

Sunnyvale Financing Authority

Sunnyvale, California



**Basic Financial Statements
and Independent Auditor's Report**
Fiscal Year Ended June 30, 2015



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and Independent Auditor's Report
Fiscal Year Ended June 30, 2015



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Prepared by the Department of Finance
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Independent Auditor's Report

Governing Board of the
Sunnyvale Financing Authority
Sunnyvale, California

We have audited the accompanying financial statements of the governmental activities and each major fund of the Sunnyvale Financing Authority (Authority), a component unit of the City of Sunnyvale, California, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis as listed in the 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 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.

Macias Gini & O'Connell LLP

Walnut Creek, California
December 3, 2015

Management's Discussion and Analysis

Management's Discussion and Analysis (Unaudited)
Fiscal Year Ended June 30, 2015

This analysis of the Sunnyvale Financing Authority (Authority) of the City of Sunnyvale's (City) financial performance provides an overview of the Authority's financial activities for the fiscal year ended June 30, 2015. Please read it in conjunction with the accompanying basic financial statements and the accompanying notes to basic financial statements.

A. FINANCIAL HIGHLIGHTS

- At June 30, 2015, the Authority's net position is \$0. The Authority receives semi-annual lease and installment payments from the City and makes debt service payments to the fiscal agents when due. The fiscal agents (trustees of bond reserve funds) handle such transactions for the Authority.
- At June 30, 2015, other than the funds held by the fiscal agents as security for the bondholders, the Authority's major asset includes the lease receivable from the City, which should be sufficient to pay off the outstanding bonds payable in the remaining years. Any excess reserve (primarily interest earned and accrued) can be applied by the City to reduce future lease payments to the Authority.
- During the year, the City exercised its option to prepay the installment payments for the Solid Waste Revenue Bonds, Series 2007. On November 14, 2014, the City's escrow agent disbursed funds for the redemption of all outstanding 2007 Solid Waste Bonds.
- At June 30, 2015, the only outstanding debt issues of the Authority is the 2009 Government Center Certificates of Participation.

B. OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Authority's basic financial statements, which consist of three components: 1) government-wide financial statements, 2) governmental fund financial statements, and 3) notes to basic financial statements.

The Authority's main function is the issuance and service of debt for the benefit of the City. The Authority's revenue sources are lease and installment payments from the City and interest income from bond proceeds held by the fiscal agent.

Government-Wide Financial Statements

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

The statement of net position presents information on all of the Authority's assets and liabilities, with the difference between the two reported as net position.

*Management's Discussion and Analysis (Unaudited), Continued
Fiscal Year Ended June 30, 2015*

B. OVERVIEW OF FINANCIAL STATEMENTS, Continued

The statement of activities presents information about how the Authority's net position changed during the year. All changes in net position are reported as the underlying event giving rise to the change occurs, regardless of timing of related cash flows.

Governmental Fund Financial Statements

The governmental fund financial statements include statements for the governmental funds which are prepared using the current financial resources measurement focus and modified accrual basis of accounting. Revenues are recognized as soon as they become measurable and available. Revenues are considered available when they are collectible within the current period or soon enough (within 60 days of the end of the current fiscal period) thereafter to pay liabilities of the current period. Expenditures generally are recorded when a liability is incurred except for debt service expenditures which are recorded when payment is due.

The governmental fund financial statements provide detailed information about the Authority's individual funds. Such funds are required to be established according to the bond covenants.

All of the Authority's funds were determined to be major funds. These funds included the 2009 Government Center Certificates of Participation Debt Service Fund and Solid Waste Revenue Bonds Series 2007 Debt Service Fund, which are reported in detail in the governmental fund financial statements.

Reconciliation of the fund financial statements to the government-wide financial statements is provided in the basic financial statements to explain the differences created by the integrated approach.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and governmental fund financial statements.

Management's Discussion and Analysis (Unaudited), Continued
Fiscal Year Ended June 30, 2015

C. GOVERNMENT-WIDE FINANCIAL ANALYSIS**Statement of Net Position**

The Authority's net position represents resources held by the fiscal agent in excess of reserve requirements. Such excess comes from interest earned on the reserve funds, which can be used to reduce future lease and installment payments from the City. The following are the condensed statements of net position at June 30, 2015 and 2014.

	2015	2014
Assets:		
Current Assets	\$ 1,687	\$ 3,026
Noncurrent Assets	11,109	15,572
Total Assets	<u>12,796</u>	<u>18,598</u>
Liabilities:		
Current Liabilities	576	1,168
Long-Term Liabilities	12,220	17,430
Total Liabilities	<u>12,796</u>	<u>18,598</u>
Net Position:		
Restricted for Debt Service	<u>\$ -</u>	<u>\$ -</u>

The reduction in assets and liabilities was mainly due to 1) the receipt of installment payments from the City and usage of funds held by the Authority totaled to \$4,635,000 to fully redeem the outstanding Solid Waste Revenue Bonds, Series 2007; and 2) the collection of annual lease and installment agreement revenue, which was used to pay the annual debt service and thus the reduction in liabilities.

**Management's Discussion and Analysis (Unaudited), Continued
Fiscal Year Ended June 30, 2015****C. GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued****Statement of Activities**

The following are the condensed comparative statements of activities for the fiscal years ended June 30, 2015 and 2014:

	2015	2014
Revenues:		
Program Revenues:		
Charges for Services - Lease and Installment Revenue	\$ 77	\$ 209
General Revenues:		
Investment Earnings	6	8
Expenses:		
Interest Expense and Fiscal Charges	(83)	(224)
Change in Net Position	-	(7)
Net Position - Beginning of Year	-	7
Net Position - Ending of Year	\$ -	\$ -

The lower interest expenses were mainly due to lower outstanding principal balances for the year.

***Management's Discussion and Analysis (Unaudited), Concluded
Fiscal Year Ended June 30, 2015***

D. GOVERNMENTAL FUND FINANCIAL STATEMENT ANALYSIS

The focus of the Authority's governmental funds is to provide information on the inflows, outflows and balances of spendable resources. Such information is useful in assessing the Authority's financing requirements.

As of the end of fiscal year 2015, the Authority's governmental funds reported an ending fund balance of \$1.1 million. All of the fund balances were restricted to meet future debt service requirements.

E. BUDGETARY HIGHLIGHTS

Debt service for the 2009 Government Center Certificates of Participation Fund is budgeted in the City's Internal Service Funds.

F. LONG-TERM OBLIGATIONS

The only outstanding debt issues of the Authority at June 30, 2015 is the 2009 Government Center Certificates of Participation in the amount of \$12,795,000.

For more information on the Authority's long-term debt, see Note 4 to the basic financial statements.

G. REQUEST FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the Authority's finances and to demonstrate the Authority's accountability for the funds it receives. If you have questions about this report or need additional financial information, contact the Finance Department of the City of Sunnyvale, 650 W. Olive Avenue, Sunnyvale, California 94086.

Government-Wide Financial Statements

**Statement of Net Position
June 30, 2015**

	Governmental Activities
Assets:	
Current Assets	
Restricted Cash and Investments Held by Fiscal Agent	\$ 1,115,854
Interest Receivable	540
Lease Receivable	570,214
Total Current Assets	<u>1,686,608</u>
Noncurrent Assets	
Lease Receivable	<u>11,109,319</u>
Total Assets	<u><u>12,795,927</u></u>
Liabilities:	
Current Liabilities	
Accrued Expenses	927
Long-Term Debt - Due within One Year	575,000
Total Current Liabilities	<u>575,927</u>
Noncurrent Liabilities	
Due in More than One Year	<u>12,220,000</u>
Total Liabilities	<u><u>12,795,927</u></u>
Net Position:	
Restricted for Debt Service	<u><u>\$ -</u></u>

See Accompanying Notes to the Basic Financial Statements.

Statement of Activities
Fiscal Year Ended June 30, 2015

	<u>Governmental Activities</u>
Program Expenses:	
Interest Expense and Fiscal Charges	\$ (82,566)
Program Revenues:	
Charges for Services - Lease and Installment Revenue	76,864
General Revenues:	
Investment Earnings	<u>5,702</u>
Change in Net Position	-
Net Position - Beginning of Year	<u>-</u>
Net Position - End of Year	<u><u>\$ -</u></u>

See Accompanying Notes to the Basic Financial Statements.

Governmental Fund Financial Statements

The 2009 Government Center Certificates of Participation Fund is used to account for the refunding of the Certificates of Participation issued in 2001. Debt service is financed with lease payments from the City.

The Solid Waste Revenue Bonds, Series 2007 Fund is used to accumulate funds for the debt service payments of the Revenue Bonds issued in 2007 to finance the replacement of the materials recovery facility. Debt service is financed with semi-annual installment payments from the participating cities of Sunnyvale and Palo Alto.

Sunnyvale Financing Authority

**Balance Sheet
Governmental Funds
June 30, 2015**

	Major Funds		
	2009 Government Center Certificates of Participation	Solid Waste Revenue Bonds Series 2007	Total
Assets:			
Restricted Cash and Investments Held by Fiscal Agent	\$ 1,115,854	\$ -	\$ 1,115,854
Interest Receivable	540	-	540
Lease Receivable	11,679,533	-	11,679,533
Total Assets	\$ 12,795,927	\$ -	\$ 12,795,927
Liabilities:			
Accrued Expenses	\$ 927	\$ -	\$ 927
Deferred Inflows of Resources:			
Lease Revenue to be Collected	11,679,533	-	11,679,533
Fund Balances:			
Restricted for Debt Service	1,115,467	-	1,115,467
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 12,795,927	\$ -	\$ 12,795,927

See Accompanying Notes to the Basic Financial Statements.

Sunnyvale Financing Authority

**Reconciliation of the Governmental Funds Balance Sheet
to the Government-Wide Statement of Net Position
June 30, 2015**

Total Fund Balances - Total Governmental Funds	\$ 1,115,467
Amounts reported for governmental activities in the statement of net position are different because:	
Lease receivable reported in the funds are not available to pay for current expenditures and are deferred in the fund financial statements.	11,679,533
Long-term debt are not due and payable in the current period and therefore they are not reported in the governmental fund balance sheet.	<u>(12,795,000)</u>
Net Position of Governmental Activities	<u><u>\$ -</u></u>

See Accompanying Notes to the Basic Financial Statements.

Sunnyvale Financing Authority**Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Fiscal Year Ended June 30, 2015**

	Major Funds		
	2009 Government Center Certificates of Participation	Solid Waste Revenue Bonds Series 2007	Total
Revenues:			
Lease and Installment Revenue	\$ 563,042	\$ 4,559,876	\$ 5,122,918
Investment Earnings	5,237	465	5,702
Total Revenues	568,279	4,560,341	5,128,620
Expenditures:			
Debt Service:			
Principal Retirement	555,000	5,195,000	5,750,000
Interest and Fiscal Charges	8,042	126,730	134,772
Total Expenditures	563,042	5,321,730	5,884,772
Net Change in Fund Balances	5,237	(761,389)	(756,152)
Fund Balances - Beginning of Year	1,110,230	761,389	1,871,619
Fund Balances - End of Year	\$ 1,115,467	\$ -	\$ 1,115,467

See Accompanying Notes to the Basic Financial Statements.

Sunnyvale Financing Authority

**Reconciliation of the Governmental Funds Statement of Revenues, Expenditures,
and Changes in Fund Balances to the Government-Wide Statement of Activities
Fiscal Year Ended June 30, 2015**

Net Change in Fund Balances - Total Governmental Funds	\$ (756,152)
Lease and installment revenues received are recognized as revenues in the fund financial statements during the year but recognized as revenues in the government-wide financial statements in the prior years.	(4,993,848)
Repayment of principal on the bonds is reported in the fund financial statements as expenditures.	<u>5,750,000</u>
Change in Net Position of Governmental Activities	<u><u>\$ -</u></u>

See Accompanying Notes to the Basic Financial Statements.

Notes to Basic Financial Statements
Fiscal Year Ended June 30, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

The Authority was established on September 29, 1992 by the Joint Exercise of Powers Agreement between the City and the former Redevelopment Agency of the City of Sunnyvale.

The Authority is administered by a Board of Directors consisting of seven persons, each serving in his or her individual capacity as a Director of the Authority. The sitting members of the City Council constitute the Directors of the Authority until such time as they cease to be members of the City Council.

Additionally, the Authority shall have four officers as follows:

- Chairperson – Mayor of the City
- Vice-Chairperson – Vice-Mayor of the City
- Executive Director – City Manager
- Treasurer – Director of Finance

The City Attorney shall serve as General Counsel to the Authority and the City Clerk shall serve as Secretary. In addition to having the same governing board, the City is financially accountable for the Authority and conducts management activities of the Authority. Though legally a separate entity, the Authority is, in substance, a component unit of the City and is blended into the City's Comprehensive Annual Financial Report.

The Board of Directors of the Authority is required to hold at least one regular meeting each year.

B. Basis of Accounting and Measurement Focus

The accounts of the Authority are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for in a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. Authority resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled.

Notes to Basic Financial Statements, Continued
Fiscal Year Ended June 30, 2015

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES, Continued

Government-Wide Financial Statements

The Authority's government-wide financial statements include a statement of net position and a statement of activities. These statements present summaries of governmental activities for the Authority. The Authority has no business-type activities.

The government-wide financial statements are presented on an "*economic resources*" measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities, including capital assets and long-term liabilities, are included in the statement of net position. Currently, the Authority has no capital assets. The statement of activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred. Revenues for the Authority includes lease and installment revenues received from the City and investment earnings.

Governmental Fund Financial Statements

Governmental fund financial statements include a balance sheet and a statement of revenues, expenditures and changes in fund balances. An accompanying schedule is presented to reconcile and explain the differences in fund balance as presented in these statements to the net position presented in the government-wide financial statements. The Authority has presented all governmental funds as major funds because the Authority believes the financial position and activities of those funds are significant to the Authority as a whole.

All governmental funds are accounted for on a spending or "*current financial resources*" measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the balance sheets. The statement of revenues, expenditures and changes in fund balances presents increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Revenues are recognized as soon as they become measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Authority considers revenues to be available if they are collected within 60 days of the end of the current period. The primary revenue sources, which have been treated as susceptible to accrual by the Authority, are lease and installment revenues from the City and investment earnings. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

The City reported the following major governmental funds during this year:

- The *2009 Government Center Certificates of Participation Fund* is a debt services fund used to account for the accumulation of resources for, and the payment of, principal and interest of this debt issue.
- The *Solid Waste Revenue Bonds, Series 2007 Fund* is a debt services fund to accumulate funds for the debt service payments of the Revenue Bonds issued in 2007 to finance the replacement of the materials recovery facility. The fund was closed upon the redemption of the Solid Waste Revenue Bonds, Series 2007 during the fiscal year ended June 30, 2015.

Notes to Basic Financial Statements, Continued
Fiscal Year Ended June 30, 2015

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES, Continued

Reconciliation of the fund financial statements to the government-wide financial statements is provided to explain the differences created by the integrated approach.

C. Restricted Cash and Investments Held by Fiscal Agent

The Authority follows the City's investment policy. Restricted cash and investments held by fiscal agent include unexpended bond proceeds and reserves established in accordance with related bond indentures. The Authority's investments are stated at fair value.

D. Net Position and Fund Balance

Restricted net position and fund balance represent external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation. The Authority's net position and fund balances are restricted for debt service purposes.

E. Deferred Inflows of Resources

Deferred inflows of resources represent an acquisition of net position or fund balances that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. On the governmental funds balance sheet, the unavailable lease revenues from the City corresponding to the lease receivable are recorded as deferred inflows of resources at June 30, 2015 since the balances are not current financial resources.

F. Use of Estimates

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

Notes to Basic Financial Statements, Continued
Fiscal Year Ended June 30, 2015

NOTE 2 – RESTRICTED CASH AND INVESTMENTS HELD BY FISCAL AGENT

A summary of the Authority’s cash and investments held by fiscal agent at June 30, 2015 are shown below:

Investment Type	S&P/Moody's Credit Rating	Maturity 1 year or less
Negotiable Certificate of Deposits, FDIC Insured	Not Rated	\$ 240,000
Local Agency Investment Funds	Not Rated	382,729
Treasury Obligation & Cash Management Mutual funds	AAA/Aaa	493,125
Total Cash and Investments		\$ 1,115,854

Additional information regarding the investments in Local Agency Investment Fund and City’s investment policy are presented in the notes to the City’s basic financial statements.

NOTE 3 - LEASE AND INSTALLMENT RECEIVABLE

In accordance with the lease agreement for the 2009 Government Center Variable Rate Demand Refunding Certificates of Participation (2009 COPs) and installment sale agreement for the Solid Waste Revenue Bonds Series 2007, debt service on the Authority’s bonds is funded with lease and installment payments made by the City to the Authority. The City has covenanted to make payments in amounts corresponding to the Authority’s debt service requirements to the extent that funds are unexpended upon completion of all projects, such funds will be used to retire outstanding debt and the lease payments required from the City will be reduced accordingly. During the year, the City exercised its option to fully prepay the installment payments for the Solid Waste Revenue Bonds Series 2007 and the Authority used the payment received to fully refund the outstanding Solid Waste Revenue Bonds Series 2007.

Using a variable interest rate of 0.06% at June 30, 2015 for 2009 COPs, the estimated future lease payment from the City as of June 30, 2015 are as follows:

Year Ending June 30,	Principal	Interest
2016	\$ 575,000	\$ 8,010
2017	605,000	7,677
2018	630,000	7,332
2019	655,000	6,969
2020	680,000	6,591
2021-2025	3,855,000	26,730
2026-2030	4,730,000	14,667
2031	1,065,000	1,893
Total	12,795,000	\$ 79,869
Unexpended bond reserve and excess reserve	(1,115,467)	
Lease receivable - governmental funds	\$ 11,679,533	

Notes to Basic Financial Statements, Continued
Fiscal Year Ended June 30, 2015

NOTE 4 – LONG-TERM DEBT

Following is a summary of long-term debt transactions during the fiscal year ended June 30, 2015:

Description	Balance July 1, 2014	Retirement	Balance June 30, 2015	Amounts Due Within One Year	Amounts Due in More than One Year
2009 Government Center					
Certificates of Participation	\$ 13,350,000	\$ (555,000)	\$ 12,795,000	\$ 575,000	\$ 12,220,000
Solid Waste, Series 2007	5,195,000	(5,195,000)	-	-	-
Total	\$ 18,545,000	\$ (5,750,000)	\$ 12,795,000	\$ 575,000	\$ 12,220,000

\$15,865,000 2009 Government Center Variable Rate Demand Refunding Certificates of Participation

Due in original annual installment payments of \$470,000-\$1,065,000 through April 1, 2031, initially bearing interest at a weekly interest rate as determined by the remarketing agent (based on an examination of tax-exempt obligations comparable to the Certificates under then-prevailing market conditions). Repayments are made from lease payments from the City.

In connection with the issuance of the 2009 COPs, the City of Sunnyvale obtained an irrevocable letter of credit as a credit facility with Union Bank, NA for the 2009 COPs. The City’s repayment of unreimbursed draws made on the credit facilities bears interest at rates as defined in the reimbursement agreement of 12% per annum. The City is required to pay an annual facility fee of 0.90%, payable quarterly in arrears, based on the available amount in effect, from the date of issuance of the letter of credit until the stated termination date, as defined in the amended reimbursement agreement supported by the credit facility. For the year ended June 30, 2015, the City paid credit facility fees in the amount of \$121,123, which was in addition to \$31,506 in service fees to trustee, remarketing agent, and rating agencies. On May 22, 2015, the City extended the letter of credit with Union Bank, NA and the expiration date is June 1, 2018. Any outstanding draws are due at the expiration of the letter of credit.

At June 30, 2015, the variable interest rate for the 2009 COPS was 0.06%, which was the rate used to project the interest portion of the debt service payments for future years. This rate will change with market fluctuations. The debt service requirements for the 2009 COPs at June 30, 2015 are as follows:

Year Ending June 30,	Principal	Interest	Total
2016	\$ 575,000	\$ 8,010	\$ 583,010
2017	605,000	7,677	612,677
2018	630,000	7,332	637,332
2019	655,000	6,969	661,969
2020	680,000	6,591	686,591
2021-2025	3,855,000	26,730	3,881,730
2026-2030	4,730,000	14,667	4,744,667
2031	1,065,000	1,893	1,066,893
	\$ 12,795,000	\$ 79,869	\$ 12,874,869

Notes to Basic Financial Statements
Fiscal Year Ended June 30, 2015

NOTE 4 – LONG-TERM DEBT, Continued

\$8,130,000 Solid Waste Revenue Bonds, Series 2007

Due in original annual installment payments of \$440,000-\$745,000 through October 1, 2021, interest at 4.0197%, repayments made from net revenues of the City of Sunnyvale's Solid Waste Enterprise Fund, including monies received from the City of Palo Alto under the Memorandum of Understanding in connection with the City's Solid Waste Material Recovery and Transfer Station. Installment payments for the Solid Waste Revenue Bonds Series 2007 Bonds are shared by the cities of Sunnyvale and Palo Alto at 72.21% and 27.79%, respectively.

On October 23, 2014, the City closed its loan agreement with DNT Asset Trust, a wholly-owned subsidiary of JPMorgan Chase Bank, and received loan proceeds in the amount of \$7,368,400. The purpose of the loan is to redeem and refinance the City's Solid Waste Revenue Bonds, Series 2003 and the Authority's Solid Waste Revenue Bonds, Series 2007. In accordance with the installment sale agreement for the Solid Waste Revenue Bonds Series 2007, the City exercised its option to prepay the installment payments for the Solid Waste Revenue Bonds, Series 2007. On November 14, 2014, installments payments received from the City and funds held by the Authority totaled to \$4,635,000, were disbursed from the escrow account to fully redeem the outstanding Solid Waste Revenue Bonds, Series 2007.

For questions regarding this publication or to request additional copies, contact:

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