



Southern California Logistics Airport Authority

Continuing Disclosure Report

For Year Ended June 30, 2019

February 11, 2020

Southern California Logistics Airport Authority (SCLAA)
14343 Civic Drive
Victorville, CA 92392

February 11, 2020.

RE: Annual Continuing Disclosure Report for Fiscal Year Ended June 30, 2019

FOR: Senior Lien Pledge, Non-Housing Bonds:

SCLAA, Tax Allocation Parity Bonds, Series 2005A

SCLAA, Taxable Tax Allocation Revenue Parity Bonds, Series 2006

SCLAA, Tax Allocation Revenue Parity Bonds, Refunding Series 2006

SCLAA, Taxable Tax Allocation Revenue Parity Forward Bonds, 2006

Senior Housing Bonds:

SCLAA, Tax Allocation Revenue Parity Refunding Housing Bonds, 2006

SCLAA, Taxable Housing Set-Aside Revenue Parity Bonds, Series 2007

Junior Lien Subordinate Pledge, Non-Housing Bonds:

SCLAA, Taxable Subordinate Tax Allocation Revenue Bonds, Series 2006

Subordinate Pledge, Non-Housing Bonds:

SCLAA, Subordinate Tax Allocation Revenue Bonds, Series 2007

SCLAA, Subordinate Tax Allocation Revenue Bonds, Series 2008A

Disclaimer

The information contained herein is qualified in its entirety by specific information contained in the Official Statements relating to the bonds issued by Southern California Logistics Airport Authority ("SCLAA"). All such Official Statements and other related documents are incorporated herein by reference. In the event that any conflict exists between the statements herein and information contained in the Official Statements, then the information contained in the Official Statements shall apply.

Forward-Looking Statements

The Continuing Disclosure Report contains certain forward-looking statements, including certain plans, expectations, goals and projects, which are subject to numerous assumptions, risks and uncertainties. Actual results could differ materially from those contained in or implied by such statements for a variety of factors including: changes in economic conditions; success and timing of business strategies; the nature and extent of governmental actions and reforms; and outcomes of litigation involving budgetary matters of the State of California and tax increment revenue (as described and allowed under California Redevelopment Law and subject to agreements with overlapping taxing agencies).

Content of This Report

The following information is to be disseminated through the MSRB's Electronic Municipal Market Access system ("EMMA") to comply solely with those requirements of the Continuing Disclosure Agreements relating to the periodic updates of information relating to tax increment revenues and financing. This Report is not intended to be a complete Annual Report or to disclose any information other than as presented herein. The information consists of the following:

1. Financial statements for Southern California Logistics Airport Authority for fiscal year ended June 30, 2019 and Comprehensive Annual Financial Report for the City of Victorville for fiscal year ended June 30, 2019.
2. Report from Fiscal Consultant, RSG, Inc. completed in February 2020 relating to historic and projected tax increment revenues of the VVEDA Project Area, a portion of which revenues are pledged to secure the repayment of the bonds issued by SCLAA. This report provides an update of the tables presented in the section of the Official Statement entitled "Pledged Tax Revenues – Assessed Valuations and Tax Increment Revenues," "--Assessment Appeals History" and "--Largest Property Taxpayers."

The information contained herein has been approved for filing with the MSRB's Electronic Municipal Market Access system ("EMMA") by the Southern California Logistics Airport Authority, which as authorized and instructed the Bank of New York Mellon Global Corporate Trust to file this report in its capacity as the Disseminating Agent for the SCLAA bonds.



George N. Harris II
Disclosure Representative
Southern California Logistics Airport Authority

Continuing Disclosure Report

Victor Valley Redevelopment Project Area

February 11, 2020



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INTRODUCTION

RSG, Inc. ("RSG") has prepared this Continuing Disclosure Report ("Report") at the request of the Southern California Logistics Airport Authority ("SCLAA"). SCLAA will employ this Report to substantiate the continuing viability of its nine (9) outstanding Tax Allocation Bonds ("Bonds") issued since 2005. The Bonds include the following series:

- 2005A Tax Allocation Parity Bonds;
- 2006 Tax Allocation Revenue Parity Refunding Bonds;
- 2006 Taxable Tax Allocation Revenue Parity Bonds;
- 2006 Taxable Forward Tax Allocation Revenue Parity Bonds;
- 2006 Taxable Subordinate Tax Allocation Revenue Bonds;
- 2006 Housing Set-aside Revenue Refunding Bonds;
- 2007 Subordinate Tax Allocation Revenue Bonds;
- 2007 Taxable Housing Set-Aside Revenue Parity Bonds; and
- 2008A Subordinate Tax Allocation Revenue Bonds.

This Report outlines available tax increment generated within the Victor Valley Redevelopment Project Area ("Project Area") as updated since the issuance of the Bonds. The Project Area includes three sub-areas.

- the Original Area;
- the Amendment IV Area; and
- the Amendment VIII Area.

SCLAA is a Joint Powers Authority ("JPA") that was originally comprised of the Victorville Redevelopment Agency and the City of Victorville. However, redevelopment agencies were dissolved pursuant to State law as of February 1, 2012. Prior to the dissolution of redevelopment, the JPA composition was changed to include the City of Victorville and the Victorville Water District. Victor Valley Economic Development Authority ("VVEDA") delegated to SCLAA all of the rights and obligations associated with the development of the properties comprising the former George Air Force Base.

The following tables update the information presented in the original Fiscal Consultant Report ("FCR") prepared for the Bonds and the exhibit numbers correspond to the exhibits of the FCR:

Exhibits 3A-B:	Historic Assessed Valuation and Tax Increment Receipts
Exhibit 5A:	New Development
Exhibits 7A-I:	Top Ten Taxpayers
Exhibit 9:	Assessment Appeals
Exhibits 10A-O:	Tax Increment Revenue Projections

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Projected assessed values and tax increment revenues presented in this Report are based upon the following assumptions:

1. Historical growth trends;
2. Trended growth in valuation as permitted by Article XIII A of the California Constitution ("Proposition 13");
3. Assessment, pass through calculation, and apportionment procedures of the County of San Bernardino ("County"); and
4. Guidelines related to Redevelopment dissolution provided by the California Department of Finance ("DOF") and related legislation.

RSG relies on established data sources, including, as described above, the County equalized assessment roll, appeals records, and pass through payment calculation methodology. *However, RSG cannot guarantee the accuracy of these third-party data sources.*

Furthermore, all tax increment revenue projections have been conservatively estimated to reduce the possibility of overstating future tax increment revenue. While precautions have been taken to confirm the accuracy of the data used in the formulation of these projections, it cannot be ensured that projected valuations will be realized. Actual values may be affected by future events and conditions that cannot be controlled or predicted with certainty.

DISSOLUTION OF REDEVELOPMENT AGENCIES

On December 29, 2011, the California Supreme Court upheld Assembly Bill ("AB") x1 26, which dissolved redevelopment agencies in California. VVEDA is a JPA comprised of city governments and the County (not redevelopment agencies) with powers similar to redevelopment agencies under special legislation. In regard to tax increment, VVEDA is being treated as a former redevelopment agency/successor agency by DOF and is subject to all requirements pursuant to ABx1 26 and subsequent amending legislation AB 1484 and Senate Bill ("SB") 107 (collectively, "Dissolution Law"). VVEDA has complied, and will continue to comply, with the requirements prescribed in the Dissolution Law.

The action to dissolve redevelopment agencies created significant changes to how tax increment is collected and distributed to former redevelopment agencies. For each dissolved redevelopment agency, a successor agency was created to oversee payment of all valid debts, including bond indebtedness. However, unlike redevelopment agencies, successor agencies are not allocated all tax increment (now called "RPTTF") in a project area. Instead, successor agencies create an annual schedule of debt called Recognized Obligation Payment Schedules ("ROPS"), and request funds in the amounts necessary to pay enforceable obligations. The actions of each successor agency are reviewed by and require approval from an oversight board and DOF.

All tax increment amounts for VVEDA are now collected by the San Bernardino County Auditor-Controller ("Auditor-Controller") and distributed pursuant to Health and Safety Code ("HSC") Section 34183. Priority is given to County and State administration fees and affected taxing agency pass-through payments, followed by approved successor agency debts, including bond debt. However, taxing agency payments that were subordinated to bond issues remain subordinate. Additionally, Low- and Moderate-Income Housing Set Aside requirements no longer exist, and in fact are made illegal under Dissolution Law. Therefore, all remaining tax increment revenues generated within a redevelopment project area (housing and non-housing) can be used to satisfy bond debt obligations.

The Successor Agency to the Victor Valley Economic Development Authority ("Successor Agency") will continue to pay outstanding debt obligations (including tax allocation bonds) until they are fully retired. Any tax increment revenues remaining after administrative costs, taxing agency pass-through payments, and enforceable obligations are distributed to affected taxing entities within the project area. In the event there is not enough tax increment revenue to cover all approved enforceable obligations, payment of tax allocation bond debt is given the highest priority and is paid before any other approved enforceable obligation or debt.

Initially, the Successor Agency had a local oversight board. Starting July 1, 2018, local oversight boards were consolidated into Countywide oversight boards. The Successor Agency will do everything in its power to secure approval from the San Bernardino Countywide Oversight Board ("SBCWOB") for payment on enforceable obligations, including the SCLAA Bonds. However, it is unknown what challenges may arise from the SBCWOB's review.

Uneven Revenue Distribution

The Dissolution Law transferred the responsibility to calculate and determine the distribution of tax increment revenues from redevelopment agencies to county auditor-controllers. As a result, the Successor Agency receives tax increment revenue distributions from the Auditor-Controller twice per year, in January and June.

San Bernardino County collects tax increment up to the end of each fiscal year (June 30), and it takes time to calculate the correct distributions, so the distributions are uneven. The January distribution incorporates tax increment collected from the previous May to mid-December. The June distribution incorporates tax increment collected from mid-December to April.

The larger (January) distribution is used to pay the smaller, interest-only debt service payments due June 1 of each year. The smaller (June) distribution is used, correspondingly, to pay the larger, principal and interest payments due December 1 of each year. Therefore, even when pledged tax increment exceeds the debt service obligations on an annual basis, there may be insufficient funds available for the December 1 payments. This had been an issue since the current system for revenue distribution to successor agencies began in FY 2012-13, following redevelopment dissolution.

In previous years, this imbalance led to insufficient revenues for the December 1 debt service payments. However, starting in Fiscal Year 2017-18, the Successor Agency began to receive sufficient revenues to cover each debt service payment with the corresponding period's

revenues. Continued increasing revenues allowed the Successor Agency to cure defaults and fully replenish required bond reserves as of December 1, 2018. The Successor Agency has received sufficient revenues for its debt service payments through Fiscal Year 2019-20, and is expected to receive sufficient revenues in the future.

Pledged Revenues Definition

Prior to the June 2015 distribution, DOF approved the Successor Agency's requested estimate of tax increment pledged for the Bonds on each ROPS. However, in its determination letter for the June 2015 tax increment distribution (see Appendix 1 in the FY 2015-16 Continuing Disclosure Report), DOF denied the estimated amount of pledged tax increment for the Bonds. Instead, DOF approved the amount of debt service payments due for the non-housing Bonds on December 1, 2015, a slightly smaller amount. The actual amount of pledged tax increment available for distribution in June 2015 did not exceed either number. Although a default occurred on December 1, 2015, it was due to insufficient available tax increment revenues.

In an attempt to respond to DOF's changed approach, the Successor Agency, rather than listing an estimate of tax increment pledged for the Bonds as one item in its request for the January 2016 distribution, listed the June 1, 2016, debt service payment amount and the amounts needed to cure defaults and replenish required reserves as separate items. DOF denied the latter. The Successor Agency immediately filed a Meet and Confer request (the sole appeal process allowed by the Dissolution Law relating to DOF decisions on ROPS) and conducted the Meet and Confer with DOF on November 30, 2015.

The Successor Agency provided DOF staff with all bond documents at the Meet and Confer and walked DOF staff through the requirements of the bond indentures for the bond issues. After the Meet and Confer, DOF requested and promptly received additional information from the Successor Agency. However, on December 17, 2015, DOF transmitted a letter to the Successor Agency approving the requested amounts for debt service, defaults and reserve requirements, but stipulated that the obligations be paid only "from former tax increment generated from the George Air Force Base ("GAFB") Parcels," i.e., the SCLAA Area (see Appendix 2 in the FY 2015-16 Continuing Disclosure Report). In this determination letter, DOF stated that "the SCLAA bond documents reference a pledge of funds from three other sources," but did not recognize that these other sources include the pledges of tax increment from the other VVEDA jurisdictions' portions of the Project Area.

As described previously, the June distributions are less than the December debt service obligations, so the defaults occurring on December 1, 2015, were not due to DOF's determination. The January distributions, meanwhile, are greater than the June debt service obligations. Following DOF's determination for the January 2016 distribution would result in drastic defaults and a missed opportunity to cure previous defaults and replenish reserves.

Following DOF's December 17, 2015 determination letter, encouraged by DOF's promise to "continue to work with the [Successor] Agency to determine the sources of funding that should be used to fund the debt service," the Successor Agency explained that the "three other

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sources" include the pledges of tax increment from the other VVEDA jurisdictions (see Appendix 3 in the FY 2015-16 Continuing Disclosure Report).

Following these efforts, DOF and the Successor Agency, along with the latter's bond counsel and legal counsel, held a conference call on February 8, 2016. They discussed the tax increment distribution and potential ramifications of limiting tax increment distributed to the GAFB parcels, which is inconsistent with the Bonds' indentures. The Successor Agency received an e-mail on February 9, 2016, from Justyn Howard, DOF's Program Budget Manager, (see Appendix 4 in the FY 2015-16 Continuing Disclosure Report) as a follow up to the conference call stating:

As stated on the call, from information provided to DOF last month, it is DOF's understanding that section 38 of the VVEDA JPA agreement authorizes SCLAA to pledge more former tax increment than generated only from the GAFB parcels. As such, the limitation of using only RPTTF generated in GAFB parcels for payment of ROPS line items 2, 18 and 19 [current debt service, default payments, and reserve replenishment], as stated on page one of the December 17, 2015 DOF ROPS determination letter, should be ignored.

The February 9, 2016, e-mail maintains the full amounts approved in the December 17, 2015, letter for the debt service, default payments, and reserve replenishment and allows the Successor Agency to use all the tax increment pledged for the Bonds to pay these items.

RPTTF Distribution Methodology

DOF issued an official determination letter on April 15, 2019 approving an RPTTF distribution of all available revenues up to the total of debt service needed on the ROPS 19-20. It was not necessary to request payment of any defaults, as they had been paid off on the ROPS 18-19. It was also not necessary to request a debt service reserve, as projected revenues were sufficient to cover scheduled debt services on the ROPS 19-20. The amount of RPTTF approved, including for non-SCLAA obligations, totaled approximately \$17.5 million (see Appendix 1 to this Report).

The amount of RPTTF distributed by the County for ROPS 19-20A and 19-20B matched the DOF-approved amount of \$17,538,579 (\$8,590,767 + \$8,947,812, see Appendix 2 to this Report). This marks the third year using a distribution methodology that allows the Successor Agency to allocate all pledged revenues to payment on the SCLAA Bonds.

The methodology leaves VVEDA holding unpledged revenues that it cannot spend on the Bonds or distribute to the Jurisdictions until the Prior Period Adjustment process distributes unpledged revenues three years later. To avoid holding these extra revenues, VVEDA staff contacted the Auditor-Controller staff about modifying the residual RPTTF distribution timing in 2016. The Auditor-Controller's office responded that they are legally required to disburse RPTTF based on DOF's determination letters. VVEDA will provide an update in future continuing disclosure reports if this methodology changes. The residual RPTTF distribution methodology does not impact VVEDA's ability to make debt service payments.

GENERAL ASSUMPTIONS IN THE REVENUE PROJECTIONS

Assessed Valuation

Exhibit 3A summarizes year-to-year changes in the Project Area's assessed values for the past five years (2015-16 through 2019-20) based upon the Auditor-Controller's annual assessed value reports. Between FY 2015-16 and FY 2019-20, Project Area total assessed values for the Original Area, Amendment IV Area, and Amendment VIII Area have increased by 24.6%.

The increase in value over the last five years is the result of a recovery from the latest economic downturn. Assessed value growth in FY 2015-16, FY 2016-17, FY 2018-19, and FY 2019-20 each exceeded 5%. During those years, the Project Area assessed valuation increased an average of approximately \$583 million. Project Area assessed value increased by 3% in FY 2017-18, or \$237 million.

Since FY 2015-16, the Original Area, the Amendment IV, and the Amendment VIII areas experienced increases in assessed value of \$1.2 billion, \$9.0 million, and \$600.4 million (respectively).

Tax Increment Collection History

Exhibit 3A on the following pages presents a summary of tax increment revenue collections for FY 2015-16 through FY 2019-20.

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		2015-16			2016-17			% Growth of Combined Area Over Prior Year	
		Original Area	Ann. IV Area	Ann. VIII Area	Combined	Original Area	Ann. IV Area		Ann. VIII Area
Historic Assessed Value and Tax Incremental Revenue Receipts									
Southern California Logistics Airport Authority - WEDA Project Area									
Assessed Valuations									
Local Secured	4,630,949,615	88,282,763	2,238,282,847	6,965,605,425		5,030,034,655	86,110,477	2,362,568,063	7,478,713,395
Secured Utility	176,945,350	-	1,000	176,946,350		224,894,350	-	1,000	224,895,350
Unsecured	337,661,198	102,696	31,040,685	368,804,579		320,614,399	795,000	31,361,067	352,990,476
Total	5,145,556,363	68,385,459	2,267,304,532	7,501,256,354		5,575,743,394	66,905,477	2,393,930,150	8,056,599,221
	(1,783,833,921)	(24,956,814)	(1,900,232,379)	(3,799,023,114)		(1,783,833,921)	(24,956,814)	(1,990,232,379)	(3,799,023,114)
1997-98 Base Year (Per Original & Annual A/C Reports)									
Incremental Value	3,361,722,442	63,438,645	277,072,153	3,702,233,240		3,361,722,442	63,438,645	277,072,153	4,257,576,107
Est Increment @1%¹	33,617,224	634,366	2,770,722	37,022,332		37,919,097	619,467	4,037,178	42,676,761
Actual Allocation Per County A/C²	33,619,537	634,365	2,770,714	37,024,636		34,661,005	619,466	4,037,175	39,537,666
Actual Revenue Received	35,613,536	553,611	3,164,718	39,321,864		39,378,292	695,265	4,909,078	45,290,653
Distribution of Revenue Received³									
Member Jurisdictions									
Low Mod Housing Fund									
SCLAA	11,596,268	29.6%				Incl. in Jurisd. Totals Below ^{4,4}			
Victorville	12,257,953	31.5%				12,180,869	29.6%		
Apple Valley	1,050,614	2.7%				12,942,829	30.5%		
Heavenly	-	0.0%				1,049,003	2.6%		
County	-	0.0%				-	0.0%		
Adelanto	-	0.0%				-	0.0%		
Subtotal	24,903,835	1.3%				25,752,483	1.2%		
Administrative Cost Allowance	500,000	2.4%				500,000	2.2%		
Pass Throughs to Affected Districts	10,672,178	7.4%				11,191,356	27.2%		
Remaining Tax Increment⁵	2,665,192	7.4%				3,638,773	8.9%		
Total	38,961,206	100.0%				41,662,911	100.0%		

(Exhibit 3A continued on next page)



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		2017-18				2018-19				% Growth of Combined Area Over Prior Year	
		Original Area		Am. VIII Area		Original Area		Am. VIII Area			
		Am. IV Area	Am. VIII Area	Am. IV Area	Am. VIII Area	Am. IV Area	Am. VIII Area	Am. IV Area	Am. VIII Area		
Historic Assessed Value and Tax Incremental Revenue Receipts Southern California Logistics Airport Authority - WVEDA Project Area		(1,783,833,921)		(24,956,814)		(24,956,814)		(1,980,232,379)		(3,798,023,114)	
Assessed Valuations		7,881,865,014		7,881,865,014		7,881,865,014		7,881,865,014		6,281,313,069	
Local Secured		108,384,350		1,000		108,384,350		1,000		103,795,350	
Secured Utility		298,061,332		2,051,015		325,835,282		27,789,888		388,386,167	
Unsecured		5,688,064,954		87,223,439		8,294,065,666		2,688,010,163		8,753,484,816	
1987-88 Base Year (Per Original & Annual A/C Reports)		3,904,231,033		62,289,825		4,496,082,542		675,777,764		4,954,471,502	
Incremental Value		38,042,310		622,666		44,850,625		6,757,778		48,544,715	
Est Increment @1% ¹		38,042,315		622,668		44,850,627		6,757,774		48,544,714	
Actual Allocation Per County A/C ²		42,801,814		5,772,088		48,314,988		7,528,817		52,837,754	
Actual Revenue Received		31,221,088		59.5%		32,296,227		50.4%		31,724,351	
Distribution of Revenue Received		1,088,141		2.0%		1,083,788		2.5%		1,083,788	
<i>Member Jurisdictions</i>		-		0.0%		-		0.0%		-	
Low Mod Housing Fund		-		0.0%		-		0.0%		-	
SCLAA ³		-		0.0%		-		0.0%		-	
Victorville ⁴		-		0.0%		-		0.0%		-	
Apple Valley		-		0.0%		-		0.0%		-	
Hesperia		-		0.0%		-		0.0%		-	
County		-		0.0%		-		0.0%		-	
Adelanto		-		0.0%		-		0.0%		-	
Subtotal		32,296,227		1.0%		22,768,139		1.2%		22,768,139	
WVEDA Administrative Cost Allowances		500,000		1.5%		500,000		1.2%		500,000	
Pass Throughs to Affected Districts		13,837,533		28.7%		14,008,250		32.5%		14,008,250	
Remaining Tax Increment ⁵		5,453,281		10.5%		5,828,478		13.5%		5,828,478	
Total		82,189,821		100.0%		43,129,867		100.0%		43,129,867	

(Exhibit 3A continued on next page)



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Historic Assessed Value and Tax Increment Revenue Receipts				Exhibit 3A continued	
Southern California Logistics Airport Authority - VVEDA Project Area					
Assessed Valuations	2019-20				% Growth of Combined Area Over Prior Year
	Original Area	Am. IV Area	Am. VIII Area	Combined	
Local Secured	5,916,614,552	95,276,662	2,839,979,169	8,851,870,383	7%
Secured Utility	98,272,786	-	3,005	98,275,791	
Unsecured	370,284,816	2,104,782	27,697,995	400,087,593	
Total	6,385,152,154	97,381,444	2,867,680,169	9,350,213,787	
1997-98 Base Year (Per Original & Annual A/C Reports)	(1,783,833,921)	(24,956,814)	(1,990,232,379)	(3,799,023,114)	
Incremental Value	4,801,318,233	72,424,630	877,447,790	5,551,190,653	
Est Increment @1% ¹	46,013,182	724,246	8,774,478	55,511,907	
Actual Allocation Per County A/C ²	46,013,191	724,246	8,774,473	55,511,910	
Actual Revenue Received	N/A	N/A	N/A	-	
Distribution of Revenue Received					
<i>Member Jurisdictions</i>					
Low Mod Housing Fund					
SCLAA ^a					
Victorville ^b					
Apple Valley					
Hesperia					
County	Not Available				
Adelanto					
Subtotal					
VVEDA Administrative Cost Allowance					
Pass Throughs to Affected Districts					
Remaining Tax Increment ^a					
Total					

Source: San Bernardino County Auditor-Controller

Footnotes for Exhibit 3A:

1. "Est Increment @ 1%" is based on incremental assessed value for the entire Project Area presented on the San Bernardino County Auditor-Controller annual report "PI163 Agency Net Valuations Report."
2. Each year, San Bernardino County issues report "PI715R01 Redevelopment Agency Percentages" showing the tax increment for each Tax Rate Area. "Actual Allocation Per County A/C" shows the VVEDA Project Area tax increment based on this report. The actual revenue received by the VVEDA Agencies is based on this report rather than report PI163. The County indicates that any difference in these two reports is related to corrections made to the tax roll during the fiscal year.

In Fiscal Year 2016-17, the "Actual Allocation Per County" differs from the "Est Increment @ 1%" by \$3,038,092 because the County's PI715R01 report excludes the property tax allocation of the Oro Grange Cement Plant, in accordance with the assessment roll at the time. The omission was corrected and did not negatively affect property tax revenues.

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3. The dissolution of redevelopment agencies eliminated the requirement in the Community Redevelopment Law to set aside 20% of revenues for affordable housing (Housing Set Aside). As a result, the County Auditor-Controller now distributes all monies (housing and non-housing) to the Successor Agency for the Original, Amendment IV, and Amendment VIII areas. The amounts shown for all years in this table reflect this change in the law and include housing and non-housing monies distributed to the Successor Agency.
4. Beginning in Fiscal Year 2013-14, the "Distribution of Revenue Received" shows distributions of tax increment revenue based on the period from May 1 to April 30. This change was made to reflect the County's distribution methodology more accurately. It should be noted that an Administrative Cost Allowance and the State Department of Finance's Recognized Obligation Payment Schedule process further differentiate the new distribution methodology from the previous methodology. Differences between actual revenue received and distributions to member jurisdictions include the County administrative fees and distributions denied by the Department of Finance.
5. Remaining Tax Increment includes tax increment distributed to taxing entities as a result of the Department of Finance denying the distribution of tax increment to taxing entities without current enforceable obligations per the Dissolution Law.
6. Starting in Fiscal Year 2017-18, VVEDA began to show its distribution of property tax increment revenues differently in its distribution tables, to reflect more closely the flow of funds following the dissolution of redevelopment agencies. At the same time, VVEDA changed the distribution tables to group together revenues distributed to Victorville and SCLAA for the SCLAA Bonds and related costs.

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Exhibit 3B presents the historic assessed value for the Victorville and SCLAA portions of the Project Area.

Historic Assessed Value - Victorville and SCLAA Only					Exhibit 3B
	2015-16	2016-17	2017-18	2018-19	2019-20
Victorville					
Total	4,552,456,020	4,807,429,196	5,036,897,575	5,314,158,920	5,689,990,046
Base Year	2,216,157,006	2,216,157,006	2,216,157,006	2,216,157,006	2,216,157,006
Increment	2,336,299,014	2,591,272,190	2,820,740,569	3,235,463,224	3,473,833,040
SCLAA					
Total	492,503,305	548,097,364	437,327,007	482,776,806	509,942,066
Base Year	7,854,350	7,854,350	7,854,350	7,854,350	7,854,350
Increment	484,648,955	540,243,014	429,472,657	475,339,698	502,087,716

Source: San Bernardino County Auditor-Controller

Growth Assumptions

The assessed valuation forecast provided in the tax increment projections (shown in Exhibits 10A through 10C) estimate assessed value for years 2020-21 and beyond. These projections incorporate a growth rate of 2.00% for FY 2020-21, in accordance with the California CPI set by the State Board of Equalization and a 2.00% annual increase thereafter in the Project Area (except for the SCLAA Original Area which is projected with a 0% growth rate). This approach is conservative given that the State Board of Equalization inflation rates have returned to a consistent 2% annual level.

The growth assumptions were established by RSG to account for the following factors that affect future tax increment collections.

Article XIII A (Proposition 13) Inflationary Adjustments

As enacted by Proposition 13 in 1978, Article XIII A of the State Constitution limits annual inflationary adjustments to property assessed values to a maximum of 2% annually. Each year, the State Board of Equalization establishes this annual increase based on the statewide consumer price index for the previous year (October to October). Since Article XIII A's passage in 1978, there have been ten occurrences when the inflationary adjustment was less than 2%. This occurred in fiscal years 1983-84, 1995-96, 1996-97, 1999-00, 2004-05, 2010-11, 2011-12, 2014-15, 2015-16, and 2016-17; the inflationary adjustments for these fiscal years were 1.00%, 1.19%, 1.11%, 1.853%, 1.867%, -0.237% (deflation), 0.753%, 0.454%, 1.998%, and 1.525%, respectively. Meanwhile, the last three years have each had an inflationary growth factor of 2%.

County Administrative Charges

The County charges an administrative fee for disbursing property tax increment revenues to successor agencies. This fee is based on actual cost, prorated among redevelopment project areas based on their respective assessed values. The County's administrative charges vary from year to year, but for VVEDA have recently ranged between 0.62% and 0.79%.

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In FY 2015-16, the County charged VVEDA \$454,582 in administrative charges, approximately 1.15% of the gross tax increment collected in that year. The County charged \$602,138 in FY 2016-17, approximately 1.44% of the gross tax increment collected, \$412,144 in FY 2017-18, approximately 0.79% of the gross tax increment collected, and \$324,697 in FY 2018-19, approximately 0.62% of the gross tax increment collected.

Changes in Value Due to New Construction

Exhibit 5A presents a summary of finalized building permits for improvements that will result in an increase in the assessed value for the subject properties. The value of these improvements is anticipated to be reflected on the 2020-21 assessment roll. Exhibit 5A only covers the Victorville and SCLAA portions of the Project Area and includes data for the entire 2019 calendar year.

Building Permit Activity¹					Exhibit 5A
Southern California Logistics Airport Authority - Victorville and SCLAA Areas					
Month	Commercial & Industrial		Residential		
	# Permits	Valuation	# Permits	Valuation	
Jan 2019	1	\$ 109,615	10	\$ 2,711,928	
Feb 2019	0	\$ -	14	\$ 3,988,093	
Mar 2019	4	\$ 739,240	9	\$ 2,799,027	
Apr 2019	0	\$ -	19	\$ 5,363,368	
May 2019	0	\$ -	39	\$ 10,930,411	
Jun 2019	1	\$ 83,779	21	\$ 6,235,211	
Jul 2019	2	\$ 35,934,469	35	\$ 10,105,906	
Aug 2019	3	\$ 593,589	33	\$ 9,474,245	
Sep 2019	1	\$ 81,269	31	\$ 8,996,726	
Oct 2019	0	\$ -	36	\$ 10,173,309	
Nov 2019	0	\$ -	41	\$ 11,830,885	
Dec 2019	0	\$ -	7	\$ 2,283,607	
	12	\$ 37,541,960	295	\$ 84,892,716	
Total Value Added to 2020-21		\$122,434,676			
Total VVEDA 2019-20 Value		\$9,350,213,767			
Percentage Increase		1.31%			

¹ Excludes all permits less than \$50,000 in valuation

Sources: City of Victorville Development Department, San Bernardino County Auditor-Controller

An additional \$122.4 million in value is anticipated to be reflected on the 2020-21 assessment roll because of new construction in the Victorville and SCLAA portions of the Project Area. This additional value represents an increase of 1.31% to the 2019-20 total assessed value of the Project Area. Among the additional value represented by these building permits, 93% of the commercial and industrial value is related to the expansion of a Rubbermaid warehouse on the 17,000 block of Nevada Avenue in the SCLAA portion of the Project Area. The



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residential permits are mostly single-family residential projects valued between \$200,000 and \$400,000. These projects are located in the Victorville Original and Amendment VIII Areas.

New development is assessed on both construction costs and market conditions. Because building permit value is generally lower than construction costs and sale prices, RSG conservatively utilized the total permit value of the improvements for the estimate of added value resulting from new development in the projection of future tax increment revenues.

TAXING AGENCY PAYMENTS

In addition to reviewing and applying the pass-through agreements and applicable sections of the HSC, RSG has used the County's pass-through calculation methodology since this methodology matches what is prescribed in the agreements and law, as well as since the County calculates and administers the pass-through distribution following the dissolution of redevelopment agencies.

Payments Required by the Amended Redevelopment Plan

Section 703 of the Amended Redevelopment Plan ("Plan") provides that the following taxing entities are excluded from the definition of "Tax Increment" pursuant to the Plan and therefore will receive 100% of their share of tax increment in the Original Area:

- Apple Valley Fire Protection District;
- Mojave Water Agency;
- Baldy Mesa County Water District;
- Mojave River County Water District;
- Apple Valley Park District; and
- Hesperia Park District.

The Baldy Mesa County Water District, the Mojave River County Water District, and the Apple Valley Park District have since been dissolved and their shares of Tax Increment have been shifted to the Victorville Water District, the Mojave Resource Conservation District, and the Town of Apple Valley, respectively.

The Plan also provides for the Cities of Victorville, Apple Valley, and Hesperia, as well as the County of San Bernardino to receive tax increment generated from application of their entities' tax rate to the portion of the Project Area within their jurisdiction that exceeds 5.2935%. The revenue generated by the first 5.2935% of the jurisdiction's tax rate was previously allocated to VVEDA, but is now included with residual revenue to be distributed to all taxing entities.

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HSC Section 33401 Payments

Prior to 1994, HSC Section 33401 allowed redevelopment agencies to pay to any other entity collecting property taxes within the redevelopment project area a portion of tax increment revenues to alleviate any financial burden related to the redevelopment project.

VVEDA entered into such agreements with the following entities:

- County Superintendent of Schools;
- Adelanto Elementary School District;
- Victorville Elementary School District;
- Oro Grande Elementary School District;
- Victor Valley High School District;
- Apple Valley Unified School District;
- Hesperia Unified School District; and
- Victor Valley Community College District.

Pursuant to these agreements, the County Superintendent receives 100% of their share of tax increment revenue, and the other districts receive 32.5% of their share of tax increment revenue. Exhibit 6 presents a summary of the pass-through payments and tax increment distribution requirements.

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SOUTHERN CALIFORNIA LOGISTICS AIRPORT AUTHORITY

Summary of Agreement Terms	Exhibit 6
Southern California Logistics Airport Authority	
<p>Pursuant to Section 703 of Plan <i>Taxing Entities excluded from Tax Increment definition:</i> Apple Valley Fire Protection District (WF01) Mojave Water Agency (WY20) Baldy Mesa County Water District (WW05) Mojave River County Water District (VW02) Apple Valley Park District (VP01) Hesperia Park District (VP02)</p> <p><i>Jurisdiction Member Share [Section 703(b)(1)(a)]</i> Victorville - Portion of 1% share in excess of 5.2935% Apple Valley - same Hesperia - same County of San Bernardino - same</p>	
<p>Pursuant to School Pass Through Agreements Tax Increment excludes over-ride rates, unitary utility revenue, State subventions (Homeowner's exemptions) Low and moderate income housing set-aside is not deducted prior to calculation of payment</p> <p>Districts get 32.5% of their share (except the Superintendent of Schools)- may deposit into District Capital Fund held by VVEDA Superintendent of Schools gets 100% of its share If deposits are not made within 30 Days of receipt, interest rate of 1% per 30 day period</p> <p>Payments shall not be subordinate to VVEDA bonds & indebtedness</p>	
<p>Pursuant to JPA Agreement All George Air Force Base ("GAFB")-generated tax increment for use on GAFB with understanding that Victorville will set aside 20% thereof for low and moderate income housing</p> <p>1997-98 & 1998-99 increment to be used on GAFB (no longer applicable)</p> <p>20% of each member jurisdiction's tax increment allocated for low and moderate income housing and allocated to each Member to be used in its own portion of the project area (no longer dedicated to housing following Redevelopment dissolution, but still applied in pas through calculations)</p> <p>Remaining balance of each member jurisdictions' tax increment: 50% allocated for use in such Member's portion of the project area 50% allocated for use on GAFB parcels (SCLA) For Adelanto, 50% to SCLA and 25% to Adelanto; 25% to reimburse Authority and when paid off, this 25% goes to Adelanto (subject to the Department of Finance's approval following Redevelopment dissolution)</p>	

HSC Section 33607.5 Payments

The Amendment IV and Amendment VIII Areas are subject to statutory pass through payments required by HSC Section 33607.5. These payments are calculated in the tax increment projections included in Exhibits 10A through 10O.

Adjustments For Negative Increment Values

The Tax Increment Projections shown in Exhibits 10A through 10O use the Auditor-Controller Tax Rate Area ("TRA") reports to allocate assessed values and increment values to member jurisdictions. In certain cases, when the assessed value of a TRA is below its base year value, it is the policy of the Auditor-Controller to shift the difference to another TRA within the same project area. The net effect is that the sum of the increments of all the TRAs in a project area will be equal to the gross increment of the project area also reported by the Auditor-Controller.

The projections in Exhibits 10A through 10O show the assessments by jurisdiction before adjustments but conservatively assume that negative increment value will not generate any pass-through payments. Therefore, pass through payments will not be generated from any Project Area sub-areas when they do not have positive increment revenue in a given year. This occurs in the Apple Valley portion of the Amendment VIII Area (Exhibit 10M).

TOP TEN TAXPAYERS

Utilizing the County's FY 2019-20 Secured and Unsecured Assessment Rolls, the top ten largest taxpayers within the Project Area have been identified and are listed on Exhibits 7A through 7I. These exhibits include the top ten taxpayers for the following areas:

- Entire VVEDA Project Area;
- Victorville and SCLAA portions only;
- Amendment VIII Area only; and
- Each individual member jurisdiction's portion (with the Original Area and amendment areas combined for Adelanto, Apple Valley, Victorville, and San Bernardino County)

Each table is accompanied by a short description of the changes to the assessed value of the top ten taxpayers and the percentage of total assessed value.

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Total Project Area

The FY 2019-20 top ten taxpayers' total assessed value in Exhibit 7A encompasses \$1.02 billion, or 10.95% of the total Project Area assessed value (and 18.45% of *incremental* assessed value). The top ten taxpayers are the same property owners between FY 2019-20 and 2018-19.

The FY 2019-20 top ten taxpayers' value is higher than the FY 2018-19 top ten taxpayers' total assessed value, which was \$936.1 million of the total Project Area valuation (shown in Exhibit 7A in the FY 2018-19 Continuing Disclosure Report). As a percentage, the FY 2019-20 value (10.95%) is slightly higher than that of FY 2018-19 (10.69)%.

Notable trends include growth in almost all top taxpayers' property values, strong overall property value growth, and the High Desert Power Trust ("HDPT") properties' assessed value continuing to decrease. All of these trends contribute to greater diversification and stability of the VVEDA Project Area's assessed value.

HDPT owns the High Desert Power Plant ("HDPP"). The HDPP is assessed by the State Board of Equalization ("SBE") and is considered unitary value. After the property's new owner provided the SBE with documentation justifying a significant value reduction, the HDPP's value decreased by \$118.5 million from FY 2016-17 to FY 2017-18. In contrast, the decrease from FY 2017-18 to FY 2018-19 was a much more modest \$2.6 million and the decrease from FY 2018-19 to 2019-20 was \$5.7 million.

2019-20 Top Ten Secured & Unsecured Taxpayers						Exhibit 7A
Victor Valley Redevelopment Agency - Combined						
	Taxpayer	No. of Parcels	Land Use(s)	Assessed Value	% of Total	% of Increment
1	CalPortland Co.	42	Industrial, Vacant Land, and Unsecured	\$ 342,198,679	3.66%	6.16%
2	Stirling Capital Investments	29	Industrial and Vacant Land	\$ 116,006,795	1.24%	2.09%
3	The American Bottling Co.	3	Industrial and Unsecured	\$ 107,310,235	1.15%	1.93%
4	High Desert Power Trust	1	Industrial	\$ 98,000,000	1.05%	1.77%
5	Wal-Mart Stores, Inc.	20	Commercial and Unsecured	\$ 82,550,676	0.88%	1.49%
6	Cemex Construction Materials Pacific	25	Industrial and Vacant Land	\$ 72,776,210	0.78%	1.31%
7	Federal Express Corporation	3	Unsecured	\$ 51,259,189	0.55%	0.92%
8	General Electric Co.	5	Airport Related, Industrial, and Unsecured	\$ 50,238,875	0.54%	0.91%
9	Apple Valley Ranchos Water Co.	8	Public Facilities and Vacant Land	\$ 64,250,016	0.69%	1.16%
10	Victor Valley Hospital Real Estate, LLC	6	Hospital and Unsecured	\$ 39,368,849	0.42%	0.71%
Total		142		\$ 1,023,959,524	10.95%	18.45%
				Total Project Area Assessed Value	\$ 9,350,213,767	
				Incremental Project Area Assessed Value	\$ 5,551,190,653	

Sources: San Bernardino County Assessor Secured and Unsecured Tax Rolls; San Bernardino County Auditor-Controller Property Tax Publications; State Board of Equalization

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SOUTHERN CALIFORNIA LOGISTICS AIRPORT AUTHORITY

Combined Victorville and SCLAA Areas

As shown in Exhibit 7B below, the FY 2019-20 top ten taxpayers in the Victorville and SCLAA Areas combined represent \$617.7 million, or 9.96% of the combined areas' values. Top ten taxpayers generally saw increases in assessed value, resulting in a decrease of the top ten taxpayers' value as a percentage of the total area, from 10.7% in FY 2018-19 (shown in Exhibit 7B in the FY 2018-19 Continuing Disclosure Report).

It is important to note that the lease agreement between HDPT and SCLAA requires that in the event that property taxes paid by HDPT (net of taxing agency payments as described in this Report) are lower than \$2,000,000 per fiscal year, HDPT must pay the difference of \$2,000,000 and the amount of property tax paid (according to County records). This calculation is performed each year and the payment by HDPT is pledged toward debt service on the Bonds.

This provision of the lease agreement protects the Bonds from the HDPP's depreciation. However, this additional amount payable by HDPT is limited to \$1 million per year. In FY 2019-20, the HDPP property had an assessed value of \$98 million. As in the prior two years, the HDPP property tax paid, net of pass through payments, is expected to equal less than \$800,000. Because the additional payment is limited to \$1,000,000, the reduced assessed value will result in a loss of approximately \$280,000 that would otherwise be available for the Bonds' debt service. This loss is already factored into this Report's tax increment revenue projections.

2019-20 Top Ten Secured & Unsecured Taxpayers					Exhibit 7B
Victor Valley Redevelopment Agency - Combined Victorville and SCLAA Areas					
	Taxpayer	No. of Parcels	Land Use(s)	Assessed Value	% of Total
1	Stirling Capital Investments	29	Industrial and Vacant Land	\$ 116,006,795	1.87%
2	The American Bottling Co.	3	Industrial and Unsecured	\$ 107,310,235	1.73%
3	High Desert Power Trust	1	Industrial	\$ 98,000,000	1.58%
4	Cemex Construction Materials Pacific	9	Industrial and Vacant Land	\$ 72,091,913	1.16%
5	Wal-Mart Stores, Inc.	17	Commercial and Unsecured	\$ 67,097,527	1.08%
6	General Electric Co.	4	Airport Related, Industrial, and Unsecured	\$ 50,205,805	0.81%
7	Victor Valley Hospital Real Estate, LLC	6	Hospital and Unsecured	\$ 39,368,849	0.63%
8	Wilmington Victorville, LLC	4	Commercial	\$ 23,203,514	0.37%
9	Bear Valley Partners	14	Commercial and Unsecured	\$ 22,788,283	0.37%
10	PI Properties, LLC	2	Multi-Family Residential and Unsecured	\$ 21,698,842	0.35%
Total		89		\$ 617,771,763	9.96%
Total Project Area Assessed Value				\$ 6,199,932,112	
<i>Sources: San Bernardino County Assessor Secured and Unsecured Tax Rolls; San Bernardino County Auditor-Controller Property Tax Publications; State Board of Equalization</i>					

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SOUTHERN CALIFORNIA LOGISTICS AIRPORT AUTHORITY

Amendment VIII Added Area (Combined)

As shown in Exhibit 7C, the FY 2019-20 top ten taxpayers in the Amendment VIII area represent \$119.5 million of value, or 4.17% of the total Amendment VIII area's value. The value increased, while the percentage of the area's total assessed value decreased, from the FY 2018-19 figures (\$118.5 million and 4.44%, respectively, as shown in Exhibit 7C in the FY 2018-19 Continuing Disclosure Report). The area's total assessed value continues its fast growth trend, this time from approximately \$2.67 billion in FY 2018-19 to \$2.87 billion.

2019-20 Top Ten Secured & Unsecured Taxpayers					Exhibit 7C
Victor Valley Redevelopment Agency - Amendment VIII Added Area (Combined)					
	Taxpayer	No. of Parcels	Land Use(s)	Assessed Value	% of Total
1	Wilmington Victorville, LLC	4	Commercial	\$ 23,203,514	0.81%
2	VNF Properties	4	Commercial	\$ 19,509,912	0.68%
3	NHP, LLC	2	Hospital	\$ 19,194,862	0.67%
4	JSAK Victorville Partners, LP	3	Commercial and Unsecured	\$ 10,748,219	0.37%
5	HD Development of Maryland, Inc.	1	Commercial	\$ 8,807,223	0.31%
6	Wal-Mart Stores, Inc.	12	Commercial and Unsecured	\$ 8,305,870	0.29%
7	Leaton, Michael Guy	6	Commercial	\$ 8,011,206	0.28%
8	Prime A Investments, LLC	297	Commercial, Vacant Land, and Unsecured	\$ 7,592,710	0.26%
9	Gal World Victorville, LLC	41	Multi-Family Residential	\$ 7,178,756	0.25%
10	Walton California, LLC	15	Single-Family Residential and Vacant Land	\$ 6,966,110	0.24%
Total		385		\$ 119,518,382	4.17%
Total Project Area Assessed Value				\$ 2,867,680,169	
<i>Sources: San Bernardino County Assessor Secured and Unsecured Tax Rolls; San Bernardino County Auditor-Controller Property Tax Publications; State Board of Equalization</i>					

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SOUTHERN CALIFORNIA LOGISTICS AIRPORT AUTHORITY

Victorville Area (Original, IV, VIII)

In the Victorville areas, the FY 2019-20 top ten taxpayers represent \$327.2 million of value, or 5.75% of the total Victorville area's value, shown in Exhibit 7D. The value is higher and the percentage is slightly lower than in FY 2018-19, when the top ten taxpayers' assessed value of \$309.4 million contributed to 5.82% of the area's total assessed value (shown in Exhibit 7D in the FY 2018-19 Continuing Disclosure Report). This combination of trends reflects continued diversified growth in assessed value.

2019-20 Top Ten Secured & Unsecured Taxpayers					Exhibit 7D
Victor Valley Redevelopment Agency - Victorville Area (Original, IV, VIII)					
Taxpayer	No. of Parcels	Land Use(s)	Assessed Value	% of Total	
1 Cemex Construction Materials Pacific	9	Industrial and Vacant Land	\$ 72,091,913	1.27%	
2 Wal-Mart Stores, Inc.	17	Commercial and Unsecured	\$ 67,097,527	1.18%	
3 Victor Valley Hospital Real Estate, LLC	6	Hospital and Unsecured	\$ 39,368,849	0.69%	
4 Wilmington Victorville, LLC	4	Commercial	\$ 23,203,514	0.41%	
5 Bear Valley Partners	14	Commercial and Unsecured	\$ 22,788,283	0.40%	
6 PI Properties, LLC	2	Multi-Family Residential and Unsecured	\$ 21,698,842	0.38%	
7 Lowe's HIW, Inc.	2	Commercial and Unsecured	\$ 21,233,754	0.37%	
8 14374 Borego Road LLC	1	Multi-Family Residential	\$ 20,974,230	0.37%	
9 VNF Properties	4	Commercial	\$ 19,509,912	0.34%	
10 NHP, LLC	2	Hospital	\$ 19,194,862	0.34%	
Total	61		\$ 327,161,686	5.75%	
		Total Project Area Assessed Value	\$ 5,689,990,046		
<i>Sources: San Bernardino County Assessor Secured and Unsecured Tax Rolls; San Bernardino County Auditor-Controller Property Tax Publications; State Board of Equalization</i>					

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SOUTHERN CALIFORNIA LOGISTICS AIRPORT AUTHORITY

SCLAA Original Area

In the SCLAA area, the FY 2019-20 top ten taxpayers make up approximately \$399.7 million of the SCLAA Original Area value, shown in Exhibit 7E, an approximately 13% decrease from FY 2018-19. Three of the top ten taxpayers in the SCLAA Original Area in FY 2018-19 (Federal Express Co.; Plastipak Packaging, Inc.; and Southwest Airlines Co., Inc.) only had unsecured property value that significantly decreased, leading to a decrease in assessed values among top ten taxpayers. While the percentage of value held by the FY 2019-20 top ten taxpayers, 78.38%, is much lower than the 94.63% reported in the FY 2018-19 Continuing Disclosure Report, the SCLAA Original Area continues to have a very non-diverse property tax base.

2019-20 Top Ten Secured & Unsecured Taxpayers					Exhibit 7E
Victor Valley Redevelopment Agency - SCLAA Original Area					
	Taxpayer	No. of Parcels	Land Use(s)	Assessed Value	% of Total
1	Stirling Capital Investments	28	Industrial and Vacant Land	\$ 115,764,395	22.70%
2	The American Bottling Co.	2	Industrial and Unsecured	\$ 107,223,325	21.03%
3	High Desert Power Trust	1	Industrial	\$ 98,000,000	19.22%
4	General Electric Co.	4	Airport Related, Industrial, and Unsecured	\$ 50,205,805	9.85%
5	COMAV Technical Services, LLC	5	Airport Related and Unsecured	\$ 8,435,621	1.65%
6	General Atomics Aeronautical Systems	2	Public Facilities	\$ 5,742,000	1.13%
7	International Aerospace Coatings, LLC	4	Commercial, Public Facilities, and Unsecured	\$ 5,617,000	1.10%
8	The Boeing Company, Inc.	9	Airport Related, Industrial, and Unsecured	\$ 4,796,874	0.94%
9	Vertical Peaks Holdings, LLC	1	Public Facilities	\$ 2,386,746	0.47%
10	COMAV Asset Management, LLC	3	Public Facilities and Unsecured	\$ 1,509,110	0.30%
Total		59		\$ 399,680,876	78.38%
Total Project Area Assessed Value				\$ 509,942,066	
<i>Sources: San Bernardino County Assessor Secured and Unsecured Tax Rolls; San Bernardino County Auditor-Controller Property Tax Publications; State Board of Equalization</i>					

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SOUTHERN CALIFORNIA LOGISTICS AIRPORT AUTHORITY

Hesperia Original Area

In the Hesperia area, the FY 2019-20 top ten taxpayers provided approximately \$9.7 million of value, or 3.04% of the area's total value, shown in Exhibit 7F. This represents an increase in value and a decrease in percentage of total value from FY 2018-19, when the top ten taxpayers provided \$9.2 million, or 3.15% of the area's total assessed value (shown in Exhibit 7F in the FY 2018-19 Continuing Disclosure Report). The prevalence of single-family residential property owners among the top ten taxpayers continues to reflect the project area's relative lack of commercial and industrial development, though several industrial and commercial property owners are on the top ten taxpayers list.

2019-20 Top Ten Secured & Unsecured Taxpayers					Exhibit 7F
Victor Valley Redevelopment Agency - Hesperia Original Area					
Taxpayer	No. of Parcels	Land Use(s)	Assessed Value	% of Total	
1 RJG Properties, LLC	1	Industrial	\$ 3,329,280	1.04%	
2 Inland Group, LLC	2	Commercial	\$ 1,389,337	0.44%	
3 Dorghalli, Rami	1	Commercial	\$ 934,745	0.29%	
4 Osorio, Ignacio	1	Single-Family Residential	\$ 650,000	0.20%	
5 Rodriguez, Sergio	2	Single-Family Residential	\$ 591,168	0.19%	
6 Vergara, Norberto	4	Single-Family Residential	\$ 577,226	0.18%	
7 Ortega Property Management, Inc.	3	Single-Family Residential	\$ 571,200	0.18%	
8 Bigbee, Michael J	2	Commercial and Unsecured	\$ 565,332	0.18%	
9 Lomeli, Daniel	1	Agricultural	\$ 546,500	0.17%	
10 Manahan, Samuel M	1	Single-Family Residential	\$ 545,000	0.17%	
Total	18		\$ 9,699,788	3.04%	
		Total Project Area Assessed Value	\$ 319,318,694		
<i>Sources: San Bernardino County Assessor Secured and Unsecured Tax Rolls; San Bernardino County Auditor-Controller Property Tax Publications</i>					

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SOUTHERN CALIFORNIA LOGISTICS AIRPORT AUTHORITY

Apple Valley Area (Original, VIII)

The FY 2019-20 top ten taxpayers in the Apple Valley areas contributed approximately \$177.4 million of value, or 14.54% of the total assessed value in the Apple Valley areas, shown in Exhibit 7G. The top ten taxpayers' assessed value increased from last year while the percentage of total assessed value decreased. In FY 2018-19, the top ten taxpayers contributed \$171.3 million of value, or 14.62% of the total assessed value in the Apple Valley areas (shown in Exhibit 7G in the FY 2018-19 Continuing Disclosure Report).

2019-20 Top Ten Secured & Unsecured Taxpayers					Exhibit 7G
Victor Valley Redevelopment Agency - Apple Valley Area (Original, VIII)					
	Taxpayer	No. of Parcels	Land Use(s)	Assessed Value	% of Total
1	Apple Valley Ranchos Water Co.	7	Public Facilities and Vacant Land	\$ 64,249,007	5.26%
2	Apple Valley Commons I & II, LLC	31	Commercial, Multi-Family Residential, and Unsecured	\$ 27,179,894	2.23%
3	Target Corp.	2	Commercial and Unsecured	\$ 23,029,018	1.89%
4	Wal-Mart Stores, Inc.	3	Commercial and Unsecured	\$ 15,453,149	1.27%
5	MHC Los Ranchos Limited Partnership	6	Commercial, Single-Family Residential, and Unsecured	\$ 13,365,688	1.10%
6	Albertsons Stores, LLC	2	Commercial	\$ 8,916,871	0.73%
7	Lakritz Family Partnership	5	Commercial	\$ 7,594,417	0.62%
8	FGFW IV, LLC	1	Commercial and Industrial	\$ 6,638,931	0.54%
9	Bearwear Partners	1	Commercial	\$ 5,789,801	0.47%
10	Tririver Investment, LLC	1	Bank	\$ 5,233,212	0.43%
Total		59		\$ 177,449,988	14.54%
Total Project Area Assessed Value				\$ 1,220,525,347	
<i>Sources: San Bernardino County Assessor Secured and Unsecured Tax Rolls; San Bernardino County Auditor-Controller Property Tax Publications</i>					

CONTINUING DISCLOSURE REPORT

SOUTHERN CALIFORNIA LOGISTICS AIRPORT AUTHORITY

San Bernardino County Area (Original, IV, VIII)

The FY 2019-20 top ten taxpayers in the San Bernardino County areas owned \$374.4 million of value, or 54.17% of the San Bernardino County areas' assessed value, as shown in Exhibit 7H. This is a large difference from last year, when the top ten taxpayers had \$312.0 million of value, or 49.50% of the San Bernardino County areas' assessed value (shown in Exhibit 7H in the FY 2018-19 Continuing Disclosure Report). The increase is primarily due to the top taxpayer, Calportland Co., acquiring two additional parcels that contributed to a \$54.3 million increase in the assessed value of their properties. Calportland's properties now represent 49.19% of the project area's assessed value compared to 45.32% in the prior year.

2019-20 Top Ten Secured & Unsecured Taxpayers					Exhibit 7H
Victor Valley Redevelopment Agency - San Bernardino County Area (Original, IV, VIII)					
Taxpayer	No. of Parcels	Land Use(s)	Assessed Value	% of Total	
1 Calportland Co.	31	Industrial, Vacant Land, and Unsecured	\$ 339,930,079	49.19%	
2 Cutting Edge Concrete Svcs, Inc.	3	Unsecured	\$ 8,580,769	1.24%	
3 Ross, Carl E Living Trust	22	Commercial, Industrial, and Vacant Land	\$ 7,206,405	1.04%	
4 The Industrial Company	1	Unsecured	\$ 5,775,265	0.84%	
5 Professional Equities International	16	Vacant Land	\$ 2,708,682	0.39%	
6 Arakelian Enterprises, Inc.	1	Industrial and Unsecured	\$ 2,640,159	0.38%	
7 Dr. Prem Reddy Family Foundation	25	Vacant Land	\$ 2,613,808	0.38%	
8 Grandis Land Holding, LLC	1	Agricultural	\$ 1,965,818	0.28%	
9 Dora Land, Inc.	17	Commercial, Industrial, and Single-Family Residential	\$ 1,882,056	0.27%	
10 Lee, Young & Hyung L	1	Single-Family Residential	\$ 1,059,746	0.15%	
Total	118		\$ 374,362,787	54.17%	
		Total Project Area Assessed Value	\$ 691,117,934		

Sources: San Bernardino County Assessor Secured and Unsecured Tax Rolls; San Bernardino County Auditor-Controller Property Tax Publications; State Board of Equalization

CONTINUING DISCLOSURE REPORT

SOUTHERN CALIFORNIA LOGISTICS AIRPORT AUTHORITY

Adelanto Area (IV, VIII)

In Adelanto, the FY 2019-20 top ten taxpayers provided \$36.8 million of value, or 4.00% of the areas' total assessed value, shown in Exhibit 71. This is a slight difference from FY 2018-19, when the top ten taxpayers' value was \$36.6 million of value, or 4.24% of the Adelanto Area's total assessed value (shown in Exhibit 71 in the FY 2018-19 Continuing Disclosure Report).

2019-20 Top Ten Secured & Unsecured Taxpayers					Exhibit 71
Victor Valley Redevelopment Agency - Adelanto Area (IV, VIII)					
	Taxpayer	No. of Parcels	Land Use(s)	Assessed Value	% of Total
1	Niaz, LLC	1	Industrial	\$ 6,029,878	0.66%
2	WPI Adelanto, LLC	2	Commercial	\$ 5,850,000	0.64%
3	Alen Road, LLC	3	Industrial and Vacant Land	\$ 5,071,663	0.55%
4	Ecosave Land, LLC	5	Vacant Land	\$ 3,335,517	0.36%
5	Adelanto Solar I & II, LLC	5	Industrial and Unsecured	\$ 3,119,915	0.34%
6	Mohrekesh, Ozzie	5	Vacant Land	\$ 3,047,500	0.33%
7	Adelanto Towne Center, LLC	12	Commercial and Vacant Land	\$ 3,038,300	0.33%
8	Lee Family Trust	3	Commercial, Single-Family Residential, and Vacant Land	\$ 2,633,858	0.29%
9	Mileski Living Trust	11	Industrial and Vacant Land	\$ 2,342,085	0.25%
10	CPT Operating Partnership, LP	1	Industrial and Vacant Land	\$ 2,340,900	0.25%
Total		48		\$ 36,809,616	4.00%
Total Project Area Assessed Value				\$ 919,319,680	
<i>Sources: San Bernardino County Assessor Secured and Unsecured Tax Rolls; San Bernardino County Auditor-Controller Property Tax Publications</i>					

ASSESSMENT APPEALS

Property taxpayers that wish to dispute the value of their property may file an assessment appeal with the County Clerk of the Board of Supervisors. Exhibit 9 summarizes the Project Area's assessment appeal history for the previous five years, including the current year, as of December 4, 2019.

CONTINUING DISCLOSURE REPORT

SOUTHERN CALIFORNIA LOGISTICS AIRPORT AUTHORITY

Assessment Appeal History						Exhibit 9
Southern California Logistics Airport Authority - WEDA Project Area						
	2015-16	2016-17	2017-18	2018-19	2019-20	5-Year Total ¹
Project Area Total Assessed Value	\$7,501,256,354	\$8,056,599,221	\$8,294,085,656	\$8,753,494,616	\$9,350,213,767	\$41,955,649,614
All Appeals						
Total Number of Appeals ²	233	300	129	141	32	835
Total Requested Reduction of All Appeals	\$149,586,270	\$412,239,865	\$348,430,465	\$161,058,888	\$21,918,035	\$1,093,233,633
Number of Withdrawn / Denied Appeals	178	103	84	93	9	467
Number of Stipulated (Successful) Appeals	53	193	39	15	0	300
Total Number of Finalized Appeals	231	296	123	108	9	767
Rate of Successful Appeals ³	22.9%	65.2%	31.7%	13.9%	0.0%	39.1%
Number of Appeals Pending Decisions	2	4	6	33	23	68
Stipulated (Successful) Appeals						
Requested Reduction Amount	\$22,425,599	\$24,856,877	\$85,861,380	\$44,101,714	\$0	\$177,245,570
Granted Reduction Amount	\$10,045,358	\$9,422,327	\$23,579,325	\$22,576,705	\$0	\$65,623,715
Total Granted Reduction Amount versus Requested Reduction Amount ⁴	44.8%	37.9%	27.5%	51.2%	N/A	37.0%
Granted Reduction As % of Total Assessed Value ⁵	0.1%	0.1%	0.3%	0.3%	0.0%	N/A
Appeals Pending Decision						
Total Assessed Value of Pending Appeals	\$2,939,350	\$4,980,112	\$47,984,292	\$92,312,660	\$33,451,013	\$181,667,336
Requested Reduction Amount	\$1,489,369	\$2,279,323	\$23,482,939	\$51,543,714	\$13,695,085	\$82,390,420
Requested Reduction As % of Project Area Assessed Value ⁶	0.0%	0.0%	0.3%	0.6%	0.1%	N/A

¹ The 5-year total represents the five most recently complete years, 2014-15 to 2018-19.
² Total appeals filed from 2015 through 2019 - Appeals where the applicant requested a higher value than the current assessed value were excluded because of
³ The number of stipulated appeals versus the total number of finalized appeals.
⁴ The total value of all granted reductions versus the total value of all requested reductions.
⁵ The granted reduction amount versus the total project area assessed value.
⁶ The pending requested reduction amount versus the total project area assessed value.
 Source: San Bernardino County Clerk of the Board, San Bernardino County Assessor's Office, and San Bernardino County Auditor-Controller



Over the past five years, 300 of the 767 (39.1%) appeals filed and completely adjudicated in the VVEDA Project Area were granted. There are 23 unresolved appeals in the Project Area for FY 2019-20, 33 unresolved appeals for FY 2018-19, 6 unresolved appeals for FY 2017-18, 4 unresolved appeals for FY 2016-17, and 2 unresolved appeals for FY 2015-16. It is important to note that a high number of pending appeals in the two most recent fiscal years is the norm in other years and other counties. Typically, almost all appeals filed for a given fiscal year are resolved by the end of the third year thereafter.

The unresolved appeals in FY 2019-20 create a potential loss of \$13.6 million (0.1% of the FY 2019-20 Project Area Assessed Value) if all of the requested reductions were fully granted. The pending appeals in FYs 2015-16 through 2019-20 could generate a total loss of \$92.4 million.

It is important to note that in every single year with a significant number of appeals completely adjudicated, the total granted reduction amount is less than 55% of the requested reduction amount in that year. Moreover, granted reductions have not exceeded 0.5% of total assessed value in any of the previous five years. The effect of successful tax appeals has not been included in the tax increment projections presented in Exhibits 10A through 10O because the outcome cannot be accurately predicted, either in terms of the number of appeals granted or the actual reduction in value, and the impact of appeals is consistently less than 1%.

Proposition 8 Decline in Value Appeal and Recovery

Proposition 8 (1978) amended Article XIII A allowing the Assessor to lower assessments of properties temporarily if there is a decline in value. Accordingly, Section 51(b) of the California Revenue and Taxation Code states that the Assessor may place a value on the tax roll lower than the compounded base assessment value, if the full cash value of real property has been reduced by damage, destruction, depreciation, obsolescence, removal of property, or other factors causing a decline in the value. Reductions in value pursuant to Section 51(b), commonly referred to as Proposition 8 appeals, can be achieved either by formal appeal or administratively by Assessor staff appraising the property. A reduced full cash value placed on the tax roll does not change the base assessment value. The future impact of a parcel subject to a Proposition 8 appeal is dependent upon a change in the conditions that caused the drop in value.

Following the economic decline of the Great Recession, the County Assessor decided to review automatically the property values of any home or condominium acquired after June 2001 and in May of 2009 notified those property owners whose property values had declined below market value that their property values were being temporarily reduced. This led to a strong decline in total assessed value.

The number of appeals filed has declined since peaking in FYs 2010-11 and 2011-12. During the recovery from the Great Recession as property market values rise, the County Assessor can return assessed values up to the maximum allowed according to Article XIII A, which applies the appropriate annual inflation rates to the base assessment value. In effect, this allows property values to rise more quickly than 2% per year for a short period and likely

accounts for some of the rapid value growth in recent years. Once property values are returned to their maximum allowed values, their further growth is limited by the Board of Equalization's inflation rates.

An increase in the number and value of appeals in FY 2016-17 suggests that values had risen enough to elicit action from more property owners who feel that their properties' actual values are less than assessed values. The number of appeals has steadily decreased since FY 2016-17 and are unlikely to affect revenues significantly in the near future. If values continue to rise at recent rates, it is possible that appeals will increase and therefore have a more notable effect on revenues. It should be noted, however, that 68% of the requested reduction of all FY 2016-17 appeals comes from a single appeal submitted by Calportland Co., which was denied.

Top Ten Taxpayer Pending Appeals

Victorville Area

One of the current top ten taxpayers in the Victorville portion of the Project Area filed one of the unresolved appeals shown in Exhibit 9.

- Lowe's HIW, Inc. filed one pending appeal in 2018 requesting a total reduction of \$7.75 million, half the property's total value. No appeals were filed in 2019.

The requested reduction is for 0.14% of the 2019-20 assessed value in the Victorville portion of the Project Area. Lowe's filed similar appeals in 2016 and 2017 that were denied. If the 2018 appeal were granted, the appeal would not impact the 2018-19 top ten taxpayer list for the Victorville Area because Lowe's was not a top ten taxpayer last year.

County Area

None of the top ten taxpayers in the County portion of the Project Area have filed any of the unresolved appeals shown in Exhibit 9.

Apple Valley Area

Three of the top ten taxpayers in the Apple Valley portion of the Project Area have filed unresolved appeals shown in Exhibit 9.

- Target Corp. filed pending appeals each year from 2015 through 2018 requesting reductions of roughly half of the property's unsecured assessed value each year. The requested reductions range between \$796,956 and \$1.29 million each year. No appeals were filed in 2019. If the appeals were granted, Target would remain on the top ten taxpayer list.
- Albertsons Stores, LLC filed one pending appeal in 2018 requesting a reduction of \$3.95 million, or half of the property's total value. No appeals were filed in 2019. Albertson's filed similar appeals in 2014 and 2015 that were denied. If the 2018 appeal is granted, Albertsons were drop off the 2018-19 top ten taxpayer list.

CONTINUING DISCLOSURE REPORT

SOUTHERN CALIFORNIA LOGISTICS AIRPORT AUTHORITY

- Bearwear Partners filed one pending appeal in 2019 requesting a reduction of \$2.32 million, or 40% of the property's total value. If this appeal is granted, Bearwear Partners would drop out of the 2019-20 top ten taxpayer list.

The pending reductions from 2019-20 top ten taxpayers total \$11.21 million, or 0.92% of the 2019-20 assessed value of the Apple Valley portion of the Project Area.

Adelanto Area

None of the top ten taxpayers in the Adelanto portion of the Project Area have filed any of the unresolved appeals shown in Exhibit 9.

Hesperia Area

One of the current top ten taxpayers in the Hesperia portion of the Project Area filed one of the unresolved appeals shown in Exhibit 9.

- RJG Properties, the largest taxpayer in the area, filed one pending appeal in 2019 requesting a total reduction of \$1.33 million, or 40% of the property's total value.

The requested reduction is for 0.42% of the 2019-20 assessed value in the Hesperia portion of the Project Area. The property owner filed similar appeals in 2015 through 2017 that were denied. If the 2019 appeal were granted, RJG Properties would remain the top taxpayer for the Hesperia Area in 2019-20.

SCLAA Area

One of the top ten taxpayers in the SCLAA Area filed unresolved appeals.

- General Electric co. filed pending appeals for a reduction of \$20.82 million in 2017 and \$17.66 million in 2018 on the unsecured assessed value of two parcels.

The requested reductions total 7.55% of the 2019-20 total assessed value in the SCLAA portion of the Project Area. Over the last five years, the property owner filed unsecured appeals on the same two parcels in 2016, one of which was denied and one of which was granted a \$1.78 million reduction (17% of the applicant's requested reduction). If General Electric's pending 2018 appeal were granted, they would drop down one position in the 2018-19 top ten taxpayer ranking.

TAX INCREMENT REVENUE PROJECTIONS

Exhibits 10A through 10O present the tax increment revenue projections for the Project Area based upon the assumptions described in this Report.

As discussed earlier in this Report, the Low- and Moderate-Income Housing Set Aside requirements no longer exist and are made illegal under Dissolution Law. Therefore, all remaining tax increment revenues generated within a project area (housing and non-housing) can be used to satisfy outstanding bond debt obligations.

Exhibit 10A shows the debt coverage ratio related to the combined housing and non-housing bond debt service obligations. The tax increment revenue projections shown in Exhibit 10A also account for the ABx1 26 changes, showing both housing and non-housing bonds secured by a single stream of revenue. This change is only shown in Exhibit 10A.

As shown in prior years' continuing disclosure reports, Exhibits 10B and 10C reflect the debt service coverage ratios separately for the non-housing and housing pledge of tax increment revenue related to their respective bonds. In addition, Exhibits 10B through 10O reflect the Total Pledged Revenue as net of housing and pass through payments, the same methodology used in previously prepared continuing disclosure reports.

For the 2019-20 year, the SBE established the inflationary growth rate to be 2.00%. To estimate the revenue forecast conservatively, the following tables assume 2.00% growth for all future years. The one exception is in the SCLAA Original Area, where the forecast assumes 0% growth. This is appropriate given that the HDPP depreciates in value and represents a large portion of the area's total value.

These projections are conservative with regard to value growth and assume that the revenues pledged for the Bonds are allowed to be used for that purpose.

The coverage ratio in the combined (housing and non-housing) projections is lowest in FY 2019-20 at 1.53 and increases after that. That same number is 1.39 for the non-housing bonds alone and 2.26 for the housing bonds alone. As mentioned previously, Dissolution Law allows all tax increment revenues generated within a redevelopment project area (housing and non-housing) to be used to satisfy bond debt obligations.

CONTINUING DISCLOSURE REPORT

SOUTHERN CALIFORNIA LOGISTICS AIRPORT AUTHORITY

Exhibit 10A

Combined Housing and Non-Housing Tax Increment Projections
Southern California Logistics Airport Authority - VVEDA Project Area (Including Amendment IV and VIII Areas)

Fiscal Year	Estimated Gross Tax Increment	Pass Through Payments	Net Revenue to Victorville ¹	Net Revenue to SCLAA ¹	Net Revenue to Other Member Jurisdictions ¹	Total Pledge Revenue (Victorville + SCLAA) ¹	Total Debt Service Obligations Non-Housing Bonds ²	Total Debt Service Obligations Housing Bonds ²	Coverage (using Total Pledge Revenue)	Remaining Revenue Net of Debt & Pass Thru Obligations
2019-20*	55,511,907	(15,309,898)	16,001,009	16,896,916	7,304,083	32,897,925	17,961,065	3,519,266	1.53	11,417,594
2020-21	58,463,260	(16,211,523)	16,881,767	17,792,214	7,577,757	34,673,980	17,958,703	3,514,018	1.61	13,203,260
2021-22	59,554,083	(16,546,570)	17,255,574	17,895,451	7,856,488	35,151,025	17,946,988	3,516,116	1.64	13,687,921
2022-23	61,361,933	(17,106,023)	17,775,964	18,338,864	8,141,082	36,114,828	17,941,292	3,515,285	1.68	14,658,252
2023-24	63,205,940	(17,676,665)	18,306,719	18,791,146	8,431,410	37,097,865	17,929,891	3,510,968	1.73	15,657,006
2024-25	65,086,827	(18,258,721)	18,848,050	19,252,473	8,727,583	38,100,523	17,921,479	3,508,080	1.78	16,670,985
2025-26	67,005,332	(18,852,417)	19,400,175	19,723,027	9,028,713	39,123,202	17,915,858	3,506,953	1.83	17,700,392
2026-27	68,962,207	(19,457,988)	19,963,312	20,202,992	9,337,916	40,166,304	17,908,831	3,507,338	1.88	18,752,135
2027-28	70,958,220	(20,076,519)	20,537,685	20,682,131	9,651,885	41,229,816	17,903,539	3,504,100	1.93	19,832,178
2028-29	72,984,153	(20,707,439)	21,123,522	21,191,044	9,972,148	42,314,566	17,893,535	3,501,284	1.98	20,928,747
2029-30	75,070,804	(21,350,978)	21,721,053	21,689,935	10,298,838	43,420,988	17,875,410	3,498,598	2.03	22,046,982
2030-31	77,188,988	(22,007,387)	22,330,515	22,219,004	10,632,082	44,549,520	17,859,898	3,496,540	2.08	23,193,082
2031-32	79,349,537	(22,676,925)	22,952,149	22,748,455	10,972,008	45,700,604	17,836,344	3,496,725	2.14	24,364,535
2032-33	81,553,296	(23,359,853)	23,598,199	23,288,494	11,318,750	46,874,683	17,816,855	3,491,700	2.20	25,568,138
2033-34	83,801,130	(24,056,440)	24,232,915	23,839,334	11,672,441	48,072,249	17,797,313	3,487,264	2.26	26,787,873
2034-35	86,093,921	(24,766,958)	24,892,551	24,401,192	12,033,220	49,293,742	17,785,241	3,487,151	2.32	28,021,350
2035-36	88,432,568	(25,494,560)	25,595,244	24,972,850	12,399,914	50,538,094	17,763,843	3,485,980	2.38	29,288,291
2036-37	90,817,987	(26,236,713)	26,251,379	25,555,941	12,773,954	51,807,320	17,746,189	3,478,551	2.44	30,582,800
2037-38	93,251,115	(26,993,710)	26,951,227	26,150,694	13,155,486	53,101,921	17,724,790	3,474,848	2.50	31,902,483
2038-39	95,732,908	(27,856,705)	27,637,645	26,711,913	13,528,644	54,349,558	17,707,268	3,473,708	2.57	33,168,583
2039-40	98,264,333	(28,736,960)	28,337,784	27,284,356	13,905,233	55,622,140	17,681,444	3,465,488	2.63	34,475,229
2040-41	100,846,397	(29,634,820)	29,051,918	27,868,248	14,291,402	56,920,166	17,659,858	3,464,511	2.69	35,795,797
2041-42	103,480,084	(30,550,637)	29,779,453	28,463,817	14,686,178	58,243,270	17,634,709	3,460,298	2.76	37,148,284
2042-43	106,166,454	(31,484,771)	30,521,383	29,071,299	15,089,001	59,592,682	17,608,145	3,452,563	2.83	38,531,974
2043-44	108,906,551	(32,437,587)	31,278,152	29,680,929	15,499,883	60,968,081	17,582,060	3,450,765	2.90	39,936,256
2044-45	111,701,450	(33,409,460)	32,050,056	30,322,953	15,918,982	62,373,009	18,085,000	-	3.45	44,288,009
2045-46	114,552,248	(34,400,770)	32,837,398	30,967,617	16,346,463	63,805,015	18,085,000	-	3.53	45,720,015
2046-47	117,460,061	(35,411,906)	33,640,488	31,625,174	16,782,494	65,285,661	18,085,000	-	3.61	47,180,661
2047-48	120,426,031	(36,443,265)	34,459,638	32,295,882	17,227,245	66,755,521	18,085,000	-	3.69	48,670,521
2048-49	123,451,320	(37,495,251)	35,295,172	32,980,005	17,680,891	68,275,177	18,085,000	-	3.78	50,190,177
2049-50	126,537,114	(38,568,277)	36,147,417	33,677,810	18,143,611	69,825,227	18,085,000	-	3.86	51,740,227
2050-51	129,684,625	(39,662,764)	37,016,706	34,389,571	18,615,584	71,408,277	18,085,000	-	3.95	53,321,277

¹ Pursuant to ABx1 26, AB 1484, and SB 107, the Successor Agency is no longer required to set-aside tax increment for the low/mid housing fund therefore those monies, which are deposited into the Redevelopment Property Tax Trust Fund (RPTTF), are available and can be pledged to pay housing and non-housing bond debt services.

² Debt service payments are grouped by fiscal year and not bond year.

* The State Board of Equalization has declared a 2.00% inflationary growth for the 2019-20 fiscal year.



FISCAL CONSULTANT REPORT

SOUTHERN CALIFORNIA LOGISTICS AIRPORT AUTHORITY

Non-Housing Tax Increment Projections												Exhibit 10B
Southern California Logistics Airport Authority - WVEDA Project Area (Including Amendment IV and VIII Areas)												
Fiscal Year	Estimated Gross Tax Increment	Low & Moderate Income Housing Set-Aside 20%	Pass Through Payments	Non-Housing Revenue to Victorville ¹	Non-Housing Revenue to SCLAA ¹	Non-Housing Revenue to Other Member Jurisdictions ¹	Total Non-Housing Pledge Revenue (Victorville + SCLAA)	Total Debt Service Obligations by Fiscal Year ²	Coverage (using Total Pledge Revenue)	Remaining Revenue After Debt Service		
2019-20*	55,511,907	(11,102,381)	(15,309,898)	9,084,870	15,892,741	4,142,217	24,957,410	17,961,065	1.39	6,996,345		
2020-21	58,463,280	(11,882,652)	(16,211,523)	9,549,048	16,717,202	4,292,835	28,266,250	17,956,703	1.46	8,309,548		
2021-22	59,554,083	(11,910,817)	(16,546,570)	9,758,171	16,891,278	4,446,250	28,650,447	17,946,988	1.48	8,703,459		
2022-23	61,361,933	(12,272,387)	(17,108,023)	10,045,952	17,334,689	4,602,882	27,380,641	17,941,292	1.53	9,439,349		
2023-24	63,205,940	(12,641,188)	(17,676,665)	10,338,446	17,786,970	4,762,870	28,125,417	17,929,891	1.57	10,195,526		
2024-25	65,086,827	(13,017,365)	(18,258,721)	10,636,771	18,248,298	4,925,873	28,885,068	17,921,479	1.61	10,963,590		
2025-26	67,005,332	(13,401,066)	(18,852,417)	10,941,044	18,718,851	5,091,953	29,659,895	17,915,858	1.66	11,744,038		
2026-27	68,962,207	(13,792,441)	(19,457,988)	11,261,387	19,198,816	5,261,575	30,450,203	17,906,831	1.70	12,543,372		
2027-28	70,958,220	(14,191,644)	(20,076,519)	11,587,923	19,687,955	5,434,178	31,255,879	17,893,539	1.75	13,362,340		
2028-29	72,994,153	(14,598,831)	(20,707,439)	11,890,778	20,186,868	5,610,237	32,077,846	17,883,535	1.79	14,194,111		
2029-30	75,078,804	(15,014,161)	(21,350,978)	12,220,078	20,695,780	5,789,828	32,915,838	17,875,410	1.84	15,040,428		
2030-31	77,188,988	(15,437,798)	(22,007,387)	12,555,954	21,214,829	5,973,021	33,770,782	17,869,898	1.89	15,910,985		
2031-32	79,349,537	(15,869,907)	(22,678,925)	12,898,538	21,744,279	6,159,888	34,642,817	17,836,344	1.94	16,808,473		
2032-33	81,563,296	(16,310,659)	(23,359,853)	13,247,985	22,284,319	6,350,500	35,532,284	17,816,855	1.99	17,715,429		
2033-34	83,801,130	(16,760,226)	(24,056,440)	13,604,373	22,835,159	6,544,932	36,439,532	17,797,313	2.05	18,642,219		
2034-35	86,083,921	(17,218,784)	(24,766,958)	13,967,902	23,397,016	6,743,280	37,384,918	17,785,241	2.10	19,579,677		
2035-36	88,432,588	(17,686,514)	(25,494,560)	14,338,572	23,968,874	6,944,249	38,307,246	17,763,843	2.16	20,543,403		
2036-37	90,817,987	(18,163,597)	(26,236,713)	14,716,849	24,551,765	7,149,263	39,268,414	17,746,169	2.21	21,522,245		
2037-38	93,251,115	(18,650,223)	(26,993,710)	15,102,282	25,146,518	7,358,363	40,248,800	17,724,790	2.27	22,524,010		
2038-39	95,732,906	(19,146,581)	(27,856,705)	15,488,208	25,707,737	7,553,677	41,175,944	17,707,288	2.33	23,468,676		
2039-40	98,264,333	(19,652,867)	(28,736,960)	15,841,446	26,280,180	7,752,880	42,121,627	17,681,444	2.39	24,440,183		
2040-41	100,846,387	(20,169,277)	(29,634,820)	16,222,148	26,864,072	7,958,071	43,086,220	17,659,858	2.44	25,426,362		
2041-42	103,480,084	(20,698,017)	(30,550,637)	16,610,071	27,459,842	8,163,717	44,069,713	17,634,709	2.50	26,435,004		
2042-43	106,168,454	(21,233,291)	(31,484,771)	17,005,883	28,067,123	8,375,586	45,072,807	17,608,145	2.56	27,464,862		
2043-44	108,906,551	(21,781,310)	(32,437,587)	17,409,208	28,686,754	8,591,691	46,095,962	17,582,060	2.62	28,513,902		
2044-45	111,701,450	(22,340,290)	(33,408,480)	17,820,804	29,318,777	8,812,119	47,139,581	18,085,000	2.61	29,054,581		
2045-46	114,552,248	(22,910,450)	(34,400,770)	18,240,631	29,963,441	9,036,958	48,204,072	18,085,000	2.67	30,119,072		
2046-47	117,460,061	(23,492,012)	(35,411,906)	18,668,855	30,620,998	9,266,289	49,289,854	18,085,000	2.73	31,204,854		
2047-48	120,426,031	(24,085,206)	(36,443,265)	19,105,843	31,291,707	9,500,209	50,397,350	18,085,000	2.79	32,312,350		
2048-49	123,451,320	(24,680,264)	(37,495,251)	19,551,168	31,975,829	9,738,808	51,526,987	18,085,000	2.85	33,441,987		
2049-50	126,537,114	(25,307,423)	(38,568,277)	20,005,802	32,673,634	9,982,178	52,678,236	18,085,000	2.91	34,594,236		
2050-51	129,684,625	(25,936,925)	(39,662,764)	20,469,126	33,385,395	10,230,416	53,854,521	18,085,000	2.98	35,769,521		

¹ Pursuant to AB11 26, AB 1494, and SB 107, the Successor Agency is no longer required to set-aside tax increment for the low/mod housing fund therefore those monies, which are deposited into the Redevelopment Property Tax Trust Fund (RP-TTF), are available and can be pledged to pay housing and non-housing bond debt service.

² Debt service payments are grouped by fiscal year and not bond year

* The State Board of Equalization has declared a 2.00% inflationary growth for the 2019-20 fiscal year.



CONTINUING DISCLOSURE REPORT

SOUTHERN CALIFORNIA LOGISTICS AIRPORT AUTHORITY

Exhibit 10C

Housing Set-Aside Tax Increment Projections

Southern California Logistics Airport Authority - VVEDA Project Area (Including Amendment IV and VIII Areas)

Fiscal Year	Estimated Gross Tax Increment	Total Housing Set-Aside 20%	Housing Revenue to Victorville ¹	Housing Revenue to SCLAA ¹	Housing Revenue to Other Member Jurisdictions ²	Total Housing Pledge Revenue (Victorville + SCLAA)	Total Debt Services by Fiscal Year ³	Coverage (using Total Pledge Revenue)	Remaining Revenue After Debt Service
2019-20*	55,511,907	(11,102,361)	6,936,339	1,004,175	3,161,867	7,940,515	3,519,266	2.26	4,421,248
2020-21	58,463,260	(11,692,652)	7,332,719	1,075,012	3,284,922	8,407,730	3,514,018	2.39	4,893,713
2021-22	59,554,083	(11,910,817)	7,496,403	1,004,175	3,410,238	8,500,578	3,516,116	2.42	4,984,462
2022-23	61,361,933	(12,272,387)	7,730,012	1,004,175	3,538,189	8,734,187	3,515,285	2.48	5,218,902
2023-24	63,205,940	(12,641,188)	7,968,272	1,004,175	3,668,740	8,972,448	3,510,988	2.58	5,461,460
2024-25	65,086,827	(13,017,365)	8,211,280	1,004,175	3,801,910	9,215,455	3,508,080	2.63	5,707,375
2025-26	67,005,332	(13,401,066)	8,459,131	1,004,175	3,937,760	9,463,306	3,506,953	2.70	5,956,354
2026-27	68,962,207	(13,792,441)	8,711,925	1,004,175	4,076,341	9,716,100	3,507,338	2.77	6,208,763
2027-28	70,958,220	(14,191,644)	8,969,762	1,004,175	4,217,707	9,973,937	3,504,100	2.85	6,469,837
2028-29	72,994,153	(14,598,831)	9,232,744	1,004,175	4,361,911	10,236,920	3,501,284	2.92	6,735,636
2029-30	75,070,804	(15,014,161)	9,500,975	1,004,175	4,509,010	10,505,151	3,498,596	3.00	7,006,555
2030-31	77,188,988	(15,437,798)	9,774,562	1,004,175	4,659,060	10,778,737	3,496,540	3.08	7,282,197
2031-32	79,349,537	(15,869,907)	10,053,611	1,004,175	4,812,121	11,057,787	3,498,725	3.16	7,558,062
2032-33	81,563,296	(16,310,659)	10,338,234	1,004,175	4,968,250	11,342,409	3,491,700	3.25	7,850,709
2033-34	83,801,130	(16,760,226)	10,628,542	1,004,175	5,127,509	11,632,717	3,487,264	3.34	8,145,453
2034-35	86,093,921	(17,218,784)	10,924,649	1,004,175	5,289,960	11,928,825	3,487,151	3.42	8,441,673
2035-36	88,432,568	(17,686,514)	11,226,673	1,004,175	5,455,666	12,230,848	3,485,980	3.51	8,744,868
2036-37	90,817,987	(18,163,597)	11,534,731	1,004,175	5,624,691	12,538,906	3,478,551	3.60	9,060,355
2037-38	93,251,115	(18,650,223)	11,848,945	1,004,175	5,797,103	12,853,121	3,474,648	3.70	9,378,473
2038-39	95,732,906	(19,146,581)	12,169,439	1,004,175	5,972,967	13,173,614	3,473,708	3.79	9,699,907
2039-40	98,264,333	(19,652,867)	12,496,338	1,004,175	6,152,353	13,500,513	3,465,468	3.90	10,035,046
2040-41	100,846,387	(20,169,277)	12,829,771	1,004,175	6,335,331	13,833,946	3,464,511	3.99	10,369,435
2041-42	103,480,084	(20,696,017)	13,169,382	1,004,175	6,522,459	14,173,558	3,460,298	4.10	10,713,260
2042-43	106,166,454	(21,233,291)	13,515,700	1,004,175	6,713,416	14,519,875	3,452,563	4.21	11,067,313
2043-44	108,906,551	(21,781,310)	13,868,944	1,004,175	6,908,191	14,873,119	3,450,765	4.31	11,422,354

¹ Pursuant to ABx1 26, AB 1484, and SB 107, the Successor Agency is no longer required to set-aside tax increment for the low/mod housing fund therefore those monies, which are deposited into the Redevelopment Property Tax Trust Fund (RPTTF), are available and can be pledged to pay housing and non-housing bond debt service.

² Pursuant to ABx1 26, AB 1484, and SB 107, the Successor Agency cannot allocate property tax increment to member jurisdictions based on the Joint Powers Agreement alone. To receive tax increment, the member jurisdictions must have outstanding enforceable obligations, which is the case for Victorville/SCLAA and the Town of Apple Valley only. Therefore, the "Housing Revenue to Other Member Jurisdictions" will actually be distributed to all taxing entities.

³ Debt service payments are grouped by fiscal year and not bond year.

* The State Board of Equalization has declared a 2.00% inflationary growth for the 2019-20 fiscal year.



CONTINUING DISCLOSURE REPORT

SOUTHERN CALIFORNIA LOGISTICS AIRPORT AUTHORITY

Tax Increment Projections											Exhibit 10D
Southern California Logistics Airport Authority - Victorville Area											
Fiscal Year	Secured Assessed Values	Unsecured Assessed Values	Increased Value Due to New Development	Total Assessed Value	Incremental Assessed Value	Estimated Gross Tax Increment 1%	Low & Moderate Income Housing Set-Aside 20%	Pass Through Payments 28.28%	Net Revenue to Member Jurisdiction 50%	Net Revenue to SCLAA 50%	
BY											
2019-20*	3,834,667,011	122,146,942		1,168,446,878	2,788,367,075	27,883,671	(5,576,734)	(7,894,110)	7,211,413	7,211,413	
2020-21	3,911,360,351	122,146,942	55,362,365	3,956,813,953	2,920,422,780	29,204,228	(5,840,846)	(8,257,498)	7,552,942	7,552,942	
2021-22	4,044,949,923	122,146,942		4,088,869,658	2,988,649,987	29,986,500	(5,997,300)	(8,478,685)	7,755,257	7,755,257	
2022-23	4,125,848,922	122,146,942		4,167,086,865	3,078,548,986	30,785,490	(6,159,088)	(8,707,427)	7,964,482	7,964,482	
2023-24	4,208,365,900	122,146,942		4,247,995,864	3,162,065,984	31,620,660	(6,324,132)	(8,940,744)	8,177,892	8,177,892	
2024-25	4,292,533,218	122,146,942		4,330,512,842	3,246,233,282	32,462,333	(6,492,457)	(9,178,727)	8,395,570	8,395,570	
2025-26	4,378,363,883	122,146,942		4,414,680,160	3,329,083,947	33,320,839	(6,664,168)	(9,421,470)	8,617,601	8,617,601	
2026-27	4,465,951,560	122,146,942		4,500,530,825	3,392,063,947	34,196,516	(6,839,303)	(9,668,068)	8,844,073	8,844,073	
2027-28	4,555,270,591	122,146,942		4,588,098,502	3,419,651,624	34,196,516	(7,017,941)	(9,921,617)	9,075,074	9,075,074	
2028-29	4,646,376,003	122,146,942		4,677,417,533	3,508,970,655	35,069,707	(7,200,152)	(10,178,218)	9,310,695	9,310,695	
2029-30	4,739,303,523	122,146,942		4,768,522,945	3,593,003,587	36,000,761	(7,386,007)	(10,441,970)	9,551,029	9,551,029	
2030-31	4,834,089,594	122,146,942		4,861,450,465	3,683,003,587	36,930,036	(7,575,579)	(10,709,978)	9,796,170	9,796,170	
2031-32	4,930,771,366	122,146,942		4,956,236,536	3,767,789,658	37,877,897	(7,768,943)	(10,983,346)	10,046,213	10,046,213	
2032-33	5,029,386,813	122,146,942		5,052,918,328	3,854,471,450	38,844,714	(7,966,174)	(11,262,181)	10,301,257	10,301,257	
2033-34	5,128,974,550	122,146,942		5,151,533,755	3,943,066,877	39,830,869	(8,167,349)	(11,546,593)	10,561,402	10,561,402	
2034-35	5,232,574,041	122,146,942		5,252,121,492	4,033,674,614	40,836,746	(8,372,548)	(11,836,693)	10,828,750	10,828,750	
2035-36	5,337,225,521	122,146,942		5,354,720,983	4,126,274,105	41,862,741	(8,581,851)	(12,132,595)	11,097,405	11,097,405	
2036-37	5,443,970,032	122,146,942		5,459,372,463	4,220,925,585	42,909,256	(8,795,340)	(12,434,415)	11,373,473	11,373,473	
2037-38	5,552,849,432	122,146,942		5,566,116,974	4,317,670,096	43,976,701	(9,013,089)	(12,742,272)	11,655,062	11,655,062	
2038-39	5,663,906,421	122,146,942		5,674,996,374	4,406,549,496	45,065,495	(9,235,213)	(13,056,286)	11,942,283	11,942,283	
2039-40	5,777,184,550	122,146,942		5,786,053,363	4,497,606,485	46,176,065	(9,461,768)	(13,376,580)	12,235,249	12,235,249	
2040-41	5,892,728,240	122,146,942		5,899,331,492	4,590,884,614	47,308,946	(9,692,857)	(13,703,280)	12,534,073	12,534,073	
2041-42	6,010,582,805	122,146,942		6,014,875,182	4,684,428,304	48,464,283	(9,928,566)	(14,036,514)	12,838,875	12,838,875	
2042-43	6,130,794,461	122,146,942		6,132,729,747	4,784,282,868	49,642,829	(10,168,989)	(14,376,412)	13,149,772	13,149,772	
2043-44	6,253,410,351	122,146,942		6,252,941,403	5,084,494,625	50,844,945	(10,414,221)	(14,723,109)	13,468,887	13,468,887	
2044-45	6,378,478,558	122,146,942		6,375,557,293	5,207,110,415	52,071,104	(10,664,357)	(15,076,739)	13,790,345	13,790,345	
2045-46	6,506,048,129	122,146,942		6,500,625,500	5,321,176,622	53,321,786	(10,919,498)	(15,437,442)	14,120,272	14,120,272	
2046-47	6,636,169,091	122,146,942		6,628,195,071	5,459,748,193	54,597,482	(11,179,738)	(15,805,359)	14,456,797	14,456,797	
2047-48	6,768,892,473	122,146,942		6,758,316,033	5,589,869,156	55,898,692	(11,445,185)	(16,180,635)	14,800,053	14,800,053	
2048-49	6,904,270,323	122,146,942		6,891,039,415	5,722,592,537	57,225,925	(11,715,941)	(16,563,416)	15,150,174	15,150,174	
2049-50	7,042,355,729	122,146,942		7,026,417,265	5,857,970,387	58,579,704	(11,992,112)	(16,953,652)	15,507,297	15,507,297	
2050-51	7,183,202,844	122,146,942		7,164,502,671	5,996,055,793	59,960,568	(12,273,806)	(17,352,098)	15,871,563	15,871,563	
2051-52	7,326,866,901	122,146,942		7,305,349,786	6,136,902,008	61,369,029	(12,561,134)	(17,758,308)	16,243,114	16,243,114	
				7,449,013,843	6,280,566,965	62,805,670					

* The State Board of Equalization has declared a 2.00% Inflationary growth for the 2019-20 fiscal year.



CONTINUING DISCLOSURE REPORT

SOUTHERN CALIFORNIA LOGISTICS AIRPORT AUTHORITY

Tax Increment Projections											Exhibit 10E
Southern California Logistics Airport Authority - SCLAA Area											
Fiscal Year	Secured Assessed Values	Unsecured Assessed Values	Increased Value Due to New Development	Total Assessed Value	Incremental Assessed Value	Estimated Gross Tax Increment 1%	Low & Moderate Income Housing Set-Aside 20%	Pass Through Payments	Net Revenue to SCLAA		
BY				7,854,350				26.51%	100%		
2019-20*	315,113,778	194,828,288		509,942,066	502,087,716	5,020,877	(1,004,175)	(1,330,848)	2,685,854		
2020-21	315,113,778	194,828,288	35,418,124	545,360,190	537,505,840	5,375,058	(1,075,012)	(1,424,728)	2,875,319		
2021-22	315,113,778	194,828,288		509,942,066	502,087,716	5,020,877	(1,004,175)	(1,330,848)	2,685,854		
2022-23	315,113,778	194,828,288		509,942,066	502,087,716	5,020,877	(1,004,175)	(1,330,848)	2,685,854		
2023-24	315,113,778	194,828,288		509,942,066	502,087,716	5,020,877	(1,004,175)	(1,330,848)	2,685,854		
2024-25	315,113,778	194,828,288		509,942,066	502,087,716	5,020,877	(1,004,175)	(1,330,848)	2,685,854		
2025-26	315,113,778	194,828,288		509,942,066	502,087,716	5,020,877	(1,004,175)	(1,330,848)	2,685,854		
2026-27	315,113,778	194,828,288		509,942,066	502,087,716	5,020,877	(1,004,175)	(1,330,848)	2,685,854		
2027-28	315,113,778	194,828,288		509,942,066	502,087,716	5,020,877	(1,004,175)	(1,330,848)	2,685,854		
2028-29	315,113,778	194,828,288		509,942,066	502,087,716	5,020,877	(1,004,175)	(1,330,848)	2,685,854		
2029-30	315,113,778	194,828,288		509,942,066	502,087,716	5,020,877	(1,004,175)	(1,330,848)	2,685,854		
2030-31	315,113,778	194,828,288		509,942,066	502,087,716	5,020,877	(1,004,175)	(1,330,848)	2,685,854		
2031-32	315,113,778	194,828,288		509,942,066	502,087,716	5,020,877	(1,004,175)	(1,330,848)	2,685,854		
2032-33	315,113,778	194,828,288		509,942,066	502,087,716	5,020,877	(1,004,175)	(1,330,848)	2,685,854		
2033-34	315,113,778	194,828,288		509,942,066	502,087,716	5,020,877	(1,004,175)	(1,330,848)	2,685,854		
2034-35	315,113,778	194,828,288		509,942,066	502,087,716	5,020,877	(1,004,175)	(1,330,848)	2,685,854		
2035-36	315,113,778	194,828,288		509,942,066	502,087,716	5,020,877	(1,004,175)	(1,330,848)	2,685,854		
2036-37	315,113,778	194,828,288		509,942,066	502,087,716	5,020,877	(1,004,175)	(1,330,848)	2,685,854		
2037-38	315,113,778	194,828,288		509,942,066	502,087,716	5,020,877	(1,004,175)	(1,330,848)	2,685,854		
2038-39	315,113,778	194,828,288		509,942,066	502,087,716	5,020,877	(1,004,175)	(1,330,848)	2,685,854		
2039-40	315,113,778	194,828,288		509,942,066	502,087,716	5,020,877	(1,004,175)	(1,330,848)	2,685,854		
2040-41	315,113,778	194,828,288		509,942,066	502,087,716	5,020,877	(1,004,175)	(1,330,848)	2,685,854		
2041-42	315,113,778	194,828,288		509,942,066	502,087,716	5,020,877	(1,004,175)	(1,330,848)	2,685,854		
2042-43	315,113,778	194,828,288		509,942,066	502,087,716	5,020,877	(1,004,175)	(1,330,848)	2,685,854		
2043-44	315,113,778	194,828,288		509,942,066	502,087,716	5,020,877	(1,004,175)	(1,330,848)	2,685,854		
2044-45	315,113,778	194,828,288		509,942,066	502,087,716	5,020,877	(1,004,175)	(1,330,848)	2,685,854		
2045-46	315,113,778	194,828,288		509,942,066	502,087,716	5,020,877	(1,004,175)	(1,330,848)	2,685,854		
2046-47	315,113,778	194,828,288		509,942,066	502,087,716	5,020,877	(1,004,175)	(1,330,848)	2,685,854		
2047-48	315,113,778	194,828,288		509,942,066	502,087,716	5,020,877	(1,004,175)	(1,330,848)	2,685,854		
2048-49	315,113,778	194,828,288		509,942,066	502,087,716	5,020,877	(1,004,175)	(1,330,848)	2,685,854		
2049-50	315,113,778	194,828,288		509,942,066	502,087,716	5,020,877	(1,004,175)	(1,330,848)	2,685,854		
2050-51	315,113,778	194,828,288		509,942,066	502,087,716	5,020,877	(1,004,175)	(1,330,848)	2,685,854		
2051-52	315,113,778	194,828,288		509,942,066	502,087,716	5,020,877	(1,004,175)	(1,330,848)	2,685,854		

* The State Board of Equalization has declared a 2.00% inflationary growth for the 2019-20 fiscal year.



CONTINUING DISCLOSURE REPORT

SOUTHERN CALIFORNIA LOGISTICS AIRPORT AUTHORITY

Tax Increment Projections											Exhibit 10F
Southern California Logistics Airport Authority - San Bernardino County Area											
Fiscal Year	Secured Assessed Values	Unsecured Assessed Values	Total Assessed Value	Incremental Assessed Value	Estimated Gross Tax Increment 1%	Low & Moderate Income Housing Set-Aside 20%	Pass Through Payments 26.06%	Net Revenue to Member Jurisdiction 50%	Net Revenue to SCLAA	Net Revenue to SCLAA 50%	
BY			49,387,468								
2019-20*	371,370,351	21,377,705	392,748,056	343,360,590	3,433,606	(686,721)	(894,726)	926,079	926,079	926,079	
2020-21	378,797,758	21,377,705	400,175,463	350,787,997	3,507,880	(701,576)	(914,080)	946,112	946,112	946,112	
2021-22	386,373,713	21,377,705	407,751,418	358,363,952	3,583,640	(716,728)	(933,822)	966,545	966,545	966,545	
2022-23	394,101,187	21,377,705	415,478,892	366,091,426	3,660,914	(732,183)	(953,958)	987,387	987,387	987,387	
2023-24	401,983,211	21,377,705	423,360,916	373,973,450	3,739,735	(747,947)	(974,497)	1,008,645	1,008,645	1,008,645	
2024-25	410,022,875	21,377,705	431,400,580	382,013,114	3,820,131	(764,026)	(995,447)	1,030,329	1,030,329	1,030,329	
2025-26	418,223,333	21,377,705	439,601,038	390,213,572	3,902,136	(780,427)	(1,016,815)	1,052,447	1,052,447	1,052,447	
2026-27	426,587,900	21,377,705	447,965,605	398,578,039	3,985,780	(797,156)	(1,038,611)	1,076,006	1,076,006	1,076,006	
2027-28	435,119,556	21,377,705	456,497,261	407,109,795	4,071,088	(814,220)	(1,060,843)	1,098,017	1,098,017	1,098,017	
2028-29	443,821,947	21,377,705	465,199,652	415,812,186	4,158,122	(831,824)	(1,083,520)	1,121,489	1,121,489	1,121,489	
2029-30	452,698,386	21,377,705	474,076,091	424,688,625	4,246,886	(849,377)	(1,106,650)	1,145,429	1,145,429	1,145,429	
2030-31	461,752,353	21,377,705	483,130,058	433,742,592	4,337,426	(867,485)	(1,130,243)	1,169,849	1,169,849	1,169,849	
2031-32	470,987,400	21,377,705	492,365,105	442,977,639	4,428,776	(885,955)	(1,154,307)	1,194,757	1,194,757	1,194,757	
2032-33	480,407,148	21,377,705	501,784,853	452,397,387	4,523,974	(904,795)	(1,178,853)	1,220,163	1,220,163	1,220,163	
2033-34	490,015,291	21,377,705	511,392,996	462,005,530	4,620,055	(924,011)	(1,203,890)	1,246,077	1,246,077	1,246,077	
2034-35	499,815,597	21,377,705	521,193,302	471,805,836	4,718,058	(943,612)	(1,229,428)	1,272,509	1,272,509	1,272,509	
2035-36	509,811,909	21,377,705	531,189,614	481,802,148	4,818,021	(963,604)	(1,255,476)	1,299,471	1,299,471	1,299,471	
2036-37	520,008,147	21,377,705	541,385,852	491,998,386	4,919,984	(983,997)	(1,282,045)	1,326,971	1,326,971	1,326,971	
2037-38	530,408,310	21,377,705	551,786,015	502,398,549	5,023,985	(1,004,797)	(1,309,146)	1,355,021	1,355,021	1,355,021	
2038-39	541,016,476	21,377,705	562,394,181	513,006,715	5,130,067	(1,026,013)	(1,336,789)	1,383,633	1,383,633	1,383,633	
2039-40	551,836,806	21,377,705	573,214,511	523,827,045	5,238,270	(1,047,654)	(1,364,984)	1,412,816	1,412,816	1,412,816	
2040-41	562,873,542	21,377,705	584,251,247	534,863,781	5,348,638	(1,069,728)	(1,393,744)	1,442,583	1,442,583	1,442,583	
2041-42	574,131,013	21,377,705	595,508,718	546,121,252	5,461,213	(1,082,243)	(1,423,078)	1,472,946	1,472,946	1,472,946	
2042-43	585,613,633	21,377,705	606,991,338	557,603,872	5,576,039	(1,115,208)	(1,453,000)	1,503,916	1,503,916	1,503,916	
2043-44	597,325,906	21,377,705	618,703,611	569,316,145	5,693,161	(1,138,632)	(1,483,519)	1,535,505	1,535,505	1,535,505	
2044-45	609,272,424	21,377,705	630,650,129	581,262,663	5,812,627	(1,162,525)	(1,514,649)	1,567,726	1,567,726	1,567,726	
2045-46	621,457,872	21,377,705	642,835,577	593,448,111	5,934,481	(1,186,886)	(1,546,402)	1,600,591	1,600,591	1,600,591	
2046-47	633,887,030	21,377,705	655,264,735	605,877,269	6,058,773	(1,211,755)	(1,578,790)	1,634,114	1,634,114	1,634,114	
2047-48	646,564,771	21,377,705	667,942,476	618,555,010	6,185,550	(1,237,110)	(1,611,826)	1,668,307	1,668,307	1,668,307	
2048-49	659,496,066	21,377,705	680,873,771	631,486,305	6,314,863	(1,262,973)	(1,645,522)	1,703,184	1,703,184	1,703,184	
2049-50	672,685,987	21,377,705	694,063,692	644,676,226	6,446,762	(1,289,352)	(1,679,882)	1,738,759	1,738,759	1,738,759	
2050-51	686,139,707	21,377,705	707,517,412	658,129,946	6,581,299	(1,316,280)	(1,714,950)	1,775,045	1,775,045	1,775,045	
2051-52	699,862,501	21,377,705	721,240,206	671,852,740	6,718,527	(1,343,705)	(1,750,708)	1,812,057	1,812,057	1,812,057	

* The State Board of Equalization has declared a 2.00% inflationary growth for the 2019-20 fiscal year.



CONTINUING DISCLOSURE REPORT

SOUTHERN CALIFORNIA LOGISTICS AIRPORT AUTHORITY

Tax Increment Projections											Exhibit 10G
Southern California Logistics Airport Authority - Apple Valley Area											
Fiscal Year	Secured Assessed Values	Unsecured Assessed Values	Total Assessed Value	Incremental Assessed Value	Estimated Gross Tax Increment 1%	Low & Moderate Income Housing Set-Aside 20%	Pass Through Payments 27.24%	Net Revenue to Member Jurisdiction 50%	Net Revenue to SCLAA 50%		
BY			436,031,342								
2019-20*	1,175,671,886	30,657,499	1,206,329,385	770,298,043	7,702,980	(1,540,596)	(2,088,210)	2,032,087	2,032,087		
2020-21	1,199,185,324	30,657,499	1,229,842,823	793,811,481	7,938,115	(1,587,623)	(2,162,258)	2,094,117	2,094,117		
2021-22	1,223,169,030	30,657,499	1,253,826,529	817,795,187	8,177,952	(1,635,590)	(2,227,587)	2,157,397	2,157,397		
2022-23	1,247,632,411	30,657,499	1,278,289,910	842,258,568	8,422,586	(1,684,517)	(2,294,223)	2,221,923	2,221,923		
2023-24	1,272,585,059	30,657,499	1,303,242,558	867,211,216	8,672,112	(1,734,422)	(2,362,191)	2,287,749	2,287,749		
2024-25	1,298,036,760	30,657,499	1,328,694,259	892,662,917	8,926,629	(1,785,326)	(2,431,519)	2,354,892	2,354,892		
2025-26	1,323,987,495	30,657,499	1,354,654,994	918,623,652	9,186,237	(1,837,247)	(2,502,233)	2,423,378	2,423,378		
2026-27	1,350,477,445	30,657,499	1,381,134,944	945,103,602	9,451,036	(1,890,207)	(2,574,362)	2,493,234	2,493,234		
2027-28	1,377,486,994	30,657,499	1,408,144,493	972,113,151	9,721,132	(1,944,226)	(2,647,933)	2,564,486	2,564,486		
2028-29	1,405,036,734	30,657,499	1,435,694,233	999,662,891	9,996,629	(1,999,326)	(2,722,975)	2,637,164	2,637,164		
2029-30	1,433,137,469	30,657,499	1,463,794,968	1,027,763,626	10,277,636	(2,055,527)	(2,799,519)	2,711,295	2,711,295		
2030-31	1,461,800,218	30,657,499	1,492,457,717	1,056,426,375	10,564,264	(2,112,853)	(2,877,593)	2,786,909	2,786,909		
2031-32	1,491,036,223	30,657,499	1,521,693,722	1,085,862,380	10,856,624	(2,171,325)	(2,957,229)	2,864,035	2,864,035		
2032-33	1,520,856,947	30,657,499	1,551,514,446	1,115,483,104	11,154,831	(2,230,966)	(3,038,457)	2,942,704	2,942,704		
2033-34	1,551,274,086	30,657,499	1,581,931,585	1,145,900,243	11,459,002	(2,291,800)	(3,121,310)	3,022,946	3,022,946		
2034-35	1,582,299,588	30,657,499	1,612,957,067	1,176,925,725	11,769,257	(2,353,851)	(3,205,820)	3,104,793	3,104,793		
2035-36	1,613,945,559	30,657,499	1,644,603,058	1,208,571,716	12,085,717	(2,417,143)	(3,292,021)	3,188,277	3,188,277		
2036-37	1,646,224,470	30,657,499	1,676,881,969	1,240,850,627	12,408,506	(2,481,701)	(3,379,945)	3,273,430	3,273,430		
2037-38	1,679,148,960	30,657,499	1,709,806,459	1,273,775,117	12,737,751	(2,547,550)	(3,469,628)	3,360,287	3,360,287		
2038-39	1,712,731,939	30,657,499	1,743,389,438	1,307,358,096	13,073,581	(2,614,716)	(3,561,104)	3,448,880	3,448,880		
2039-40	1,746,986,578	30,657,499	1,777,644,077	1,341,612,735	13,416,127	(2,683,225)	(3,654,410)	3,539,246	3,539,246		
2040-41	1,781,926,309	30,657,499	1,812,583,808	1,376,552,466	13,765,525	(2,753,105)	(3,749,582)	3,631,419	3,631,419		
2041-42	1,817,564,835	30,657,499	1,848,222,334	1,412,190,992	14,121,910	(2,824,382)	(3,846,658)	3,725,435	3,725,435		
2042-43	1,853,916,132	30,657,499	1,884,573,631	1,448,542,289	14,485,423	(2,897,085)	(3,945,675)	3,821,332	3,821,332		
2043-44	1,890,994,455	30,657,499	1,921,651,954	1,485,620,612	14,856,206	(2,971,241)	(4,046,672)	3,919,146	3,919,146		
2044-45	1,928,814,344	30,657,499	1,959,471,843	1,523,440,501	15,234,405	(3,046,981)	(4,149,690)	4,018,917	4,018,917		
2045-46	1,967,990,631	30,657,499	1,998,048,130	1,562,016,788	15,620,188	(3,124,034)	(4,254,767)	4,120,683	4,120,683		
2046-47	2,008,738,443	30,657,499	2,039,595,942	1,601,364,600	16,013,646	(3,202,729)	(4,361,947)	4,224,485	4,224,485		
2047-48	2,046,873,212	30,657,499	2,077,530,711	1,641,499,369	16,414,994	(3,282,989)	(4,471,270)	4,330,363	4,330,363		
2048-49	2,087,810,676	30,657,499	2,118,468,175	1,682,436,833	16,824,368	(3,364,874)	(4,582,778)	4,438,358	4,438,358		
2049-50	2,129,566,890	30,657,499	2,160,224,389	1,724,193,047	17,241,930	(3,448,386)	(4,696,518)	4,548,513	4,548,513		
2050-51	2,172,158,228	30,657,499	2,202,815,727	1,766,784,385	17,667,944	(3,533,569)	(4,812,533)	4,660,871	4,660,871		
2051-52	2,215,601,392	30,657,499	2,246,258,891	1,810,227,549	18,102,275	(3,620,455)	(4,930,867)	4,775,477	4,775,477		

The State Board of Equalization has declared a 2.00% inflationary growth for the 2019-20 fiscal year.



CONTINUING DISCLOSURE REPORT

SOUTHERN CALIFORNIA LOGISTICS AIRPORT AUTHORITY

Exhibit 10H										
Tax Increment Projections										
Southern California Logistics Airport Authority - Hesperia Area										
Fiscal Year	Secured Assessed Values	Unsecured Assessed Values	Total Assessed Value	Incremental Assessed Value	Estimated Gross Tax Increment 1%	Low & Moderate Income Housing Set-Aside 20%	Pass Through Payments 30.16%	Net Revenue to Member Jurisdiction 50%	Net Revenue to SCLAA 50%	
BY			122,113,885							
2019-20*	318,064,312	1,254,382	319,318,694	187,204,809	1,972,048	(394,410)	(594,819)	491,410	491,410	
2020-21	324,425,598	1,254,382	325,679,980	203,566,095	2,035,861	(407,132)	(614,006)	507,261	507,261	
2021-22	330,914,110	1,254,382	332,168,492	210,054,607	2,100,546	(420,109)	(633,577)	523,430	523,430	
2022-23	337,532,392	1,254,382	338,786,774	216,672,889	2,166,729	(433,346)	(653,540)	539,922	539,922	
2023-24	344,283,040	1,254,382	345,537,422	223,423,537	2,234,235	(446,847)	(673,901)	556,744	556,744	
2024-25	351,168,701	1,254,382	352,423,083	230,309,198	2,303,092	(460,618)	(694,670)	573,902	573,902	
2025-26	358,192,075	1,254,382	359,446,457	237,332,572	2,373,326	(474,665)	(715,854)	591,403	591,403	
2026-27	365,355,917	1,254,382	366,610,299	244,496,414	2,444,964	(488,993)	(737,462)	609,255	609,255	
2027-28	372,663,035	1,254,382	373,917,417	251,803,532	2,518,035	(503,607)	(759,502)	627,463	627,463	
2028-29	380,116,296	1,254,382	381,370,678	259,256,793	2,592,568	(518,514)	(781,983)	646,036	646,036	
2029-30	387,718,622	1,254,382	388,973,004	266,859,119	2,668,591	(533,718)	(804,914)	664,980	664,980	
2030-31	395,472,994	1,254,382	396,727,376	274,613,491	2,746,135	(549,227)	(828,303)	684,303	684,303	
2031-32	403,382,454	1,254,382	404,636,836	282,522,951	2,825,230	(565,046)	(852,160)	704,012	704,012	
2032-33	411,450,103	1,254,382	412,704,485	290,580,600	2,905,906	(581,181)	(876,494)	724,115	724,115	
2033-34	419,679,105	1,254,382	420,933,487	298,819,602	2,988,196	(597,639)	(901,315)	744,821	744,821	
2034-35	428,072,687	1,254,382	429,327,069	307,213,184	3,072,132	(614,426)	(926,632)	765,537	765,537	
2035-36	436,634,141	1,254,382	437,888,523	315,774,638	3,157,746	(631,549)	(952,455)	786,871	786,871	
2036-37	445,386,824	1,254,382	446,621,206	324,507,321	3,245,073	(649,015)	(978,795)	808,632	808,632	
2037-38	454,274,160	1,254,382	455,528,542	333,414,657	3,334,147	(666,828)	(1,005,662)	830,828	830,828	
2038-39	463,359,643	1,254,382	464,614,025	342,500,140	3,425,001	(685,000)	(1,033,066)	853,468	853,468	
2039-40	472,626,836	1,254,382	473,881,218	351,767,333	3,517,673	(703,535)	(1,061,018)	876,560	876,560	
2040-41	482,079,373	1,254,382	483,333,755	361,219,870	3,612,199	(722,440)	(1,089,529)	900,115	900,115	
2041-42	491,720,960	1,254,382	492,975,342	370,861,457	3,708,615	(741,723)	(1,118,611)	924,140	924,140	
2042-43	501,555,380	1,254,382	502,809,762	380,695,877	3,806,959	(761,392)	(1,148,274)	948,647	948,647	
2043-44	511,596,487	1,254,382	512,840,869	390,726,984	3,907,270	(781,454)	(1,178,530)	973,643	973,643	
2044-45	521,818,217	1,254,382	523,072,599	400,958,714	4,009,587	(801,917)	(1,209,392)	999,139	999,139	
2045-46	532,254,581	1,254,382	533,508,963	411,395,078	4,113,951	(822,790)	(1,240,870)	1,025,145	1,025,145	
2046-47	542,899,673	1,254,382	544,154,055	422,400,170	4,220,402	(844,080)	(1,272,979)	1,051,671	1,051,671	
2047-48	553,757,666	1,254,382	555,012,048	432,898,163	4,328,982	(865,796)	(1,305,728)	1,076,728	1,076,728	
2048-49	564,832,820	1,254,382	566,087,202	443,973,317	4,439,733	(887,947)	(1,339,134)	1,106,326	1,106,326	
2049-50	576,129,476	1,254,382	577,383,858	455,289,973	4,552,700	(910,540)	(1,373,208)	1,134,476	1,134,476	
2050-51	587,652,066	1,254,382	588,906,448	466,792,563	4,667,926	(933,585)	(1,407,963)	1,163,189	1,163,189	
2051-52	599,405,107	1,254,382	600,659,489	478,545,604	4,785,456	(957,091)	(1,443,413)	1,192,476	1,192,476	

* The State Board of Equalization has declared a 2.00% inflationary growth for the 2019-20 fiscal year.



CONTINUING DISCLOSURE REPORT

SOUTHERN CALIFORNIA LOGISTICS AIRPORT AUTHORITY

Exhibit 10f												
Tax Increment Projections												
Southern California Logistics Airport Authority - Adelanto Amendment IV Area												
Fiscal Year	Secured Assessed Values	Unsecured Assessed Values	Total Assessed Value	Incremental Assessed Value	Estimated Gross Tax Increment 1%	Low & Moderate Income Housing Set-Aside 20%	Statutory Pass Through Payments	Net Revenue To WEDA Reimbursement 25%	Net Revenue to Member Jurisdiction 25%	Net Revenue to SCLAA 50%		
BY			14,452,309									
2019-20*	64,627,982	2,104,782	66,732,764	52,280,455	522,805	(104,561)	(125,752)	73,123	73,123	146,246		
2020-21	65,920,542	2,104,782	68,025,324	53,573,015	535,730	(107,146)	(130,509)	74,519	74,519	149,038		
2021-22	67,238,952	2,104,782	69,343,734	54,891,425	548,914	(109,783)	(135,361)	75,943	75,943	151,885		
2022-23	68,583,732	2,104,782	70,688,514	56,236,205	562,362	(112,472)	(140,309)	77,395	77,395	154,790		
2023-24	69,955,406	2,104,782	72,060,188	57,607,879	576,079	(115,216)	(145,357)	78,876	78,876	157,753		
2024-25	71,354,514	2,104,782	73,459,296	59,006,987	590,070	(118,014)	(150,506)	80,388	80,388	160,775		
2025-26	72,781,605	2,104,782	74,886,387	60,434,078	604,341	(120,868)	(155,757)	81,929	81,929	163,858		
2026-27	74,237,237	2,104,782	76,342,019	61,899,710	618,897	(123,779)	(161,114)	83,501	83,501	167,002		
2027-28	75,721,981	2,104,782	77,826,763	63,374,454	633,745	(126,749)	(166,578)	85,104	85,104	170,209		
2028-29	77,236,421	2,104,782	79,341,203	64,888,894	648,889	(129,778)	(172,151)	86,740	86,740	173,480		
2029-30	78,781,149	2,104,782	80,885,931	66,433,622	664,336	(132,867)	(177,836)	88,408	88,408	176,817		
2030-31	80,356,772	2,104,782	82,461,554	68,009,245	680,092	(136,018)	(183,634)	90,110	90,110	180,220		
2031-32	81,963,908	2,104,782	84,068,690	69,616,381	696,164	(139,233)	(189,548)	91,846	91,846	183,681		
2032-33	83,603,186	2,104,782	85,707,968	71,255,659	712,557	(142,511)	(195,581)	93,616	93,616	187,232		
2033-34	85,275,250	2,104,782	87,380,032	72,927,723	729,277	(145,855)	(201,734)	95,422	95,422	190,844		
2034-35	86,980,755	2,104,782	89,085,537	74,633,228	746,332	(149,268)	(208,010)	97,264	97,264	194,528		
2035-36	88,720,370	2,104,782	90,825,152	76,372,843	763,728	(152,746)	(216,360)	98,656	98,656	197,311		
2036-37	90,494,777	2,104,782	92,599,559	78,147,250	781,473	(156,295)	(224,878)	100,075	100,075	200,150		
2037-38	92,304,673	2,104,782	94,409,455	79,957,146	799,571	(159,914)	(233,565)	101,523	101,523	203,046		
2038-39	94,150,766	2,104,782	96,255,548	81,803,239	818,032	(163,606)	(242,426)	103,000	103,000	206,000		
2039-40	96,033,782	2,104,782	98,138,564	83,686,255	836,863	(167,373)	(251,465)	104,506	104,506	209,013		
2040-41	97,954,457	2,104,782	100,059,239	85,606,930	856,069	(171,214)	(260,684)	106,043	106,043	212,086		
2041-42	99,913,546	2,104,782	102,018,328	87,566,019	875,660	(175,132)	(270,089)	107,610	107,610	215,220		
2042-43	101,911,817	2,104,782	104,016,599	89,564,290	895,643	(179,129)	(279,679)	109,209	109,209	218,417		
2043-44	103,950,054	2,104,782	106,054,836	91,602,527	916,025	(183,205)	(289,463)	110,839	110,839	221,679		
2044-45	106,029,055	2,104,782	108,133,837	93,681,528	936,815	(187,363)	(299,442)	112,503	112,503	225,005		
2045-46	108,149,636	2,104,782	110,254,418	95,802,109	958,021	(191,604)	(309,621)	114,199	114,199	228,398		
2046-47	110,312,628	2,104,782	112,417,410	97,965,101	979,651	(195,930)	(320,003)	115,929	115,929	231,859		
2047-48	112,518,881	2,104,782	114,623,663	100,171,354	1,001,714	(200,343)	(330,583)	117,694	117,694	235,389		
2048-49	114,769,259	2,104,782	116,874,041	102,421,732	1,024,217	(204,843)	(341,395)	119,496	119,496	238,989		
2049-50	117,064,644	2,104,782	119,169,426	104,717,117	1,047,171	(209,434)	(352,413)	121,331	121,331	242,662		
2050-51	119,405,937	2,104,782	121,510,719	107,058,410	1,070,584	(214,117)	(363,651)	123,204	123,204	246,408		
2051-52	121,794,055	2,104,782	123,898,837	109,446,528	1,094,465	(218,893)	(375,114)	125,115	125,115	250,279		

* The State Board of Equalization has declared a 2.00% inflationary growth for the 2019-20 fiscal year.



CONTINUING DISCLOSURE REPORT

SOUTHERN CALIFORNIA LOGISTICS AIRPORT AUTHORITY

Tax Increment Projections											Exhibit 10J
Southern California Logistics Airport Authority - San Bernardino County Amendment IV Area											
Fiscal Year	Secured Assessed Values	Unsecured Assessed Values	Total Assessed Value	Incremental Assessed Value	Estimated Gross Tax Increment 1%	Low & Moderate Income Housing Set-Aside 20%	Statutory Pass Through Payments	Net Revenue to Member Jurisdiction 50%	Net Revenue to SCLAA 50%		
BY			9,132,464								
2019-20*	22,474,305	-	22,474,305	13,341,841	133,418	(26,684)	(26,684)	40,026	40,026	40,026	
2020-21	22,923,791	-	22,923,791	13,791,327	137,913	(27,583)	(27,583)	41,374	41,374	41,374	
2021-22	23,382,267	-	23,382,267	14,249,803	142,498	(28,500)	(28,500)	42,749	42,749	42,749	
2022-23	23,849,912	-	23,849,912	14,717,448	147,174	(29,435)	(29,435)	44,152	44,152	44,152	
2023-24	24,326,911	-	24,326,911	15,194,447	151,944	(30,389)	(30,389)	45,583	45,583	45,583	
2024-25	24,813,449	-	24,813,449	15,680,985	156,810	(31,362)	(31,362)	47,043	47,043	47,043	
2025-26	25,309,718	-	25,309,718	16,177,254	161,773	(32,355)	(32,355)	48,532	48,532	48,532	
2026-27	25,815,912	-	25,815,912	16,683,448	166,834	(33,367)	(33,367)	50,050	50,050	50,050	
2027-28	26,332,230	-	26,332,230	17,199,766	171,988	(34,400)	(34,400)	51,174	51,174	51,174	
2028-29	26,858,875	-	26,858,875	17,726,411	177,264	(35,453)	(35,453)	52,312	52,312	52,312	
2029-30	27,396,052	-	27,396,052	18,263,588	182,636	(36,527)	(36,527)	53,472	53,472	53,472	
2030-31	27,943,973	-	27,943,973	18,811,508	188,115	(37,623)	(37,623)	54,656	54,656	54,656	
2031-32	28,502,853	-	28,502,853	19,370,389	193,704	(38,741)	(38,741)	55,863	55,863	55,863	
2032-33	29,072,910	-	29,072,910	19,940,446	199,404	(39,881)	(39,881)	57,094	57,094	57,094	
2033-34	29,654,368	-	29,654,368	20,521,904	205,219	(41,044)	(41,044)	58,350	58,350	58,350	
2034-35	30,247,456	-	30,247,456	21,114,982	211,150	(42,230)	(42,230)	59,631	59,631	59,631	
2035-36	30,852,405	-	30,852,405	21,719,941	217,199	(43,440)	(43,440)	60,989	60,989	60,989	
2036-37	31,469,453	-	31,469,453	22,338,989	223,370	(44,674)	(44,674)	61,587	61,587	61,587	
2037-38	32,098,842	-	32,098,842	22,966,378	229,664	(45,933)	(45,933)	62,594	62,594	62,594	
2038-39	32,740,819	-	32,740,819	23,608,355	236,084	(47,217)	(47,217)	63,621	63,621	63,621	
2039-40	33,395,635	-	33,395,635	24,263,171	242,632	(48,526)	(48,526)	64,668	64,668	64,668	
2040-41	34,063,548	-	34,063,548	24,931,084	249,311	(49,862)	(49,862)	65,737	65,737	65,737	
2041-42	34,744,819	-	34,744,819	25,612,355	256,124	(51,225)	(51,225)	66,827	66,827	66,827	
2042-43	35,439,715	-	35,439,715	26,307,251	263,073	(52,615)	(52,615)	67,939	67,939	67,939	
2043-44	36,148,509	-	36,148,509	27,016,045	270,160	(54,032)	(54,032)	69,073	69,073	69,073	
2044-45	36,871,480	-	36,871,480	27,739,016	277,390	(55,478)	(55,478)	70,230	70,230	70,230	
2045-46	37,608,909	-	37,608,909	28,476,445	284,764	(56,953)	(56,953)	71,410	71,410	71,410	
2046-47	38,361,087	-	38,361,087	29,228,623	292,286	(58,457)	(58,457)	72,613	72,613	72,613	
2047-48	39,128,309	-	39,128,309	29,995,845	299,958	(59,992)	(59,992)	73,841	73,841	73,841	
2048-49	39,910,875	-	39,910,875	30,778,411	307,784	(61,557)	(61,557)	75,093	75,093	75,093	
2049-50	40,709,083	-	40,709,083	31,576,629	315,766	(63,153)	(63,153)	76,370	76,370	76,370	
2050-51	41,523,275	-	41,523,275	32,390,811	323,908	(64,782)	(64,782)	77,673	77,673	77,673	
2051-52	42,353,740	-	42,353,740	33,221,276	332,213	(66,443)	(66,443)	79,001	79,001	79,001	

* The State Board of Equalization has declared a 2.00% inflationary growth for the 2019-20 fiscal year.



CONTINUING DISCLOSURE REPORT

SOUTHERN CALIFORNIA LOGISTICS AIRPORT AUTHORITY

Tax Increment Projections											Exhibit 10K
Southern California Logistics Airport Authority - Victorville Amendment IV Area											
Fiscal Year	Secured Assessed Values	Unsecured Assessed Values	Total Assessed Value	Incremental Assessed Value	Estimated Gross Tax Increment 1%	Low & Moderate Income Housing Set-Aside 20%	Statutory Pass Through Payments	Net Revenue to Member Jurisdiction 50%	Net Revenue to SCLAA 50%		
BY			1,372,041								
2019-20*	8,174,375	-	8,174,375	6,802,334	68,023	(13,605)	(13,731)	20,344	20,344	20,344	
2020-21	8,337,863	-	8,337,863	6,965,822	69,658	(13,932)	(14,332)	20,697	20,697	20,697	
2021-22	8,504,620	-	8,504,620	7,132,579	71,326	(14,265)	(14,946)	21,057	21,057	21,057	
2022-23	8,674,712	-	8,674,712	7,302,671	73,027	(14,605)	(15,572)	21,425	21,425	21,425	
2023-24	8,848,206	-	8,848,206	7,476,165	74,762	(14,952)	(16,210)	21,799	21,799	21,799	
2024-25	9,025,171	-	9,025,171	7,653,130	76,531	(15,306)	(16,862)	22,182	22,182	22,182	
2025-26	9,205,674	-	9,205,674	7,833,633	78,336	(15,667)	(17,526)	22,572	22,572	22,572	
2026-27	9,389,787	-	9,389,787	8,017,746	80,177	(16,035)	(18,203)	22,969	22,969	22,969	
2027-28	9,577,583	-	9,577,583	8,205,542	82,055	(16,411)	(18,895)	23,375	23,375	23,375	
2028-29	9,769,135	-	9,769,135	8,397,094	83,971	(16,794)	(19,599)	23,789	23,789	23,789	
2029-30	9,964,518	-	9,964,518	8,592,477	85,925	(17,185)	(20,318)	24,211	24,211	24,211	
2030-31	10,163,808	-	10,163,808	8,791,767	87,918	(17,584)	(21,052)	24,641	24,641	24,641	
2031-32	10,367,084	-	10,367,084	8,995,043	89,950	(17,990)	(21,800)	25,080	25,080	25,080	
2032-33	10,574,426	-	10,574,426	9,202,385	92,024	(18,405)	(22,563)	25,528	25,528	25,528	
2033-34	10,785,914	-	10,785,914	9,413,873	94,139	(18,828)	(23,341)	25,985	25,985	25,985	
2034-35	11,001,632	-	11,001,632	9,629,591	96,296	(19,258)	(24,135)	26,451	26,451	26,451	
2035-36	11,221,665	-	11,221,665	9,849,624	98,496	(19,699)	(25,191)	26,803	26,803	26,803	
2036-37	11,446,098	-	11,446,098	10,074,057	100,741	(20,148)	(26,268)	27,162	27,162	27,162	
2037-38	11,675,020	-	11,675,020	10,302,979	103,030	(20,606)	(27,367)	27,528	27,528	27,528	
2038-39	11,908,521	-	11,908,521	10,536,480	105,365	(21,073)	(28,488)	27,902	27,902	27,902	
2039-40	12,146,691	-	12,146,691	10,774,650	107,747	(21,549)	(29,631)	28,283	28,283	28,283	
2040-41	12,389,625	-	12,389,625	11,017,584	110,176	(22,035)	(30,797)	28,672	28,672	28,672	
2041-42	12,637,418	-	12,637,418	11,265,377	112,654	(22,531)	(31,987)	29,068	29,068	29,068	
2042-43	12,890,166	-	12,890,166	11,518,125	115,181	(23,036)	(33,200)	29,473	29,473	29,473	
2043-44	13,147,969	-	13,147,969	11,775,928	117,759	(23,552)	(34,437)	29,885	29,885	29,885	
2044-45	13,410,929	-	13,410,929	12,038,888	120,389	(24,078)	(35,700)	30,306	30,306	30,306	
2045-46	13,679,147	-	13,679,147	12,307,106	123,071	(24,614)	(36,987)	30,735	30,735	30,735	
2046-47	13,952,730	-	13,952,730	12,580,689	125,807	(25,161)	(38,300)	31,173	31,173	31,173	
2047-48	14,231,785	-	14,231,785	12,859,744	128,597	(25,719)	(39,640)	31,619	31,619	31,619	
2048-49	14,516,420	-	14,516,420	13,144,379	131,444	(26,289)	(41,008)	32,075	32,075	32,075	
2049-50	14,806,749	-	14,806,749	13,434,708	134,347	(26,869)	(42,400)	32,539	32,539	32,539	
2050-51	15,102,884	-	15,102,884	13,730,843	137,308	(27,462)	(43,821)	33,013	33,013	33,013	
2051-52	15,404,942	-	15,404,942	14,032,901	140,329	(28,066)	(45,271)	33,496	33,496	33,496	

* The State Board of Equalization has declared a 2.00% inflationary growth for the 2019-20 fiscal year.



CONTINUING DISCLOSURE REPORT

SOUTHERN CALIFORNIA LOGISTICS AIRPORT AUTHORITY

Exhibit 10L												
Tax Incremental Projections												
Southern California Logistics Airport Authority - Adelman Amendment VIII Area												
Fiscal Year	Secured Assessed Values	Unsecured Assessed Values	Total Assessed Value	Incremental Assessed Value	Estimated Gross Tax Increment ¹ 1%	Low & Moderate Income Housing Set-Aside 20%	Statutory Pass Through Payments	Net Revenue To WEDA Reimbursement 25%	Net Revenue to Member Jurisdiction 25%	Net Revenue to SCLAA 50%		
BY			687,084,001									
2019-20*	849,241,506	3,345,410	852,586,916	165,502,225	1,841,211	(328,242)	(490,537)	205,608	205,608	411,216		
2020-21	866,226,336	3,345,410	869,571,746	162,487,055	1,811,555	(362,311)	(553,223)	224,005	224,005	448,010		
2021-22	883,550,863	3,345,410	886,896,273	199,811,582	1,984,494	(386,899)	(616,865)	242,863	242,863	485,365		
2022-23	901,221,880	3,345,410	904,567,290	217,482,589	2,161,431	(432,286)	(681,978)	261,792	261,792	523,584		
2023-24	919,246,318	3,345,410	922,591,728	235,507,037	2,341,978	(468,398)	(748,419)	281,291	281,291	562,582		
2024-25	937,631,244	3,345,410	940,976,654	253,891,963	2,526,200	(505,240)	(816,213)	301,187	301,187	602,374		
2025-26	956,383,869	3,345,410	959,729,279	272,644,588	2,714,162	(542,832)	(885,383)	321,487	321,487	642,973		
2026-27	975,511,546	3,345,410	978,856,956	291,772,265	2,905,933	(581,187)	(955,954)	342,198	342,198	684,398		
2027-28	995,021,777	3,345,410	998,367,187	311,282,486	3,101,584	(620,317)	(1,027,954)	363,328	363,328	728,657		
2028-29	1,014,922,213	3,345,410	1,018,267,623	331,182,932	3,301,188	(660,238)	(1,101,408)	384,886	384,886	769,771		
2029-30	1,035,220,657	3,345,410	1,038,566,067	351,481,378	3,504,821	(700,964)	(1,176,345)	406,878	406,878	813,756		
2030-31	1,055,925,070	3,345,410	1,059,270,480	372,186,789	3,712,559	(742,512)	(1,252,793)	429,314	429,314	858,627		
2031-32	1,077,043,572	3,345,410	1,080,388,982	393,304,291	3,924,462	(784,896)	(1,330,781)	452,201	452,201	904,402		
2032-33	1,098,584,443	3,345,410	1,101,929,853	414,845,162	4,140,670	(828,134)	(1,410,338)	475,550	475,550	951,099		
2033-34	1,120,556,132	3,345,410	1,123,901,542	436,816,851	4,361,208	(872,242)	(1,491,496)	499,368	499,368	998,735		
2034-35	1,142,967,255	3,345,410	1,146,312,665	459,227,974	4,586,179	(917,236)	(1,574,285)	523,665	523,665	1,047,329		
2035-36	1,165,828,600	3,345,410	1,169,172,010	482,087,319	4,815,670	(963,134)	(1,658,738)	548,450	548,450	1,096,899		
2036-37	1,189,143,132	3,345,410	1,192,488,542	505,403,851	5,049,771	(1,009,954)	(1,744,887)	573,732	573,732	1,147,465		
2037-38	1,212,925,994	3,345,410	1,216,271,404	528,186,713	5,288,572	(1,057,714)	(1,832,766)	599,523	599,523	1,199,046		
2038-39	1,237,184,514	3,345,410	1,240,529,924	553,445,233	5,532,165	(1,106,433)	(1,949,691)	619,010	619,010	1,238,021		
2039-40	1,261,928,204	3,345,410	1,265,273,614	578,188,923	5,780,646	(1,156,129)	(2,068,961)	638,889	638,889	1,277,778		
2040-41	1,287,166,788	3,345,410	1,290,512,178	603,427,487	6,034,111	(1,206,822)	(2,190,625)	659,166	659,166	1,318,332		
2041-42	1,312,910,104	3,345,410	1,316,255,514	629,170,823	6,291,708	(1,258,342)	(2,314,271)	679,774	679,774	1,359,548		
2042-43	1,339,188,306	3,345,410	1,342,533,716	655,429,025	6,554,290	(1,310,858)	(2,440,310)	700,780	700,780	1,401,561		
2043-44	1,365,951,672	3,345,410	1,369,297,082	682,212,391	6,822,124	(1,364,425)	(2,568,871)	722,207	722,207	1,444,414		
2044-45	1,393,270,705	3,345,410	1,396,616,115	709,531,424	7,095,314	(1,419,063)	(2,700,002)	744,082	744,082	1,488,125		
2045-46	1,421,136,120	3,345,410	1,424,481,530	737,396,839	7,373,968	(1,474,794)	(2,833,756)	766,355	766,355	1,532,708		
2046-47	1,449,558,842	3,345,410	1,452,904,252	765,819,561	7,658,186	(1,531,639)	(2,970,185)	789,093	789,093	1,578,186		
2047-48	1,478,550,018	3,345,410	1,481,895,429	794,810,738	7,948,107	(1,589,621)	(3,109,343)	812,286	812,286	1,624,572		
2048-49	1,508,121,018	3,345,410	1,511,466,429	824,381,738	8,243,817	(1,648,763)	(3,251,284)	835,943	835,943	1,671,885		
2049-50	1,538,283,440	3,345,410	1,541,628,850	854,544,169	8,545,442	(1,709,088)	(3,386,063)	860,073	860,073	1,720,145		
2050-51	1,569,049,108	3,345,410	1,572,394,518	885,308,827	8,853,098	(1,770,620)	(3,543,738)	884,685	884,685	1,769,370		
2051-52	1,600,430,091	3,345,410	1,603,775,501	916,690,810	9,166,908	(1,833,382)	(3,694,367)	909,790	909,790	1,819,580		

¹ Receivable revenues are reduced in years in which other jurisdictions within Amendment Area VIII have negative incremental value. Therefore, each positively earning jurisdiction can receive only its proportionate share of receivable revenue, which means it will receive less than it would under normal circumstances where all jurisdictions have positive value over their respective base year values.

* The State Board of Equalization has declared a 2.00% inflationary growth for the 2019-20 fiscal year.



CONTINUING DISCLOSURE REPORT

SOUTHERN CALIFORNIA LOGISTICS AIRPORT AUTHORITY

Tax Increment Projections											Exhibit 10M
Southern California Logistics Airport Authority - Apple Valley Amendment VIII Area											
Fiscal Year	Secured Assessed Values	Unsecured Assessed Values	Total Assessed Value	Incremental Assessed Value	Estimated Gross Tax Increment ^{1, 2} 1%	Low & Moderate Income Housing Set-Aside 20%	Statutory Pass Through Payments	Net Revenue to Member Jurisdiction 50%	Net Revenue to SCLAA	50%	
BY			21,579,852								
2019-20*	14,195,962	-	14,195,962	(7,383,890)	-	-	-	-	-	-	
2020-21	14,479,881	-	14,479,881	(7,098,971)	-	-	-	-	-	-	
2021-22	14,769,479	-	14,769,479	(6,810,373)	-	-	-	-	-	-	
2022-23	15,064,868	-	15,064,868	(6,514,984)	-	-	-	-	-	-	
2023-24	15,366,166	-	15,366,166	(6,213,686)	-	-	-	-	-	-	
2024-25	15,673,489	-	15,673,489	(5,906,363)	-	-	-	-	-	-	
2025-26	15,986,959	-	15,986,959	(5,592,893)	-	-	-	-	-	-	
2026-27	16,306,868	-	16,306,868	(5,273,154)	-	-	-	-	-	-	
2027-28	16,632,832	-	16,632,832	(4,947,020)	-	-	-	-	-	-	
2028-29	16,965,489	-	16,965,489	(4,614,363)	-	-	-	-	-	-	
2029-30	17,304,798	-	17,304,798	(4,275,054)	-	-	-	-	-	-	
2030-31	17,650,894	-	17,650,894	(3,928,958)	-	-	-	-	-	-	
2031-32	18,003,912	-	18,003,912	(3,575,940)	-	-	-	-	-	-	
2032-33	18,363,981	-	18,363,981	(3,215,861)	-	-	-	-	-	-	
2033-34	18,731,270	-	18,731,270	(2,848,582)	-	-	-	-	-	-	
2034-35	19,105,896	-	19,105,896	(2,473,856)	-	-	-	-	-	-	
2035-36	19,488,014	-	19,488,014	(2,091,838)	-	-	-	-	-	-	
2036-37	19,877,774	-	19,877,774	(1,702,078)	-	-	-	-	-	-	
2037-38	20,275,329	-	20,275,329	(1,304,523)	-	-	-	-	-	-	
2038-39	20,680,836	-	20,680,836	(888,016)	-	-	-	-	-	-	
2039-40	21,094,453	-	21,094,453	(485,399)	-	-	-	-	-	-	
2040-41	21,516,342	-	21,516,342	(83,510)	-	-	-	-	-	-	
2041-42	21,946,669	-	21,946,669	368,817	3,668	-734	-1,761	587	587	587	
2042-43	22,385,602	-	22,385,602	805,750	8,058	-1,612	-3,868	1,289	1,289	1,289	
2043-44	22,833,314	-	22,833,314	1,253,462	12,535	(2,507)	(6,017)	2,006	2,006	2,006	
2044-45	23,289,980	-	23,289,980	1,710,128	17,101	(3,420)	(8,209)	2,736	2,736	2,736	
2045-46	23,755,780	-	23,755,780	2,175,928	21,759	(4,352)	(10,444)	3,481	3,481	3,481	
2046-47	24,230,896	-	24,230,896	2,651,044	26,510	(5,302)	(12,725)	4,242	4,242	4,242	
2047-48	24,715,513	-	24,715,513	3,135,661	31,357	(6,271)	(15,051)	5,017	5,017	5,017	
2048-49	25,209,824	-	25,209,824	3,629,972	36,300	(7,260)	(17,424)	5,808	5,808	5,808	
2049-50	25,714,020	-	25,714,020	4,134,168	41,342	(8,268)	(18,844)	6,615	6,615	6,615	
2050-51	26,228,301	-	26,228,301	4,648,449	46,484	(9,287)	(22,313)	7,438	7,438	7,438	
2051-52	26,752,867	-	26,752,867	5,173,015	51,730	(10,346)	(24,830)	8,277	8,277	8,277	

¹ Negative increment values are assumed not to incur pass through obligations

² Receivable revenues are reduced in years in which other jurisdictions within Amendment Area VIII have negative incremental value. Therefore, each positively earning jurisdiction can receive only its proportionate share of receivable revenue, which means it will receive less than it would under normal circumstances where all jurisdictions have positive value over their respective base year values.

* The State Board of Equalization has declared a 2.00% inflationary growth for the 2019-20 fiscal year.



CONTINUING DISCLOSURE REPORT

SOUTHERN CALIFORNIA LOGISTICS AIRPORT AUTHORITY

Tax Increment Projections											Exhibit 10N
Southern California Logistics Airport Authority - San Bernardino County Amendment VIII Area											
Fiscal Year	Secured Assessed Values	Unsecured Assessed Values	Total Assessed Value	Incremental Assessed Value	Estimated Gross Tax Increment ¹ %	Low & Moderate Income Housing Set-Aside 20%	Statutory Pass Through Payments	Net Revenue to Member Jurisdiction 50%	Net Revenue to SCLAA	50%	
BY			235,228,749								
2019-20*	272,306,761	3,588,792	275,895,573	40,665,824	403,265	(80,653)	(132,305)	95,153	95,153		
2020-21	277,752,917	3,588,792	281,341,709	46,111,960	457,755	(91,551)	(152,368)	106,923	106,923		
2021-22	283,307,975	3,588,792	286,896,767	51,667,018	513,148	(102,630)	(172,742)	118,888	118,888		
2022-23	288,974,134	3,588,792	292,562,926	57,333,177	569,801	(113,860)	(193,590)	131,125	131,125		
2023-24	294,753,617	3,588,792	298,342,409	63,112,660	627,618	(125,524)	(214,867)	143,614	143,614		
2024-25	300,648,668	3,588,792	304,237,461	69,007,732	686,620	(137,324)	(236,580)	156,358	156,358		
2025-26	306,661,663	3,588,792	310,250,455	75,020,706	746,827	(149,365)	(258,736)	169,363	169,363		
2026-27	312,794,897	3,588,792	316,383,689	81,153,940	808,260	(161,652)	(281,344)	182,632	182,632		
2027-28	319,050,794	3,588,792	322,639,586	87,409,637	870,942	(174,188)	(304,410)	196,172	196,172		
2028-29	325,431,810	3,588,792	329,020,602	93,790,653	934,895	(186,978)	(327,945)	209,985	209,985		
2029-30	331,940,447	3,588,792	335,529,239	100,299,490	1,000,143	(200,029)	(351,957)	224,079	224,079		
2030-31	338,579,255	3,588,792	342,168,047	106,938,298	1,066,711	(213,342)	(376,454)	238,458	238,458		
2031-32	345,350,841	3,588,792	348,939,633	113,709,884	1,134,624	(226,925)	(401,445)	253,127	253,127		
2032-33	352,257,857	3,588,792	355,846,649	120,616,900	1,203,907	(240,781)	(428,962)	268,082	268,082		
2033-34	359,303,015	3,588,792	362,891,807	127,662,058	1,274,586	(254,917)	(452,952)	283,359	283,359		
2034-35	366,489,075	3,588,792	370,077,867	134,848,118	1,346,690	(269,338)	(479,486)	298,933	298,933		
2035-36	373,818,856	3,588,792	377,407,648	142,177,889	1,420,245	(284,048)	(508,554)	314,821	314,821		
2036-37	381,295,233	3,588,792	384,884,025	149,654,276	1,495,279	(299,058)	(534,167)	331,028	331,028		
2037-38	388,921,138	3,588,792	392,509,930	157,280,181	1,571,822	(314,364)	(562,335)	347,562	347,562		
2038-39	396,699,561	3,588,792	400,288,353	165,058,604	1,649,904	(329,981)	(599,814)	360,055	360,055		
2039-40	404,633,552	3,588,792	408,222,344	172,892,595	1,728,554	(345,911)	(638,046)	372,789	372,789		
2040-41	412,726,223	3,588,792	416,315,015	181,085,266	1,810,804	(362,161)	(677,045)	385,799	385,799		
2041-42	420,980,748	3,588,792	424,569,540	189,339,791	1,893,398	(378,680)	(716,691)	399,014	399,014		
2042-43	429,400,363	3,588,792	432,989,155	197,759,406	1,977,594	(395,519)	(757,105)	412,485	412,485		
2043-44	437,988,370	3,588,792	441,577,162	206,347,413	2,063,474	(412,695)	(798,327)	426,228	426,228		
2044-45	446,748,137	3,588,792	450,336,929	215,107,180	2,151,072	(430,214)	(840,374)	440,242	440,242		
2045-46	455,683,100	3,588,792	459,271,892	224,042,143	2,240,421	(448,084)	(883,262)	454,538	454,538		
2046-47	464,796,762	3,588,792	468,385,554	233,155,805	2,331,568	(466,312)	(927,008)	469,119	469,119		
2047-48	474,082,697	3,588,792	477,671,489	242,451,740	2,424,517	(484,903)	(971,828)	483,993	483,993		
2048-49	483,574,551	3,588,792	487,163,343	251,933,594	2,519,336	(503,867)	(1,017,141)	499,164	499,164		
2049-50	493,246,042	3,588,792	496,834,834	261,605,085	2,616,051	(523,210)	(1,063,564)	514,638	514,638		
2050-51	503,110,963	3,588,792	506,699,755	271,470,008	2,714,700	(542,940)	(1,110,916)	530,422	530,422		
2051-52	513,173,182	3,588,792	516,761,974	281,532,225	2,815,322	(563,064)	(1,159,214)	546,522	546,522		

¹ Receivable revenues are reduced in years in which other jurisdictions within Amendment Area VIII have negative incremental value. Therefore, each positively earning jurisdiction can receive only its proportionate share of receivable revenue, which means it will receive less than it would under normal circumstances where all jurisdictions have positive value over their respective base year values.

* The State Board of Equalization has declared a 2.00% inflationary growth for the 2019-20 fiscal year.



CONTINUING DISCLOSURE REPORT

SOUTHERN CALIFORNIA LOGISTICS AIRPORT AUTHORITY

Tax Increment Projections													Exhibit 100
Southern California Logistics Airport Authority - Victorville Amendment VIII Area													
Fiscal Year	Secured Assessed Values	Unsecured Assessed Values	Increased Value Due to New Development	Total Assessed Value	Incremental Assessed Value	Estimated Gross Tax Increment ¹ %	Low & Moderate Income Housing Set-Aside 20%	Statutory Pass Through Payments	Net Revenue to Member Jurisdiction 50%	Net Revenue to SCLAA	Net Revenue to SCLAA 50%		
BY													
2019-20*	1,704,237,925	20,763,793		1,046,338,087	678,663,631	6,730,002	(1,346,000)	(1,718,177)	1,832,912	1,832,912	1,832,912		
2020-21	1,736,322,684	20,763,793	31,654,188	1,790,740,664	744,402,577	7,389,707	(1,477,941)	(1,960,948)	1,975,409	1,975,409	1,975,409		
2021-22	1,773,088,137	20,763,793		1,793,852,930	747,514,843	7,424,189	(1,464,838)	(1,973,637)	1,982,857	1,982,857	1,982,857		
2022-23	1,808,550,920	20,763,793		1,829,314,713	782,976,626	7,781,542	(1,556,308)	(2,105,144)	2,060,045	2,060,045	2,060,045		
2023-24	1,844,721,938	20,763,793		1,895,485,731	819,147,644	8,145,940	(1,628,188)	(2,239,242)	2,138,755	2,138,755	2,138,755		
2024-25	1,861,616,377	20,763,793		1,902,380,170	856,042,063	8,517,534	(1,703,507)	(2,375,988)	2,219,019	2,219,019	2,219,019		
2025-26	1,919,248,705	20,763,793		1,940,012,498	893,674,411	8,896,479	(1,779,296)	(2,515,440)	2,300,872	2,300,872	2,300,872		
2026-27	1,957,633,679	20,763,793		1,978,397,472	932,059,365	9,282,931	(1,856,586)	(2,657,655)	2,394,345	2,394,345	2,394,345		
2027-28	1,996,796,352	20,763,793		2,017,550,145	971,212,058	9,677,048	(1,935,410)	(2,802,690)	2,489,474	2,489,474	2,489,474		
2028-29	2,036,722,078	20,763,793		2,057,485,872	1,011,147,785	10,078,989	(2,015,798)	(2,952,804)	2,556,294	2,556,294	2,556,294		
2029-30	2,077,456,521	20,763,793		2,098,220,314	1,051,982,227	10,498,916	(2,097,783)	(3,101,457)	2,644,838	2,644,838	2,644,838		
2030-31	2,119,005,651	20,763,793		2,139,769,444	1,093,431,357	10,906,995	(2,181,399)	(3,255,310)	2,735,143	2,735,143	2,735,143		
2031-32	2,161,386,764	20,763,793		2,182,149,557	1,135,811,470	11,333,391	(2,268,678)	(3,412,224)	2,827,245	2,827,245	2,827,245		
2032-33	2,204,613,460	20,763,793		2,225,377,273	1,179,039,186	11,768,277	(2,353,655)	(3,572,262)	2,921,180	2,921,180	2,921,180		
2033-34	2,248,705,749	20,763,793		2,269,469,542	1,223,131,455	12,211,824	(2,442,365)	(3,735,487)	3,016,986	3,016,986	3,016,986		
2034-35	2,293,679,864	20,763,793		2,314,443,657	1,268,105,570	12,664,209	(2,532,842)	(3,901,965)	3,114,701	3,114,701	3,114,701		
2035-36	2,339,553,462	20,763,793		2,360,317,255	1,313,979,168	13,125,611	(2,625,122)	(4,071,761)	3,214,364	3,214,364	3,214,364		
2036-37	2,386,344,531	20,763,793		2,407,108,324	1,360,770,237	13,598,213	(2,719,243)	(4,244,942)	3,316,014	3,316,014	3,316,014		
2037-38	2,434,071,421	20,763,793		2,454,835,214	1,408,497,127	14,076,201	(2,815,240)	(4,421,578)	3,419,691	3,419,691	3,419,691		
2038-39	2,482,752,850	20,763,793		2,503,516,643	1,457,178,556	14,565,764	(2,913,019)	(4,606,588)	3,498,022	3,498,022	3,498,022		
2039-40	2,532,407,907	20,763,793		2,553,171,700	1,506,933,613	15,065,097	(3,013,019)	(4,806,248)	3,577,915	3,577,915	3,577,915		
2040-41	2,583,056,065	20,763,793		2,603,819,858	1,557,481,771	15,574,395	(3,114,879)	(5,140,711)	3,659,403	3,659,403	3,659,403		
2041-42	2,634,717,186	20,763,793		2,655,480,979	1,609,142,882	16,091,429	(3,218,286)	(5,388,887)	3,742,128	3,742,128	3,742,128		
2042-43	2,687,411,530	20,763,793		2,708,175,323	1,661,837,236	16,616,372	(3,323,674)	(5,641,820)	3,826,439	3,826,439	3,826,439		
2043-44	2,741,158,761	20,763,793		2,761,923,554	1,715,985,467	17,155,855	(3,431,171)	(5,899,812)	3,912,436	3,912,436	3,912,436		
2044-45	2,795,982,956	20,763,793		2,816,746,749	1,770,408,662	17,704,087	(3,540,817)	(6,162,963)	4,000,153	4,000,153	4,000,153		
2045-46	2,851,902,615	20,763,793		2,872,666,408	1,826,328,321	18,263,283	(3,652,657)	(6,431,377)	4,089,625	4,089,625	4,089,625		
2046-47	2,908,940,667	20,763,793		2,929,704,460	1,883,366,373	18,833,664	(3,768,733)	(6,705,160)	4,180,885	4,180,885	4,180,885		
2047-48	2,967,119,481	20,763,793		2,987,883,274	1,941,545,167	19,415,452	(3,883,090)	(6,984,418)	4,273,972	4,273,972	4,273,972		
2048-49	3,026,481,670	20,763,793		3,047,225,663	2,000,867,576	20,008,678	(4,001,775)	(7,269,262)	4,369,919	4,369,919	4,369,919		
2049-50	3,086,991,108	20,763,793		3,107,594,921	2,061,416,814	20,614,168	(4,122,634)	(7,559,802)	4,465,766	4,465,766	4,465,766		
2050-51	3,148,730,930	20,763,793		3,168,494,636	2,123,158,636	21,231,566	(4,246,313)	(7,856,153)	4,564,550	4,564,550	4,564,550		
2051-52	3,211,705,548	20,763,793		3,232,469,341	2,186,131,254	21,851,313	(4,372,263)	(8,158,431)	4,665,309	4,665,309	4,665,309		

¹ Receivable revenues are reduced in years in which other jurisdictions within Amendment Area VIII have negative incremental value. Therefore, each positively earning jurisdiction can receive only its proportionate share of receivable revenue, which means it will receive less than it would under normal circumstances where all jurisdictions have positive value over their respective base year values.

* The State Board of Equalization has declared a 2.00% inflationary growth for the 2019-20 fiscal year.



Appendix 1



April 15, 2019

Mr. Keith C. Metzler, Executive Director
Victor Valley Economic Development Authority
14343 Civic Drive
Victorville, CA 92392

Dear Mr. Metzler:

Subject: 2019-20 Annual Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (c) (1), the City of Victor Valley Successor Agency (Agency) submitted an annual Recognized Obligation Payment Schedule for the period of July 1, 2019 through June 30, 2020 (ROPS 19-20) to the California Department of Finance (Finance) on January 31, 2019. Finance has completed its review of the ROPS 19-20.

Based on a sample of line items reviewed and application of the law, Finance made the following determinations:

- Item No. 30 – Apple Valley Continuing Disclosure Costs; total requested amount of \$10,000 is partially reclassified. It is our understanding this item relates to continuing disclosure services regarding Apple Valley bonds issued for the Victor Valley Economic Development Authority (VVEDA) project area. The Agency provided a contract with Rosenow Spavacek Group, Inc. in the amount of \$2,000 with respect to these services.

However, it is our understanding the remaining \$8,000 is allocated for the City of Apple Valley staff to prepare various documentation for submission to the fiscal agent for continuing disclosure services. Payments for these types of services are considered a general administrative cost and the \$8,000 has been reclassified to Administrative Redevelopment Property Tax Trust Fund (RPTTF).

- The administrative costs claimed are within the fiscal year administrative cap pursuant to HSC section 34171 (b) (3). However, Finance notes the Oversight Board (OB) has approved an amount that appears excessive, given the number and nature of the obligations listed on the ROPS. HSC section 34179 (i) requires the OB to exercise a fiduciary duty to the taxing entities. Therefore, Finance encourages the OB to apply adequate oversight when evaluating the administrative resources necessary to successfully wind-down the Agency.

Pursuant to HSC section 34186, successor agencies are required to report differences between actual payments and past estimated obligations. Reported differences in RPTTF are used to offset current RPTTF distributions. The amount of RPTTF approved in the table on Page 3 includes the prior period adjustment resulting from the County Auditor-Controller's review of the prior period adjustment form submitted by the Agency.

Mr. Keith C. Metzler
April 15, 2019
Page 2

Except for the item adjusted, Finance is not objecting to the remaining items listed on the ROPS 19-20. If the Agency disagrees with our determination with respect to any items on the ROPS 19-20, except items that are the subject of litigation disputing our previous or related determinations, the Agency may request a Meet and Confer within five business days of the date of this letter. The Meet and Confer process and guidelines are available on our website:

http://dof.ca.gov/Programs/Redevelopment/Meet_And_Confer/

The Agency's maximum approved RPTTF distribution for the reporting period is \$17,538,579 as summarized in the Approved RPTTF Distribution table on Page 3 (see Attachment).

RPTTF distributions occur biannually, one distribution for the July 1 through December 31 period (ROPS A period), and one distribution for the January 1 through June 30 period (ROPS B period) based on Finance approved amounts. Since this determination is for the entire ROPS 19-20 period, the Agency is authorized to receive up to the maximum approved RPTTF through the combined ROPS A and B period distributions.

Absent a Meet and Confer, this is our final determination regarding the obligations listed on the ROPS 19-20. This determination only applies to items when funding was requested for the 12-month period. If a denial by Finance in a previous ROPS is currently the subject of litigation, the item will continue to be denied until the matter is resolved.

The ROPS 19-20 form submitted by the Agency and this determination letter will be posted on our website:

<http://dof.ca.gov/Programs/Redevelopment/ROPS/>

This determination is effective for the ROPS 19-20 period only and should not be conclusively relied upon for future ROPS periods. All items listed on a future ROPS are subject to review and may be denied even if not denied on this ROPS or a preceding ROPS. The only exception is for items that have received a Final and Conclusive determination from Finance pursuant to HSC section 34177.5 (l). Finance's review of Final and Conclusive items is limited to confirming the scheduled payments as required by the obligation.

The amount available from the RPTTF is the same as the amount of property tax increment available prior to the enactment of redevelopment dissolution law. Therefore, as a practical matter, the ability to fund the items on the ROPS with property tax increment is limited to the amount of funding available to the Agency in the RPTTF.

Please direct inquiries to Nichelle Jackson, Supervisor, or Michael Painter, Analyst, at (916) 322-2985.

Sincerely,


JENNIFER WHITAKER
Program Budget Manager

cc: Ms. Sydnie Harris, Treasurer, Victor Valley Economic Development Authority
Ms. Linda Santillano, Property Tax Manager, San Bernardino County

Attachment

Approved RPTTF Distribution			
For the period of July 1, 2019 through June 30, 2020			
	ROPS A Period	ROPS B Period	ROPS 19-20 Total
RPTTF Requested	\$ 12,061,921	\$ 8,897,812	\$ 20,759,733
Administrative RPTTF Requested	214,909	250,000	464,909
Total RPTTF Requested	12,276,830	8,947,812	21,224,642
RPTTF Requested	12,061,921	8,897,812	20,759,733
<u>Adjustment</u>			
Item No. 30	0	(8,000)	(8,000)
RPTTF Authorized	12,061,921	8,889,812	20,751,733
Administrative RPTTF Requested	214,909	250,000	464,909
<u>Adjustment</u>			
Item No. 30	0	8,000	8,000
Administrative RPTTF Authorized	214,909	258,000	472,909
Total RPTTF Authorized for Obligations	12,276,830	8,947,812	21,224,642
Prior Period Adjustment	(3,686,063)	0	(3,686,063)
Total RPTTF Approved for Distribution	\$ 8,590,767	\$ 8,947,812	\$ 17,538,579

Appendix 2

Line #	Title of Former Redevelopment Agency	YRDA
1	RPTTF Deposits - Entering the deposits by source is optional	
2	Secured & Unsecured Property Tax Increment (TI)	21,732,076
3	Supplemental & Unitary Property TI	616,285
4	Interest Earnings/Other	-
5	Penalty Assessments	-
6	Total RPTTF Deposits (sum of lines 2 - 5)	22,348,361
7	Total RPTTF Balance Available to Fund CAC Administrative Costs and Passthroughs	22,348,361
8	RPTTF Distributions - Include all payments made pursuant to Health and Safety Code (HSC) Section 34183. Note that the following distributions are not necessary listed in the priority order required by H&S 34183.	
9	Administrative Distributions-	
10	Administrative Fees to CAC	66,673
11	SB 2657 Administration Fees	-
12	SCO Invoices for Audit and Oversight - Funding should only be allocated for this purpose when there is sufficient RPTTF to fully fund the approved enforceable obligations as shown on line 31.	-
13	Total Administrative Distributions (sum of lines 10 - 12)	66,673
14	Passthrough Distributions-	
15	City Passthrough Payments	1,751,160.08
16	County Passthrough Payments	240,209.82
17	Special District Passthrough Payments	889,081.00
18	K-12 School Passthrough Payments - Tax Portion	116,678.28
19	K-12 School Passthrough Payments - Facilities Portion	2,282,951.42
20	Community College Passthrough Payments - Tax Portion	22,616.66
21	Community College Passthrough Payments - Facilities Portion	420,030.78
22	County Office of Education - Tax Portion	1,384.38
23	County Office of Education - Facilities Portion	189,868.75
24	Education Revenue Augmentation Fund (ERAF)	111,725.89
25	Total Passthrough Distributions (sum of lines 15 - 24)	6,322,811
26	Total Administrative and Passthrough Distributions (sum of lines 13 and 25)	6,389,584
27	Total RPTTF Balance Available to Fund Successor Agency (SA) Enforceable Obligations (EOs) (line 6 - 26)	16,539,187
28	Finance Approved RPTTF for Distribution - Include the total RPTTF approved for SA non-admin and admin costs. Should the RPTTF be insufficient to fund all approved amounts during the "A" period of the annual ROPB, the "A" period shortfall amount will be funded during the "B" period if sufficient RPTTF is available.	
29	Non-Admin EOs	12,061,921
30	Admin EOs	214,809
31	Less PPAs - Amount should be entered as a negative number.	(3,686,033)
32	Total Finance Approved RPTTF for Distribution (sum of lines 29 - 31)	8,590,707
33	CAC Distributed ROPB RPTTF-	
34	Non-Admin EOs	6,148,282
35	Admin EOs	441,505
36	Insufficient RPTTF available to fund Finance Approved Items in "A" ROPB (line 32 minus 36)	-
37	Total CAC Distributed RPTTF for SA EOs (sum of lines 34 and 35)	6,589,787
38	Penalty Override/State Water Project Override Revenue pursuant to HSC 34183 (a) (1) (B)	-
39	Total ROPB Only RPTTF Balance Available for Distribution to ATEs (line 27 minus 37 minus 38) -	7,948,426
40	RPTTF Distributions to ATEs	
41	Cities	563,171
42	Counties	1,437,736
43	Special Districts	589,660
44	K-12 Schools	2,631,801
45	Community Colleges	482,037
46	County Office of Education	13,862
47	Total ERAF - Please break out the ERAF amounts into the following categories if possible. (sum of lines 46 - 50)	2,280,801
48	ERAF - K-12	1,579,328
49	ERAF - Community Colleges	342,610
50	ERAF - County Offices of Education	61,862
51	Total RPTTF Distributions to ATEs (sum of lines 41 - 47) - Total residual distributions must equal the total residual balance as shown on line 39.	7,948,426
52	Total Residual Distributions to K-14 Schools (sum of lines 44 - 47):	3,287,911
53	Percentage of Residual Distributions to K-14 Schools	67.9%
54	Comments:	

ATEs received included a PPA adj./shtr of \$226,668 on ROPB 18-17.

Allocation Period: January 2020 - June 2020
 ROPS Redevelopment Property Tax Trust Fund (RPTTF) Allocation Cycle 19-20B
 County : San Bernardino

Line #	Title of Former Redevelopment Agency:	R224	VVEDA
1	RPTTF Deposits - Entering the deposits by source is optional.		
2	Secured & Unsecured Property Tax Increment (TI)	30,396,961	
3	Supplemental & Unitary Property TI	2,006,740	
4	Interest Earnings/Other	-	
5	Penalty Assessments	-	
6	Total RPTTF Deposits (sum of lines 2 - 5)	32,403,720	
7	Total RPTTF Balance Available to Fund CAC Administrative Costs and Passthroughs	32,403,720	
8	RPTTF Distributions - Include all payments made pursuant to Health and Safety Code (H&S) Section 34183. Note that the following distributions are not necessary listed in the priority order required by H&S 34183.		
9	Administrative Distributions-		
10	Administrative Fees to CAC	248,879	
11	SB 2557 Administration Fees	296,087	
12	SCO Invoices for Audit and Oversight - Funding should only be allocated for this purpose when there is sufficient RPTTF to fully fund the approved enforceable obligations as shown on line 31.	-	
13	Total Administrative Distributions (sum of lines 10 - 12)	545,066	
14	Passthrough Distributions-		
15	City Passthrough Payments	2,467,276.90	
16	County Passthrough Payments	6,932,863.59	
17	Special District Passthrough Payments	3,478,247.44	
18	K-12 School Passthrough Payments - Tax Portion	184,759.12	
19	K-12 School Passthrough Payments - Facilities Portion	3,243,336.59	
20	Community College Passthrough Payments - Tax Portion	35,730.93	
21	Community College Passthrough Payments - Facilities Portion	593,073.22	
22	County Office of Education - Tax Portion	2,164.98	
23	County Office of Education - Facilities Portion	267,245.27	
24	Education Revenue Augmentation Fund (ERAF)	263,475.23	
25	Total Passthrough Distributions (sum of lines 15 - 24)	17,456,191	
26	Total Administrative and Passthrough Distributions (sum of lines 13 and 25)	18,094,257	
27	Total RPTTF Balance Available to Fund Successor Agency (SA) Enforceable Obligations (EOs) (line 6 - 26)	14,309,463	
28	the RPTTF be insufficient to fund all approved amounts during the "A" period of the annual ROPS, the "A" period shortfall amount will be funded during the "B" period if sufficient RPTTF is available.		
29	Non-Admin EOs	8,689,812	
30	Admin EOs	258,000	
31	Less PPAs - Amount should be entered as a negative number.	-	
32	Total Finance Approved RPTTF for Distribution (sum of lines 29 - 31)	8,947,812	
33	CAC Distributed ROPS RPTTF-		
34	Non-Admin EOs	8,689,812	
35	Admin EOs	258,000	
36	Insufficient RPTTF in "A" Period for Finance Approved RPTTF Funded in "B" Period (See line 38 for "A" ROPS)	-	
37	Total CAC Distributed RPTTF for SA EOs (sum of lines 34 - 36)	8,947,812	
38	Pension Override/State Water Project Override Revenues pursuant to HSC 34183 (a) (1) (B)	-	
39	Total ROPS Only RPTTF Balance Available for Distribution to ATEs (line 27 minus 37 minus 38) -	5,451,651	
40	RPTTF Distributions to ATEs		
41	Cities	500,124	
42	Counties	250,824	
43	Special Districts	166,718	
44	K-12 Schools	2,236,475	
45	Community Colleges	410,668	
46	County Office of Education	16,810	
47	Total ERAF - Please break out the ERAF amounts into the following categories if possible. (sum of lines 48 - 50)	1,870,032	
48	ERAF - K-12	1,543,638	
49	ERAF - Community Colleges	283,457	
50	ERAF - County Offices of Education	42,937	
51	Total RPTTF Distributions to ATEs (sum of lines 41 - 47) -Total residual distributions must equal the total residual balance as shown on line 39.	5,451,651	
52	Total Residual Distributions to K-14 Schools (sum of lines 44 - 47):	4,533,666	
53	Percentage of Residual Distributions to K-14 Schools	83.2%	
54	Comments:		

**SOUTHERN CALIFORNIA
LOGISTICS AIRPORT AUTHORITY**

BASIC FINANCIAL STATEMENTS

Year ended June 30, 2019

SOUTHERN CALIFORNIA LOGISTICS AIRPORT AUTHORITY
Basic Financial Statements
Year Ended June 30, 2019
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INDEPENDENT AUDITORS' REPORT

Honorable Mayor and City Council
Southern California Logistics Airport Authority
Victorville, California

Report on the Financial Statements

We have audited the accompanying financial statements of the Southern California Logistics Airport Authority ("SCLAA"), a component unit of the City of Victorville, California, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise SCLAA'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 an opinion 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 auditors' 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 opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Southern California Logistics Airport Authority, as of June 30, 2019, and the respective changes in financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matters

As discussed in Note 1, the financial statements present only the SCLAA and do not purport to, and do not present fairly, the financial position of the City of Victorville, California, as of June 30, 2019, and the changes in its financial position or, where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

As described further in Note 12 to the financial statements, the net position of the SCLAA as of July 1, 2018 was restated. Our opinion is not modified with respect to this matter.

Other Matters

Prior-Year Comparative Information

The financial statements include partial prior-year comparative information. Such information does not include all of the information required for a presentation in accordance with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the District's financial statements for the year ended June 30, 2018, from which such partial information was derived.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the schedule of the plan's proportionate share of the net pension liability, schedule of plan contributions, and schedule of the plan's proportionate share of the total OPEB liability, identified as Required Supplementary Information (RSI) in the accompanying table of contents, be presented to supplement the basic financial statements. Such 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. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of 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 Matters (Continued)

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise SCLAA's basic financial statements. The Combining Schedule of Net Position and the Combining Schedule of Revenues, Expenses and Changes in Net Position (supplementary information), as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. 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, supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 5, 2020, on our consideration of SCLAA'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 SCLAA's internal control over financial reporting and compliance.

White Nelson Hill Evans LLP

Irvine, California
February 5, 2020

SOUTHERN CALIFORNIA LOGISTICS AIRPORT AUTHORITY
Statement of Net Position
June 30, 2019
(with comparative data for June 30, 2018)

ASSETS	<u>2019</u>	<u>2018</u>
CURRENT ASSETS:		
Cash and investments	\$ 16,221,039	\$ 11,692,834
Cash and investments with fiscal agent	23,669,043	26,206,782
Accounts receivable, net	192,252	274,116
Due from other governments	893,573	1,698,194
Inventory	16,619	15,845
TOTAL CURRENT ASSETS	<u>40,992,526</u>	<u>39,887,771</u>
NONCURRENT ASSETS:		
Prepaid items	2,407	967
Advances to other funds	-	3,953,878
Advances to City of Victorville	1,944,638	1,931,763
Nondepreciable capital assets	14,467,875	18,865,821
Depreciable capital assets, net	134,325,940	127,990,148
TOTAL NONCURRENT ASSETS	<u>150,740,860</u>	<u>152,742,577</u>
TOTAL ASSETS	<u>191,733,386</u>	<u>192,630,348</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflow - OPEB related	21,057	26,723
Deferred outflow - pension related	800,470	882,527
Deferred charge on refunding	1,935,959	2,070,474
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>2,757,486</u>	<u>2,979,724</u>
LIABILITIES		
CURRENT LIABILITIES:		
Accounts payable	1,011,193	1,758,427
Interest payable	1,332,397	1,355,003
Unearned revenue	31,701	193,308
Bonds subject to call	-	60,684,877
Long-term liabilities, due within one year	5,777,408	4,625,107
TOTAL CURRENT LIABILITIES	<u>8,152,699</u>	<u>68,616,722</u>
NONCURRENT LIABILITIES:		
Accrued rent credit payable	589,746	378,163
Advances from other funds	-	3,953,878
Advances from City of Victorville	1,820,392	1,781,016
Advances from other governments	10,733,517	10,502,996
Total OPEB liability	1,888,372	2,014,829
Net pension liability	3,189,455	3,210,086
Long-term liabilities, due in more than one year	293,080,681	240,861,877
TOTAL NONCURRENT LIABILITIES	<u>311,302,163</u>	<u>262,702,845</u>
TOTAL LIABILITIES	<u>319,454,862</u>	<u>331,319,567</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows - OPEB related	462,294	262,593
Deferred inflows - pension related	162,655	137,361
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>624,949</u>	<u>399,954</u>
NET POSITION (DEFICIT)		
NET POSITION (DEFICIT):		
Net investment in capital assets	(124,197,195)	(130,806,982)
Unrestricted	(1,391,744)	(5,302,467)
TOTAL NET POSITION (DEFICIT)	<u>\$ (125,588,939)</u>	<u>\$ (136,109,449)</u>

See accompanying notes to the basic financial statements.

SOUTHERN CALIFORNIA LOGISTICS AIRPORT AUTHORITY
Statement of Revenues, Expenses and Changes in Net Position
Year ended June 30, 2019
(with comparative data for the year ended June 30, 2018)

	<u>2019</u>	<u>2018</u>
OPERATING REVENUES:		
Charges for services:		
Landing fees	\$ 402,556	\$ 889,690
Fuel flowage fees	311,661	411,315
Rent and lease revenue	7,949,642	6,204,173
	<u>8,663,859</u>	<u>7,505,178</u>
TOTAL CHARGES FOR SERVICES		
Fines and forfeitures	20,030	25,855
Other	434,321	381,739
	<u>454,351</u>	<u>407,594</u>
TOTAL OPERATING REVENUES	<u>9,118,210</u>	<u>7,912,772</u>
OPERATING EXPENSES:		
Personnel services	2,477,719	2,594,793
Maintenance and operations	4,870,247	8,633,285
Depreciation	7,557,865	7,434,827
	<u>14,905,831</u>	<u>18,662,905</u>
TOTAL OPERATING EXPENSES		
	<u>14,905,831</u>	<u>18,662,905</u>
OPERATING LOSS	<u>(5,787,621)</u>	<u>(10,750,133)</u>
NONOPERATING REVENUES (EXPENSES):		
Taxes	24,003,673	28,219,842
Investment income	745,546	510,326
Interest expense	(17,825,706)	(18,140,586)
Gain on sale of capital assets	139,349	22,222
Other nonoperating expenses	(24,685)	(602,694)
	<u>7,038,177</u>	<u>10,009,110</u>
TOTAL NONOPERATING REVENUES (EXPENSES)		
	<u>7,038,177</u>	<u>10,009,110</u>
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS	<u>1,250,556</u>	<u>(741,023)</u>
CAPITAL CONTRIBUTIONS	32,061	-
CAPITAL GRANTS	9,205,533	2,540,147
	<u>9,237,594</u>	<u>2,540,147</u>
TOTAL CAPITAL CONTRIBUTIONS		
	<u>9,237,594</u>	<u>2,540,147</u>
CHANGE IN NET POSITION	10,488,150	1,799,124
NET POSITION (DEFICIT) AT BEGINNING OF YEAR	(136,109,449)	(137,908,573)
RESTATEMENT	32,360	-
	<u>32,360</u>	<u>-</u>
NET POSITION (DEFICIT) AT BEGINNING OF YEAR, AS RESTATED	<u>(136,077,089)</u>	<u>(137,908,573)</u>
NET POSITION (DEFICIT) AT END OF YEAR	<u>\$ (125,588,939)</u>	<u>\$ (136,109,449)</u>

See accompanying notes to the basic financial statements.

SOUTHERN CALIFORNIA LOGISTICS AIRPORT AUTHORITY

Statement of Cash Flows

Year ended June 30, 2019

(with comparative data for the year ended June 30, 2018)

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from customers	\$ 9,225,365	\$ 7,502,909
Cash payments to employees for services	(2,141,866)	(2,042,689)
Cash payments to suppliers for goods and services	(5,619,694)	(7,233,524)
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	1,463,805	(1,773,304)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Cash received from other governments	23,982,697	28,499,433
Cash received from City of Victorville	1,056,118	-
Cash paid to City of Victorville	(12,875)	(1,663,108)
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES	25,025,940	26,836,325
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Cash received from the sale of capital assets	139,349	22,222
Capital grants	9,205,533	2,540,147
Cash payments to acquire capital assets	(9,571,088)	(3,614,552)
Principal paid on capital-related debt	(8,580,000)	(4,405,000)
Interest paid on capital-related debt	(16,208,098)	(19,226,785)
NET CASH USED FOR CAPITAL AND RELATED FINANCING ACTIVITIES	(25,014,304)	(24,683,968)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest received on investments	515,025	510,326
NET CASH PROVIDED BY INVESTING ACTIVITIES	515,025	510,326
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,990,466	889,379
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	37,899,616	37,010,237
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 39,890,082	\$ 37,899,616
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO STATEMENT OF NET POSITION:		
Cash and Investments	\$ 16,221,039	\$ 11,692,834
Cash and investments with fiscal agent	23,669,043	26,206,782
CASH AND CASH EQUIVALENTS	\$ 39,890,082	\$ 37,899,616
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:		
Operating loss	\$ (5,787,621)	\$ (10,750,133)
Adjustments to reconcile operating loss to net cash provided by (used for) operating activities:		
Depreciation	7,557,865	7,434,827
Nonoperating miscellaneous revenue (expense)	(24,685)	-
(Increase) decrease in accounts receivable, net	81,864	(355,874)
(Increase) decrease in inventory and other assets	(774)	(5,215)
(Increase) decrease in prepaid items	(1,440)	(473)
(Increase) decrease in deferred outflows - OPEB	5,666	-
(Increase) decrease in deferred outflows - pension	221,855	(24,609)
Increase (decrease) in accounts payable	(747,233)	1,404,975
Increase (decrease) in unearned revenue	(161,607)	71,382
Increase (decrease) in accrued rent credits payable	211,583	(124,897)
Increase (decrease) in accrued compensated absences	30,425	53,923
Increase (decrease) in total OPEB liability	(126,457)	(107,517)
Increase (decrease) in net pension liability	(20,631)	405,034
Increase (decrease) in deferred inflows - OPEB	199,701	-
Increase (decrease) in deferred inflows - pension	25,294	225,273
Total adjustments	7,251,426	8,976,829
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	\$ 1,463,805	\$ (1,773,304)
NONCASH CAPITAL, FINANCING, AND INVESTING ACTIVITIES:		
Interest accretion expenses	\$ 1,143,935	\$ 1,064,232
Capital assets contributed from the City of Victorville	32,061	11,317
TOTAL NONCASH CAPITAL, FINANCING AND INVESTING ACTIVITIES	\$ 1,175,996	\$ 1,075,549

See accompanying notes to the basic financial statements.

SOUTHERN CALIFORNIA LOGISTICS AIRPORT AUTHORITY
Notes to Basic Financial Statements
June 30, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Reporting Entity

The Southern California Logistics Airport Authority ("SCLAA"), a component unit of the City of Victorville, was formed in June of 1997 by the City of Victorville and the former Victorville Redevelopment Agency. Prior to the dissolution of the Victorville Redevelopment Agency in 2012, the Victorville Water District was added as a member of the JPA. The purpose of SCLAA is to provide for the coordination of long-range planning of the territory of George Air Force Base (now Southern California Logistics Airport, or the Airport). The Victor Valley Economic Development Authority ("VVEDA"), a Joint Powers Authority of the City of Victorville and other entities, was authorized to exclusively exercise the powers of a redevelopment agency in the area including and surrounding the Airport. VVEDA subsequently delegated to the SCLAA all of its redevelopment authority over the portion of the VVEDA project area comprised of the Airport.

B. Relationship to the City of Victorville

The SCLAA is an integral part of the reporting entity of the City of Victorville ("City") and is reflected as a blended component unit within the City of Victorville. The SCLAA fund has been included within the scope of the basic financial statements of the City because the City Council is the governing board and has financial accountability over the operations of the SCLAA. Only the SCLAA fund is included herein and these financial statements, therefore, do not purport to represent the financial position or results of operations of the City of Victorville, California.

C. Basic Financial Statements

The basic financial statements are comprised of the Statement of Net Position, the Statement of Revenues, Expenses and Changes in Net Position, the Statement of Cash Flows and the notes to the basic financial statements.

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

The SCLAA is accounted for as an enterprise fund (proprietary fund type). A fund is an accounting entity with a self-balancing set of accounts established to record the financial position and results of operations of a specific governmental activity. The activities of enterprise funds closely resemble those ongoing businesses in which the purpose is to conserve and add to basic resources while meeting operating expenses from current revenues. Enterprise funds account for operations that provide services on a continuous basis and are substantially financed by revenues derived from user charges.

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

Proprietary funds are presented using the *economic resources measurement focus*. This means that all assets, deferred outflows of resources, liabilities, and deferred inflows of resources (whether current or noncurrent) associated with their activity are included on their balance sheets.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Proprietary funds are presented using the *accrual basis of accounting*. Revenues are recognized when they are earned and expenses are recognized when the related goods or services are delivered, regardless of when the related cash flows take place. Amounts paid to acquire capital assets are capitalized as assets. Proceeds of long-term debt and acquisitions under capital leases are recorded as a liability. Amounts paid to reduce long-term indebtedness are reported as a reduction of the related liability. Bond premiums and discounts 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. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenses.

The SCLAA distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with airport and rental operations. The principal operating revenues of the SCLAA are charges to customers for services, which includes land fees, fuel flowage fees, and rent and lease revenue. Operating expenses include personnel services, maintenance and operational costs and depreciation of capital assets. All revenues and expenses not meeting this definition, such as taxes, investment income, and investment expense, are reported as non-operating revenues and expenses.

E. Cash and Investments

Investments are reported in the accompanying balance sheet at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Changes in fair value that occur during a fiscal year are recognized as *investment income* reported for that fiscal year. *Investment income* includes interest earnings, changes in fair value, and any gains or losses realized upon the liquidation or sale of investments.

F. Cash Equivalents

For purposes of the Statement of Cash Flows, cash equivalents are defined as short-term, highly liquid investments that are both readily convertible to known amounts of cash or so near their maturity that they present insignificant risk of changes in value because of changes in interest rates. Cash equivalents include the cash and investments held by a fiscal agent.

G. Capital Assets

Capital assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated capital assets are valued at acquisition value on the date of donation. SCLAA capitalizes all assets with an initial individual cost of more than \$5,000 and a useful life in excess of one year. The cost of normal maintenance and repairs that do not add to the value of the assets or materially extend the life are not capitalized.

Depreciation is computed utilizing the straight-line method over the following useful lives:

Buildings and improvements	10-50 years
Furniture and equipment	3-7 years
Computer and communications	5 years
Vehicles	8-15 years
Runways and roads	20-40 years

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Compensated Absences

A liability is recorded for unused vacation and similar compensatory leave balances since the employees' entitlement to these balances are attributable to services already rendered and it is probable that virtually all of these balances will be liquidated by either paid time off or payments upon termination or retirement.

A liability is recorded for unused sick leave balances only to the extent that it is probable that the unused balances will result in termination payments. This is estimated by including in the liability the unused balances of employees currently entitled to receive termination payment, as well as those who are expected to become eligible to receive termination benefits as a result of continuing their employment with the City. Other amounts of unused sick leave are excluded from the liability since their payment is contingent solely upon the occurrence of a future event (illness), which is outside the control of the City and the employee.

The balance of unpaid vacation and vested sick leave at year-end is recorded as a long-term liability in the financial statements.

I. Deferred Outflows and Deferred Inflows of Resources

When applicable, the statement of net position and balance sheet will report a separate section for deferred outflows of resources. *Deferred outflows of resources* represent outflows of resources (consumption of net position) that apply to future periods and that, therefore, are not recognized as an expense until that time. The SCLAA has the following items that qualify for reporting in this category:

- An unamortized loss on bond defeasance that results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the life of the refunding debt.
- Deferred outflow related to pensions and OPEB equal to employer contributions made after the measurement date of the net pension liability and the total OPEB liability.
- Deferred outflow related to pensions for differences between expected and actual experiences and changes in assumptions. These amounts are amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the plans.
- Deferred outflow related to pensions resulting from the difference in projected and actual earnings on investments of the pension plan fiduciary net position. These amounts are amortized over five years.

When applicable, the statement of net position and the balance sheet will report a separate section for deferred inflows of resources. *Deferred inflows of resources* represent inflows of resources (acquisition of net position) that apply to future periods and that, therefore, are not recognized as an inflow of resources (revenue) until that time. The SCLAA has the following items that qualify for reporting in this category:

- Deferred inflow related to pensions and OPEB for differences between expected and actual experiences and changes in assumptions. These amounts are amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the plans.

SOUTHERN CALIFORNIA LOGISTICS AIRPORT AUTHORITY
Notes to Basic Financial Statements
June 30, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Net Position

Net position is classified in the following categories:

Net Investment in Capital Assets

This amount consists of capital assets net of accumulated depreciation and reduced by outstanding debt (including premiums and discounts) that attributed to the acquisition, construction, or improvement of the assets.

Restricted Net Position

This amount is restricted by enabling legislation (such as external creditors, grantors, contributors, laws or regulations of other governments).

Unrestricted Net Position

This amount is the remaining net position that does not meet the definition of “invested in capital assets” or “restricted net position.”

K. Pensions

For purposes of measuring the net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the SCLAA’s California Public Employees’ Retirement System (CalPERS) plans (Plans) and additions to/deductions from the Plans’ fiduciary net position have been determined on the same basis as they are reported by the CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value. CalPERS audited financial statements are publicly available reports that can be obtained at CalPERS’ website under Forms and Publications.

L. Prior Year Data

Selected information regarding the prior year has been included in the accompanying financial statements. This information has been included for comparison purposes only and does not represent a complete presentation in accordance with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the SCLAA’s prior year financial statements, from which this selected financial data was derived. In addition, certain minor reclassifications of the prior year data have been made to enhance their comparability to the current year.

M. Estimates

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

SOUTHERN CALIFORNIA LOGISTICS AIRPORT AUTHORITY
Notes to Basic Financial Statements
June 30, 2019

2. CASH AND INVESTMENTS

Cash and investments as of June 30, 2019 are classified in the accompanying financial statements as follows:

Statement of Net Position:	
Cash and investments	\$ 16,221,039
Cash and investments with fiscal agent	<u>23,669,043</u>
Total cash and investments	<u>\$ 39,890,082</u>

Cash and investments as of June 30, 2019, consist of the following:

Equity in City of Victorville Pool	\$ (599,343)
Investments	<u>40,489,425</u>
Total cash and investments	<u>\$ 39,890,082</u>

Investments Pool of the City of Victorville

The SCLAA has no separate bank accounts or investments other than investments held by bond trustee, and their investment in LAIF. The SCLAA's equity in the cash and investment pool is managed by the City of Victorville. The SCLAA is a voluntary participant in that pool. This pool is governed by and under the regulatory oversight of the Investment Policy adopted by the City Council of the City of Victorville. The SCLAA has not adopted an investment policy separate from that of the City of Victorville. The fair value of the Authority's investment in this pool is reported in the accompanying financial statements at amounts based upon the SCLAA's pro-rata share of the fair value calculated by the City for the entire City portfolio. The balance available for withdrawal is based on the accounting records maintained by the City, which are recorded on an original cost basis.

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

The City adopts the investment policy for the SCLAA. The table on the following page identifies the investment types that are authorized for the SCLAA by the California Government Code and the City's investment policy. The table also identifies certain provisions of the California Government Code (or the City's investment policy, if more restrictive) that address interest rate risk, credit risk, and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustees that are governed by the provisions of debt agreements of the City, rather than the general provisions of the California Government Code or the City's investment policy.

SOUTHERN CALIFORNIA LOGISTICS AIRPORT AUTHORITY
Notes to Basic Financial Statements
June 30, 2019

2. CASH AND INVESTMENTS (CONTINUED)

Investments Authorized by the California Government Code and the City's Investment Policy (Continued)

Investment Types Authorized by State Law	Authorized by Investment Policy	Maximum Maturity*	Maximum Percentage of Portfolio*	Maximum Investment In One Issuer*
Local Agency Bonds	Yes	5 years	70%	None
U.S. Treasury Obligations	Yes	5 years	70%	None
U.S. Agency Securities	Yes	5 years	75%**	None
Banker's Acceptances	No	180 days	40%	30%
Commercial Paper - Non-pooled Funds	No	270 days	25%	10%
Commercial Paper - Pooled Funds	No	270 days	40%	10%
Negotiable Certificates of Deposit	Yes	2 years	30%	None
Repurchase Agreements	No	1 year	None	None
Reverse Repurchase Agreements	No	92 days	20% of base value	None
Medium-Term Notes	No	5 years	30%	None
Mutual Funds***	No	5 years	20%*	10%*
Money Market Mutual Funds***	Yes	5 years	20%*	None
Mortgage Pass-Through Securities	No	5 years	20%	None
County Pooled Investment Funds	No	N/A	None	None
Local Agency Investment Fund (LAIF)	Yes	N/A	None	None
JPA Pools (other investment pools)	No	N/A	None	None

* Based on state law requirements or investment policy requirements, whichever is more restrictive.

** Ginnie Mae is not to exceed 20% of the total portfolio.

*** Fund must be an AAA rated Government or US Treasury money fund.

Investments Authorized by Debt Agreements

Investment 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 the SCLAA'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 and concentration of credit risk.

Authorized Investment Type	Maximum Maturity	Maximum Percentage Allowed	Investment In One Issuer
U.S. Treasury Obligations	None	None	None
U.S. Agency Securities	None	None	None
Banker's Acceptances	360 days	None	None
Commercial Paper	270 days	None	None
Money Market Mutual Funds	None	None	None
Repurchase Agreements	None	None	None
Investment Contracts	None	None	None
Certificate of Deposit	None	None	None
Local Agency Investment Fund (LAIF)	None	None	None

SOUTHERN CALIFORNIA LOGISTICS AIRPORT AUTHORITY
Notes to Basic Financial Statements
June 30, 2019

2. CASH AND INVESTMENTS (CONTINUED)

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates 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 market interest rates. One of the ways that the Authority manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

Information about the sensitivity of the fair values of the Authority's investments (including investments held by bond trustee) to market interest rate fluctuations is provided by the following table that shows the distribution of these investments by maturity

Investment Type	Total	Remaining Maturities (in Months) Within 12
LAIF	\$ 16,820,382	16,820,382
Held by bond trustee:		
Money market mutual funds	23,669,043	23,669,043
Total	\$ 40,489,425	40,489,425

Disclosures Relating to Credit Risk

Generally, credit risk is 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 rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, the City's investment policy, or debt agreements, and the actual Standard & Poor's rating as of year-end for each investment type.

Investment Type	Total	Minimum Legal Rating	Ratings as of Year End	
			AAA	Not Rated
LAIF	\$ 16,820,382	N/A	\$ -	\$ 16,820,382
Held by bond trustee:				
Money market mutual funds	23,669,043	AAA	23,669,043	-
Total	\$ 40,489,425		\$ 23,669,043	\$ 16,820,382

Concentration of Credit Risk

The investment policy of the SCLAA contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. The SCLAA has no investments in any one issuer (other than LAIF and money market mutual funds) that represent 5% or more of the City's investments.

SOUTHERN CALIFORNIA LOGISTICS AIRPORT AUTHORITY
Notes to Basic Financial Statements
June 30, 2019

2. CASH AND INVESTMENTS (CONTINUED)

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository 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. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) 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 the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit).

The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure SCLAA deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. At June 30, 2019, the SCLAA's deposits (bank balances) were insured by the federal depository insurance limits or collateralized as required under California Law.

For investments identified herein as held by bond trustee, the bond trustee selects the investment under the terms of the applicable trust agreement, acquires the investment, and holds the investment on behalf of the reporting government.

Investment in State Investment Pool

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

Fair Value Measurements

The SCLAA categorizes its fair value measurement within the fair value hierarchy established by generally accepted accounting principles. The fair value framework provides a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of fair value hierarchy are described as follows:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.

2. CASH AND INVESTMENTS (CONTINUED)

Fair Value Measurements (Continued)

Level 2 - Inputs other than quoted prices included within the Level 1 that are observable for the asset or liability, either directly or indirectly and fair value is determined through the use of models or other valuation methodologies including:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in markets that are inactive;
 - Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation of other items.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurements. These unobservable inputs reflect the SCLAA's own assumptions about the inputs market participants would use in pricing the asset or liability (including assumptions about risk). These unobservable inputs are developed based on the best information available in the circumstances and may include the SCLAA's own data.

The SCLAA's investments in LAIF and money market mutual funds (held by bond trustee) are not subject to the fair value measurement hierarchy.

SOUTHERN CALIFORNIA LOGISTICS AIRPORT AUTHORITY
Notes to Basic Financial Statements
June 30, 2019

3. CAPITAL ASSETS

The following is a summary of changes in capital assets for SCLAA at June 30, 2019:

	Balance at 7/1/2018	Additions	Transfers from City	Deletions	Balance at 6/30/2019
Non-depreciable assets:					
Land	\$ 14,372,776	\$ -	\$ -	\$ -	\$ 14,372,776
Construction in progress	4,493,045	8,587,126	-	(12,985,072)	95,099
Total non-depreciable assets	18,865,821	8,587,126	-	(12,985,072)	14,467,875
Depreciable assets:					
Buildings and improvements	180,514,797	-	145,183	(493,213)	180,166,767
Computer and communication	240,380	13,785	-	-	254,165
Furniture and equipment	8,240,623	26,620	40,651	(409,448)	7,898,446
Infrastructure	83,291,393	13,928,629	-	(753,281)	96,466,741
Intangibles	137,155	-	-	(137,155)	-
Land Improvements	128,489	-	-	-	128,489
Vehicles	763,788	-	-	(16,500)	747,288
Total depreciable assets	273,316,625	13,969,034	185,834	(1,809,597)	285,661,896
Less accumulated depreciation:					
Buildings and improvements	(96,872,349)	(4,099,748)	(113,122)	493,213	(100,592,006)
Computer and communication	(220,317)	(5,122)	-	-	(225,439)
Furniture and equipment	(5,153,752)	(357,005)	(40,651)	409,448	(5,141,960)
Infrastructure	(42,276,919)	(3,048,530)	-	753,281	(44,572,168)
Intangibles Plans and Studies	(2,286)	(27,431)	-	29,717	-
Land Improvements	(86,730)	(12,849)	-	-	(99,579)
Vehicles	(714,124)	(7,180)	-	16,500	(704,804)
Total accumulated depreciation	(145,326,477)	(7,557,865)	(153,773)	1,702,159	(151,335,956)
Total depreciable assets, net	127,990,148	6,411,169	32,061	(107,438)	134,325,940
Capital assets, net	\$ 146,855,969	\$ 14,998,295	\$ 32,061	\$ (13,092,510)	\$ 148,793,815

A net carrying value of \$32,061 represents capital assets contributed from the City and is shown as a capital contribution in the statement of revenues, expenses, and changes in net position. Depreciation expense for the SCLAA was \$7,557,865 for the year ended June 30, 2019.

SOUTHERN CALIFORNIA LOGISTICS AIRPORT AUTHORITY
Notes to Basic Financial Statements
June 30, 2019

4. LONG-TERM LIABILITIES

A summary of changes in long-term liabilities for the year ended June 30, 2019 is noted below:

	Balance at 7/1/2018	Additions	Retirements	Balance at 6/30/2019	Due Within One Year
<i>Other long-term liabilities:</i>					
Compensated Absences	\$ 231,654	\$ 158,209	\$ (127,786)	\$ 262,077	\$ 142,408
<i>Other debt:</i>					
Tax Allocation Bonds:					
2005 Tax Allocation Parity Bonds	17,415,000	-	(1,025,000)	16,390,000	1,070,000
2006 Tax Allocation Bonds (Non-Housing)	51,160,000	-	(1,060,000)	50,100,000	1,105,000
2006 Tax Allocation Bonds (Housing)	13,740,000	-	(285,000)	13,455,000	295,000
2006 Allocation Parity Bonds	41,950,000	-	(135,000)	41,815,000	140,000
2006 Tax Allocation Revenue Parity Bonds	31,280,000	-	(510,000)	30,770,000	540,000
2006 Tax Allocation Revenue Bonds	56,775,000	-	(955,000)	55,820,000	1,010,000
2007 Tax Allocation Bonds	35,395,000	-	(650,000)	34,745,000	690,000
2007 Tax Allocation Bonds (Non-Housing)*	39,700,000	-	(3,460,000)	36,240,000	690,000
2008 Tax Allocation Bonds*	20,984,877	1,143,935	(500,000)	21,628,812	95,000
Tax Allocation Bonds Subtotal	308,399,877	1,143,935	(8,580,000)	300,963,812	5,635,000
Unamortized Discounts/Premiums	(2,459,670)	-	91,870	(2,367,800)	-
Total	\$ 306,171,861	\$ 1,302,144	\$ (8,615,916)	\$ 298,858,089	\$ 5,777,408

See pledged revenue information at the end of this note.

Tax Allocation Parity Bonds, Series 2005A

In June 2005, the SCLAA issued \$42,185,000 principal amount of Tax Allocation Parity Bonds, Series 2005A. This debt was issued to finance certain public capital improvements benefiting the SCLAA.

On February 8, 2006, \$1.8 million of bond proceeds was invested in land for the construction of a new City library. Prior to this purchase (on November 3, 2005), the Board of Directors of the SCLAA adopted a resolution with the intent of entering into a loan agreement between the SCLAA and the City with respect to this land purchase. On September 21, 2010 City Council approved this loan agreement. Legal counsel for the City has indicated that approval by the bond insurer is not required for the investment of proceeds not held by the bond trustee.

Bonds maturing on December 1, 2010, December 1, 2016, December 1, 2020, December 1, 2025, December 1, 2030, and December 1, 2035 in the amounts of \$2,765,000, \$3,365,000, \$5,140,000, \$6,335,000, \$7,870,000 and \$15,335,000 are term bonds. The outstanding bonds bear interest at 3.50% to 5.00% due June 1 and December 1 of each year.

The bonds are subject to redemption prior to maturity as described in the bond covenants. The bonds maturing on or after June 1, 2016 are subject to optional redemption in whole or in part by lot, without premium.

The bonds maturing on December 1, 2010, December 1, 2016, December 1, 2020, December 1, 2025, December 1, 2030, and December 1, 2035 are subject to mandatory redemption in part by lot, without premium, commencing December 1, 2007, December 1, 2012, December 1, 2016, December 1, 2021, December 1, 2026, and December 1, 2031, respectively, from sinking fund payments made by SCLAA.

SOUTHERN CALIFORNIA LOGISTICS AIRPORT AUTHORITY
Notes to Basic Financial Statements
June 30, 2019

4. LONG-TERM LIABILITIES (CONTINUED)

Tax Allocation Parity Bonds, Series 2005A (Continued)

In the fiscal year ended June 30, 2006 these bonds were partially defeased by the issuance of the Tax Allocation Revenue Parity Bonds, Refunding Series 2005 (Non-Housing). The required reserve for the Bonds is \$1,797,890. As of June 30, 2019 the reserve amount was \$1,848,988. The Bonds are a special obligation of the SCLAA payable from tax increment revenues. The amount of bonds outstanding at June 30, 2019 is \$16,390,000.

Tax Allocation Revenue Parity Bonds, Refunding Series 2006 (Non-Housing)

In June 2006, the SCLAA issued \$62,780,000 principal amount of Tax Allocation Revenue Parity Bonds, Refunding Series 2006. The proceeds were used to refund the 2001 Tax Allocation Bonds, the 2003 Tax Allocation Bonds, and a portion of 2005 Tax Allocation Bonds. As a result, the 2001 and 2003 Tax Allocation Bonds are considered to be defeased, and the 2005 Tax Allocation Bonds are considered to be partially defeased. The respective liabilities have been removed from the statement of net position.

Bonds maturing on December 1, 2026, December 1, 2031, December 1, 2036 and December 1, 2043 in the amounts of \$6,895,000, \$8,595,000, \$10,810,000 and \$20,335,000 are term bonds. The outstanding bonds bear interest at 4.50% to 5.00% due June 1 and December 1 of each year.

The bonds are subject to redemption prior to maturity as described in the bond covenants. The bonds maturing on or after June 1, 2016 are subject to optional redemption in whole or in part by lot without premium.

The bonds maturing on December 1, 2026, December 1, 2031, December 1, 2036 and December 1, 2043 are subject to mandatory redemption in part by lot, without premium, commencing December 1, 2022, December 1, 2027, December 1, 2032 and December 1, 2037, respectively, from sinking fund payments made by SCLAA.

The required reserve for the bonds is \$3,519,300. As of June 30, 2019, the reserve amount was \$3,617,562. The bonds are a special obligation of the SCLAA payable from tax increment revenues. The amount of bonds outstanding at June 30, 2019 is \$50,100,000.

Tax Allocation Revenue Parity Bonds, Refunding Series 2006 (Housing Set-Aside)

In June 2006, the SCLAA issued \$16,855,000 principal amount of Housing Set-Aside Revenue Bonds, Refunding Series 2006. The proceeds were used to refund all of the 2003 Tax Allocation Bonds and a portion of the 2005 Tax Allocation Parity Bonds. As a result, the 2003 Tax Allocation Bond is considered to be defeased and the liability has been removed from the statement of net position.

Bonds maturing on December 1, 2026, December 1, 2031, December 1, 2036 and December 1, 2043 in the amounts of \$1,855,000, \$2,305,000, \$2,905,000 and \$5,460,000 are term bonds. The outstanding bonds bear interest at 4.50% to 5.00% due June 1 and December 1 of each year.

The bonds are subject to redemption prior to maturity as described in the bond covenants. The bonds maturing on or after June 1, 2016 are subject to optional redemption in whole or in part by lot without premium.

SOUTHERN CALIFORNIA LOGISTICS AIRPORT AUTHORITY
Notes to Basic Financial Statements
June 30, 2019

4. LONG-TERM LIABILITIES (CONTINUED)

Tax Allocation Revenue Parity Bonds, Refunding Series 2006 (Housing Set-Aside) (Continued)

The bonds maturing on December 1, 2026, December 1, 2031, December 1, 2036 and December 1, 2043 are subject to mandatory redemption in part by lot, without premium, commencing December 1, 2022, December 1, 2027, December 1, 2032 and December 1, 2037, respectively, from sinking fund payments made by SCLAA.

The required reserve for the bonds is \$945,975. As of June 30, 2019, the reserve amount was \$972,414. The bonds are a special obligation of the SCLAA payable from tax increment revenues. The amount of bonds outstanding at June 30, 2019 is \$13,455,000.

Tax Allocation Revenue Parity Bonds, Taxable Series 2006

In June 2006, the SCLAA issued \$45,020,000 principal amount of Tax Allocation Revenue Parity Bonds, Taxable Series 2006. The proceeds were used to finance certain redevelopment activities benefiting the SCLAA.

Bonds maturing on December 1, 2036, and December 1, 2043 in the amounts of \$20,080,000, and \$24,940,000 are term bonds. The outstanding bonds bear interest at 6.10% due June 1 and December 1 of each year.

The bonds are subject to redemption prior to maturity as described in the bond covenants. The bonds are subject to optional redemption in whole or in part by lot, subject to a premium.

The bonds maturing on December 1, 2036, December 1, 2043 are subject to mandatory redemption in part by pro rata, without premium, commencing December 1, 2006, December 1, 2037, respectively, from sinking fund payments made by SCLAA.

The required reserve for the bonds is \$4,486,835. As of June 30, 2019, the reserve amount was \$4,574,508. The bonds are a special obligation of the SCLAA payable from tax increment revenues. The amount of bonds outstanding at June 30, 2019 is \$41,815,000.

Taxable Tax Allocation Revenue Parity Bonds, Forward Series 2006

In November 2006, SCLAA issued \$34,980,000 principal amount of Taxable Tax Allocation Revenue Parity Bonds, Forward Series 2006. The proceeds were used to finance and refinance certain redevelopment activities benefiting the SCLAA.

The bonds mature from December 1, 2007 to December 1, 2043 in varying amounts. Principal is payable in annual installments ranging from \$50,000 to \$2,320,000, commencing December 1, 2007. The bonds accrue interest at rates between 6.25% and 6.30%. Interest on the bonds is payable semiannually on each June 1 and December 1, commencing June 1, 2007.

The bonds are subject to optional and mandatory redemption prior to maturity.

The bonds are secured by pledged tax revenues. The required reserve for the Bonds is \$2,476,455. As of June 30, 2019, the reserve amount was \$2,545,601. The bonds are a special obligation of the SCLAA payable from tax increment revenues. The amount of bonds outstanding at June 30, 2019 is \$30,770,000.

SOUTHERN CALIFORNIA LOGISTICS AIRPORT AUTHORITY
Notes to Basic Financial Statements
June 30, 2019

4. LONG-TERM LIABILITIES (CONTINUED)

Taxable Subordinate Tax Allocation Revenue Bonds, Series 2006

In November 2006, the SCLAA issued \$64,165,000 principal amount of Taxable Subordinate Tax Allocation Revenue Bonds, Series 2006. The proceeds were used to finance certain redevelopment activities benefiting the SCLAA.

The bonds mature from December 1, 2007 to December 1, 2043 in varying amounts. Principal is payable in annual installments ranging from \$395,000 to \$4,135,000, commencing December 1, 2007. The bonds accrue interest at 6.05%. Interest on the bonds is payable semiannually on each June 1 and December 1, commencing June 1, 2007.

The bonds are subject to optional and mandatory redemption prior to maturity.

The bonds are secured by pledged tax revenues. The required reserve for the bonds is \$4,389,930. As of June 30, 2019, the reserve amount was \$4,512,279. The bonds are a special obligation of the SCLAA payable from tax increment revenues. The amount of bonds outstanding at June 30, 2019 is \$55,820,000.

Taxable Housing Set-Aside Revenue Parity Bonds, Series 2007

In March 2007, the SCLAA issued \$41,460,000 principal amount of Taxable Housing Set-Aside Revenue Parity Bonds, Series 2007. The proceeds were used to finance certain low- and moderate-income housing programs of the Authority. On July 7, 2009, \$20,000,000 of bond proceeds were invested in a loan to the Victorville Water District. Legal counsel for the City has indicated that approval by the bond insurer is not required for the investment of proceeds not held by the bond trustee. In February 2013 this loan was repaid in full with interest.

Bonds maturing on December 1, 2012, December 1, 2017, December 1, 2022, December 1, 2027, and December 1, 2043 in the amounts of \$3,265,000, \$2,800,000, \$3,620,000, \$4,685,000 and \$27,090,000 are term bonds. The outstanding bonds bear interest at 5.00%, 5.20%, 5.25%, 5.40% and 5.55% due June 1 and December 1 of each year.

The bonds are subject to optional redemption in whole or in part by lot, without premium.

As of June 30, 2019, the required reserve for the Bonds is \$2,600,910, which was met consisting of fiscal agent cash and an insurance policy. The bonds are a special obligation of the SCLAA payable from tax increment revenues. The amount of bonds outstanding at June 30, 2019 is \$34,745,000.

Subordinate Tax Allocation Revenue Bonds, Series 2007

In December 2007, the SCLAA issued \$42,000,000 principal amount Subordinate Tax Allocation Revenue Bonds, Series 2007. The proceeds were used to finance certain redevelopment activities benefiting the SCLAA.

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4. LONG-TERM LIABILITIES (CONTINUED)

Subordinate Tax Allocation Revenue Bonds, Series 2007, (Continued)

Bonds maturing on December 1, 2008, December 1, 2009, December 1, 2012, December 1, 2017, December 1, 2022, December 1, 2027, December 1, 2032, December 1, 2032, December 1, 2037, December 1, 2037, December 1, 2037, December 1, 2043 and December 1, 2043 in the amounts of \$480,000, \$425,000, \$1,395,000, \$2,805,000, \$3,640,000, \$4,745,000, \$3,000,000, \$3,275,000, \$3,325,000, \$3,800,000, \$1,250,000, \$9,210,000 and \$4,650,000 are term bonds. The outstanding bonds bear interest at 4.000%, 4.200%, 4.375%, 5.250%, 5.375%, 5.600%, 5.900%, 6.000%, 5.900%, 6.000%, 6.100%, 5.900% and 6.150% due June 1 and December 1 of each year.

The bonds are subject to redemption prior to maturity at the option of the Authority, on or after December 1, 2017, in whole or in part by lot, without premium.

The bonds maturing on the dates described above are subject to mandatory redemption in part by lot, without premium, commencing December 1, 2010, December 1, 2013, December 1, 2018, December 1, 2023, December 1, 2028, December 1, 2028, December 1, 2033, December 1, 2033, December 1, 2033; December 1, 2038, and December 1, 2038, respectively, from sinking fund payments made by SCLAA.

The required reserve for the Bonds is \$2,824,473. As of June 30, 2019, the reserve amount was \$2,876,791. The bonds are a special obligation of the SCLAA payable from tax increment revenues. The amount of bonds outstanding at June 30, 2019 is \$36,240,000.

Subordinate Tax Allocation Revenue Bonds, Series 2008

In May 2008, the SCLAA issued \$13,334,925 principal amount of Subordinate Tax Allocation Revenue Bonds, Series 2008A. The proceeds were used to finance certain redevelopment activities benefiting the SCLAA and to partially refund the \$35,000,000 principal amount of Subordinate Tax Allocation Revenue Notes, Series 2008.

Bonds maturing on December 1, 2010, December 1, 2013, December 1, 2018, December 1, 2023, December 1, 2033, December 1, 2038, and December 1, 2043 in the amounts of \$130,000, \$215,000, \$340,000, \$530,000, \$1,675,000, \$1,285,000, and \$1,720,000 are Current Interest Bonds. The outstanding bonds bear interest at 4.25%, 4.50%, 5.00%, 5.25%, 6.00%, 6.00% and 6.00% due June 1 and December 1 of each year.

Bonds maturing on December 1 of each year beginning 2044 through 2050 in the initial principal amounts of \$1,316,266, \$1,216,397, \$1,123,621, \$1,037,536, \$957,600, \$883,633, and \$814,910 are Capital Appreciation Bonds. The outstanding bonds bear yields to maturity of 7.300%, 7.320%, 7.340%, 7.360%, 7.380%, 7.400% and 7.420%. All of the bonds have a future maturity value of \$131,805,000 at June 30, 2019.

The current interest bonds are subject to redemption prior to maturity at the option of the Authority, on or after December 1, 2018, in whole or in part by lot, without premium. The Capital Appreciation Bonds are subject to optional redemption in whole or in part by lot, without premium.

The required reserve for the Bonds is \$1,333,492. As of June 30, 2019, the reserve amount was \$1,350,171. The bonds are a special obligation of the SCLAA payable from tax increment revenues. The amount of bonds outstanding at June 30, 2019 is \$21,628,812 which includes an accretion balance of \$9,068,887.

SOUTHERN CALIFORNIA LOGISTICS AIRPORT AUTHORITY
Notes to Basic Financial Statements
June 30, 2019

4. LONG-TERM LIABILITIES (CONTINUED)

Debt Service Requirements to Maturity

The annual requirements to amortize outstanding SCLAA debt as of June 30, 2019, are as follows for each fiscal year ending June 30:

Year Ending June 30	Tax Allocation Bonds Principal*	Tax Allocation Bonds Interest
2020	\$ 5,635,000	\$ 15,845,333
2021	5,920,000	15,550,722
2022	6,225,000	15,238,105
2023	6,550,000	14,906,577
2024	6,885,000	14,555,860
2025-29	40,270,000	66,778,997
2030-34	52,345,000	54,314,646
2035-39	69,130,000	36,997,328
2040-44	91,585,000	22,259,198
2045-49	90,425,000	84,989,915
2050-51	36,170,000	25,870,773
Subtotal	411,140,000	\$ 367,307,454
Discounts/ Premiums	(2,367,800)	
Total	\$ 408,772,200	

* This total includes capital appreciation of \$110,176,188 for tax allocation bonds that will be accrued in the future years.

Pledged Revenue

SCLAA has a number of debt issuances outstanding that are collateralized by the pledging of certain revenues. The amount and term of the remainder of these commitments are indicated in the debt service to maturity tables presented in the accompanying notes. The purposes for which the proceeds of the related debt issuances were utilized are disclosed in the debt descriptions in the accompanying notes.

The SCLAA contains a portion of the Victor Valley Economic Development Authority (VVEDA) Successor Agency (see Note 8 for additional information). The RPTTF (tax increment distributions) from VVEDA represent the primary revenue of the SCLAA.

As a result of the state's action to dissolve all redevelopment agencies in the State of California, the VVEDA Successor Agency no longer receives the full amount of tax increment previously pledged by the dissolved redevelopment agency to its bondholders. In its place is a new revenue stream (RPTTF distributions) provided to the VVEDA Successor Agency that represents only that portion of tax increment that is necessary to pay the approved enforceable obligations that come due for that fiscal year.

SOUTHERN CALIFORNIA LOGISTICS AIRPORT AUTHORITY
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4. LONG-TERM LIABILITIES (CONTINUED)

Pledged Revenue (Continued)

For the current year, debt service payments as a percentage of the pledged gross revenue (or net of certain expenses were so required by the debt agreement) are indicated in the table below:

<u>Description of Pledged Revenue</u>	<u>Annual Amount of Pledged Revenue (net of expenses, where required)</u>	<u>Annual Debt Service Payment (of all debt secured by this revenue)</u>	<u>Debt Service as a Percentage of Pledged Revenue</u>
Property Tax Increment pledged by the Southern California Logistics Airport Authority	\$ 24,423,932	21,573,098	88%

5. ADVANCES TO/FROM

Advances to/from the City

<u>Fund Reporting Receivable</u>	<u>Fund Reporting Payable</u>	<u>Amount</u>	
City of Victorville	SCLAA	\$ 1,820,392	a)
Successor Agency*	SCLAA	10,733,517	b)
SCLAA	City of Victorville	1,944,638	c)

*Advances from the Successor Agency have been classified as Advances from Other Governments in the statement of net position.

- a) Per a loan agreement approved on October 20, 2009 by the Board of the Victorville Redevelopment Agency (RDA), a \$1,700,000 advance was made from the Low and Moderate Housing Fund to the SCLAA. The advance is to be used for SCLAA redevelopment activities. The advance has an interest rate equal to the annualized Local Agency Investment Fund ("LAIF") rate of return. The loan had a repayment term of five years, which was due June 30, 2014, but has not yet been repaid due to funding issues with the SCLAA. There is no current payment schedule available for this advance. The outstanding balance of the advance as of June 30, 2019 is \$1,820,392.
- b) Per a loan agreement approved on September 15, 2009 by the Board of Victorville RDA, a \$10,000,000 advance was made from the Bear Valley Road Redevelopment Project Area (RDA Capital Project Fund) to the SCLAA. The advance is to be used to continue redevelopment at SCLAA and to fund prior years' capital improvements and redevelopment project expenses. The advance has an annualized LAIF rate of return as the interest rate. The outstanding balance of the advance as of June 30, 2019 is \$10,733,517. Since this loan has been denied repayment by the California Department of Finance, as of June 30, 2019, the receivable within the Successor Agency to the Victorville RDA Fiduciary Fund has an allowance of an equal amount.
- c) Per a loan agreement signed on September 21, 2010, by the board of the SCLAA, a \$1,895,000 advance was made from the SCLAA to the Capital Impact Facilities Fund. The advance is to be used for the purchase of land. The advance has a term of repayment to automatically renew the loan until there are sufficient funds to repay. The advance has an interest rate equal to the annualized Local Agency Investment Fund ("LAIF") rate of return. The outstanding balance of the advance as of June 30, 2019 is \$1,944,638.

SOUTHERN CALIFORNIA LOGISTICS AIRPORT AUTHORITY
Notes to Basic Financial Statements
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6. PENSION PLAN

General Information about the Pension Plan

Plan Description

All qualified permanent and probationary employees are eligible to participate in the City's Miscellaneous Plan, agent multiple employer defined benefit pension plans administered by the California Public Employees' Retirement System (CalPERS), which acts as a common investment and administrative agent for its participating member employers. The Authority's share of the net pension liability is reported as a cost-sharing plan in these financial statements. Benefit provisions under the Plan are established by State statute and Local Government resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 to 62 with statutorily reduced benefits. For employees hired into a plan with the 1.5% at 65 formula, eligibility for service retirement is age 55 with at least 5 years of services. PEPR miscellaneous members become eligible for service retirement upon attainment of age 52 with at least 5 years of service. All members are eligible for non-duty disability benefits after 5 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The Plan's provisions and benefits in effect as of the measurement period ended June 30, 2018, are summarized as follows:

	Miscellaneous	
	Prior to January 1, 2013	On or after January 1, 2013
Hire date		
Benefit formula	2.5%@55	2.0%@62
Benefit vesting schedule	5 years service	5 years of service
Benefit payments	monthly for life	monthly for life
Retirement age	50 - 55	52 - 67
Required employee contribution rates	8%	6.75%
Required employer contribution rates:	17.04%	17.04%
Normal cost rate	9.44%	9.44%
Payment of unfunded liability	\$ 139,798	N/A

SOUTHERN CALIFORNIA LOGISTICS AIRPORT AUTHORITY
Notes to Basic Financial Statements
June 30, 2019

6. PENSION PLAN (CONTINUED)

General Information about the Pension Plan (Continued)

Contributions

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

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

Actuarial Assumptions

The total pension liability for the Miscellaneous Plan for the June 30, 2018 measurement period was determined by an actuarial valuation as of June 30, 2017, with update procedures used to roll forward the total pension liability to June 30, 2018. The total pension liability for the Miscellaneous Plan was based on the following assumptions:

Valuation Date	June 30, 2017
Measurement Date	June 30, 2018
Actuarial Cost Method	Entry-Age Normal Cost Method
Asset Valuation Method	Market Value of Assets
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Salary Increases	(1)
Mortality Rate Table	(2)
Post Retirement Benefit Income	(3)

(1) Varies by entry age and service.

(2) The mortality table used was developed based on CalPERS-specific data. The table includes 15 years of mortality improvements using the Society of Actuaries Scale 90% of scale MP 2016. For more details on this table, please refer to the December 2017 experience study report (based on CalPERSdemographic data from 1997 to 2015) that can be found on the CalPERS website.

(3) Contract COLA up to 2.00% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.50% thereafter.

SOUTHERN CALIFORNIA LOGISTICS AIRPORT AUTHORITY
Notes to Basic Financial Statements
June 30, 2019

6. PENSION PLAN (CONTINUED)

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

Long-term Expected Rate of Return

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

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

The expected real rates of return by asset class are as follows:

Asset Class (a)	Assumed Asset Allocation	Real Return Years 1 - 10 (b)	Real Return Years 11+ (c)
Global Equity	50.00%	4.80%	5.98%
Fixed Income	28.00%	1.00%	2.62%
Inflation Assets	0.00%	0.77%	1.81%
Private Equity	8.00%	6.30%	7.23%
Real Assets	13.00%	3.75%	4.93%
Liquidity	1.00%	0.00%	-0.92%
	100.0%		

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

SOUTHERN CALIFORNIA LOGISTICS AIRPORT AUTHORITY
Notes to Basic Financial Statements
June 30, 2019

6. PENSION PLAN (CONTINUED)

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

Discount Rate

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

Proportionate Share of Net Pension Liability - City's Miscellaneous Agent Multiple-Employer Plan Allocation to the Authority

The Authority's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of each of the Plans is measured as of June 30, 2018, and the total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2017 rolled forward to June 30, 2018 using standard update procedures. The Authority's proportionate share of the net pension liability was based on a projection of the Authority's long-term share of contributions to the Miscellaneous Plan relative to the projected contributions of the City, actuarially determined.

The Authority's proportionate share of the net pension liability for the Miscellaneous Plan as of the measurement date ended June 30, 2017 and 2018 was as follows:

	Increase (Decrease)			Proportionate Share
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (c) = (a) - (b)	
Balance at: 6/30/2017 (MD)	\$ 12,550,682	\$ 9,340,596	\$ 3,210,086	6.95%
Balance at: 6/30/2018 (MD)	13,098,250	9,908,795	3,189,455	6.90%
Net Changes during 2017-18	\$ 547,568	\$ 568,199	\$ (20,631)	-0.05%

SOUTHERN CALIFORNIA LOGISTICS AIRPORT AUTHORITY
Notes to Basic Financial Statements
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6. PENSION PLAN (CONTINUED)

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

Pension Expense and Deferred Outflows and Inflows of Resources

For the year ended June 30, 2019, the Authority recognized pension expense of \$578,287 for the Miscellaneous Plan. At June 30, 2019, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources for the Miscellaneous Plan:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to measurement date	\$ 279,699	\$ -
Changes of assumptions	384,551	(111,628)
Differences between expected and actual experiences	99,918	(51,027)
Net difference between projected and actual earnings on pension plan investments	36,302	-
Total	<u>\$ 800,470</u>	<u>\$ (162,655)</u>

\$279,699 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2020. Differences between projected and actual investment earnings are amortized on a five-year straight-line basis and all other amounts are amortized over the expected average remaining service lives of all members that are provided with benefits.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<u>Measurement Periods Ended June 30:</u>	<u>Deferred (Inflows) of Resources</u>
2020	\$ 456,214
2021	66,069
2022	(129,614)
2023	(34,553)
2024	-
Thereafter	-

SOUTHERN CALIFORNIA LOGISTICS AIRPORT AUTHORITY
Notes to Basic Financial Statements
June 30, 2019

6. PENSION PLAN (CONTINUED)

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

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the Authority's proportionate share of the net pension liability for the Miscellaneous Plan, calculated using the discount rate of 7.15 percent, as well as what the Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.15 percent) or 1 percentage-point higher (8.15 percent) than the current rate:

	Discount Rate -1% (6.15%)	Current Discount Rate (7.15%)	Discount Rate +1% (8.15%)
Net Pension Liability	\$ 5,065,968	\$ 3,189,455	\$ 1,651,764

Pension Plan Fiduciary Net Position

Detailed information about each pension plan's fiduciary net position is available in the separate issued CalPERS financial reports.

Subsequent Events

There were no subsequent events that would materially affect the results of this disclosure.

Payable to the Pension Plan

At June 30, 2019, the Authority had no outstanding amount of contributions to the Miscellaneous Plan required for the year ended June 30, 2019.

7. OTHER POST-EMPLOYMENT BENEFITS PLAN

Plan Descriptions

The SCLAA participates in the City's Other Post-Employment Benefits Defined Benefit Pension Plan and the SCLAA's share of the total OPEB liability is reported as a cost sharing plan in these financial statements.

The City Plan provides medical benefits to eligible retired City employees and beneficiaries in accordance with various labor agreements. The plan covers employees who retire directly from the City with 8 years of service. The City provides a contribution up to a certain amount (a portion of the HMO single premium). The percentage varies based on years of service.

Funding Policy

The contribution requirements of plan members and the City are established and may be amended by City Council. The contribution required to be made under City Council and labor agreement requirements is based on a pay-as-you-go basis (i.e., as medical insurance premiums become due). The City has not established a trust that is administered by the City for the purpose of holding assets accumulated for plan benefits.

SOUTHERN CALIFORNIA LOGISTICS AIRPORT AUTHORITY
Notes to Basic Financial Statements
June 30, 2019

7. OTHER POST-EMPLOYMENT BENEFITS PLAN

Contributions

The City Plan and its contribution requirements are established by Memoranda of Understanding with the applicable employee bargaining units and may be amended by agreements between the City and the bargaining units. The annual contribution is based on the year’s retiree medical premiums (pay-as-you-go basis). For the measurement period ended June 30, 2018, the SCLAA’s cash contributions were \$18,122 in cash benefit payments and the estimated implied subsidy was \$8,602, resulting in total payments of \$26,723.

Total OPEB Liability

The City’s total OPEB liability was measured as of June 30, 2018 and determined by an actuarial valuation as of June 30, 2018.

Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Discount Rate	3.87%
Inflation	2.75%
Salary Increases	3.0% per annum, in aggregate
Investment Rate of Return	N/A
Mortality, Retirement, Disability	
Termination	1997-2015 Experience Study
Mortality Improvement	Post-retirement mortality projected fully generational with Scale MP-2018
Healthcare Trend Rate	Non-Medicare: 7.5% for 2020, decreasing to an ultimate rate of 4.0% in 2076 Medicare - 6.5% for 2020, decreasing to an ultimate rate of 4.0% in 2076

Discount Rate

The discount rate used to measure the total OPEB liability was 3.87%. The discount rate is determined based on the Bond Buyer 20-bond index since the City has not established a trust.

Change in Actuarial Assumptions

The discount rate changed from 3.58% at the beginning of the measurement period to 3.87% based on changes in the index. The mortality, retirement, disability, and termination rates for the measurement periods ended June 30, 2017 and 2018 were based on the CalPERS 1997-2011 Experience Study and CalPERS 1997-2015 Experience Study, respectively. The mortality improvement rates for the measurement periods ended June 30, 2017 and 2018 were based on the Scale MP-2016 and Scale-2018, respectively. In the June 30, 2018 measurement period, the pre-65 waived retiree re-election was updated to be 10% after age 65.

SOUTHERN CALIFORNIA LOGISTICS AIRPORT AUTHORITY
Notes to Basic Financial Statements
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7. OTHER POST-EMPLOYMENT BENEFITS PLAN (CONTINUED)

Allocation of Total OPEB Liability

The SCLAA's proportionate share of the total OPEB liability as of the measurement date ended June 30, 2017 and 2018 was as follows:

	<u>Total OPEB Liability</u>	<u>Proportionate Share</u>
Balance at: 6/30/2017 (MD)	\$ 2,014,829	8.43%
Balance at: 6/30/2018 (MD)	<u>1,888,372</u>	<u>8.57%</u>
Net Changes during 2017-18	<u>\$ 126,457</u>	<u>0.14%</u>

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the SCLAA's proportionate share of the total OPEB liability if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	<u>Discount Rate</u>		
	<u>1% Decrease (2.87%)</u>	<u>Current Rate (3.87%)</u>	<u>1% Increase (4.87%)</u>
Total OPEB Liability	\$ 2,274,700	\$ 1,888,372	\$ 1,586,757

Sensitivity of the Total OPEB Liability to Changes in the Health Care Cost Trend Rates

The following presents the SCLAA's proportionate share of the total OPEB liability if it were calculated using health care cost trend rates that are one percentage point lower (Non-Medicare: 6.5% for 2020 decreasing to 3.0% in 2076; Medicare: 5.5% for 2020, decreasing to an ultimate rate of 3.0% in 2076) or one percentage point higher (Non-Medicare: 8.5% for 2020 decreasing to 5.0% in 2076; Medicare: 7.5% for 2020, decreasing to an ultimate rate of 5.0% in 2076) than the current rate:

	<u>Healthcare Trend Rate</u>		
	<u>1% Decrease</u>	<u>Current Rate</u>	<u>1% Increase</u>
Total OPEB Liability	\$ 1,534,809	\$ 1,888,372	\$ 2,360,205

Recognition of Deferred Outflows and Deferred Inflows of Resources

Gains and losses related to changes in total OPEB liability are recognized in OPEB expense systematically over time.

Amounts are first recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense.

SOUTHERN CALIFORNIA LOGISTICS AIRPORT AUTHORITY
Notes to Basic Financial Statements
June 30, 2019

7. OTHER POST-EMPLOYMENT BENEFITS PLAN (CONTINUED)

The recognition period differs depending on the source of the gain or loss:

Net difference between projected and actual earnings on OPEB plan investments	5 years
All other amounts	Expected average remaining service lifetime (EARSL) (9.0 Years at June 30, 2018 measurement date)

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB

For the fiscal year ended June 30, 2019, the SCLAA recognized OPEB expense of \$132,454. As of fiscal year ended June 30, 2019, the Authority reported deferred outflows/inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Employer contributions subsequent to the measurement date	\$ 21,057	\$ -
Differences between expected and actual experience	-	(176,126)
Changes of assumptions	-	(286,168)
Total	\$ 21,057	\$ (462,294)

The \$21,057 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the Total OPEB liability during the fiscal year ending June 30, 2020. Other amounts reported as deferred outflows of resources related to OPEB will be recognized as expense as follows:

<u>Measurement Period Ended June 30:</u>	<u>Deferred (Inflows) of Resources</u>
2020	\$ (61,414)
2021	(61,414)
2022	(61,414)
2023	(61,414)
2024	(61,414)
Thereafter	(155,224)

Subsequent Events

There were no subsequent events that would materially affect the results of this disclosure.

7. OTHER POST-EMPLOYMENT BENEFITS PLAN (CONTINUED)

Payable to the Pension Plan

At June 30, 2019, the SCLAA had no outstanding amount of contributions to the OPEB plan required for the year ended June 30, 2019.

8. COMMITMENTS AND CONTINGENCIES

Litigation

The SCLAA is a defendant in certain legal actions arising in the normal course of operations. The accompanying basic financial statements reflect a liability for the probable amounts of loss associated with these claims.

Complaint Filed by the United State Securities and Exchange Commission

On April 29, 2013, the United States Securities and Exchange Commission filed a complaint alleging that a number of defendants, including the City of Victorville, the Southern California Logistics Airport Authority, and certain City officials, committed certain fraudulent acts associated with the issuance in 2008 of \$13,334,925 of Subordinate Tax Allocation Revenue Bonds, Series 2008A. After settlement negotiations, the SEC dropped its claims of fraud, aiding and abetting fraud, and any requests for civil penalties or disgorgement of monetary gains from the May 2008 bond offering.

The only remaining claims were of negligence against the SCLAA and against the City, to which the City and SCLAA neither admitted nor denied the allegations. Finally, in July 2018, the City and the SCLAA entered into Consents allowing an independent consultant to review current securities related debt issuance policies and procedures. The proposed settlement along with the Proposed Final Judgements and Consents were filed with the federal court and became final with the approval of the United States District Judge on July 30, 2018. There were no monetary results from the settlement and the case is considered resolved.

Southern California Logistics Airport Authority and Stirling Enterprise LLC

In the early 1990's the US Air Force closed George Air Force Base ("former Base"). In response the local communities formed the Victor Valley Economic Development Authority (VVEDA). VVEDA and the Air Force entered into agreements to lease and ultimately transfer title to the former Base to VVEDA. The subject land is designated as either Public Benefit Transfer (PBT) Parcels or Economic Development Conveyance (EDC) Parcels. The PBT Parcels are made up of approximately 2,200 acres previously used by the U.S. Air Force and are restricted to use as an airport. These parcels were transferred to SCLAA at no cost.

The EDC Parcels are made up of approximately 1,800 acres of adjacent property which may be developed for use as commercial property. SCLAA paid \$1,636,489 and is required to pay additional \$37,176 for these EDC Parcels. In 1993 a Redevelopment Plan was adopted by VVEDA establishing a redevelopment project area encompassing the former Base as well as approximately 55,000 additional acres. VVEDA delegated its decision making authority relative to the former Base, now known as SCLAA.

SCLAA adopted a Specific Plan in conformity with the Redevelopment Plan and adopted a Master Development Plan establishing its goal to develop the area as a cargo and aircraft maintenance facility and a business/industrial center thereby creating jobs and improving economic conditions in the Victor Valley.

8. COMMITMENTS AND CONTINGENCIES (CONTINUED)

Southern California Logistics Airport Authority and Stirling Enterprise LLC (Continued)

In July 1998 SCLAA and Stirling Enterprises, LLC and its related entities (“Stirling”) entered into the first of several agreements for the marketing, acquisition, operation and development of SCLAA. The Fourth Amended and Restated Master Agreement (“Stirling Agreement”) is the current agreement superseding all previous versions.

Revenues from Sales of Land

In August 2016, three agreements with Stirling were approved by the SCLAA Board of Directors that were intended to serve as a framework that encourages development before the expiration of the Master Agreement (MA). The three agreements are a Satisfaction and Termination Agreement, a Disposition, Exchange and Development Agreement (#2) and an Option and Development Agreement.

The Disposition, Exchange and Development Agreement allows for the removal of approximately 280-acres of Airport-owned property from the definition of EDC Parcels and the title transfer in fee to Stirling, of approximately 280-acres. The Airport-owned property will become available for the Airport for revenue-producing purposes and the Airport will have the flexibility to develop the subject property on a ground-lease basis with aviation and non-aviation (Section 2.01 of the Development and Exchange Agreement). Revenue sharing will only exist relating to these parcels if the respective transaction is procured by Stirling and be split 80/20 with the larger share to benefit SCLAA.

The Agreement also provides for the disposition of additional off-airport property. In addition to the Stirling Exchange Parcels, SCLAA will then transfer, in fee, 200-acres of property for the \$.0203/psf purchase price (\$176,448) and participate in revenue sharing for net proceeds in an amount equal to 30% (Section 2.03 of the Development and Exchange Agreement). Net proceeds are generally defined to be revenues generated from the eventual sale by Stirling that are residual to infrastructure costs, EIR costs and developer credits. The Agreement also transfers the public infrastructure obligations of the Authority pursuant to the MA and DDA to Stirling.

Finally, the Option Agreement, in connection with performance obligations related to the Development and Exchange Agreement, will provide Stirling the ability to acquire additional acreage currently provided for in the Master Agreement. Such an exercise of option will occur in 50-acre increments based on Stirling having developed 500,000 square feet of property owned by it. The Option Agreement is set up to run through December 2050 and can terminate sooner due to non-performance described in Section 1.5 of the Option and Development Agreement.

Management

Stirling is allowed to lease or cause to be leased the EDC Parcels and shall participate in 20% of the Net Lease Revenue from any such leases. The Authority has retained the right to lease the PBT Parcels and retain revenues from those leases, but shall allow Stirling to participate in 20% of any net lease revenues from tenants who may be procured by Stirling and approval by the Authority. Any revenues from other interim uses on the former Base such as filming will be shared on a 50%/50% basis between Stirling and Authority.

SOUTHERN CALIFORNIA LOGISTICS AIRPORT AUTHORITY
Notes to Basic Financial Statements
June 30, 2019

9. SCLAA'S FINANCIAL CONDITION SIGNIFICANT FINANCIAL OBLIGATIONS AND MANAGEMENT'S PLANS

The following material events have occurred over the last several years that have resulted in SCLAA previously defaulting on the bond issues and the use of reserves with the Trustee for interest payments:

As part of adopting its 2009 budget bill, the State of California approved AB 26 4X, which included a provision that required redevelopment agencies to make remittance to a county Supplemental Educational Revenue Augmentation Fund (SERAF). Tax increment on hand from SCLAA paid this obligation of \$9,352,308 in Fiscal Year 09/10 and \$1,923,641 in Fiscal Year 10/11. These state-mandated payments severely impacted the SCLAA's cash reserves.

In Fiscal Year 08/09, the assessed value for the Victor Valley Redevelopment Project Area was approximately \$9.49 billion. Beginning in FY 09/10, there were significant decreases in assessed value for the Victor Valley Redevelopment Project Area. Assessed values for the Project Area reached a low point of \$6.6 Billion in FY 12/13. The decrease was largely the result of the Great Recession. Since FY 12/13, assessed values have increased steadily. For Fiscal Year 2018-2019, the assessed value for the Project Area was approximately \$8.8 billion. The steady increase in assessed values have resulted in the SCLAA paying all past due debt service. As of the December 1, 2018 tax distribution, the SCLAA was no longer in default; all debt service is current, and all reserve requirements are met. In 2018, Moody's issued an upgraded rating on the Successor Agency to the Victor Valley Economic Development Authority (VVEDA) housing set-aside Tax Allocation Bonds and the Non-Housing Tax Allocation Bonds to "stable" outlook as a result of resolving the outstanding defaults, and the prospective analysis on increasing assessed values in the project area.

During the current fiscal year, SCLAA had better results than seen previously with a net income of \$10.5 million. A summary of the financial condition of the SCLAA enterprise fund is as follows:

	SCLAA Deficit
	Balance
Beginning Net Position, as restated	<u>\$ (136,077,089)</u>
Net Income	<u>10,488,150</u>
Ending Net Position	<u>\$ (125,588,939)</u>

Management's Plans with Respect to its Financial Condition

Management's plans to ensure that annual expenditures do not exceed annual revenues and to build the reserves that are necessary to provide for economic uncertainties are as follows:

The SCLAA has continued to maintain a balance budget since 2007-2008. However, the ongoing lawsuit from the U.S. Securities and Exchange Commission (SEC) and the legal fees incurred continued to draw down the SCLAA reserves during 2017-2018 with the settlement of the SEC lawsuit. See Note 8 for additional details. The SCLAA did not need to budget for material legal fees for 2018-2019.

An Interfund loan agreement was signed July 1, 2016 by the Board of SCLAA and a \$10,000,000 advance was made available from the 2007 SCLA Housing bond fund to the Airport Operations Fund and has been used to subsidize operations due to the ongoing SEC legal costs. The advance has a term repayment of 5 years, with an annualized Wall Street Journal Prime Rate as the interest rate. The outstanding balance of the advance as of June 30, 2019 is \$8,477,413, which has been eliminated for financial statement purposes within the SCLAA since the advance is within the fund itself.

10. JOINTLY GOVERNED ORGANIZATIONS

Victor Valley Economic Development Authority

The Victor Valley Economic Development Authority (VVEDA) was formed in 1992 by the Cities of Victorville and Hesperia, the Town of Apple Valley and the County of San Bernardino to provide the mechanism and funding to manage development of the property formerly known as the George Air Force Base, facilitate the successful reuse of the property and promote economic development within the area surrounding the Air Base. In 2000, the City of Adelanto was added as a member of the Authority. In December 2011 Assembly Bill 1X 26 (the bill) dissolved VVEDA, and as such all assets of the former VVEDA have been transferred to the VVEDA Successor Agency and are subject to the distributions provisions of the bill. The SCLAA contains a portion of the VVEDA Successor Agency with the Town of Apple Valley and City of Adelanto comprising the rest of the VVEDA Successor Agency. The RPTTF (tax increment distributions) from VVEDA represent the primary revenue of the SCLAA. Financial statements may be obtained by sending a written request to Victor Valley Economic Development Authority, 18374 Phantom Street, Victorville, CA 92394.

11. SUCCESSOR AGENCY TRUST FOR ASSETS OF THE FORMER REDEVELOPMENT AGENCY

On December 29, 2011, the California Supreme Court upheld Assembly Bill 1X 26 (the Bill) that provides for the dissolution of all redevelopment agencies in the State of California. This action impacted the SCLAA because the SCLAA has historically funded its operations and debt service using significant tax increment revenue from the Victor Valley Economic Development Agency (VVEDA). VVEDA has acted as a pass-through agency for the various recipients of tax increment revenue in the Victor Valley and is subject to the dissolution requirements of the Bill.

The Bill provides that upon dissolution of a redevelopment agency, either the city or another unit of local government will agree to serve as the "successor agency" to hold the assets until they are distributed to other units of state and local government. On January 17, 2012, the Victorville City Council elected to become the Successor Agency for the former redevelopment agency in accordance with the Bill as part of City resolution number 12-005.

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

12. PRIOR PERIOD ADJUSTMENTS

The following schedule summarized the effects of the prior period adjustments to the SCLAA's net position:

	SCLAA Deficit
	<u>Balance</u>
Beginning Net Position	\$ (136,109,449)
Deferred Outflows (a)	139,798
Correct Capital Assets (b)	<u>(107,438)</u>
Ending Net Position	<u>\$ (136,077,089)</u>

SOUTHERN CALIFORNIA LOGISTICS AIRPORT AUTHORITY
Notes to Basic Financial Statements
June 30, 2019

12. PRIOR PERIOD ADJUSTMENTS (CONTINUED)

- (a) Correction of fiscal year 2017-2018 pension contributions subsequent to the measurement date for the unfunded liability lump sum payment.
- (b) Remove intangible assets and corresponding intangible assets accumulated depreciation for capital assets that did not meet the capitalization requirements in the net amount of \$107,438.

13. LEASES

The SCLAA has various leases for rental of portions certain real property and improvements for which the cost and accumulated depreciation cannot readily be determined. Lease terms vary. Future minimum rental payments to be received on the leases that are contractually due as of June 30, 2019 are estimated as follows:

Year Ending June 30,	Lease Payments
2020	\$ 7,141,538
2021	7,722,271
2022	7,864,289
2023	8,068,789
2024	8,276,987
2025-2029	44,700,472
2030-2034	50,772,153
2035-2039	57,668,553
Total	\$ 192,215,052

14. SUBSEQUENT EVENTS

In preparing these financial statements, the SCLAA has evaluated events and transactions for potential recognition and disclosure through February 5, 2020, the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

SOUTHERN CALIFORNIA LOGISTICS AIRPORT AUTHORITY
Schedule of the Plan's Proportionate Share
of the Net Pension Liability (Cost Sharing Plan)
Last Ten Fiscal Years*

Fiscal Year Ended Measurement Date	<u>6/30/2019</u> <u>6/30/2018</u>	<u>6/30/2018</u> <u>6/30/2017</u>	<u>6/30/2017</u> <u>6/30/2016</u>	<u>6/30/2016</u> <u>6/30/2015</u>	<u>6/30/2015</u> <u>6/30/2014</u>
Plan's Proportion of the Net Pension Liability	6.90%	6.95%	7.07%	6.87%	6.76%
Plan's Proportionate Share of the Net Pension Liability	\$ 3,189,455	\$ 3,210,086	\$ 2,805,052	\$ 2,090,587	\$ 1,880,791
Plan's Covered Payroll	1,565,360	1,579,911	1,368,422	1,343,244	1,310,612
Plan's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	203.75%	203.18%	204.98%	155.64%	143.50%
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	5.22%	5.18%	5.33%	5.50%	6.76%
Plan's Proportionate Share of Aggregate Employer Contributions	\$ 275,299	\$ 273,075	\$ 233,116	\$ 197,631	\$ 184,492

Notes to Schedule:

Benefit Changes:

There were no changes in benefits.

Changes in Assumptions:

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

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

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

There were no changes in assumptions.

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

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

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

There were no significant changes in assumptions.

*Fiscal year 2015 was the 1st year of implementation, therefore only five years are shown.

SOUTHERN CALIFORNIA LOGISTICS AIRPORT AUTHORITY
Schedule of Plan Contributions (Cost Sharing Plan)
Last Ten Fiscal Years*

Fiscal Year	2018-2019	2017-2018	2016-2017	2015-2016	2014-2015
Actuarially Determined Contribution	\$ 279,699	\$ 275,299	\$ 273,075	\$ 233,116	\$ 197,631
Contributions in relation to the Actuarially Determined Contribution	<u>(279,699)</u>	<u>(275,299)</u>	<u>(273,075)</u>	<u>(233,116)</u>	<u>(197,631)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 1,534,654	\$ 1,565,360	\$ 1,579,911	\$ 1,368,422	\$ 1,343,244
Contributions as a Percentage of Covered Payroll	18.23%	17.59%	17.28%	17.04%	14.71%

Notes to Schedule:

Valuation Date	6/30/2016	6/30/2015	6/30/2014	6/30/2013	6/30/2012
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Methods and Assumptions Used to Determine Contribution Rates:

Actuarial cost method	Entry age	Entry age	Entry age	Entry age	Entry age
Amortization method	(1)	(1)	(1)	(1)	(1)
Asset valuation method	Market Value	Market Value	Market Value	Market Value	15 Year Smoothed Market Method
Inflation	2.75%	2.75%	2.75%	2.75%	2.75%
Salary increases	(2)	(2)	(2)	(2)	(2)
Investment rate of return	7.375% (3)	7.50% (3)	7.50% (3)	7.50% (3)	7.50% (3)
Mortality	(4)	(4)	(4)	(4)	(4)

- (1) Level percentage of payroll, closed
- (2) Depending on age, service, and type of employment
- (3) Net of pension plan investment expense, including inflation
- (4) Mortality assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS Board.

*Fiscal year 2015 was the 1st year of implementation, therefore only five years are shown.

SOUTHERN CALIFORNIA LOGISTICS AIRPORT AUTHORITY
Schedule of the Plan's Proportionate Share
of the Total OPEB Liability (Cost Sharing Plan)
Last Ten Fiscal Years*

Fiscal Year Ended Measurement Date	<u>6/30/2019</u> <u>6/30/2018</u>	<u>6/30/2018</u> <u>6/30/2017</u>
Plan's Proportion of the Total OPEB Liability	8.57%	8.43%
Plan's Proportionate Share of the Total OPEB Liability	\$ 1,888,372	\$ 2,014,829
Plan's Covered Payroll	1,735,340	1,494,600
Plan's Proportionate Share of the Total OPEB Liability as a percentage of Covered Employee Payroll	108.82%	134.81%
Plan's Proportionate Share of Aggregate Employer Contributions	\$ 21,057	\$ 26,723

Notes to Schedule:

Changes in assumptions:

The discount rate was changed from 2.85% to 3.58% for the measurement period ended June 30, 2017. The discount rate was changed from 3.58% to 3.87% for the measurement period ended June 30, 2018.

The mortality, retirement, disability, and termination rates for the measurement periods ended June 30, 2017 and 2018 were based on the CalPERS 1997-2011 Experience Study and CalPERS 1997-2015 Experience Study, respectively.

The mortality improvement rates for the measurement periods ended June 30, 2017 and 2018 were based on the Scale MP-2016 and Scale-2018, respectively.

In the June 30, 2018 measurement period, the pre-65 waived retiree re-election was updated to be 10% after age 65.

*Fiscal year 2018 was the 1st year of implementation, therefore only two years are shown.

SUPPLEMENTARY INFORMATION

SOUTHERN CALIFORNIA LOGISTICS AIRPORT AUTHORITY
Combining Schedule of Net Position
June 30, 2019
(with comparative data for June 30, 2018)

ASSETS	Aeronautical	Non Aeronautical	Other Services	Elimination	Totals	
					2019	2018
Current Assets:						
Cash and investments	\$ 438,944	\$ 68,582	\$ 15,713,513	\$ -	\$ 16,221,039	\$ 11,692,834
Cash and investments with fiscal agent	-	-	23,669,043	-	23,669,043	26,206,782
Accounts receivable, net	192,201	51	-	-	192,252	274,116
Due from other governments	893,573	-	-	-	893,573	1,698,194
Inventory	16,619	-	-	-	16,619	15,845
Total Current Assets	1,541,337	68,633	39,382,556	-	40,992,526	39,887,771
Noncurrent Assets:						
Prepaid items	2,407	-	-	-	2,407	967
Advances to other funds	-	-	8,477,413	(8,477,413)	-	3,953,878
Advances to City of Victorville	-	-	1,944,638	-	1,944,638	1,931,763
Nondepreciable capital assets	95,099	-	14,372,776	-	14,467,875	18,865,821
Depreciable capital assets, net	25,466,648	-	108,859,292	-	134,325,940	127,990,148
Total Noncurrent Assets	25,564,154	-	133,654,119	(8,477,413)	150,740,860	152,742,577
Total Assets	27,105,491	68,633	173,036,675	(8,477,413)	191,733,186	192,630,348
Deferred Outflow of Resources:						
Deferred outflows - OPEB related	21,057	-	-	-	21,057	26,723
Deferred outflow - pension related	788,823	11,647	-	-	800,470	882,527
Deferred charge on refunding	-	-	1,935,959	-	1,935,959	2,070,474
Total Deferred Outflow of Resources	809,880	11,647	1,935,959	-	2,757,486	2,979,724
LIABILITIES						
Current Liabilities:						
Accounts payable	1,004,886	820	5,487	-	1,011,193	1,758,427
Interest payable	-	-	1,332,397	-	1,332,397	1,355,003
Unearned revenue	31,701	-	-	-	31,701	193,308
Bonds subject to call	-	-	-	-	-	60,684,877
Long-term liabilities, due within one year	142,408	-	5,635,000	-	5,777,408	4,625,107
Total Current Liabilities	1,178,995	820	6,972,884	-	8,152,699	68,616,722
Noncurrent Liabilities:						
Accrued rent credit payable	589,746	-	-	-	589,746	378,163
Advances from other funds	8,477,413	-	-	(8,477,413)	-	3,953,878
Advances from City of Victorville	-	-	1,820,392	-	1,820,392	1,781,016
Advances from other governments	-	-	10,733,517	-	10,733,517	10,502,996
Total OPEB liability	1,888,372	-	-	-	1,888,372	2,014,829
Net pension liability	3,175,975	13,480	-	-	3,189,455	3,210,086
Long-term liabilities, due beyond one year	119,669	-	292,961,012	-	293,080,681	240,861,877
Total Noncurrent Liabilities	14,251,175	13,480	305,514,921	(8,477,413)	311,302,163	262,702,845
Total Liabilities	15,430,170	14,300	312,487,805	(8,477,413)	319,454,862	331,319,567
Deferred Inflows of Resources:						
Deferred inflows - OPEB related	462,294	-	-	-	462,294	262,593
Deferred inflows - pension related	159,396	3,259	-	-	162,655	137,361
Total Deferred Inflows of Resources	621,690	3,259	-	-	624,949	399,954
Net Position (Deficit):						
Net investment in capital assets	25,561,747	-	(149,758,942)	-	(124,197,195)	(130,806,982)
Unrestricted	(13,698,236)	62,721	12,243,771	-	(1,391,744)	(5,302,467)
Total Net Position (Deficit)	\$ 11,863,511	\$ 62,721	\$(137,515,171)	\$ -	\$(125,588,939)	\$(136,109,449)

SOUTHERN CALIFORNIA LOGISTICS AIRPORT AUTHORITY
Combining Schedule of Revenues, Expenses and Changes in Net Position
Year ended June 30, 2019
(with comparative data for the year ended June 30, 2018)

	Aeronautical	Non Aeronautical	Other Services	Elimination	Total	
					2019	2018
Operating revenues:						
Charges for services:						
Landing fees	\$ 402,556	\$ -	\$ -	\$ -	\$ 402,556	\$ 889,690
Fuel flowage fees	311,661	-	-	-	311,661	411,315
Rent and lease revenue	6,865,642	84,000	1,000,000	-	7,949,642	6,204,173
Total charges for services	7,579,859	84,000	1,000,000	-	8,663,859	7,505,178
Fines and forfeitures	20,030	-	-	-	20,030	25,855
Other	428,180	6,141	-	-	434,321	381,739
Total Operating Revenues	8,028,069	90,141	1,000,000	-	9,118,210	7,911,772
Operating expenses:						
Personnel services	2,477,715	4	-	-	2,477,719	2,594,793
Maintenance and operations	4,666,323	121,570	82,354	-	4,870,247	8,633,285
Depreciation	1,288,445	-	6,269,420	-	7,557,865	7,434,827
Total operating expenses	8,432,483	121,574	6,351,774	-	14,905,831	18,662,905
Operating loss	(404,414)	(31,433)	(5,351,774)	-	(5,787,621)	(10,750,133)
Nonoperating revenues (expenses):						
Taxes	202,806	-	23,800,867	-	24,003,673	28,219,842
Investment income	3,663	1,410	1,156,008	(415,535)	745,546	510,326
Interest expense	(415,535)	-	(17,825,706)	415,535	(17,825,706)	(18,140,586)
Gain on sale of capital assets	139,349	-	-	-	139,349	22,222
Other nonoperating expenses	-	-	(24,685)	-	(24,685)	(602,694)
Total nonoperating revenues (expenses)	(69,717)	1,410	7,106,484	-	7,038,177	10,009,110
Income (loss) before capital contributions	(474,131)	(30,023)	1,754,710	-	1,250,556	(741,023)
Capital contributions	32,061	-	-	-	32,061	-
Capital grants	9,205,533	-	-	-	9,205,533	2,540,147
Total capital contributions	9,237,594	-	-	-	9,237,594	2,540,147
Change in net position	8,763,463	(30,023)	1,754,710	-	10,488,150	1,799,124
Net position (deficit) at beginning of year, as restated	3,100,048	92,744	(139,269,881)	-	(136,077,089)	(137,908,573)
Net position (deficit) at end of year	\$ 11,863,511	\$ 62,721	\$(137,515,171)	\$ -	\$(125,588,939)	\$(136,109,449)