potential liabilities of claims in excess of \$250,000, up to \$10,000,000, are covered by excess liability insurance policies. As of June 30, 2023, there are no pending liability claims outstanding against the IPFA.

City of Industry Public Facilities Authority
(A Component Unit of the City of Industry)

Budgetary Comparison Schedule – General Fund (Unaudited)
For the Year Ended June 30, 2023

	Original budget	Final budget	Actual amounts	Variance with final budget
REVENUES				
Intergovernmental	\$ 20,707,000	\$ 20,707,000	\$ 10,740	\$ (20,696,260)
Use of money and property	5,715,850	5,715,850	1,781,958	(3,933,892)
Other revenue	-	-	250,623	250,623
Total revenues	26,422,850	26,422,850	2,043,321	(24,379,529)
EXPENDITURES				
Debt service:				
Principal	21,730,000	21,730,000	21,730,000	-
Interest and fiscal charges	5,459,900	5,459,900	4,321,820	1,138,080
Loss on bond redemption	-	-	2,475,033	(2,475,033)
Total expenditures	27,189,900	27,189,900	28,526,853	(1,336,953)
OTHER FINANCING SOURCES/(USES)				
Transfer out	-	(22,908,726)	(42,974,573)	20,065,847
Net change in fund balance	(767,050)	(23,675,776)	(69,458,105)	(45,782,329)
FUND BALANCE				
Beginning of year	112,317,259	112,317,259	112,317,259	-
End of year	\$ 111,550,209	\$ 88,641,483	\$ 42,859,154	\$ (45,782,329)