CITY OF POMONA

PUBLIC FINANCING AUTHORITY

FINANCIAL STATEMENTS

JUNE 30, 2016

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CPAs AND ADVISORS

INDEPENDENT AUDITORS' REPORT

To the Honorable Members of the Board of Directors
Pomona Public Financing Authority
City of Pomona, California

Report on the Financial Statements

We have audited the accompanying financial statements of the City of Pomona Public Financing Authority, California, (the Authority), a component unit of the City of Pomona, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Authority'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.

Auditor's Responsibility

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

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

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

203 N. Brea Blvd., Suite 203 | Brea, CA 92821 | Phone: 714.672.0022

To the Honorable Members of the Board of Directors
Pomona Public Financing Authority
City of Pomona, California

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Authority as of June 30, 2016, 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 the 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 opinion 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 January 25, 2017 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

Lance, Soll & Lunghard, LLP

Brea, California
January 25, 2017

CITY OF POMONA PUBLIC FINANCING AUTHORITY

STATEMENT OF NET POSITION
JUNE 30, 2016

	Governmental Activities
Assets:	
Cash and investments	$ 100,318
Receivables (net):	
Interest	4,302,341
Advances to the City of Pomona	167,600,000
Advances to the Successor Agency of the Former Redevelopment Agency of the City of Pomona	149,330,000
Restricted assets:	
Cash and investments	4,201,521
Total Assets	**325,534,180**
Deferred Outflows of Resources	
Deferred charges on refunding	1,142,503
Total Deferred Outflows of Resources	**1,142,503**
Liabilities:	
Accounts payable	2,000
Payroll payable	1,986
Accrued interest	4,358,374
Noncurrent liabilities:	
Due within one year	9,557,057
Due in more than one year	315,868,430
Total Liabilities	**329,787,847**
Net Position:	
Unrestricted	(3,111,164)
Total Net Position	**$ (3,111,164)**

CITY OF POMONA PUBLIC FINANCING AUTHORITY

STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2016

		Program Revenues			Governmental Activities
	Expenses	Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants	Net (Expense) Revenue and Changes in Net Position
Functions/Programs					
Primary Government:					
Governmental Activities:					
Interest on long-term debt	$ 16,085,110	$ -	$ -	$ -	$ (16,085,110)
Total Governmental Activities	**$ 16,091,844**	**$ -**	**$ -**	**$ -**	**(16,091,844)**
General Revenues:					
Interest and rentals					16,232,245
Miscellaneous					10,577
Total General Revenues					**16,242,822**
Change in Net Position					150,978
Net Position, Beginning of Year					(3,262,142)
Net Position, End of Year					**$ (3,111,164)**

CITY OF POMONA PUBLIC FINANCING AUTHORITY

BALANCE SHEET
GOVERNMENTAL FUND
JUNE 30, 2016

	Debt Service Fund
Assets:	
Cash and investments	$ 100,318
Receivables (net):	
Interest	120
Advances to the City of Pomona	167,600,000
Advances to the Successor Agency of the Former Redevelopment Agency of the City of Pomona	149,330,000
Restricted assets:	
Cash and investments	4,201,521
Total Assets	**$ 321,231,959**
Liabilities and Fund Balances:	
Liabilities:	
Accounts payable	$ 2,000
Payroll payable	1,986
Total Liabilities	**3,986**
Fund Balances:	
Nonspendable:	
Advances to the City of Pomona	167,600,000
Advances to the Successor Agency of the Former Redevelopment Agency of the City of Pomona	149,330,000
Restricted for:	
Debt service	4,297,973
Total Fund Balances	**321,227,973**
Total Liabilities and Fund Balances	**$ 321,231,959**

CITY OF POMONA PUBLIC FINANCING AUTHORITY

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUND TO THE STATEMENT OF NET POSITION JUNE 30, 2016

Fund Balances of Governmental Fund	**$ 321,227,973**
Amounts reported for governmental activities in the statement of net position are different because:	
Interest receivable on advances to the City of Pomona and the Successor Agency of the Former Redevelopment Agency of the City of Pomona does not provide current financial resources. Therefore, interest receivable is not reported as an asset in the governmental fund.	4,302,221
Long-term liabilities are not due and payable in the current period. Therefore, they are not reported in the governmental fund.	
Certificates of participation	(335,000)
Revenue bonds	(325,088,430)
Deferred charges on refunding	1,142,503
Compensated absences	(2,057)
Accrued interest payable for the current portion of interest due on long-term debt is not reported in the governmental fund.	(4,358,374)
Net Position of Governmental Activities	**$ (3,111,164)**

CITY OF POMONA PUBLIC FINANCING AUTHORITY

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUND YEAR ENDED JUNE 30, 2016

	Debt Service Fund
Revenues:	
Interest and rentals	$ 16,412,550
Miscellaneous	10,577
Total Revenues	**16,423,127**
Expenditures:	
Current:	
General government	6,734
Debt service:	
Principal retirement	9,250,000
Interest and fiscal charges	16,361,931
Total Expenditures	**25,618,665**
Excess (Deficiency) of Revenues Over (Under) Expenditures	(9,195,538)
Fund Balance:	
Beginning of year	330,423,511
End of Year	**$ 321,227,973**

CITY OF POMONA PUBLIC FINANCING AUTHORITY

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUND TO THE STATEMENT OF ACTIVITIES YEAR ENDED JUNE 30, 2016

Net Change in Fund Balances - Total Governmental Fund	**$ (9,195,538)**
Amounts reported for governmental activities in the statement of activities are different because:	
Interest income on advances receivable does not provide current financial resource. Therefore, interest income is not reported as revenue in the governmental fund. This is the net change in accrued interest receivable for the current period.	(180,305)
Repayment of long-term debt principal is an expenditure in the governmental fund, but the repayment reduces long-term liabilities in the statement of net position.	9,250,000
Compensated absences are an expenditure in the governmental fund when paid, but the payment reduces long-term liabilities in the statement of net position.	11,862
Premium or discount on bond issuance are other financing sources or uses in the governmental fund, but these are capitalized on the statement of net position so as deferred charges on refunding.	93,682
Interest expense does not require the use of current financial resources. Therefore, interest expense is not reported as an expenditure in the governmental fund. This is the net change in accrued interest for the current period.	171,277
Change in Net Position of Governmental Activities	**$ 150,978**

Note 1: Summary of Significant Accounting Policies

The financial statements of the City of Pomona Public Financing Authority (the Authority), a component unit of the City of Pomona, California (the City), have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental agencies. The Governmental Accounting Standards Boards (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the Authority's accounting policies are described below.

Description of the Reporting Entity

The Authority is a joint exercise of powers authority created by a joint powers agreement between the City, the Redevelopment Agency of the City of Pomona (the Agency) and the Redevelopment Agency of the City of West Covina, dated October 27, 1988. The purpose of the Authority is to provide, through the issuance of debt, financing necessary for the construction of public improvements. The Authority is not subject to federal or state income taxes.

The Redevelopment Agencies were dissolved as of January 31, 2012, through the Supreme Court decision on Assembly Bill 1X 26. The City of Pomona has elected to become the Successor Agency of the former Redevelopment Agency of the City of Pomona (the Successor Agency). The Successor Agency is responsible for winding down the remaining activities of the dissolved Redevelopment Agency and make payments due on enforceable obligations.

GASB Statement No. 61, *The Financial Reporting Entity – Omnibus – An Amendment of GASB Statements No. 14 and No. 34*, defines the financial reporting entity as the primary government and organizations for which the primary government is financially accountable. Financial accountability requires that (1) the primary government and the component unit have a financial benefit or burden relationship or (2) management (below the level of the elected officials) of the primary government have operational responsibility for the activities of the component unit. Since members of City Council also serve as the Board of Directors of the Authority, the City, in effect, has the ability to influence and control operations. In addition, the City has oversight responsibility for the Authority. Accordingly, the financial statements of the Authority are included in the City's Comprehensive Annual Financial Report. The Authority has the same fiscal year as the City. The Comprehensive Annual Financial Report of the City can be obtained from the Finance Department of the City.

Basis of Accounting and Measurement Focus

The accounts of the Authority are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues, and expenditures, as appropriate. Governmental 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.

Government-Wide Financial Statements

The Authority's government-wide financial statements include a Statement of Net Position and a Statement of Activities and Changes in Net Position. These financial statements present summaries of activities for the Authority.

Note 1: Summary of Significant Accounting Policies (Continued)

These financial statements are presented on an *"economic resources"* measurement focus and the accrual basis of accounting. The Statement of Activities presents changes in net assets. 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.

Governmental Fund Financial Statements

Governmental fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balance for all governmental funds. All governmental funds are accounted for using the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the balance sheets. The Statement of Revenues, Expenditures and Changes in Fund Balance presents increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets.

Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Accordingly, revenues are recorded when received in cash, except that revenues subject to accrual (generally 60 days after year-end) are recognized when due. Expenditures are recorded in the accounting period in which the related fund liability is incurred. There are no administrative expenses for the Authority as it was established to be a financing vehicle for the joint power agreement members. Accordingly, each member bears its own costs associated with a debt issuance.

Reconciliations of the Fund Financial Statements to the Government-Wide Financial Statements are provided to explain the differences created by the integrated approach of GASB Statement No. 34.

Cash and Investments

The Authority's cash and investments consist of cash and investments pooled with the City and cash and investments held by fiscal agents to meet debt obligations. Cash and investments with fiscal agents are restricted for the redemption of bonded debt and for acquisition and construction of capital projects.

Long-Term Obligations

In the Government-Wide Financial Statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities. Bond premiums and discounts and issuance costs, if material, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the Fund Financial Statements, governmental fund types recognize bond premiums and discounts, during the current period. The face amount of debt issued is reported as other financial sources. Premiums received on debt issuance are reported as other financing sources while discounts on debt issuance are reported as other financing uses.

Note 1: Summary of Significant Accounting Policies (Continued)

The Fund Financial Statements do not present long-term debt. Accordingly, long-term debt is shown as a reconciling item in the Reconciliation of the Governmental Fund Balance Sheet to the Government-Wide Statement of Net Position.

As of June 30, 2016, the Authority has debt outstanding with joint powers agreement members, the City of Pomona and its Successor Agency, and none outstanding with the City of West Covina.

Risk Management

There is limited exposure for the Authority as it was established to be a financing vehicle for the joint power agreement members.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government report deferred charges on refunding as deferred outflows of resources.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. These amounts are recognized as an inflow of resources in the period that the amounts become available.

Net Position

In the Government-Wide Financial Statements, net assets are classified as follows:

Net Investment in Capital Assets – This amount consists of capital assets net of accumulated depreciation and reduced by outstanding debt that is attributed to the acquisition, construction, or improvement of the assets.

Restricted Net Position – This amount is restricted by external creditors, grantors, contributors, or laws or regulations of other governments.

Unrestricted Net Position – This amount is all net position that does not meet the definition of “net investment in capital assets” or “restricted net position.”

Net Position Flow Assumption

Sometimes the Authority will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Authority’s policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

Note 1: Summary of Significant Accounting Policies (Continued)

Fund Balance

In the fund financial statements, government funds report the following fund balance classification:

Non-spendable Fund Balance – This includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted Fund Balance – This includes amounts that are constrained on the use of resources by either (a) external creditors, grantors, contributors, or laws of regulations of other governments or (b) by law through constitutional provisions or enabling legislation.

Committed Fund Balance – This includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest authority.

Assigned Fund Balance – This includes amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed. The governing board by Resolution No. 2011-63A gave the authority to assign amounts for specific purposes to the Finance Director.

Unassigned Fund Balance – This is the residual amounts that have not been restricted, committed, or assigned to specific purposes.

The City Council, as the City's highest level of decision-making authority, may commit fund balance for specific purposes pursuant to constraints imposed by resolution. These committed amounts cannot be used for any other purpose unless the City Council removes or changes the specified use through the same type of formal action taken to establish the commitment. City Council action to commit fund balance needs to occur within the fiscal reporting period; however the amount can be determined subsequently.

An individual governmental fund could include non-spendable resources and amounts that are restricted or unrestricted (committed, assigned, or unassigned) or any combination of those classifications. Restricted amounts are to be considered spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available and committed, assigned, then unassigned amounts are considered to have been spent when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications can be used.

Note 1: Summary of Significant Accounting Policies (Continued)

Fund Balance Flow Assumptions

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied.

It is the Authority's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities. In addition, estimates affect the reported amount of expenditures. Actual results could differ from these estimates and assumptions. Management believes that estimates are reasonable.

Note 2: Cash and Investments

The Authority's cash and investments consist of cash and investments pooled with the City and cash and investments held by fiscal agents. At June 30, 2016, the Authority had the following:

Cash and investments	$ 100,318
Restricted cash and investments	4,201,521
Total	$ 4,301,839

On February 1, 2005, the Authority issued $11,370,000 2005 Revenue Bonds, Series AL, to purchase and defease the City's 2005 Reassessment and Refunding Revenue Bonds, Series AM (Series AM Bonds). Of the $4,201,521 in cash and investments held by fiscal agent, $3,003,000 consists of the Authority's investment in the Series AM Bonds.

Cash Deposits

The California Government Code requires California banks and savings and loan associations to secure the City's cash deposits by pledging securities as collateral. This Code states that collateral pledged in this manner shall have the effect of perfecting a security interest in such collateral superior to those of a general creditor. Thus, collateral for cash deposits is considered to be held in the City's name. The market value of pledged securities must equal at least 110% of the City's cash deposits. California law also allows institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the City's total cash deposits. The City may waive collateral requirements for cash deposits, which are fully insured up to $250,000 by the Federal Deposit Insurance Corporation. The City, however, has not waived the collateralization requirements.

Note 2: Cash and Investments (Continued)

The City follows the practice of pooling cash and investments of all funds, except for funds required to be held by fiscal agents under the provisions of bond indentures. Interest income earned on pooled cash and investments is allocated on an accounting period basis to the various funds based on the quarter-end cash and investment balances. Interest income from cash and investments with fiscal agents is credited directly to the related fund.

Investments

Under the provisions of the City's investment policy, and in accordance with California Government Code, the following investments are authorized:

- Securities issued or guaranteed by the federal government or its agencies
- Bankers' acceptances that are eligible for purchase by the Federal Reserve System
- Commercial Paper, rated A-1/P-1, secured by an irrevocable line of credit or government securities
- Certificates of deposit with national and state licensed or chartered banks; federal or state savings and loan associations
- Medium-term corporate notes, rated AAA or AA
- Money market funds
- Local Agency Investment Fund (LAIF)

The City participates in an investment pool managed by the State of California titled Local Agency Investment Fund (LAIF) which had invested 2.08% of the pool investment funds in Structured Notes and Assets-Backed Securities. LAIF determines fair value on its investment portfolio based on market quotations for those securities where market quotations are readily available and based on amortized cost or best estimate for those securities where market values is not readily available. LAIF's investments are subject to credit risk with the full faith and credit of the State of California collateralizing these investments. In addition, these investments are subject to market risk as to change in interest rates.

In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools,* investments were stated at fair value at year end.

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

Risk Disclosures

Interest Rate Risk

As a means of limiting its exposure to fair value losses arising from rising interest rates, the City's investment policy (Policy) limits investments to a maximum maturity of five years. The weighted average days to maturity of the total portfolio shall not exceed the City's anticipated liquidity needs for the next six (6) months. The City is in compliance with this provision of the Policy.

Note 2: Cash and Investments (Continued)

Custodial Credit Risk

For deposits, custodial credit risk is the risk that, in the event of the failure of a deposit financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City's investment policy does not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the provision for deposits stated in the California Government Code.

Concentration of Credit Risk

The City's Policy states that not more than 20% of the portfolio shall be invested in any one entity or any one instrument to protect the City from concentration of credit risk, with the following exceptions: U.S. Treasury Obligations, governmental agencies (i.e. GNMA, FFCB, FHLB, FHLMC, FNMA, etc.), and investment pools (LAIF). In addition, purchases of commercial paper from U.S. corporations must not exceed 15% of the value of the portfolio at any time and single issuer holdings to no more than 10 percent per issuer. The City is in compliance with these provisions of the Policy.

Note 3: Advances to the City and Successor Agency

Activity for advances to the City and Successor Agency for the year ended June 30, 2016, was as follows:

Description	Balance July 1, 2015	Additions	Deletions	Balance June 30, 2016
Advances to the City of Pomona	$ 170,445,000	$ -	$ 2,845,000	$ 167,600,000
Advances to the Successor Agency of the Former Redevelopment Agency of the City of Pomona	155,255,000	-	5,925,000	149,330,000
Total	$ 325,700,000	$ -	$ 8,770,000	$ 316,930,000

Note 3: Advances to the City and Successor Agency (Continued)

Advances to the City of Pomona

The Authority advanced funds received from issuance of various debt instruments as listed below. The advances to the City have the same payment terms as the originally issued debt of the Authority.

The Authority had the following advances to the City as of June 30, 2016:

Description	Balance July 1, 2015	Additions	Deletions	Balance June 30, 2016
2002 Refunding Revenue Bonds, Series AF	$ 12,545,000	$ -	$ 225,000	$ 12,320,000
2003 Certificates of Participation, Series AG	10,785,000	-	335,000	10,450,000
2005 Lease Revenue Bonds, Series AN	19,420,000	-	65,000	19,355,000
2005 Taxable Lease Revenue Bonds, Series AP	525,000	-	525,000	-
2006 Lease Revenue Bonds, Series AU	2,310,000	-	35,000	2,275,000
2006 Taxable Lease Revenue Bonds, Series AV	10,005,000	-	135,000	9,870,000
2007 Revenue Bonds, Series AY	94,580,000	-	1,075,000	93,505,000
2007 Taxable Revenue Refunding Bonds, Series AZ	5,560,000	-	275,000	5,285,000
2007 Revenue Bonds, Series BA	14,715,000	-	175,000	14,540,000
Total	$ 170,445,000	$ -	$ 2,845,000	$ 167,600,000

2002 Refunding Revenue Bonds, Series AF

In connection with the issuance of $15,205,000 2002 Sewer Refunding Revenue Bonds, Series AF, the Authority entered into an agreement for making an advance to the City for refunding the 1996 Revenue Bonds, Series Q, as well as providing funds to refinance certain sewer obligations of the City and finance certain improvements to the City's sewer enterprise project. Under the agreement, the Authority advanced the proceeds from $15,205,000 2002 Sewer Refunding Revenue Bonds, Series AF to the City. Interest is payable on June 1 and December 1 of each year. Interest rates range from 2.0% to 4.2% on serial bonds of $3,900,000. Principal is payable in annual installments ranging from $165,000 to $790,000 through December 2043. The City will make payments to the Authority sufficient to meet its debt service requirements on the related Revenue Bonds. As of June 30, 2016, the outstanding balance is $12,320,000.

2003 Certificates of Participation, Series AG

In connection with the issuance of $13,985,000 2003 City of Pomona Certificates of Participation (COP), Series AG, the Authority entered into an agreement with the City for the purpose of making an advance to the City to provide financing to the Agency to finance certain redevelopment activities. Under the agreement, the Authority advanced the proceeds from the $13,985,000 COP to the City to provide financing to the Agency. Interest on the bonds is payable semiannually on each December 1 and June 1. The rates of interest range from 2.8% to 10% per annum. Principal payments are made once a year on June 1. The bonds are set to mature on June 1, 2034. The Agency will make payments to the Authority sufficient to meet its debt service requirements on the related COP. As of June 30, 2016, the outstanding balance is $10,450,000.

Note 3: Advances to the City and Successor Agency (Continued)

2005 Lease Revenue Bonds, Series AN

In connection with the issuance of $19,910,000 2005 Lease Revenue Bonds, Series AN, the Authority entered into an agreement with the City to provide financing to the City for the refunding of the 1995 Lease Revenue Bonds, Series P and financing certain public improvements of the City. Under the agreement, the Authority advanced the proceeds from the $19,910,000 2005 Lease Revenue Bonds, Series AN to the City. Interest on the bonds is payable semiannually on each October 1 and April 1. The rates of interest range from 3.00% to 4.375% per annum. Principal is payable in annual installments ranging from $45,000 to $1,460,000. The City will make payments to the Authority sufficient to meet its debt service requirements on the related Lease Revenue Bonds. As of June 30, 2016, the outstanding balance is $19,355,000.

2005 Taxable Lease Revenue Bonds, Series AP

In connection with the issuance of $4,385,000 2005 Taxable Lease Revenue Bonds, Series AP, the Authority entered into an agreement with the City to provide financing to the City for the refunding of the 1995 Lease Revenue Bonds, Series P and financing certain public improvements of the City. Under the agreement, the Authority advanced the proceeds from the $4,385,000 2005 Lease Revenue Bonds, Series AP to the City. Interest on the bonds is payable semiannually on each October 1 and April 1. The rates of interest range from 4.120% to 4.300% per annum. Principal is payable in annual installments ranging from $370,000 to $525,000. The City will make payments to the Authority sufficient to meet its debt service requirements on the related Taxable Lease Revenue Bonds. As of June 30, 2016, the outstanding balance is paid off.

2006 Lease Revenue Bonds, Series AU

In connection with the issuance of $2,540,000 2006 Lease Revenue Bonds, Series AU, the Authority entered into an agreement with the City to provide financing to the City for the refinancing of certain obligations of the City in connection with the City's Certificates of Participation, 2002 Series AE (Mission Promenade Project) and financing certain public improvements of the City. Under the agreement, the Authority advanced the proceeds from the $2,540,000 2006 Lease Revenue Bonds, Series AU to the City. Interest on the bonds is payable semiannually on each June 1 and December 1. The rates of interest range from 3.250% to 4.375% per annum. Principal is payable in annual installments ranging from $25,000 to $310,000. The City will make payments to the Authority sufficient to meet its debt service requirements on the related 2006 Lease Revenue Bonds, Series AU. As of June 30, 2016, the outstanding balance is $2,275,000.

2006 Taxable Lease Revenue Bonds, Series AV

In connection with the issuance of $10,790,000 2006 Taxable Lease Revenue Bonds, Series AV, the Authority entered into an agreement with the City to provide financing to the City for the refinancing of certain obligations of the City in connection with the City's Certificates of Participation, 2002 Series AE (Mission Promenade Project) and financing certain public improvements of the City. Under the agreement, the Authority advanced the proceeds from the $10,790,000 2006 Taxable Lease Revenue Bonds, Series AV to the City. Interest on the bonds is payable semiannually on each June 1 and December 1. The rates of interest range from 5.00% to 5.70% per annum. Principal is payable in annual installments ranging from $95,000 to $665,000. The City will make payments to the Authority sufficient to meet its debt service requirements on the related 2006 Taxable Lease Revenue Bonds, Series AV. As of June 30, 2016, the outstanding balance is $9,870,000.

Note 3: Advances to the City and Successor Agency (Continued)

2007 Revenue Bonds, Series AY

In connection with the issuance of $99,370,000 2007 Revenue Bonds, Series AY, the Authority entered into an agreement with the City to provide funds to partially refund the Authority's 1999 Refunding Revenue Bonds, Series AA (now retired) and 1999 Revenue Bonds, Series AC (now retired), and to finance the acquisition and construction of certain improvements to the Water Enterprise Fund of the City. Under the agreement, the Authority advanced the proceeds from the $99,370,000 2007 Revenue Bonds, Series AY to the City. Interest on the bonds is payable semiannually on each November 1 and May 1. The rates of interest range from 4.00% to 5.00% per annum. Principal is payable in annual installments ranging from $885,000 to $6,040,000. The City will make payments to the Authority sufficient to meet its debt service requirements on the related 2007 Revenue Bonds, Series AY. As of June 30, 2016, the outstanding balance is $93,505,000.

2007 Taxable Revenue Refunding Bonds, Series AZ

In connection with the issuance of $6,930,000 2007 Taxable Revenue Refunding Bonds, Series AZ, the Authority entered into an agreement with the City to provide funds to partially refund the Authority's 1999 Refunding Revenue Bonds, Series AA (now retired) and 1999 Revenue Bonds, Series AC (now retired), and to finance the acquisition and construction of certain improvements to the Water Enterprise Fund of the City. Under the agreement, the Authority advanced the proceeds from the $6,930,000 2007 Taxable Revenue Refunding Bonds, Series AZ to the City. Interest on the bonds is payable semiannually on each November 1 and May 1. The rates of interest range from 5.267% to 5.650% per annum. Principal is payable in annual installments ranging from $200,000 to $555,000. The City will make payments to the Authority sufficient to meet its debt service requirements on the related 2007 Taxable Revenue Refunding Bonds, Series AZ. As of June 30, 2016, the outstanding balance is $5,285,000.

2007 Revenue Bonds, Series BA

In connection with the issuance of $15,575,000 2007 Revenue Bonds, Series BA, the Authority entered into an agreement with the City to provide funds to finance certain improvements to the City's Sewer Enterprise Fund (Project). Under the agreement, the Authority advanced the proceeds from the $15,575,000 2007 Revenue Bonds, Series BA to the City. Interest on the bonds is payable semiannually on each June 1 and December 1. The rates of interest range from 3.625% to 5.000% per annum. Principal is payable in annual installments ranging from $110,000 to $1,595,000. The City will make payments to the Authority sufficient to meet its debt service requirements on the related 2007 Revenue Bonds, Series BA. As of June 30, 2016, the outstanding balance is $14,540,000.

Note 3: Advances to the City and Successor Agency (Continued)

Advances to the Successor Agency of the Former Redevelopment Agency of the City of Pomona

The Authority advanced to the Successor Agency funds received from issuance of various debt instruments as listed below. The advances have the same payment terms as the originally issued debt of the Authority.

The Authority had the following advances to the Successor Agency as of June 30, 2016:

Description	Balance July 1, 2015	Additions	Deletions	Balance June 30, 2016
1998 Refunding Revenue Bonds, Series W	$ 35,780,000	$ -	$ 450,000	$ 35,330,000
2001 Revenue Refunding Bonds, Series AD	30,300,000	-	2,110,000	28,190,000
2003 Revenue Refunding Bonds, Series AH	18,545,000	-	1,380,000	17,165,000
2005 Taxable Housing Tax Revenue Bonds, Series AQ	7,990,000	-	310,000	7,680,000
2006 Revenue Bonds, Series AS	25,875,000	-	70,000	25,805,000
2006 Taxable Revenue Bonds, Series AT	6,875,000	-	420,000	6,455,000
2006 Subordinate Revenue Bonds, Series AX	22,510,000	-	910,000	21,600,000
2007 Subordinate Revenue Bonds, Series AW	7,380,000	-	275,000	7,105,000
Total	$ 155,255,000	$ -	$ 5,925,000	$ 149,330,000

The Successor Agency is experiencing future uncertainties. As such, though management believes it would be remote, the Successor Agency could default on its payment terms. This potential event is not reflected in the financial statements of the Authority.

1998 Revenue Refunding Bonds, Series W

In connection with the issuance of $52,335,000 1998 Refunding Revenue Bonds, Series W, the Authority entered into an agreement with the Successor Agency to advance the proceeds of the 1998 Refunding Revenue Bonds, Series W, to the Successor Agency to defease and retire certain obligations of the Successor Agency, as well as to provide funds for certain redevelopment projects. Interest on the bonds is payable semiannually on each August 1 and February 1. The rates of interest range from 3.8% to 5% per annum. Principal is payable in annual installments ranging from $30,000 to $4,105,000. The Successor Agency will make payments to the Authority sufficient to meet its debt service requirements on the Revenue Bonds. As of June 30, 2016, the outstanding balance is $35,330,000.

2001 Revenue Refunding Bonds, Series AD

In connection with the issuance of $39,165,000 2001 Revenue Bonds, Series AD, the Authority entered into an agreement with the Successor Agency to advance the proceeds of the 2001 Revenue Bonds, Series AD, to the Successor Agency to defease and retire certain obligations of the Successor Agency, as well as to provide funds for certain redevelopment projects. Interest on the bonds is payable semiannually on each August 1 and February 1. The rates of interest range from 3.50% to 5.125% per annum. Principal is payable in annual installments ranging from $95,000 to $2,470,000. The Successor Agency will make payments to the Authority sufficient to meet its debt service requirements on the related Revenue Bonds. As of June 30, 2016, the outstanding balance is $28,190,000.

Note 3: Advances to the City and Successor Agency (Continued)

2003 Revenue Refunding Bonds, Series AH

In connection with the issuance of $46,650,000 2003 Revenue Bonds, Series AH, the Authority entered into an agreement with the Successor Agency to advance the proceeds of the 2003 Revenue Bonds, Series AH, to the Successor Agency to defease and retire certain obligations of the Successor Agency, as well as to provide funds for certain redevelopment projects. Interest on the bonds is payable semiannually on each August 1 and February 1. The rates of interest range from 3.70% to 5.25% per annum. Principal is payable in annual installments ranging from $370,000 to $4,870,000. The Successor Agency will make payments to the Authority sufficient to meet its debt service requirements on the related Revenue Bonds. As of June 30, 2016, the outstanding balance is $17,165,000.

2005 Taxable Housing Tax Revenue Bonds, Series AQ

In connection with the issuance of $10,065,000 2005 Taxable Housing Tax Revenue Bonds, Series AQ, the Authority entered into an agreement with the Successor Agency to advance the proceeds of the 2005 Taxable Housing Tax Revenue Bonds, Series AQ, to the Successor Agency for the purpose of financing redevelopment activities with respect to the Merged Redevelopment Project Area. Interest on the bonds is payable semiannually on each August 1 and February 1. The rates of interest range from 5.23% to 6.25% per annum. Principal is payable in annual installments ranging from $100,000 to $750,000. The Successor Agency will make payments to the Authority sufficient to meet its debt service requirements on the related Taxable Housing Tax Revenue Bonds. As of June 30, 2016, the outstanding balance is $7,680,000.

2006 Revenue Bonds, Series AS

In connection with the issuance of $26,305,000 2006 Revenue Bonds, Series AS, the Authority entered into an agreement with the Successor Agency to make a loan to the Successor Agency for the purpose of refinancing a portion of the Authority's 1998 Refunding Revenue Bonds, Series W, 2003 Revenue Bonds, Series AH, and 2003 Subordinate Revenue Bonds, Series AI (now retired). Interest on the bonds is payable semiannually on each August 1 and February 1. The rates of interest range from 3.50% to 5.00% per annum. Principal is payable in annual installments ranging from $65,000 to $5,400,000. The Successor Agency will make payments to the Authority sufficient to meet its debt service requirements on the related 2006 Revenue Bonds, Series AS. As of June 30, 2016, the outstanding balance is $25,805,000.

2006 Taxable Revenue Bonds, Series AT

In connection with the issuance of $8,355,000 2006 Taxable Revenue Bonds, Series AT, the Authority entered into an agreement with the Successor Agency to make a loan to the Successor Agency for the purpose of refinancing a portion of the Authority's 1998 Refunding Revenue Bonds, Series W, 2003 Revenue Bonds, Series AH, 1998 Tax Allocation Refunding Bonds, Series X (now retired), and 1998 Tax Allocation Refunding Bonds, Series Y (now retired). Interest on the bonds is payable semiannually on each August 1 and February 1. The rates of interest range from 5.289% to 5.718% per annum. Principal is payable in annual installments ranging from $340,000 to $760,000. The Successor Agency will make payments to the Authority sufficient to meet its debt service requirements on the related 2006 Taxable Revenue Bonds, Series AT. As of June 30, 2016, the outstanding balance is $6,455,000.

Note 3: Advances to the City and Successor Agency (Continued)

2006 Subordinate Revenue Bonds, Series AX

In connection with the issuance of $25,865,000 2006 Subordinate Revenue Bonds, Series AX, the Authority entered into an agreement with the Successor Agency to make a loan to the Successor Agency for the purpose of refinancing a portion of the Authority's 1998 Refunding Revenue Bonds, Series W (now retired), 2003 Revenue Bonds, Series AH, and 2003 Subordinate Revenue Bonds, Series AI (now retired), and financing certain improvements in the Agency's Merged Redevelopment Project. Interest on the bonds is payable semiannually on each August 1 and February 1. The rates of interest range from 4.00% to 5.00% per annum. Principal is payable in annual installments ranging from $145,000 to $1,515,000. The Successor Agency will make payments to the Authority sufficient to meet its debt service requirements on the related 2006 Subordinate Revenue Bonds, Series AX. As of June 30, 2016, the outstanding balance is $21,600,000.

2007 Subordinate Revenue Bonds, Series AW

In connection with the issuance of $8,375,000 2007 Subordinate Revenue Bonds, Series AW, the Authority entered into an agreement to provide funds for a loan to the Successor Agency for certain improvements, funding a reserve account for the Bonds and paying costs of issuing the Bonds. Interest on the Bonds is payable semiannually on each February 1 and August 1. The rates of interest range from 4.25% to 5.125% per annum. Principal on $1,348,000 of the subordinate bonds is payable in annual installments ranging from $230,000 to $285,000. As of June 30, 2016, the outstanding balance is $7,105,000.

Note 4: Long-Term Obligations

A summary of the long-term debt transactions of the Governmental Activities for the year ended June 30, 2016, is presented below:

	Balance July 1, 2015	Additions	Deletions	Balance June 30, 2016	Due Within One Year
Certificates of participation	$ 11,336,191	$ -	$ 365,622	$ 10,970,569	$ 355,000
Revenue bonds	323,516,644	-	9,063,783	314,452,861	9,200,000
Compensated absences	13,919	9,418	21,280	2,057	2,057
Total	$ 343,914,701	$ 9,418	$ 9,450,685	$ 325,425,487	$ 9,557,057

Certificates of Participation

	Balance July 1, 2015	Additions	Deletions	Balance June 30, 2016	Due Within One Year
2003 Certificates of Participation Series AG	$ 10,785,000	$ -	$ 335,000	$ 10,450,000	$ 355,000
Unamortized Premium	551,191	-	30,622	520,569	-
Total	$ 11,336,191	$ -	$ 365,622	$ 10,970,569	$ 355,000

Note 4: Long-Term Obligations (Continued)

2003 Certificates of Participation, Series AG – Original Issuance $13,985,000

On July 1, 2003, the Authority issued $13,985,000 City of Pomona Certificates of Participation, 2003 Series AG, to provide funds to the City to finance certain public improvements, including street improvements throughout the City. Interest on the bonds is payable semiannually on each December 1 and June 1. The rates of interest range from 2.8% to 10% per annum. Principal payments are made once a year on June 1. The bonds are set to mature on June 1, 2034. The Authority realized an original premium of approximately $918,655 and incurred cost of issuance of approximately $725,000.

The annual debt service requirement outstanding at June 30, 2016, is as follows:

	Principal	Interest	Total
2016-2017	$ 355,000	$ 574,750	$ 929,750
2017-2018	375,000	555,225	930,225
2018-2019	395,000	534,600	929,600
2019-2020	415,000	512,875	927,875
2020-2021	440,000	490,050	930,050
2021-2026	2,585,000	2,060,575	4,645,575
2026-2031	3,380,000	1,266,375	4,646,375
2031-2034	2,505,000	280,500	2,785,500
Total	$ 10,450,000	$ 6,274,950	$ 16,724,950

The following is a summary of the 2003 Certificate of Participation, Series AG unamortized premium outstanding at June 30, 2016:

Balance July 1, 2015	Additions	Deletions	Balance June 30, 2016
$ 551,191	$ -	$ 30,622	$ 520,569

Amortization expense was $30,622 for the period ended June 30, 2016.

Note 4: Long-Term Obligations (Continued)

Revenue Bonds

Description	Balance July 1, 2015	Additions	Deletions	Balance June 30, 2016	Due Within One Year
1998 Revenue Refunding Bonds, Series W	$ 35,780,000	$ -	$ 450,000	$ 35,330,000	$ 470,000
2001 Revenue Refunding Bonds, Series AD	30,300,000	-	2,110,000	28,190,000	2,120,000
2002 Revenue Refunding Bonds, Series AF	12,545,000	-	225,000	12,320,000	240,000
2003 Revenue Refunding Bonds, Series AH	18,545,000	-	1,380,000	17,165,000	1,440,000
2005 Subordinate Revenue Bonds, Series AL	3,915,000	-	480,000	3,435,000	505,000
2005 Lease Revenue Bonds, Series AN	19,420,000	-	65,000	19,355,000	625,000
2005 Taxable Lease Revenue Bonds, Series AP	525,000	-	525,000	-	-
2005 Taxable Housing Tax Revenue Bonds, Series AQ	7,990,000	-	310,000	7,680,000	325,000
2006 Lease Revenue Bonds, Series AU	2,310,000	-	35,000	2,275,000	30,000
2006 Taxable Lease Revenue Bonds, Series AV	10,005,000	-	135,000	9,870,000	145,000
2006 Revenue Bonds, Series AS	25,875,000	-	70,000	25,805,000	65,000
2006 Taxable Revenue Bonds, Series AT	6,875,000	-	420,000	6,455,000	440,000
2007 Subordinate Revenue Bonds, Series AW	7,380,000	-	275,000	7,105,000	285,000
2006 Subordinate Revenue Bonds, Series AX	22,510,000	-	910,000	21,600,000	920,000
2007 Revenue Bonds, Series AY	94,580,000	-	1,075,000	93,505,000	1,130,000
Series AY's Unamortized Bonds Premium	4,686,644	-	148,783	4,537,861	-
2007 Taxable Revenue Refunding Bonds, Series AZ	5,560,000	-	275,000	5,285,000	285,000
2007 Revenue Bonds, Series BA	14,715,000	-	175,000	14,540,000	175,000
Total	$ 323,516,644	$ -	$ 9,063,783	$ 314,452,861	$ 9,200,000
2006 Lease Revenue Bonds, Series AU					
Unamortized Deferred Charges on Refunding	$ (126,561)	$ -	$ (7,031)	$ (119,530)	
2007 Revenue Bonds, Series AY					
Unamortized Deferred Charges on Refunding	(1,101,665)	-	(78,692)	(1,022,973)	
Total	$ (1,228,226)	$ -	$ (85,723)	$ (1,142,503)	

1998 Refunding Revenue Bonds, Series W – Original Issuance $52,335,000

On March 1, 1998, the Authority issued $52,335,000 1998 Revenue Refunding Bonds, Series W for the purpose of making an advance to the Successor Agency for refinancing the 1983 Refunding Southwest Pomona RDA Tax Allocation Bonds, refinancing in whole the 1994 variable Rate Demand Refunding Revenue Bonds, Series M Bonds, and refinancing a portion of the 1993 Local Successor Agency Revenue Bonds, Series L. These prior bonds, now retired, were issued to finance or refinance certain improvements in the Southwest Pomona Redevelopment Area.

Interest on the bonds is payable semiannually on each August 1 and February 1. The rates of interest range from 3.8% to 5% per annum. Principal is payable in annual installments ranging from $30,000 to $4,105,000. Term bonds of $3,005,000, $16,690,000 and $29,285,000 mature on February 1, 2018, February 1, 2024 and February 1, 2030, respectively, and are subject to mandatory redemption from a sinking fund account in amounts ranging from $545,000 to $5,495,000, as outlined in the bond’s official statement. MBIA has issued a municipal bond insurance policy that insures the payment of the principal and interest on the bonds when due. During 2007, the bonds in the amount of $13,305,000 were refunded by the 2006 Revenue Bonds, Series AS, 2006 Taxable Revenue Bonds, Series AT and 2006 Subordinate Revenue Bonds, Series AX.

Note 4: Long-Term Obligations (Continued)

The annual debt service requirement for the 1998 Revenue Bonds, Refunding Series W outstanding at June 30, 2016, is as follows:

	Principal	Interest	Total
2016-2017	$ 470,000	$ 1,766,500	$ 2,236,500
2017-2018	495,000	1,743,000	2,238,000
2018-2019	520,000	1,718,250	2,238,250
2019-2020	545,000	1,692,250	2,237,250
2020-2021	2,645,000	1,665,000	4,310,000
2021-2026	15,365,000	6,202,250	21,567,250
2026-2030	15,290,000	1,958,000	17,248,000
Total	$ 35,330,000	$ 16,745,250	$ 52,075,250

2001 Revenue Refunding Bonds, Series AD – Original Issuance $39,165,000

On April 1, 2001, the Authority issued $39,165,000 2001 Revenue Bonds, Series AD for the purpose of making an advance to the Successor Agency to refinance certain prior bonds and to make an additional advance to the Successor Agency to provide financing for certain improvements in the merged project area. Tax Allocation Bonds defeased include the 1997 Refunding RDA Series S, 1997 Refunding Series T, 1998 Refunding Series U, 1998 Refunding Subordinate Series V and 1998 Refunding Series Z; 1993 Refunding Series L Revenue Bonds were partially defeased.

Interest on the bonds is payable semiannually on each August 1 and February 1. The rates of interest range from 3.50% to 5.125% per annum. Principal is payable in annual installments ranging from $95,000 to $2,470,000. Term bonds of $10,550,000, $10,115,000 and $7,525,000 mature on February 1, 2021, February 1, 2027 and February 1, 2033, respectively, and are subject to mandatory redemption from a sinking fund account in amounts ranging from $445,000 to $2,470,000, as outlined in the bond's official statement.

The annual debt service requirement for the 2001 Revenue Bonds, Series AD outstanding at June 30, 2016, is as follows:

	Principal	Interest	Total
2016-2017	$ 2,120,000	$ 1,409,500	$ 3,529,500
2017-2018	2,350,000	1,303,500	3,653,500
2018-2019	2,470,000	1,186,000	3,656,000
2019-2020	2,175,000	1,062,500	3,237,500
2020-2021	1,435,000	953,750	2,388,750
2021-2026	8,345,000	3,621,500	11,966,500
2026-2031	7,945,000	1,452,750	9,397,750
2031-2034	1,350,000	89,750	1,439,750
Total	$ 28,190,000	$ 11,079,250	$ 39,269,250

Note 4: Long-Term Obligations (Continued)

2002 Sewer Refunding Revenue Bonds, Series AF – Original Issuance $15,205,000

On October 1, 2002, the Authority issued $15,205,000 2002 Sewer Refunding Revenue Bonds, Series AF, for the purpose of making an advance to the City's Sewer Fund for refunding the 1996 Revenue Bonds, Series Q, as well as provide funds to refinance certain sewer obligations of the City of Pomona and to finance certain improvements to the City's sewer enterprise project.

Interest is payable on June 1 and December 1 of each year. Interest rates range from 2.0% to 4.2% on serial bonds of $3,900,000. Principal is payable in annual installments ranging from $165,000 to $790,000 through December 2043. Term bonds of $1,210,000, $1,075,000, $2,620,000, $2,815,000 and $3,585,000 mature on December 1, 2023, 2026, 2032, 2037, and December 1, 2042, respectively.

This advance refunding has increased the aggregate debt service payments that were required for the Refunded Bonds by approximately $1,588,000 and provided an economic loss (difference between the present value of the new and old debt service payments) of approximately $1,500,000.

The annual debt service requirement outstanding at June 30, 2016, is as follows:

	Principal	Interest	Total
2016-2017	$ 240,000	$ 577,175	$ 817,175
2017-2018	245,000	567,625	812,625
2018-2019	260,000	557,395	817,395
2019-2020	270,000	546,395	816,395
2020-2021	280,000	534,425	814,425
2021-2026	1,630,000	2,464,450	4,094,450
2026-2031	2,045,000	2,051,688	4,096,688
2031-2036	2,555,000	1,525,325	4,080,325
2036-2041	3,255,000	807,375	4,062,375
2041-2043	1,540,000	78,000	1,618,000
Total	$ 12,320,000	$ 9,709,853	$ 22,029,853

2003 Revenue Refunding Bonds, Series AH – Original Issuance $46,650,000

On November 1, 2003, the Authority issued $46,650,000 2003 Revenue Bonds, Series AH, to provide funds for a loan to the Successor Agency for certain improvements and to refinance certain Successor Agency obligations to the Authority, including defeasance of 1993 Series L.

Interest on the bonds is payable semiannually on each August 1 and February 1. The rates of interest range from 3.70% to 5.25% per annum. Principal is payable in annual installments ranging from $370,000 to $4,870,000. Term bonds of $2,410,000 and $10,145,000 mature on February 28, 2028 and 2034, respectively.

During 2007, the bonds in the amount of $17,110,000 were refunded by the 2006 Revenue Bonds, Series AS, 2006 Taxable Revenue Bonds, Series AT, and 2006 Subordinate Revenue Bonds, Series AX.

Note 4: Long-Term Obligations (Continued)

The annual debt service requirement for the 2003 Revenue Bonds, Series AH outstanding at June 30, 2016, is as follows:

	Principal	Interest	Total
2016-2017	$ 1,440,000	$ 844,978	$ 2,284,978
2017-2018	1,520,000	785,938	2,305,938
2018-2019	1,540,000	706,138	2,246,138
2019-2020	1,805,000	625,288	2,430,288
2020-2021	370,000	530,525	900,525
2021-2026	2,070,000	2,388,465	4,458,465
2026-2031	6,990,000	1,820,410	8,810,410
2031-2035	1,430,000	132,413	1,562,413
Total	$ 17,165,000	$ 7,834,155	$ 24,999,155

2005 Subordinate Revenue Bonds, Series AL – Original Issuance $11,370,000

On February 1, 2005, the Authority issued $11,370,000 2005 Subordinate Revenue Bonds, Series AL to purchase 2005 Reassessment and Refunding Revenue Bonds, Series AM, to finance certain capital improvements in the City and to fund a reserve account for the Bonds.

Interest on the bonds is payable semiannually on each September 2 and March 2, commencing September 2, 2005. The rates of interest range from 2.50% to 5.10% per annum. Principal on the subordinate revenue bonds is payable in annual installments ranging from $275,000 to $955,000.

During 2008, the bonds in the amount of $1,975,000 were called.

The annual debt service requirement for the 2005 Revenue Bonds, Series AL outstanding at June 30, 2016, is as follows:

	Principal	Interest	Total
2016-2017	$ 505,000	$ 157,385	$ 662,385
2017-2018	530,000	132,671	662,671
2018-2019	555,000	106,423	661,423
2019-2020	585,000	78,270	663,270
2020-2021	615,000	48,270	663,270
2021-2022	645,000	16,448	661,448
Total	$ 3,435,000	$ 539,467	$ 3,974,467

Note 4: Long-Term Obligations (Continued)

2005 Lease Revenue Bonds, Series AN – Original Issuance $19,910,000

On May 1, 2005, the Authority issued $19,910,000 2005 Lease Revenue Bonds, Series AN, to refinance certain obligations of the City in connection with the Authority's 1995 Lease Revenue Bonds, Series P (now retired) and finance certain public improvements of the City.

Interest on the bonds is payable semiannually on each October 1 and April 1. The rates of interest range from 3.00% to 4.375% per annum. Principal is payable in annual installments ranging from $45,000 to $1,460,000. The bonds are secured by certain revenues consisting of certain Lease Payments with respect to the leased property by the City.

The annual debt service requirement for the 2005 Lease Revenue Bonds, Series AN outstanding at June 30, 2016, is as follows:

	Principal	Interest	Total
2016-2017	$ 625,000	$ 893,723	$ 1,518,723
2017-2018	650,000	869,173	1,519,173
2018-2019	675,000	842,998	1,517,998
2019-2020	700,000	815,060	1,515,060
2020-2021	730,000	785,110	1,515,110
2021-2026	4,150,000	3,439,676	7,589,676
2026-2031	5,190,000	2,332,750	7,522,750
2031-2036	6,635,000	861,875	7,496,875
Total	$ 19,355,000	$ 10,840,365	$ 30,195,365

2005 Taxable Lease Revenue Bonds, Series AP – Original Issuance $4,385,000

On May 1, 2005, the Authority issued $4,385,000 2005 Taxable Lease Revenue Bonds, Series AP, to refinance certain obligations of the City in connection with the Authority's 1995 Lease Revenue Bonds, Series P (now retired) and finance certain public improvements of the City.

Interest on the bonds is payable semiannually on each October 1 and April 1. The rates of interest range from 4.120% to 4.300% per annum. Principal is payable in annual installments ranging from $370,000 to $525,000. The bonds are secured by certain revenues consisting of certain Lease Payments with respect to the leased property by the City.

At June 30, 2016, the bonds were paid off.

Note 4: Long-Term Obligations (Continued)

2005 Taxable Housing Tax Revenue Bonds, Series AQ Original Issuance $10,065,000

On December 1, 2005, the Authority issued $10,065,000 2005 Taxable Housing Tax Revenue Bonds, Series AQ, to provide funds to make a loan to the Successor Agency for the purpose of financing redevelopment activities with respect to the Merged Redevelopment Project Area.

Interest on the bonds is payable semiannually on each August 1 and February 1. The rates of interest range from 5.23% to 6.25% per annum. Principal is payable in annual installments ranging from $100,000 to $750,000. The bonds are secured by the Housing Tax Revenues to be derived from the Merged Redevelopment Project Area.

The annual debt service requirement for the 2005 Taxable Housing Tax Revenue Bonds, Series AQ outstanding at June 30, 2016, is as follows:

	Principal	Interest	Total
2016-2017	$ 325,000	$ 471,613	$ 796,613
2017-2018	345,000	451,300	796,300
2018-2019	365,000	429,738	794,738
2019-2020	390,000	406,925	796,925
2020-2021	415,000	382,550	797,550
2021-2026	2,485,000	1,491,188	3,976,188
2026-2031	3,355,000	627,300	3,982,300
Total	$ 7,680,000	$ 4,260,614	$ 11,940,614

2006 Lease Revenue Bonds, Series AU – Original Issuance $2,540,000

On December 6, 2006, the Authority issued $2,540,000 2006 Lease Revenue Bonds, Series AU, to refinance certain obligations of the City in connection with the City's Certificates of Participation, 2002 Series AE (Mission Promenade Project) and finance certain public improvements of the City.

Interest on the bonds is payable semiannually on each June 1 and December 1. The rates of interest range from 3.250% to 4.375% per annum. Principal is payable in annual installments ranging from $25,000 to $310,000. The bonds are secured by certain revenues consisting of certain Lease Payments with respect to the leased property by the City.

Note 4: Long-Term Obligations (Continued)

The annual debt service requirement for the 2006 Lease Revenue Bonds, Series AU outstanding at June 30, 2016, is as follows:

	Principal	Interest	Total
2016-2017	$ 30,000	$ 97,055	$ 127,055
2017-2018	35,000	95,975	130,975
2018-2019	35,000	94,680	129,680
2019-2020	35,000	93,350	128,350
2020-2021	40,000	91,985	131,985
2021-2026	220,000	434,379	654,379
2026-2031	270,000	385,081	655,081
2031-2036	415,000	315,806	730,806
2036-2041	520,000	217,875	737,875
2041-2045	675,000	86,406	761,406
Total	$ 2,275,000	$ 1,912,593	$ 4,187,593

The following is a summary of unamortized deferred loss on refunding outstanding at June 30, 2016:

Balance July 1, 2015	Additions	Deletions	Balance June 30, 2016
$ (126,561)	$ -	$ (7,031)	$ (119,530)

Amortization expense was $7,031 for the period ended June 30, 2016.

2006 Taxable Lease Revenue Bonds, Series AV – Original Issuance $10,790,000

On December 6, 2006, the Authority issued $10,790,000 2006 Taxable Lease Revenue Bonds, Series AV, to refinance certain obligations of the City in connection with the City's Certificates of Participation, 2002 Series AE (Mission Promenade Project) and finance certain public improvements of the City.

Interest on the bonds is payable semiannually on each June 1 and December 1. The rates of interest range from 5.00% to 5.70% per annum. Principal is payable in annual installments ranging from $95,000 to $665,000. The bonds are secured by certain revenues consisting of certain lease payments with respect to the leased property by the City.

Note 4: Long-Term Obligations (Continued)

The annual debt service requirement for the 2006 Taxable Lease Revenue Bonds, Series AV outstanding at June 30, 2015, is as follows:

	Principal	Interest	Total
2016-2017	$ 145,000	$ 558,170	$ 703,170
2017-2018	150,000	550,920	700,920
2018-2019	160,000	542,520	702,520
2019-2020	170,000	533,560	703,560
2020-2021	175,000	524,040	699,040
2021-2026	1,050,000	2,460,320	3,510,320
2026-2031	1,375,000	2,131,600	3,506,600
2031-2036	1,810,000	1,698,560	3,508,560
2036-2041	2,385,000	1,121,190	3,506,190
2041-2045	2,450,000	359,100	2,809,100
Total	$ 9,870,000	$ 10,479,980	$ 20,349,980

The advance refunding resulted in a difference between the reacquisition price (Series AU & AV) and the net carrying amount of the bonds (Series AE) of $189,839. This difference is considered to be a deferred loss on refunding. The deferred loss on refunding, reported in the basic financial statements as a deduction from long-term debt, is amortized on a straight-line method over 27 years.

The calculation of deferred loss on refunding of the Series AE bonds for the 2006 Taxable Lease Revenue Bonds, Series AV was combined with the 2006 Lease Revenue Bonds, Series AU. See the 2006 Lease Revenue Bonds, Series AU for more detail.

The calculation of net present value of economic gain (loss) of the 2006 Taxable Lease Revenue Bonds, Series AV was combined with the 2006 Lease Revenue Bonds, Series AU. See the 2006 Lease Revenue Bond, series AU for the calculation.

2006 Revenue Bonds, Series AS – Original Issuance $26,305,000

On December 18, 2006, the Authority issued $26,305,000 2006 Revenue Bonds, Series AS, to make a loan to the Successor Agency for the purpose of refinancing a portion of the Authority's 1998 Refunding Revenue Bonds, Series W, 2003 Revenue Bonds, Series AH, and 2003 Subordinate Revenue Bonds, Series AI (now retired).

Interest on the bonds is payable semiannually on each August 1 and February 1. The rates of interest range from 3.50% to 5.00% per annum. Principal is payable in annual installments ranging from $65,000 to $5,400,000. The bonds are secured by certain revenues on the Series AS Loan pursuant to a Loan Agreement, dated as of December 1, 2006, between the Authority and the Successor Agency. The loan payments are limited obligations of the Successor Agency payable solely from and secured by the pledged tax revenues to be derived from the Successor Agency's project area remaining after payment of the Senior Obligations.

Note 4: Long-Term Obligations (Continued)

The annual debt service requirement for the 2006 Revenue Bonds, Series AS outstanding at June 30, 2016, is as follows:

	Principal	Interest	Total
2016-2017	$ 65,000	$ 1,246,210	$ 1,311,210
2017-2018	105,000	1,243,723	1,348,723
2018-2019	165,000	1,240,469	1,405,469
2019-2020	235,000	1,235,218	1,470,218
2020-2021	450,000	1,227,300	1,677,300
2021-2026	1,440,000	5,925,344	7,365,344
2026-2031	6,730,000	5,247,813	11,977,813
2031-2036	12,035,000	2,301,250	14,336,250
2036-2041	4,580,000	596,700	5,176,700
Total	$ 25,805,000	$ 20,264,027	$ 46,069,027

2006 Taxable Revenue Bonds, Series AT – Original Issuance $8,355,000

On December 18, 2006, the Authority issued $8,355,000 2006 Taxable Revenue Bonds, Series AT, to make a loan to the Successor Agency for the purpose of refinancing a portion of the Authority's 1998 Refunding Revenue Bonds, Series W, 2003 Revenue Bonds, Series AH, 1998 Tax Allocation Refunding Bonds, Series X (now retired), and 1998 Tax Allocation Refunding Bonds, Series Y (now retired).

Interest on the bonds is payable semiannually on each August 1 and February 1. The rates of interest range from 5.289% to 5.718% per annum. Principal is payable in annual installments ranging from $340,000 to $760,000. The bonds are secured by certain revenues on the Series AT Loan pursuant to a Loan Agreement, dated as of December 1, 2006 between the Authority and the Successor Agency. The loan payments are limited obligations of the Successor Agency payable solely from and secured by the pledged tax revenues to be derived from the Successor Agency's project area remaining after payment of the Senior Obligations.

The annual debt service requirement for the 2006 Taxable Revenue Bonds, Series AT outstanding at June 30, 2016, is as follows:

	Principal	Interest	Total
2016-2017	$ 440,000	$ 355,574	$ 795,574
2017-2018	465,000	330,643	795,643
2018-2019	490,000	303,340	793,340
2019-2020	520,000	274,464	794,464
2020-2021	545,000	244,016	789,016
2021-2026	3,235,000	699,740	3,934,740
2026-2029	760,000	21,728	781,728
Total	$ 6,455,000	$ 2,229,505	$ 8,684,505

Note 4: Long-Term Obligations (Continued)

The calculation of deferred loss on refunding of the Series W, AH, AI, X & Y bonds for the 2006 Taxable Revenue Bonds, Series AT was combined with the 2006 Revenue Bonds, Series AS and 2006 Subordinate Revenue Bonds, Series AX. See the 2006 Revenue Bonds, Series AS for more detail.

The calculation of net present value of economic gain (loss) of the 2006 Taxable Revenue Bonds, Series AT was combined with the 2006 Revenue Bonds, Series AS and 2006 Subordinate Revenue Bonds, Series AX. See the 2006 Revenue Bonds, Series AS for the calculation.

2007 Subordinate Revenue Bonds, Series AW – Original Issuance $8,375,000

On July 1, 2007, the Authority issued $8,375,000 in 2007 Subordinate Revenue Bonds, Series AW, to provide funds for a loan to the Successor Agency for certain improvements, funding a reserve account for the Bonds and paying costs of issuing the Bonds.

Interest on the Bonds is payable semiannually on each February 1 and August 1. The rates of interest range from 4.25% to 5.125% per annum. Principal on $1,348,000 of the subordinate bonds is payable in annual installments ranging from $230,000 to $285,000. Term bonds of $625,000, $1,910,000 and $4,285,000 mature on February 1, 2019, February 1, 2024, and February 1, 2033, respectively.

The annual debt service requirement for the 2007 Subordinate Revenue Bonds, Series AW outstanding at June 30, 2016, is as follows:

	Principal	Interest	Total
2016-2017	$ 285,000	$ 351,206	$ 636,206
2017-2018	305,000	337,550	642,550
2018-2019	320,000	322,706	642,706
2019-2020	335,000	306,731	641,731
2020-2021	345,000	289,731	634,731
2021-2026	2,030,000	1,154,075	3,184,075
2026-2031	2,540,000	580,406	3,120,406
2031-2034	945,000	40,616	985,616
Total	$ 7,105,000	$ 3,383,021	$ 10,488,021

2006 Subordinate Revenue Bonds, Series AX – Original Issuance $25,865,000

On December 18, 2006, the Authority issued $25,865,000 2006 subordinate Revenue Bonds, Series AX, to make a loan to the Successor Agency for the purpose of refinancing a portion of the Authority's 1998 Refunding Revenue Bonds, Series W, 2003 Revenue Bonds, Series AH, and 2003 Subordinate Revenue Bonds, Series AI (note retired), and financing certain improvements in the Successor Agency's Merged Redevelopment Project.

Interest on the bonds is payable semiannually on each August 1 and February 1. The rates of interest range from 4.00% to 5.00% per annum. Principal is payable in annual installments ranging from $145,000 to $1,515,000. The bonds are secured by certain revenues on the Series AX Loan pursuant to a Loan Agreement, dated as of

Note 4: Long-Term Obligations (Continued)

December 1, 2006, between the Authority and the Successor Agency. The loan payments are limited obligations of the Successor Agency payable solely from and secured by the Subordinate Tax Revenues to be derived from the Successor Agency's project area remaining after payment of the Senior/ Subordinate Obligations.

The annual debt service requirement for the 2006 Subordinate Revenue Bonds, Series AX outstanding at June 30, 2016, is as follows:

	Principal	Interest	Total
2016-2017	$ 920,000	$ 1,024,265	$ 1,944,265
2017-2018	925,000	984,598	1,909,598
2018-2019	970,000	943,370	1,913,370
2019-2020	975,000	900,580	1,875,580
2020-2021	1,020,000	856,690	1,876,690
2021-2026	5,565,000	3,519,750	9,084,750
2026-2031	6,955,000	1,967,875	8,922,875
2031-2036	3,240,000	503,750	3,743,750
2036-2041	1,030,000	123,250	1,153,250
Total	$ 21,600,000	$ 10,824,128	$ 32,424,128

The calculation of deferred loss on refunding of the Series W, AH, AI, X & Y bonds for the 2006 Subordinate Revenue Bonds, Series AX was combined with the 2006 Revenue Bonds, Series AS and 2006 Taxable Revenue Bonds, Series AT. See the 2006 Revenue Bonds, Series AS for more detail.

The calculation of net present value of economic gain (loss) of the 2006 Subordinate Revenue Bonds, Series AX was combined with the 2006 Revenue Bonds, Series AS and 2006 Taxable Revenue Bonds, Series AT. See the 2006 Revenue Bonds, Series AS for the calculation.

2007 Revenue Bonds, Series AY – Original Issuance $99,370,000

On January 1, 2007, the Authority issued $99,370,000 2007 Revenue Bonds, Series AY, to provide funds to partially refund the Authority's 1999 Refunding Revenue Bonds, Series AA and 1999 Revenue Bonds, Series AC, and to finance the acquisition and construction of certain improvements to the Water Enterprise Fund of the City.

Interest on the bonds is payable semiannually on each November 1 and May 1. The rates of interest range from 4.00% to 5.00% per annum. Principal is payable in annual installments ranging from $885,000 to $6,040,000. The bonds are secured by an Installment Sale Agreement, dated as of January 1, 2007, between the City and the Authority. The Installment Payments are a special limited obligation of the City, payable from and secured by a pledge of and first lien on all Net Revenues, subject to the parity lien, if any, of any additional obligations as provided for in the Installment Sale Agreement, in the Utility Fund of the City in trust under the Installment Sale Agreement.

Note 4: Long-Term Obligations (Continued)

The annual debt service requirement outstanding at June 30, 2016, is as follows:

	Principal	Interest	Total
2016-2017	$ 1,130,000	$ 4,625,450	$ 5,755,450
2017-2018	1,175,000	4,580,250	5,755,250
2018-2019	1,235,000	4,521,500	5,756,500
2019-2020	1,280,000	4,472,100	5,752,100
2020-2021	1,335,000	4,420,900	5,755,900
2021-2026	7,665,000	21,108,000	28,773,000
2026-2031	10,980,000	18,961,500	29,941,500
2031-2036	16,055,000	15,649,000	31,704,000
2036-2041	20,475,000	11,215,000	31,690,000
2041-2046	26,135,000	5,557,750	31,692,750
2046-2048	6,040,000	302,000	6,342,000
Total	$ 93,505,000	$ 95,413,450	$ 188,918,450

The following is a summary of the 2007 Revenue Bonds, Series AY unamortized premium outstanding at June 30, 2016:

Balance July 1, 2015	Additions	Deletions	Balance June 30, 2016
$ 4,686,644	$ -	$ 148,783	$ 4,537,861

The advance refunding resulted in a difference between the reacquisition price (Series AY & AZ) and the net carrying amount of the bonds (Series AA & AC) of $1,809,884. This difference is considered to be a deferred loss on refunding. The deferred loss on refunding reported in the basic financial statements as a deduction from long-term debt and is amortized on a straight-line method over 23 years. The following is a summary of unamortized deferred loss on refunding outstanding at June 30, 2016:

Balance July 1, 2015	Additions	Deletions	Balance June 30, 2016
$ (1,101,665)	$ -	$ (78,692)	$ (1,022,973)

Amortization expense was $78,692 during the fiscal year ended June 30, 2016.

2007 Taxable Revenue Refunding Bonds, Series AZ – Original Issuance $6,930,000

On January 1, 2007, the Authority issued $6,930,000 2007 Taxable Revenue Refunding Bonds, Series AZ, to provide funds to partially refund the Authority's 1999 Refunding Revenue Bonds, Series AA (note retired) and 1999 Revenue Bonds, Series AC (note retired), and to finance the acquisition and construction of certain improvements to the Water Enterprise of the City.

Note 4: Long-Term Obligations (Continued)

Interest on the bonds is payable semiannually on each November 1 and May 1. The rates of interest range from 5.267% to 5.650% per annum. Principal is payable in annual installments ranging from $200,000 to $555,000. The bonds are secured by an Installment Sale Agreement, dated as of January 1, 2007 between the City and the Authority. The Installment Payments are a special limited obligation of the City, payable from and secured by a pledge of and first lien on all Net Revenues, subject to the parity lien, if any, of any additional obligations as provided for in the Installment Sale Agreement, in the Utility Fund of the City in trust under the Installment Sale Agreement.

The annual debt service requirement outstanding at June 30, 2016, is as follows:

	Principal	Interest	Total
2016-2017	$ 285,000	$ 297,511	$ 582,511
2017-2018	300,000	282,500	582,500
2018-2019	320,000	265,550	585,550
2019-2020	340,000	247,470	587,470
2020-2021	355,000	228,260	583,260
2021-2026	2,110,000	815,860	2,925,860
2026-2030	1,575,000	181,365	1,756,365
Total	$ 5,285,000	$ 2,318,516	$ 7,603,516

The deferred loss on refunding of the Series AA & AC bonds for the 2007 Taxable Revenue Refunding Bonds, Series AZ was added to the 2007 Revenue Bonds, Series AY. See the 2007 Revenue Bonds, Series AY for more detail.

2007 Revenue Bonds, Series BA – Original Issuance $15,575,000

On March 15, 2007, the Authority issued $15,575,000 2007 Revenue Bonds, Series BA, to provide funds to finance certain improvements to the City's Sewer Enterprise.

Interest on the bonds is payable semiannually on each June 1 and December 1. The rates of interest range from 3.625% to 5.000% per annum. Principal is payable in annual installments ranging from $110,000 to $1,595,000. The bonds are secured by an Installment Sale Agreement, dated as of January 1, 2007 between the City and the Authority. The Installment Payments are a special limited obligation of the City, payable from and secured by a pledge of and first lien on all Net Revenues, subject to the parity lien securing the Authority's 2002 Refunding Revenue Bonds, Series AF, and of any additional obligations as provided for in the Installment Sale Agreement, in the Sewer Enterprise Fund held by the City in trust under the Installment Sale Agreement.

Note 4: Long-Term Obligations (Continued)

The annual debt service requirement outstanding at June 30, 2016, is as follows:

	Principal	Interest	Total
2016-2017	$ 175,000	$ 642,148	$ 817,148
2017-2018	185,000	635,296	820,296
2018-2019	190,000	628,483	818,483
2019-2020	195,000	621,260	816,260
2020-2021	205,000	613,603	818,603
2021-2026	1,140,000	2,938,680	4,078,680
2026-2031	1,410,000	2,677,523	4,087,523
2031-2036	1,780,000	2,330,100	4,110,100
2036-2041	2,240,000	1,890,844	4,130,844
2041-2046	5,425,000	1,211,738	6,636,738
2046-2048	1,595,000	88,931	1,683,931
Total	$ 14,540,000	$ 14,278,606	$ 28,818,606

Compensated absences

The following is a summary of compensated absences outstanding as of June 30, 2016:

	Balance July 1, 2015	Additions	Deletions	Balance June 30, 2016	Due Within One Year
Compensated absences	$ 13,919	$ 9,418	$ 21,280	$ 2,057	$ 2,057

Pledged Revenues

The City has pledged certain tax revenues to the repayment of the Authority debts through final maturity of the Bonds on February 1, 2047, or earlier retirement of the Bonds, whichever occurs first.

Tax revenues consist of tax increment revenues allocated to the Successor Agency to various project areas pursuant to Section 33670 of the Redevelopment Law. Such Law excludes a portion of tax increment revenues required to be paid under Tax-Sharing Agreements unless the payment of such amounts has been subordinated to the payment of debt service on the Bonds. Assembly Bill 1X 26 provided that upon dissolution of the Redevelopment Agency, property taxes allocated to redevelopment agencies no longer are deemed tax increment but rather property tax revenues and will be allocated first to local agency and school entity pursuant to any pass through agreement, then second to successor agencies to make payments on the indebtedness incurred by the dissolved redevelopment agency. For the current year, the total property tax revenue recognized by the City was $15,962,097 and the debt service obligation on the bonds was $14,676,025.

Note 4: Long-Term Obligations (Continued)

Remaining balance on the debt at June 30, 2016, is as follows:

Debt Issue	Remaining Balance
County of LA Agreement	$ 52,528,691
1998 Series W Bonds	52,075,250
1998 Series X Bonds	951,663
1998 Series Y Bonds	9,288,029
2001 Series AD Bonds	39,269,250
2003 Series AH Bonds	24,999,155
2005 Series AQ Bonds	11,940,614
2006 Series AS Bonds	46,069,027
2006 Series AT Bonds	8,684,505
2007 Series AW Bonds	10,488,021
2006 Series AX Bonds	32,424,128
Total	$ 288,718,333

The Authority has pledged revenues from various Installment Sale Agreements with the City for the repayment of certain revenue bonds through the final maturity of the Bonds on May 1, 2047, or early retirement of the Bonds whichever occurs first. These bonds were issued to refinance Series Q, Series AA/AC and finance certain public improvements of the City. All net revenues are irrevocably pledged by the City to the repayment of the bond's debt services, excluding operation and maintenance costs of these Enterprise Funds. In 2015, the Water and Sewer Enterprise Funds have received $10,319,759 while total debt service paid was $7,976,918. The bonds required 77% of net revenue. Annual principal and interest payments on the bonds are expected to require roughly 92% of future net revenue. The total principal and interest remaining to be paid at June 30, 2016, on the Bonds is as follows:

Debt Issue	Remaining Balance
2002 Series AF Bonds	$ 22,029,853
2007 Series AY Bonds	188,918,450
2007 Series AZ Bonds	7,603,516
2007 Series BA Bonds	28,818,606
Total	$ 247,370,425

Revenue	2015-2016 Revenue
Net available revenues; excluding debt service	$ 10,319,759

Note 5: Commitments and Contingencies

As of June 30, 2016, in the opinion of Authority management, there were no outstanding matters that would have a significant effect on the financial position of the fund of the Authority.

Note 6: Deficit Unrestricted Net Position

The deficit in net position of $3,111,164 in the Public Financing Authority is primarily due to the long-term debt due within one year. This debt is funded with resources budgeted in the next fiscal year.