

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

City of Industry, California

**Financial Statements and
Independent Auditors' Reports**

For the Year Ended June 30, 2019



City of Industry
Public Facilities Authority
(A Component Unit of the City of Industry)
For the Year Ended June 30, 2019

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
of the City of Industry Public Facilities Authority
City of Industry, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the major fund of the City of Industry Public Facilities Authority (the "PFA"), a component unit of the City of Industry, California (the "City") as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the PFA's basic financial statements as listed in the table of contents.

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.

Auditors' 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 respective financial position of the governmental activities and the major fund of the PFA as of June 30, 2019, and the respective 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 ("MD&A") and Budgetary Comparison Schedule 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 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 opinion on the financial statements that collectively comprise the PFA'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 Schedules of Long-Term Debt are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 13, 2019, on our consideration of the PFA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the PFA's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the PFA's internal control over financial reporting and compliance.



Santa Ana, California
December 13, 2019



**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Independent Auditors' Report

To the Board of Directors
of the City of Industry Public Facilities Authority
City of Industry, California

We have audited, in accordance with the 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, the financial statements of the governmental activities and the major fund of the City of Industry Public Facilities Authority (the "PFA"), a component unit of the City of Industry, California (the "City") as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the PFA's basic financial statements, and have issued our report thereon dated December 13, 2019.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the PFA's internal control over financial reporting ("internal control") to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the PFA's internal control. Accordingly, we do not express an opinion on the effectiveness of the PFA's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the PFA's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

To the Board of Directors
of the City of Industry Public Facilities Authority
City of Industry, California
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Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "The Per Group, LLP". The signature is written in a cursive, flowing style.

Santa Ana, California
December 13, 2019

BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

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City of Industry
Public Facilities Authority
(A Component Unit of the City of Industry)
Statement of Net Position
June 30, 2019

	Governmental Activities
ASSETS	
Current Assets:	
Accrued interest	\$ 8,278,855
Site lease prepayment, current	373,144
Investments with fiscal agent, restricted	62,964,217
Total current assets	71,616,216
Noncurrent assets:	
Prepaid items, noncurrent	4,900,892
Site lease payment, noncurrent	3,731,437
Investment in IUDA bonds	327,435,000
Investment in City bonds	51,839,600
Total noncurrent assets	387,906,929
Total assets	459,523,145
LIABILITIES	
Interest payable	8,310,010
Bond payments deposit	61,149,385
Long-term liabilities:	
Due within one year	61,337,960
Due in more than one year	318,763,233
Total liabilities	449,560,588
NET POSITION	
Restricted for debt service	1,814,832
Unrestricted	8,147,725
Total net position	\$ 9,962,557

City of Industry
Public Facilities Authority
(A Component Unit of the City of Industry)
Statement of Activities
For the Year Ended June 30, 2019

	Expenses	Program Revenue	Net (Expense) Revenue and Changes in Net Position
		Operating Grants and Contribution	Net Governmental Activities
Governmental Activities:			
General administration	\$ -	\$ 17,496	\$ 17,496
Interest and fiscal charges	20,824,151	-	(20,824,151)
Total governmental activities	\$ 20,824,151	\$ 17,496	(20,806,655)
 General revenues and transfers:			
Investment Income			18,472,086
Lease income			936,096
Total general revenues and transfers			19,408,182
Change in net position			(1,398,473)
 Net Position:			
Beginning of year			11,361,030
End of year			\$ 9,962,557

FUND FINANCIAL STATEMENTS

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GOVERNMENTAL FUND FINANCIAL STATEMENTS

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**City of Industry
Public Facilities Authority
(A Component Unit of the City of Industry)
Balance Sheet
Governmental Fund
June 30, 2019**

	General Fund
ASSETS	
Investments with fiscal agent, restricted	\$ 62,964,217
Investments in SA to IUDA and City bonds	379,274,600
Accrued interest receivable	8,278,855
Prepaid items	4,900,892
Site lease prepayment	4,104,581
Total assets	\$ 459,523,145
LIABILITIES AND FUND BALANCES	
LIABILITIES:	
Due to the City	\$ 1,528,155
Bond payments deposit	61,149,385
Total liabilities	62,677,540
FUND BALANCES:	
Nonspendable	9,005,473
Restricted for debt service	387,840,132
Total fund balances	396,845,605
Total liabilities and fund balance	\$ 459,523,145

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, 2019

Total fund balance for the governmental fund	<u>\$ 396,845,605</u>
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Accrued interest payable on outstanding bonds payable do not require the use of current financial resources, and accordingly, are not reported as expenditures in the governmental funds.	<u>(6,781,855)</u>
Long-term liabilities applicable to the Authority's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. Long-term debt included as net position below includes the following liabilities:	
City loan	(50,470,000)
Tax allocation revenue bonds	(327,435,000)
Refunding lease revenue bonds	(1,795,000)
Issuance discount (premium)	<u>(401,193)</u>
Subtotal	<u>(380,101,193)</u>
Total net position of governmental activities	<u>\$ 9,962,557</u>

**City of Industry
Public Facilities Authority
(A Component Unit of the City of Industry)
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Fund
For the Year Ended June 30, 2019**

	General Fund
REVENUES:	
Intergovernmental revenue	\$ 17,496
Interest income	18,472,086
Lease income	936,096
Total revenues	19,425,678
EXPENDITURES:	
Debt Service:	
Principal retirement	96,425,000
Interest and fiscal charges	22,791,147
Total expenditures	119,216,147
NET CHANGE IN FUND BALANCE	(99,790,469)
FUND BALANCE:	
Beginning of year	496,636,074
End of year	\$ 396,845,605

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 Balance to the Government-Wide Statement of Activities
For the Year Ended June 30, 2019

Net change in fund balance - governmental fund \$ (99,790,469)

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

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

Principal payments 96,425,000

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 funds:

Change in accrued interest payable, including interest expense and fiscal charges on redeemed debt 1,809,682
Net change of bond premium/discount 157,314

Change in net position of governmental activities \$ (1,398,473)

NOTES TO THE BASIC FINANCIAL STATEMENTS

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City of Industry
Public Facilities Authority
(A Component Unit of the City of Industry)
Notes to the Basic Financial Statements
For the Year Ended June 30, 2019

Note 1 – Summary of Significant Accounting Policies

A. Description of the Reporting Entity

The City of Industry Public Facilities Authority (the “PFA”) was created in 1990 by a joint exercise of power agreement and amended in 2005 between the City of Industry (the “City”) and the Industrial Urban Development Authority 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 X1 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”).

PFA exists and acts as a separate entity. The governing board of PFA consists of a commission of five members; all members of the City Council.

PFA 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. PFA was also established to borrow money for the purpose of financing the acquisition and construction of public capital improvements. PFA has the power to issue bonds, notes or other evidences of indebtedness, and to expend their proceeds.

The PFA 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. Financial statements for PFA and the City may be obtained from the Finance Department located at 15625 East Stafford Street, City of Industry, California.

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

The component unit financial statements of PFA 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 (“GASB”) 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 PFA.

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, infrastructure 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.

City of Industry
Public Facilities Authority
(A Component Unit of the City of Industry)
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2019

Note 1 – Summary of Significant Accounting Policies (Continued)

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

Fund Financial Statements

The accounts of PFA 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 or expenses, as appropriate.

Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. Fund financial statements are presented after the government-wide financial statements.

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 present 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

PFA'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.

C. Investments

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

Investments in 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 the Basic Financial Statements (Continued)
For the Year Ended June 30, 2019

Note 1 – Summary of Significant Accounting Policies (Continued)

D. Fair Value Measurement

U.S. GAAP defines fair value, establishes a framework for measuring fair value and establishes disclosures about fair value measurement. Investments, unless otherwise specified, recorded at fair value in the financial statements, are categorized based upon the level of judgment associated with the inputs used to measure their fair value.

The three levels of the fair value measurement hierarchy are described below:

- Level 1 – Inputs are unadjusted, quoted prices for identical assets or liabilities in active markets at the measurement date.
- Level 2 – Inputs, other than quoted prices included in Level 1, that are observable for the assets or liabilities through corroboration with market data at the measurement date.
- Level 3 – Unobservable inputs that reflect management’s best estimate.

E. 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 using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are recognized as expense in the period incurred on the statement of changes in net position. 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.

F. Net Position

Net Position, the difference between assets and deferred outflows of resources, less liabilities and deferred inflows of resources, 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.

G. Fund Balance

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

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

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

Committed – committed fund balances encompass the portion of net fund resources, the use of which is constrained by limitations that PFA 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. PFA has no committed fund balances at June 30, 2019.

City of Industry
Public Facilities Authority
(A Component Unit of the City of Industry)
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2019

Note 1 – Summary of Significant Accounting Policies (Continued)

G. Fund Balance (Continued)

Assigned – assigned fund balances are amounts that are constrained by PFA’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. PFA has no assigned fund balances at June 30, 2019.

Unassigned – this category represents fund balances that have not been restricted, committed, or assigned to specific purposes. PFA has no unassigned fund balances at June 30, 2019.

When both restricted and unrestricted resources are combined in a fund, expenditures are considered to be paid first from restricted resources, and then from unrestricted resources as committed, assigned, or unassigned amounts are considered to have been spent when expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

H. 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.

Note 2 – Investments

Investments as of June 30, 2019 consisted of the following:

Investments with fiscal agent	\$ 62,964,217
Investments in SA to IUDA bonds	327,435,000
Investments in City bonds	<u>51,839,600</u>
Total cash and investments	<u><u>\$ 442,238,817</u></u>

Investments with fiscal agents are restricted for future bond principal and interest payments. As of June 30, 2019 PFA’s carrying value of these funds amounted to \$62,964,217.

City of Industry
Public Facilities Authority
(A Component Unit of the City of Industry)
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2019

Note 2 – Investments (Continued)

A. Investments Authorized by the Authority’s Investment Policy

Under provision of PFA’s Investment policy, and in accordance with Section 53601 and Section 53635 of the California Government Code, PFA 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
Banker's acceptances	180 days	40%	30%
Commercial paper	270 days	25%	10%
Local Agency Investment Fund ("LAIF")	N/A	None	None
Repurchase agreements	1 year	None	None
Los Angeles County Investment Pool	N/A	None	None
U.S. corporate bonds/notes	5 years	30%	None

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

B. Investments Authorized by Debt Agreements

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

Authorized Investment Type	Maximum Maturity (in months)	Maximum Percentage Allowed	Maximum Investment in One Issuer
U.S. Treasury Obligations	None	None	None
U.S. government sponsored enterprise securities	None	None	None
Money market funds	None	None	None
Certificates of deposit	None	None	None
Commercial paper	None	None	None
Banker's acceptances	18	None	None
U.S. corporate bonds/notes	None	None	None
Municipal bonds	None	None	None
Non-investment grade bonds	None	10%	None
Exchange traded funds	None	None	None
Mortgage-backed securities	None	None	None
Investment contracts	None	None	None
LAIF	None	None	None
Foreign government bonds	None	None	None
Foreign corporate bonds/notes	None	None	None

City of Industry
Public Facilities Authority
(A Component Unit of the City of Industry)
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2019

Note 2 – Investments (Continued)

C. Fair Value Measurement

At June 30, 2019, the investment are reported at fair value. The following table presents the fair value measurement of investments on a recurring basis and the levels within the fair value hierarchy in which the fair value measurements fall at June 30, 2019:

Investment Type	Value	Fair Value Measurement Level 2 Input
Investments - unrestricted:		
City bonds	\$ 51,839,600 *	\$ 51,839,600

*Valued based on institutional bond quotes.

D. Investment in Successor Agency to Industry Urban-Development Agency

The PFA to holds the investments in SA to IUDA bonds through maturity. Accordingly, these investments are reported at amortized cost instead of fair value.

E. 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 PFA 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. PFA’s long-term investments in the Successor Agency to Industry Urban-Development Agency (“SA to IUDA”) and the City bonds have set interest rates between 3.000% and 7.750% over the life of the bonds.

Investment Type	Amounts	Weighted Average Maturity (in month)
Investments - unrestricted:		
SA to IUDA bonds	\$ 327,435,000	36.6
City bonds	51,839,600	40.5
Investment held by fiscal agent:		
Money market funds	62,964,217	N/A
	\$ 442,238,817	

City of Industry
Public Facilities Authority
(A Component Unit of the City of Industry)
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2019

Note 2 – Investments (Continued)

E. Risk Disclosures (Continued)

Credit Risk

Credit risk is generally the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical organization.

Investment Type	Total as of June 30, 2019	Minimum Legal Rating	A1	Aaa/P-1	Not Rated
Investments - unrestricted:					
SA to IUDA bonds	\$ 327,435,000	None	\$ -	\$ -	\$327,435,000
City bonds	51,839,600	None	51,839,600	-	-
Investment held by fiscal agent:					
Money market funds	62,964,217	Aaa/P-1	-	62,964,217	-
Total	\$ 442,238,817		\$ 51,839,600	\$ 62,964,217	\$327,435,000

Concentration of Credit Risk

The investment policy of PFA 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 PFA's investments are as follows:

Issuer	Investment Type	Amount
Successor Agency to Industry		
Urban-Development Agency	Municipal bonds	\$ 327,435,000
City of Industry	Municipal bonds	51,839,600

Custodial Credit Risk

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 PFA'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. PFA's investments in SA to IUDA and City bonds are held by the trustee and are discussed in further detail under Note 3.

City of Industry
Public Facilities Authority
(A Component Unit of the City of Industry)
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2019

Note 3 – Investment in the SA to the IUDA and the City Bonds

The following schedule represents the future payments to be paid by the SA to the IUDA on the 2015A and 2015B SA to IUDA Bonds and by the City on the 2015 Sales Tax Revenue Subordinate Bonds, Series B.

Year Ending June 30,	Principal	Interest	Total
2020	\$ 60,325,000	\$ 17,189,347	\$ 77,514,347
2021	62,270,000	15,226,221	77,496,221
2022	58,985,000	12,866,642	71,851,642
2023	62,535,000	10,479,319	73,014,319
2024	65,210,000	7,776,021	72,986,021
2025-2029	24,530,000	18,790,216	43,320,216
2030-2034	4,930,000	16,107,304	21,037,304
2035-2039	6,985,000	14,044,328	21,029,328
2040-2044	10,040,000	10,996,838	21,036,838
2045-2049	14,565,000	6,472,798	21,037,798
2050-2051	7,530,000	886,214	8,416,214
	<u>\$ 377,905,000</u>	<u>\$ 130,835,248</u>	<u>\$ 508,740,248</u>
Fair value adjustment	1,369,600		
Total	<u>\$ 379,274,600</u>		

Note 4 – Long-Term Liabilities

Summary of changes in long-term liabilities is as follows:

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019	Due within one year	Due in more than one year
Governmental activities:						
Bonds payable:						
Tax allocation bonds	\$ 422,510,000	\$ -	\$ (95,075,000)	\$ 327,435,000	\$ 59,805,000	\$ 267,630,000
Lease revenue bonds	2,640,000	-	(845,000)	1,795,000	880,000	915,000
Subtotal	<u>425,150,000</u>	<u>-</u>	<u>(95,920,000)</u>	<u>329,230,000</u>	<u>60,685,000</u>	<u>268,545,000</u>
Deferred amounts:						
Unamortized premium/discount	558,507	-	(157,314)	401,193	132,960	268,233
Total bonds payable	<u>425,708,507</u>	<u>-</u>	<u>(96,077,314)</u>	<u>329,631,193</u>	<u>60,817,960</u>	<u>268,813,233</u>
City of Industry Loan	50,975,000	-	(505,000)	50,470,000	520,000	49,950,000
Total long-term liabilities	<u>\$ 476,683,507</u>	<u>\$ -</u>	<u>\$ (96,582,314)</u>	<u>\$ 380,101,193</u>	<u>\$ 61,337,960</u>	<u>\$ 318,763,233</u>

City of Industry
Public Facilities Authority
(A Component Unit of the City of Industry)
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2019

Note 4 – Long-Term Liabilities (Continued)

A. Public Facilities Authority Tax Allocation Revenue Bonds

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019	Due Within One Year
Tax allocation revenue bonds:					
2015 Tax Allocation Revenue Refunding Bonds, Series A (Project No. 1)	\$ 171,345,000	\$ -	\$ (36,945,000)	\$ 134,400,000	\$ 37,925,000
2015 Tax Allocation Revenue Refunding Bonds, Series A (Project No. 2)	5,945,000	-	(735,000)	5,210,000	770,000
2015 Tax Allocation Revenue Refunding Bonds, Series B (Project No. 2)	207,485,000	-	(53,330,000)	154,155,000	16,905,000
2015 Tax Allocation Revenue Refunding Bonds, Series A (Project No. 3)	6,015,000	-	(740,000)	5,275,000	780,000
2015 Tax Allocation Revenue Refunding Bonds, Series B (Project No. 3)	31,720,000	-	(3,325,000)	28,395,000	3,425,000
Total tax allocation revenue bonds	<u>\$ 422,510,000</u>	<u>\$ -</u>	<u>\$ (95,075,000)</u>	<u>\$ 327,435,000</u>	<u>\$ 59,805,000</u>

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

On July 1, 2015, the PFA issued the \$239,525,000 Tax Allocation Revenue Refunding Bonds, Series 2015A (Civic-Recreational-Industrial Redevelopment Project No. 1) (Taxable) for the purpose of acquiring the SA to IUDA's Project No. 1 2015A Bonds, which was issued to defease all IUDA Project No. 1's 2002 Tax Allocation Refunding Bonds Series B, 2003 Tax Allocation Bonds, Series A, 2003 Tax Allocation Bonds, Series B, 2003 Subordinate Lien Tax Allocation Refunding Bonds, 2005 Subordinate Lien Tax Allocation Refunding Bonds, 2007 Subordinate Lien Tax Allocation Refunding Bonds, and 2008 Subordinate Lien Tax Allocation Refunding Bonds.

The PFA has funded its debt service bond reserve requirement by purchasing insurance in the amount of \$23,952,000.

Principal ranges from \$6,835,000 to \$39,090,000 maturing annually through January 1, 2025. The bonds bear interests at rates range from 3.139% to 4.344%, due semiannually on January 1 and July 1. Debt service requirement to maturity is as follows:

Year Ending June 30,	Principal	Interest	Total
2020	\$ 37,925,000	\$ 4,840,094	\$ 42,765,094
2021	39,090,000	3,649,628	42,739,628
2022	30,740,000	2,292,814	33,032,814
2023	9,705,000	1,118,239	10,823,239
2024	10,105,000	725,769	10,830,769
2025	6,835,000	148,456	6,983,456
	<u>\$ 134,400,000</u>	<u>\$ 12,775,000</u>	<u>\$ 147,175,000</u>

City of Industry
Public Facilities Authority
(A Component Unit of the City of Industry)
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2019

Note 4 – Long-Term Liabilities (Continued)

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

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

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

For Series A, principal ranges from \$770,000 to \$975,000 maturing annually through January 1, 2025. The bonds bear interests at rate of 5.000%, due semiannually on January 1 and July 1. Debt service requirement to maturity is as follows:

Year Ending June 30,	Principal	Interest	Total
2020	\$ 770,000	\$ 260,500	\$ 1,030,500
2021	805,000	222,000	1,027,000
2022	845,000	181,750	1,026,750
2023	885,000	139,500	1,024,500
2024	930,000	95,250	1,025,250
2025	975,000	48,750	1,023,750
	<u>\$ 5,210,000</u>	<u>\$ 947,750</u>	<u>\$ 6,157,750</u>

For Series B, the PFA early redeemed \$36,910,000 of the bonds during the year ended June 30, 2019. The remaining principal ranges from \$1,530,000 to \$48,825,000 maturing annually through January 1, 2025. The bonds bear interests at rates ranges from 3.389% to 5.044%, due semiannually on January 1 and July 1. Debt service requirement to maturity is as follows:

Year Ending June 30,	Principal	Interest	Total
2020	\$ 16,905,000	\$ 6,774,818	\$ 23,679,818
2021	17,490,000	6,201,908	23,691,908
2022	22,550,000	5,481,146	28,031,146
2023	46,855,000	4,551,860	51,406,860
2024	48,825,000	2,539,906	51,364,906
2025	1,530,000	77,174	1,607,174
	<u>\$ 154,155,000</u>	<u>\$ 25,626,812</u>	<u>\$ 179,781,812</u>

City of Industry
Public Facilities Authority
(A Component Unit of the City of Industry)
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2019

Note 4 – Long-Term Liabilities (Continued)

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

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

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

The PFA has funded its debt service reserve fund requirement by purchasing insurance in the amount of \$4,524,216.

For Series A, principal ranges from \$780,000 to \$985,000 maturing annually through January 1, 2025. The bonds bear interests at rate of 5.000%, due semiannually on January 1 and July 1. Debt service requirement to maturity is as follows:

Year Ending June 30,	Principal	Interest	Total
2020	\$ 780,000	\$ 263,750	\$ 1,043,750
2021	815,000	224,750	1,039,750
2022	855,000	184,000	1,039,000
2023	900,000	141,250	1,041,250
2024	940,000	96,250	1,036,250
2025	985,000	49,250	1,034,250
	<u>\$ 5,275,000</u>	<u>\$ 959,250</u>	<u>\$ 6,234,250</u>

For Series B, principal ranges from \$3,285,000 to \$3,990,000 maturing annually through January 1, 2027. The bonds bear interests at rates ranges from 3.000% to 5.044%, due semiannually on January 1 and July 1. Debt service requirement to maturity is as follows:

Year Ending June 30,	Principal	Interest	Total
2020	\$ 3,425,000	\$ 1,362,237	\$ 4,787,237
2021	3,530,000	1,259,487	4,789,487
2022	3,435,000	1,081,434	4,516,434
2023	3,605,000	908,172	4,513,172
2024	3,795,000	726,336	4,521,336
2025-2027	10,605,000	1,036,542	11,641,542
	<u>\$ 28,395,000</u>	<u>\$ 6,374,208</u>	<u>\$ 34,769,208</u>

City of Industry
Public Facilities Authority
(A Component Unit of the City of Industry)
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2019

Note 4 – Long-Term Liabilities (Continued)

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

Revenue pledged

All of the 2015 Tax Allocation Refunding Bonds are secured and payable in the following order of priority: 1) pledged tax revenue through ownership to local obligation bonds, 2) investment income with respect to the funds and accounts established under the indenture, and 3) certain override revenues until the bonds are fully paid off which is scheduled to be during the year ending 2027. Principal and interest payments outstanding at June 30, 2019 amounted to \$374,118,020.

At June 30, 2019, PFA and the Successor Agency had funds held by the bond trustee that was and will be used to fund the bond payments on the 2015 A & B Public Facilities Authority Tax Allocation Revenue Refunding Bonds as follows:

PFA Tax Override Funds:

Tax Override Funds transferred during the year ended June 30, 2019	\$ 61,149,385
Carryover from prior year and interest income	966,499
	62,115,884
Total Tax Override Funds Held by PFA Bond Trustee at June 30, 2019	70,166,126

Successor Agency RPTTF Funds:

Total Tax Override and SA RPTTF Funds Held by PFA Bond Trustee at June 30, 2019	\$ 132,282,010
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2015A & B PFA Tax Allocation Revenue Refunding Bond Payments during the Year Ending June 30, 2019:

Payment Date	Principal	Interest	Total
July 1, 2019	\$ -	\$ 6,750,699	\$ 6,750,699
January 1, 2020	59,805,000	6,750,699	66,555,699
	\$ 59,805,000	\$ 13,501,398	\$ 73,306,398

PFA will have approximately \$58,900,000 funds available to fund an early redemption of the 2015 A & B Public Facilities Authority Tax Allocation Revenue Refunding Bonds.

The \$61,149,385 of current tax override funds transferred during the year ended June 30, 2019 is shown as a deposit for bond payments on the accompanying balance sheet.

Prior Years Defeased Obligations

In prior years, the PFA defeased certain bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. At June 30, 2019, the PFA had redeemed all prior year bonds that are considered defeased.

City of Industry
Public Facilities Authority
(A Component Unit of the City of Industry)
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2019

Note 4 – Long-Term Liabilities (Continued)

B. Public Facilities Authority Lease Revenue Refunding Bonds

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019	Due Within One Year
Lease revenue refunding bonds					
2010 Lease Revenue Refunding Bonds	\$ 2,640,000	\$ -	\$ (845,000)	\$ 1,795,000	\$ 880,000

2010 Lease Revenue Refunding Bonds and City Certificates of Participation

In order to assist the City in financing the construction of various projects, on August 1, 2000, IUDA and the City entered into a lease agreement for certain properties owned by the City for a one-time site lease payment in the amount of \$11,000,000. The IUDA agreed to lease back these properties to the City. In conjunction with the signing of these lease agreements on August 30, 2000, the City issued \$12,620,000 of Certificates of Participation Series 2000 bonds (“2000 Certificates”) to fund IUDA’s site lease payment. Under the lease agreement, the certificates represented direct, undivided fractional interests of the owners in lease payments to be made by the City to IUDA.

The term of both leases ceased on the date in which all the outstanding 2000 Certificates were paid in full as discussed below.

In March 2010, the City terminated its lease agreement with IUDA and leased the properties to PFA under a Site Lease Agreement between the City and PFA. As consideration, PFA paid an upfront rental payment of approximately \$8,500,000 to the City for the lease of certain properties. The funds were then used by the City to prepay the 2000 Certificates. These funds were placed in an irrevocable trust to provide for all future debt service payments on the 2000 Certificates.

In order to prepay the Site Lease, PFA issued \$8,460,000 of 2010 Refunding Lease Revenue Bonds. Principal ranges from \$880,000 to \$915,000 maturing annually through August 1, 2020. The bonds bear interests at rates range from 4.125% to 4.250%, due semiannually on February 1 and August 1. Debt service requirement to maturity is as follows:

Year Ending June 30,	Principal	Interest	Total
2020	\$ 880,000	\$ 57,038	\$ 937,038
2021	915,000	19,444	934,444
	<u>\$ 1,795,000</u>	<u>\$ 76,482</u>	<u>\$ 1,871,482</u>

In order to secure payments of the bond principal and interest, PFA then leased back the property to the City in which the City is then obligated to pay semi-annual lease payments as rental payments for the leased back properties. PFA has assigned its right to receive the lease payments to U.S. Bank Trust National Association as trustee for the holders of the Refunding Lease Revenue Bonds.

The term of both leases will cease on the date on which all the outstanding principal and interest payments of the 2010 Refunding Lease Revenue Bonds are paid in full or a provision has been made for such payment, but not later than August 1, 2030.

City of Industry
Public Facilities Authority
(A Component Unit of the City of Industry)
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2019

Note 4 – Long-Term Liabilities (Continued)

B. Public Facilities Authority Lease Revenue Refunding Bonds (Continued)

2010 Lease Revenue Refunding Bonds and City Certificates of Participation (Continued)

PFA will amortize the site lease prepayment over the term of the lease as follows:

Year Ending June 30,	Lease Expense
2020	\$ 373,144
2021	373,144
2022	373,144
2023	373,144
2024	373,144
Thereafter	2,238,861

The following is a schedule of future minimum lease payments to be received by PFA and paid by the City:

Year Ending June 30,	Amount
2020	\$ 937,658
2021	937,658

C. Loans from the City of Industry

On December 1, 2015, the PFA entered into loan agreement with the City to borrow \$51,460,000 for the purchase of City of Industry Subordinate Sales Tax Revenue Bonds, Series 2015B (Taxable). The loan bears interest ranges 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 \$520,000 to \$3,905,000. As of June 30, 2019, total outstanding balance payable to the City was in the amount of \$51,998,155, which included principal in the amount of \$50,470,000 and accrued interest in the amount of \$1,528,155.

Year Ending June 30,	Principal	Interest	Total
2020	\$ 520,000	\$ 3,687,948	\$ 4,207,948
2021	540,000	3,668,448	4,208,448
2022	560,000	3,645,498	4,205,498
2023	585,000	3,620,298	4,205,298
2024	615,000	3,592,510	4,207,510
2025-2029	3,600,000	17,430,044	21,030,044
2030-2034	4,930,000	16,107,304	21,037,304
2035-2039	6,985,000	14,044,328	21,029,328
2040-2044	10,040,000	10,996,838	21,036,838
2045-2049	14,565,000	6,472,798	21,037,798
2050-2051	7,530,000	886,214	8,416,214
	<u>\$ 50,470,000</u>	<u>\$ 84,152,228</u>	<u>\$ 134,622,228</u>

City of Industry
Public Facilities Authority
(A Component Unit of the City of Industry)
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2019

Note 5 – Self-Insurance Plan

The City has established a Self-Insurance Plan (the "Plan") to pay for liability claims against the City and PFA. 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. At June 30, 2019, there are no pending liability claims outstanding against PFA.

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SUPPLEMENTARY INFORMATION

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City of Industry
Public Facilities Authority
(A Component Unit of the City of Industry)
Schedules of Long Term Debt
2010 Refunding Lease Revenue Bonds
For the Year Ended June 30, 2019

Date	Principal	Interest Rate	Interest	Debt Service	Annual Debt Service
8/1/2019	\$ 880,000	4.125%	\$ 37,594	\$ 917,594	\$ -
2/1/2020	-	4.250%	19,444	19,444	937,038
8/1/2020	915,000	4.250%	19,444	934,444	934,444
	<u>\$ 1,795,000</u>		<u>\$ 76,482</u>	<u>\$ 1,871,482</u>	<u>\$ 1,871,482</u>

City of Industry
Public Facilities Authority
(A Component Unit of the City of Industry)
Schedules of Long Term Debt (Continued)
Tax Allocation Revenue Bonds, Series 2015A (Taxable)
Civic-Recreational-Industrial Redevelopment Project No. 1
For the Year Ended June 30, 2019

Date	Principal	Interest Rate	Interest	Debt Service	Annual Debt Service
7/1/2019	\$ -	3.139%	\$ 2,420,047	\$ 2,420,047	\$ -
1/1/2020	37,925,000	3.139%	2,420,047	40,345,047	42,765,094
7/1/2020	-	3.471%	1,824,814	1,824,814	-
1/1/2021	39,090,000	3.471%	1,824,814	40,914,814	42,739,628
7/1/2021	-	3.821%	1,146,407	1,146,407	-
1/1/2022	30,740,000	3.821%	1,146,407	31,886,407	33,032,814
7/1/2022	-	4.044%	559,119	559,119	-
1/1/2023	9,705,000	4.044%	559,120	10,264,120	10,823,239
7/1/2023	-	4.244%	362,884	362,884	-
1/1/2024	10,105,000	4.244%	362,885	10,467,885	10,830,769
7/1/2024	6,835,000	4.344%	148,456	6,983,456	6,983,456
	<u>\$ 134,400,000</u>		<u>\$ 12,775,000</u>	<u>\$ 147,175,000</u>	<u>\$ 147,175,000</u>

City of Industry
Public Facilities Authority
(A Component Unit of the City of Industry)
Schedules of Long Term Debt (Continued)
Tax Allocation Revenue Bonds, Series 2015A (Taxable)
Transportation-Distribution-Industrial Redevelopment Project No. 2
For the Year Ended June 30, 2019

Date	Principal	Interest Rate	Interest	Debt Service	Annual Debt Service
7/1/2019	\$ -	5.000%	\$ 130,250	\$ 130,250	\$ -
1/1/2020	770,000	5.000%	130,250	900,250	1,030,500
7/1/2020	-	5.000%	111,000	111,000	-
1/1/2021	805,000	5.000%	111,000	916,000	1,027,000
7/1/2021	-	5.000%	90,875	90,875	-
1/1/2022	845,000	5.000%	90,875	935,875	1,026,750
7/1/2022	-	5.000%	69,750	69,750	-
1/1/2023	885,000	5.000%	69,750	954,750	1,024,500
7/1/2023	-	5.000%	47,625	47,625	-
1/1/2024	930,000	5.000%	47,625	977,625	1,025,250
7/1/2024	-	5.000%	24,375	24,375	-
1/1/2025	975,000	5.000%	24,375	999,375	1,023,750
	<u>\$ 5,210,000</u>		<u>\$ 947,750</u>	<u>\$ 6,157,750</u>	<u>\$ 6,157,750</u>

City of Industry
Public Facilities Authority
(A Component Unit of the City of Industry)
Schedules of Long Term Debt (Continued)
Tax Allocation Revenue Bonds, Series 2015B (Tax-Exempt)
Transportation-Distribution-Industrial Redevelopment Project No. 2
For the Year Ended June 30, 2019

Date	Principal	Interest Rate	Interest	Debt Service	Annual Debt Service
7/1/2019	\$ -	3.389%	\$ 3,387,409	\$ 3,387,409	\$ -
1/1/2020	16,905,000	3.389%	3,387,409	20,292,409	23,679,818
7/1/2020	-	4.121%	3,100,954	3,100,954	-
1/1/2021	17,490,000	4.121%	3,100,954	20,590,954	23,691,908
7/1/2021	-	4.121%	2,740,573	2,740,573	-
1/1/2022	22,550,000	4.121%	2,740,573	25,290,573	28,031,146
7/1/2022	-	4.294%	2,275,930	2,275,930	-
1/1/2023	46,855,000	4.294%	2,275,930	49,130,930	51,406,860
7/1/2023	-	5.044%	1,269,953	1,269,953	-
1/1/2024	48,825,000	5.044%	1,269,953	50,094,953	51,364,906
7/1/2024	-	5.044%	38,587	38,587	-
1/1/2025	1,530,000	5.044%	38,587	1,568,587	1,607,174
	<u>\$ 154,155,000</u>		<u>\$ 25,626,812</u>	<u>\$ 179,781,812</u>	<u>\$ 179,781,812</u>

City of Industry
Public Facilities Authority
(A Component Unit of the City of Industry)
Schedules of Long Term Debt (Continued)
Tax Allocation Revenue Bonds, Series 2015A (Taxable)
Transportation-Distribution-Industrial Redevelopment Project No. 3
For the Year Ended June 30, 2019

Date	Principal	Interest Rate	Interest	Debt Service	Annual Debt Service
7/1/2019	\$ -	5.000%	\$ 131,875	\$ 131,875	\$ -
1/1/2020	780,000	5.000%	131,875	911,875	1,043,750
7/1/2020	-	5.000%	112,375	112,375	-
1/1/2021	815,000	5.000%	112,375	927,375	1,039,750
7/1/2021	-	5.000%	92,000	92,000	-
1/1/2022	855,000	5.000%	92,000	947,000	1,039,000
7/1/2022	-	5.000%	70,625	70,625	-
1/1/2023	900,000	5.000%	70,625	970,625	1,041,250
7/1/2023	-	5.000%	48,125	48,125	-
1/1/2024	940,000	5.000%	48,125	988,125	1,036,250
7/1/2024	-	5.000%	24,625	24,625	-
1/1/2025	985,000	5.000%	24,625	1,009,625	1,034,250
	<u>\$ 5,275,000</u>		<u>\$ 959,250</u>	<u>\$ 6,234,250</u>	<u>\$ 6,234,250</u>

City of Industry
Public Facilities Authority
(A Component Unit of the City of Industry)
Schedules of Long Term Debt (Continued)
Tax Allocation Revenue Bonds, Series 2015B (Tax-Exempt)
Transportation-Distribution-Industrial Redevelopment Project No. 3
For the Year Ended June 30, 2019

Date	Principal	Interest Rate	Interest	Debt Service	Annual Debt Service
7/1/2019	\$ -	3.000%	\$ 681,119	\$ 681,119	\$ -
1/1/2020	3,425,000	3.000%	681,118	4,106,118	4,787,237
7/1/2020	-	5.044%	629,744	629,744	-
1/1/2021	3,530,000	5.044%	629,743	4,159,743	4,789,487
7/1/2021	-	5.044%	540,717	540,717	-
1/1/2022	3,435,000	5.044%	540,717	3,975,717	4,516,434
7/1/2022	-	5.044%	454,086	454,086	-
1/1/2023	3,605,000	5.044%	454,086	4,059,086	4,513,172
7/1/2023	-	5.044%	363,168	363,168	-
1/1/2024	3,795,000	5.044%	363,168	4,158,168	4,521,336
7/1/2024	-	5.044%	267,458	267,458	-
1/1/2025	3,990,000	5.044%	267,458	4,257,458	4,524,916
7/1/2025	-	5.044%	166,830	166,830	-
1/1/2026	3,285,000	5.044%	166,830	3,451,830	3,618,660
7/1/2026	-	5.044%	83,983	83,983	-
1/1/2027	3,330,000	5.044%	83,983	3,413,983	3,497,966
	<u>\$ 28,395,000</u>		<u>\$ 6,374,208</u>	<u>\$ 34,769,208</u>	<u>\$ 34,769,208</u>

**City of Industry
Public Facilities Authority
(A Component Unit of the City of Industry)
Schedules of Long Term Debt (Continued)
City of Industry Loan
For the Year Ended June 30, 2019**

Date	Principal	Interest Rate	Interest	Debt Service	Annual Debt Service
8/1/2019	\$ -	3.750%	\$ 1,843,974	\$ 1,843,974	\$ -
2/1/2020	520,000	3.750%	1,843,974	2,363,974	4,207,948
8/1/2020	-	4.250%	1,834,224	1,834,224	-
2/1/2021	540,000	4.250%	1,834,224	2,374,224	4,208,448
8/1/2021	-	4.500%	1,822,749	1,822,749	-
2/1/2022	560,000	4.500%	1,822,749	2,382,749	4,205,498
8/1/2022	-	4.750%	1,810,149	1,810,149	-
2/1/2023	585,000	4.750%	1,810,149	2,395,149	4,205,298
8/1/2023	-	5.000%	1,796,255	1,796,255	-
2/1/2024	615,000	5.000%	1,796,255	2,411,255	4,207,510
8/1/2024	-	5.250%	1,780,880	1,780,880	-
2/1/2025	645,000	5.250%	1,780,880	2,425,880	4,206,760
8/1/2025	-	5.550%	1,763,949	1,763,949	-
2/1/2026	680,000	5.550%	1,763,949	2,443,949	4,207,898
8/1/2026	-	5.850%	1,745,079	1,745,079	-
2/1/2027	715,000	5.850%	1,745,079	2,460,079	4,205,158
8/1/2027	-	6.150%	1,724,165	1,724,165	-
2/1/2028	755,000	6.150%	1,724,165	2,479,165	4,203,330
8/1/2028	-	6.450%	1,700,949	1,700,949	-
2/1/2029	805,000	6.450%	1,700,949	2,505,949	4,206,898
8/1/2029	-	6.750%	1,674,988	1,674,988	-
2/1/2030	860,000	6.750%	1,674,988	2,534,988	4,209,976
8/1/2030	-	7.000%	1,645,963	1,645,963	-
2/1/2031	915,000	7.000%	1,645,963	2,560,963	4,206,926
8/1/2031	-	7.250%	1,613,938	1,613,938	-
2/1/2032	980,000	7.250%	1,613,938	2,593,938	4,207,876
8/1/2032	-	7.250%	1,578,413	1,578,413	-
2/1/2033	1,050,000	7.250%	1,578,413	2,628,413	4,206,826
8/1/2033	-	7.250%	1,540,350	1,540,350	-
2/1/2034	1,125,000	7.250%	1,540,350	2,665,350	4,205,700
8/1/2034	-	7.250%	1,499,569	1,499,569	-
2/1/2035	1,205,000	7.250%	1,499,569	2,704,569	4,204,138
8/1/2035	-	7.250%	1,455,888	1,455,888	-
2/1/2036	1,295,000	7.250%	1,455,888	2,750,888	4,206,776
8/1/2036	-	7.500%	1,408,944	1,408,944	-
2/1/2037	1,390,000	7.500%	1,408,944	2,798,944	4,207,888
8/1/2037	-	7.500%	1,356,819	1,356,819	-
2/1/2038	1,490,000	7.500%	1,356,819	2,846,819	4,203,638
8/1/2038	-	7.500%	1,300,944	1,300,944	-

(Continued)

City of Industry
Public Facilities Authority
(A Component Unit of the City of Industry)
Schedules of Long Term Debt (Continued)
City of Industry Loan (Continued)
For the Year Ended June 30, 2019

Date	Principal	Interest Rate	Interest	Debt Service	Annual Debt Service
2/1/2039	\$ 1,605,000	7.500%	\$ 1,300,944	\$ 2,905,944	\$ 4,206,888
8/1/2039	-	7.500%	1,240,756	1,240,756	-
2/1/2040	1,725,000	7.500%	1,240,756	2,965,756	4,206,512
8/1/2040	-	7.500%	1,176,069	1,176,069	-
2/1/2041	1,855,000	7.500%	1,176,069	3,031,069	4,207,138
8/1/2041	-	7.750%	1,106,506	1,106,506	-
2/1/2042	1,995,000	7.750%	1,106,506	3,101,506	4,208,012
8/1/2042	-	7.750%	1,029,200	1,029,200	-
2/1/2043	2,150,000	7.750%	1,029,200	3,179,200	4,208,400
8/1/2043	-	7.750%	945,888	945,888	-
2/1/2044	2,315,000	7.750%	945,888	3,260,888	4,206,776
8/1/2044	-	7.750%	856,181	856,181	-
2/1/2045	2,495,000	7.750%	856,181	3,351,181	4,207,362
8/1/2045	-	7.750%	759,500	759,500	-
2/1/2046	2,685,000	7.750%	759,500	3,444,500	4,204,000
8/1/2046	-	7.750%	655,456	655,456	-
2/1/2047	2,900,000	7.750%	655,456	3,555,456	4,210,912
8/1/2047	-	7.750%	543,081	543,081	-
2/1/2048	3,120,000	7.750%	543,081	3,663,081	4,206,162
8/1/2048	-	7.750%	422,181	422,181	-
2/1/2049	3,365,000	7.750%	422,181	3,787,181	4,209,362
8/1/2049	-	7.750%	291,788	291,788	-
2/1/2050	3,625,000	7.750%	291,788	3,916,788	4,208,576
8/1/2050	-	7.750%	151,319	151,319	-
2/1/2051	3,905,000	7.750%	151,319	4,056,319	4,207,638
	<u>\$ 50,470,000</u>		<u>\$ 84,152,228</u>	<u>\$ 134,622,228</u>	<u>\$ 134,622,228</u>

(Concluded)