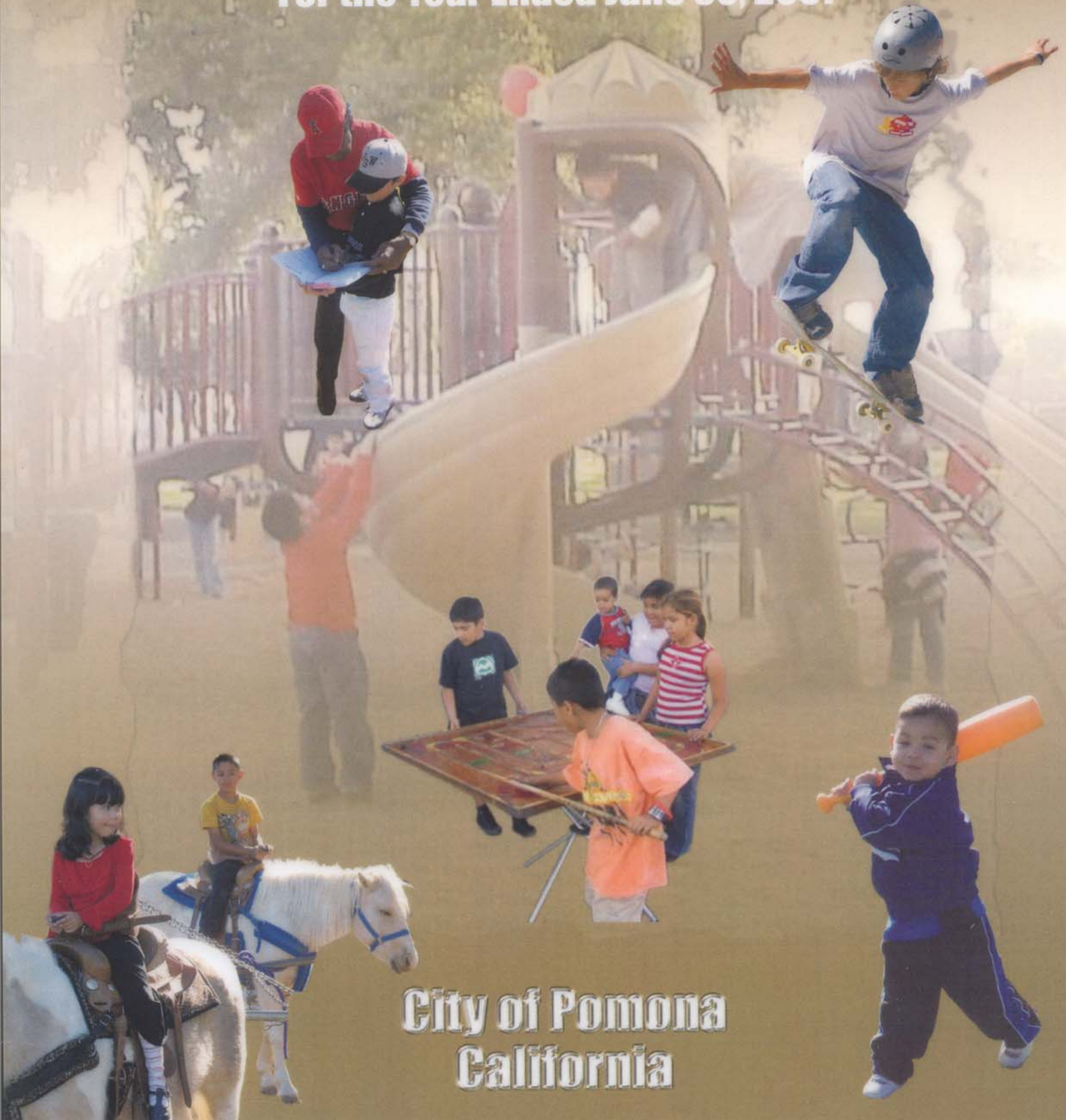


# Comprehensive Annual Financial Report

For the Year Ended June 30, 2007



City of Pomona  
California

**City of Pomona**  
**Comprehensive Annual Financial Report**  
**For the year ended June 30, 2007**

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December 1, 2007

Honorable Mayor and City Council  
and Citizens of the City of Pomona  
Pomona, California

The audited Comprehensive Annual Financial Report (CAFR) of the City of Pomona, California (City) for the fiscal year ended June 30, 2007 is hereby submitted.

An independent certified public accounting firm audits the basic financial statements. The purpose of the audit is to ensure that the basic financial statements present fairly, in all material respects, the financial position and the results of operations of the City. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the City. Caporicci & Larson, Certified Public Accountants, have issued an unqualified opinion of the City of Pomona's financial statements for the year ended June 30, 2007. The financial statements have been prepared in accordance with generally accepted accounting principles in the United States. This means that the statements have been prepared using guidelines designed to fairly set forth the financial position and results of operations of the City as measured by the financial activity of its various funds.

The independent auditor's report is located on page 1 of the Financial Section. All disclosures necessary to enable the reader to gain the maximum understanding of the City's financial activities have been included.

Generally accepted accounting principles require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to compliment the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

The City is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1996 as amended and U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments and Non-Profit Organizations. Information related to this single audit, including a schedule of federal financial assistance, findings and recommendations and auditor's report on the internal control structure and compliance with applicable laws and regulations, is provided in a separate single audit report.

## **REPORTING ENTITY**

The primary unit of the government is the City and its component units are described as follows:

### **The Primary Government**

The City was founded on January 6, 1888 and became a charter city in 1911. The City operates under a Council-Manager form of municipal government.

The accompanying Comprehensive Annual Financial Report includes the activities of the City, the primary government, and its component units, which are the Redevelopment Agency of the City of Pomona, the Pomona Public Financing Authority, the City of Pomona Housing Authority, and the Canon Water Company. Financial information for the City and these component units is accounted for in the accompanying financial statements in accordance with principles defining the reporting entity adopted by the Governmental Accounting Standards Board. The City Council serves as the governing board of the Redevelopment Agency and the Housing Authority. The City Manager, City Attorney, City Clerk, Finance Director, City Treasurer, and the Deputy Executive Director serve as the governing board for the Pomona Financing Authority. City employees serve as the governing board of the Canon Water Company. All of these component units are presented on a blended basis.

**The Redevelopment Agency of the City of Pomona** (the Agency) was established August 27, 1966 pursuant to the State of California Health and Safety Code, Section 3300, entitled "Community Redevelopment Law". The Agency was formed for the purpose of preparing and carrying out plans for improvement, rehabilitation and redevelopment of blighted areas within the territorial limits of the City of Pomona. City staff provides management assistance to the Agency. The funds of the Agency have been included in the governmental activities in the financial statements. Separate audited statements are also issued for the Agency and are available for review in the Pomona Public Library.

**The Pomona Public Financing Authority** (the Authority) is a joint exercise of powers agreement organized under Section 6500 of the California Government Code on October 27, 1988 between the City, the Agency, and the Redevelopment Agency of the City of West Covina. The purpose of the Authority is to act as a vehicle for various financing activities of the City and the Agency. The funds of the Authority have been included in the governmental activities in the financial statements. Separate audited statements are also issued for the Authority and are available for review in the Pomona Public Library.

**The Housing Authority of the City of Pomona** (the Housing Authority) was organized pursuant to the State of California Health and Safety Code, Section 34242. The Authority exists pursuant to adopted resolution No. 93-114 adopted June 7, 1993. Its purpose is to prepare and carry out plans for improvement to the unsanitary and unsafe inhabited dwelling accommodations that exist in the City of Pomona available to persons of low income at rentals they can afford. The City provides management assistance to the Authority, and the members of the City Council also act as the governing body of the Authority. The Authority's financial data and transactions are blended with the nonmajor governmental funds.

**Canon Water Company** was incorporated on August 6, 1897. The Company owns and maintains a pipeline, which transports water from the San Gabriel Mountains to the City's Pedley Filtration plant. After treatment, the water is delivered to the City of Pomona. The City owns 21,407 shares (99.32%) of the stock of Canon Water Company. The City of Pomona is the only stockholder still being assessed for operating costs, as it is the last remaining user of the water line.

This report includes all funds of the City of Pomona, California, and each of its component units. Component units are legally separate entities for which the primary government is financially accountable. The City provides full services to its residents including public safety, land use planning and zoning, housing and economic development, building and safety regulation and inspection, water, sewer and refuse services, maintenance of parks, streets and related infrastructure, recreational activities and library services.

## **THE CITY OF POMONA**

The City is located at the southeast end of Los Angeles County and borders San Bernardino County's western boundary and is just five miles north of Orange County. The City has a population of 162,140 and covers an area of approximately 23 square miles. The City is a charter city and is governed by a mayor and six council members. Council members are elected by Council district with the mayor elected from the City at large. Each member of the Council is elected to a term of four years.

## **LOCAL ECONOMY**

The City of Pomona enjoys a diverse and broadly based economy, although one that is sometimes not readily quantifiable, given a tilt towards various levels of government and service oriented (healthcare) industries. Among the City's principal employers are the local school district (Pomona U. S. D.), the City of Pomona itself, and the Department of Social Services. Pomona is also a regional healthcare hub, boasting a premier facility in the Pomona Valley Hospital Medical Center, along with the Lanterman Developmental Center, and the non-profit Casa Colina Centers for Rehabilitation. Major employers in the private sector include California Acrylic Industries, First Transit, Hayward Industries, Royal Cabinets, and Verizon, with Wal-Mart as the largest single-store employer.

According to estimates published by the U. S. Census Bureau in the American Fact Finder, Pomona's employed civilian labor force was approximately 72,400 as of 2006, representing an increase of more than 13,000 jobs compared to 2000 census data.

Retail sales tax is a principal revenue source for the City. Taxable retail sales have increased from approximately \$813.6 million dollars in the 1995-96 Fiscal Year, to an estimated \$1.687 billion dollars in FY 2006-07, more than doubling in that time. Pomona is home to a major auto/RV mall with five dealerships (at this writing), and is a regional center for the building and construction industry, with business-to-business sales also representing a significant portion of total sales tax receipts. Insofar as both of the latter groups are somewhat resistant to the more erratic fluctuations, which characterize retail sales, the City enjoys a solid and stable sales tax base.

Taxable assessed valuation on property within the City of Pomona has increased in recent years to just over \$8.06 billion dollars in Fiscal Year 2006-07. Combined growth in sales and property taxes to Pomona has provided sufficient revenues to help offset increased services and facilities for the City's diverse and growing population. Overall, property taxes constituted 28.9% of budgeted General Fund revenues during Fiscal Year 2006-07, while sales taxes represented 20.3% of the total.

## **LONG-TERM FINANCIAL PLANNING**

The City's continued control over expenditure growth has been, and will continue to be, a key factor in maintaining the City's financial position. The City Council has wisely taken advantage of recent years' financial prosperity to secure the future stability of the City. A reserve policy was set for the General Fund, establishing a guideline of 10% set aside of the following year's budgeted operating expenditures. The conservative budgets that were passed in prior fiscal years have contributed to this overall financial philosophy.

## **OUTLOOK FOR THE FUTURE**

The City of Pomona has adopted a budget for Fiscal Year 2007-08 that includes the use of just under \$4.1 million worth of reserves built in recent years. Prevailing economic conditions now suggest, however, that the shortfall may approach \$6.0 million once final tallies are known. As adopted, this budget offers only modest opportunity for either new or expanding programs, and recognizes continued normal growth in current program expenditures. As always, the budget has been prudently prepared to maintain the City's fiscal integrity to the greatest possible degree.

The Redevelopment Agency continues its efforts to promote economic development activities to attract, retain, and expand a broad spectrum of business throughout the City.

## **FINANCIAL INFORMATION**

Management of the City is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

**Single Audit.** As a recipient of federal and state financial assistance, the City is also responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is subject to periodic evaluation by management and the staff of the City. The City is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act as amended in 1996 and the United States Office of Management and Budget Circular A-133. The results of the City's single audit for the fiscal year ended June 30, 2007 are published under separate cover.



**Budgetary Controls.** The City maintains budgetary controls to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City's governing body. The legal level of budgetary control (that is, the level at which expenditures cannot exceed the appropriated amount) is at the fund level. For budgeting purposes, the General Fund is composed of several departments while all other budgeted funds are each considered to be a single department. The City maintains an encumbrance accounting system as one technique of accomplishing budgetary control, however all operating encumbrances lapse at year-end unless specifically approved by City Council resolution.

## **OTHER INFORMATION**

**Risk Management.** The City maintains a self-insurance program to provide for the general liability, workers compensation and unemployment benefits claims. These activities are accounted for as an Internal Service Fund, which is a proprietary fund type. The fund revenues are primarily premium charges to other funds.

**Independent Audit.** The accounting firm of Caporicci and Larson was selected to perform the annual independent audit. The annual audit is designed to meet the requirements of generally accepted auditing standards in the United States, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the Federal Single Audit Act of 1996, as amended and related OMB Circular A-133. The auditors' report on the basic financial statements is included in the financial section of this report. The auditors' report related specifically to the single audit is included in a separate Single Audit Report.

**Certificate of Achievement.** The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Pomona for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2006. The City of Pomona has received a Certificate of Achievement for the last fourteen consecutive years (1993-2006). The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of a state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. The CAFR must satisfy both generally accepted accounting principles in the United States and applicable legal requirements.

The Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA for consideration.

**Additional Information.** For additional information, please refer to the Management's Discussion and Analysis in the Introductory Section of this report. This discussion and analysis of the City's financial performance provides an overview of the City's financial activities for the fiscal year ended June 30, 2007. Please read it in conjunction with the basic financial statements and the accompanying notes to the basic financial statements.

**Acknowledgments.** The preparation of this report on a timely basis could not have been accomplished without the efficient and dedicated services of the entire Finance Department staff. Special recognition is given to all the Accounting division staff, and our City auditors for their services in the coordination and assistance in the preparation of this year's report.

In closing, without the leadership and support of the City Council, preparation of this report would not have been possible.

Respectfully submitted,

A handwritten signature in cursive script that reads "Paula Chamberlain".

Paula Chamberlain  
Finance Director

# Certificate of Achievement

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## Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Pomona  
California

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2006

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



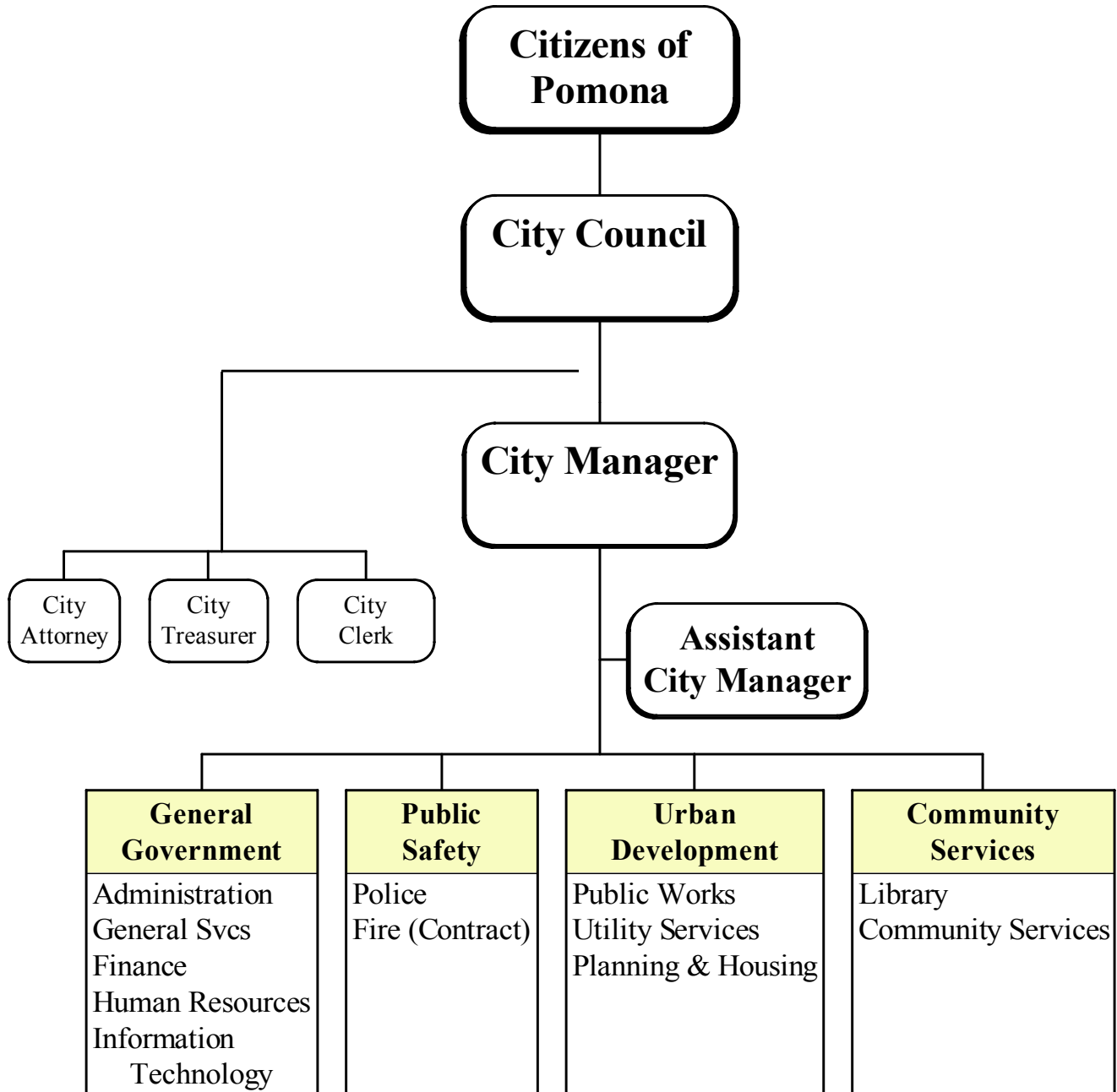
*Charles S. Cox*

President

*Jeffrey R. Emer*

Executive Director

# Organizational Chart



CITY OF POMONA  
**DIRECTORY OF CITY OFFICIALS**

at June 30, 2007

**CITY COUNCIL**

**Norma J. Torres**  
Mayor

**George Hunter**  
Councilmember  
District 1

**Freddie Rodriguez**  
Councilmember  
District 2

**Cristina Carrizosa**  
Councilmember  
District 3

**Paula Lantz**  
Councilmember  
District 4

**Elliott Rothman**  
Councilmember  
District 5

**Stephen Atchley**  
Councilmember  
District 6

**APPOINTED ADMINISTRATIVE OFFICIALS**

City Manager..... Douglas Dunlap  
City Attorney..... Arnold Alvarez-Glasman  
City Clerk..... Marie Macias  
City Treasurer ..... Douglas Peterson

**DEPARTMENT DIRECTORS**

Assistant City Manager ..... Linda Lowry  
Finance ..... Paula Chamberlain  
Fire Chief (Los Angeles County)..... Fidel (John) Nieto  
Human Resources..... William Johnson  
Information Technology ..... John Depolis  
Library..... Greg Shapton  
Community Services ..... Steve Rudometkin  
Planning & Housing..... Charles LaClaire  
Police Chief..... Joseph Romero  
Public Works..... Tim D’Zmura  
Utility Services..... Henry Pepper

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## INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Members of the City Council  
of the City of Pomona  
Pomona, California

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Pomona, California (City), as of and for the year ended June 30, 2007, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the financial statements as of February 28, 2007 of the Canon Water Company of Pomona, California, Inc. (Company), a component unit of the City, which represents \$259,514 of assets, \$7,560 of liabilities, \$251,954 of net assets, and \$(17,472) of net loss of the business-type activities in the government-wide financial statements and proprietary fund financial statements. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion on the basic financial statements of the City, insofar as it relates to those amounts included for the Company in the accompanying basic financial statements of the City, is based solely on the reports of the other auditors.

We conducted our audit in accordance with generally accepted auditing standards in the United States 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2007, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with generally accepted accounting principles in the United States.

As discussed in Note 15 to the basic financial statements, the Redevelopment Agency of the City of Pomona (Agency), a blended component unit of the City, has continued to suffer significant reductions in net assets from operations, which raises uncertainties regarding future operations. Management's plans regarding those matters are also described in Note 15. The basic financial statements do not include any adjustments that might result from the outcome of these uncertainties.

**Oakland**

180 Grand Ave., Suite 1365  
Oakland, California 94612

**Orange County**

9 Corporate Park, Suite 100  
Irvine, California 92606

**Sacramento**

777 Campus Commons Rd., Suite 200  
Sacramento, California 95825

**San Diego**

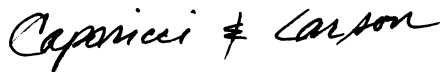
4858 Mercury, Suite 106  
San Diego, California 92111

To the Honorable Mayor and Members of the City Council  
of the City of Pomona  
Pomona, California  
Page 2

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2007 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

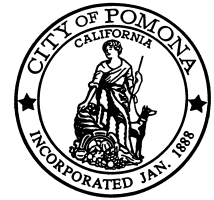
The accompanying Required Supplementary Information, such as Management's Discussion and Analysis, budgetary comparison information and other information as listed in the table of contents, is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the Required Supplementary Information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the City's basic financial statements. The accompanying Supplementary Information is presented for purpose of additional analysis and is not a required part of the basic financial statements. The Supplementary Information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole. The Introductory and Statistical Sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.



Irvine, California  
November 30, 2007





## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**Fiscal Year Ended June 30, 2007**

This discussion and analysis of the City of Pomona's financial performance provides an overview of the City's financial activities for the fiscal year ended June 30, 2007. Please read it in conjunction with the accompanying transmittal letter, the basic financial statements and the accompanying notes to those financial statements.

## **FINANCIAL HIGHLIGHTS**

- The assets of the City exceeded its liabilities at the close of the fiscal year by \$307.1 million.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$194.0 million.
- At the end of the current fiscal year, unreserved fund balance for the general fund was \$13.9 million, or approximately 15.9% of total general fund expenditures.

## **THE FINANCIAL STATEMENTS**

The financial statements presented herein include all of the activities of the City of Pomona (City) and its component units using the integrated approach as prescribed by GASB Statement No. 34.

The Government-Wide Financial Statements present the financial picture of the City from the economic resources measurement focus using the accrual basis of accounting. Governmental activities and business-type activities are presented separately. These statements include all assets including the City's infrastructure capital assets of the City. All liabilities of the City (including long-term debt) are also included in these statements. Additionally, certain eliminations have occurred as prescribed by the statement in regards to interfund activity, payables and receivables.

The Fund Financial Statements include statements for governmental funds, proprietary funds, and fiduciary funds. The governmental funds are prepared using the current financial resources measurement focus and modified accrual basis of accounting. The proprietary funds are prepared using the economic resources measurement focus and the accrual basis of accounting. Reconciliation of the Fund Financial Statements to the Government-Wide Financial Statements is provided to explain the differences created by the integrated approach. The fiduciary funds are prepared using the economic resources measurement focus and the accrual basis of accounting.

## **OVERVIEW OF THE FINANCIAL STATEMENTS**

### **Government-Wide Financial Statements**

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to private-sector business.

## The Statement of Net Assets and the Statement of Activities

The Statement of Net Assets and the Statement of Activities report information about the City as a whole and about its activities. These statements include *all* assets and liabilities of the City using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. All of the current year's revenue and expenses are taken into account regardless of when cash is received or paid.

These two statements report the City's *net assets* and changes in them. Net assets are the difference between assets and liabilities, which is one way to measure the City's financial health, or *financial position*. Over time, *increases or decreases* in the City's net assets are one indicator of whether its *financial health* is improving or deteriorating. Other factors to consider are changes in the City's property tax base and the condition of the City's roads.

In the Statement of Net Assets and the Statement of Activities, City activities are separated as follows:

**Governmental activities** – The majority of the City's basic services are reported in this category, including General Services, Police, Fire, Public Works, Planning and Housing, Redevelopment, Parks and Recreation, and the Library. Revenues such as property taxes, sales taxes, utility taxes, franchise fees, interest income and other state and federal funds finance these activities.

**Business-type activities** – The City charges a fee to customers to cover the services it provides within this category. The City's Water system, Sewer system and Refuse operations are reported in this category.

## FUND FINANCIAL STATEMENTS

The fund financial statements provide detailed information about the most significant funds – not the City as a whole. Some funds are required to be established by State law and by bond covenants. However, management establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for certain grants and other money.

**Governmental funds** – Most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other *financial* assets that can readily be converted to cash. The governmental fund statements provide a detailed *short-term view* of the City's general government operations and the basic services it provides. Governmental fund information helps to determine whether there are more or fewer resources that can be spent in the near future to finance the City's programs. The variances of results in the Governmental funds statements to those in the Government-Wide financial statements are explained in a reconciliation schedule following each Governmental Funds financial statement.

**Proprietary funds** – The City maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses three funds to account for its water, refuse and sewer entities for the City's enterprises. The City uses internal service funds (the other component of proprietary funds) to report activities that provide services to the City's other programs and activities – such as the City's self-insurance and equipment maintenance funds. The internal service funds are reported with governmental activities in the government-wide financial statements.

**Fiduciary funds** - The City is the trustee, or *fiduciary*, for certain funds held for construction deposits and to account for the payment of various employee benefits and deductions including, but not limited to, health and dental insurance premiums, federal and state withholding taxes and various other items that is withheld from regular compensation. The City's fiduciary activities are reported in separate Statements of Fiduciary Net Assets and Changes in Fiduciary Net Assets. These activities are excluded from the City's other financial statements since the City cannot use these assets to finance its operations. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

### Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the Government-Wide financial statements.

### Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* including budgetary comparison schedules for the general fund and each major special revenue fund.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, the net assets for the City as a whole are \$307.1 million at June 30, 2007. Program expenses by function, general revenues by major source, excess and/or deficiency of revenues over expenses before contributions to fund principal, special, and extraordinary items, changes in and total net assets are presented in the Statement of Activities.

The City's combined Net Assets (in millions) for fiscal years ended June 30, 2006 and June 30, 2007 are as follows:

	Governmental Activities		Business-type Activities		Total	
	2007	2006	2007	2006	2007	2006
Current and other assets	\$ 256.5	\$ 253.8	\$ 130.1	\$ 49.9	\$ 386.6	\$ 303.7
Capital assets	324.6	331.2	104.7	106.4	429.3	437.6
Total assets	<u>\$ 581.1</u>	<u>\$ 585.0</u>	<u>\$ 234.8</u>	<u>\$ 156.3</u>	<u>\$ 815.9</u>	<u>\$ 741.3</u>
Other liabilities	\$ 24.6	\$ 31.3	\$ 4.5	\$ 6.8	\$ 29.1	\$ 38.1
Long-term liabilities outstanding	334.3	319.1	145.4	64.9	479.7	384.0
Total liabilities	<u>\$ 358.9</u>	<u>\$ 350.4</u>	<u>\$ 149.9</u>	<u>\$ 71.7</u>	<u>\$ 508.8</u>	<u>\$ 422.1</u>
Net assets:						
Invested in capital assets, net of related debt	\$ 283.2	\$ 300.3	\$ 52.0	\$ 54.1	\$ 335.2	\$ 354.4
Restricted	128.3	113.1	4.0	3.0	132.3	116.1
Unrestricted	(189.3)	(178.8)	28.9	27.5	(160.4)	(151.3)
<b>Total Net Assets</b>	<u>\$ 222.2</u>	<u>\$ 234.6</u>	<u>\$ 84.9</u>	<u>\$ 84.6</u>	<u>\$ 307.1</u>	<u>\$ 319.2</u>

The City's net assets, including both the governmental activities and business-type activities, decreased \$12.1 million over the prior fiscal year. Total revenues increased 9.2% and total expenses increased 5.2%. General revenues reflect an overall increase of \$11.0 million, while program revenues increased by \$7.0 million. Revenue from grants and contributions increased 17.8% over the prior year for a total of \$5.2 million. Tax revenue increased 11.3% or \$10.7 million over prior year and charges for services increased 3.5% or \$1.7 million.

**GOVERNMENTAL ACTIVITIES**

The City's net assets from governmental activities decreased \$3.1 million. The cost of all governmental activities this year was \$179.9 million. However, as shown in the Statement of Activities, the amount that the taxpayers ultimately financed for these activities was only \$130.8 million because some of the cost was paid by those who directly benefited from the programs (\$14.7 million), or by other governments and organizations that subsidized certain programs with operating grants and contributions (\$27.3 million), and capital grants and contributions (\$7.1 million). Overall, the City's governmental revenues were \$49.2 million. The City paid for the remaining "public benefit" portion of governmental activities with \$105.2 million in taxes (some of which is restricted for certain programs) and with other revenues such as interest.

The City's programs for governmental activities include General Government, Police, Fire, Public Works, Urban Development, Parks and Recreation, and Library. The programs for the business-type activities include water utilities, sewer, and refuse operations. A comparison of each program's revenues and expenses (in millions) for the current year is presented below.

**City of Pomona Changes in Net Assets**

	Governmental Activities		Business-type Activities		Total	
	2007	2006	2007	2006	2007	2006
<b>Revenues:</b>						
Program Revenues:						
Charges for services:						
Water	\$ 14.7	\$ 16.9	\$ 36.9	\$ 33.0	\$ 51.6	\$ 49.9
Sewer	-	-	-	-	-	-
Refuse	-	-	-	-	-	-
Operating grants and contributions	27.3	22.7	0.1	0.1	27.4	22.8
Capital grants and contributions	7.1	6.7	0.1	-	7.2	6.7
General Revenues:						
Taxes:						
Property taxes	51.9	53.2	-	-	51.9	53.2
Sales and use taxes	19.0	14.7	-	-	19.0	14.7
Utility Users Tax	18.3	17.6	-	-	18.3	17.6
Transient occupancy	1.7	1.9	-	-	1.7	1.9
Property transfer tax	2.2	-	-	-	2.2	-
Franchises	5.9	5.4	-	-	5.9	5.4
Motor Vehicle In-Lieu	0.9	1.1	-	-	0.9	1.1
Business License	2.8	-	-	-	2.8	-
Other taxes	2.5	0.7	-	-	2.5	0.7
Income from property and investment	-	-	-	-	-	-
Miscellaneous	19.5	17.9	0.1	(2.0)	19.6	15.9
	2.3	5.8	0.5	0.3	2.8	6.1
Total revenues	\$ 176.1	\$ 164.6	\$ 37.7	\$ 31.4	\$ 213.8	\$ 196.0
<b>Expenses:</b>						
General government	\$ 5.4	\$ 4.6	\$ -	\$ -	\$ 5.4	\$ 4.6
Public safety	66.4	62.3	-	-	66.4	62.3
Urban development	70.0	68.8	-	-	70.0	68.8
Community Services	12.8	14.8	-	-	12.8	14.8
Interest on long term debt	25.3	25.3	-	-	25.3	25.3
Water	-	-	23.9	19.2	23.9	19.2
Sewer	-	-	3.9	2.5	3.9	2.5
Refuse	-	-	8.9	8.5	8.9	8.5
Canon Water Company	-	-	-	-	-	-
Total expenses	\$ 179.9	\$ 175.8	\$ 36.7	\$ 30.2	\$ 216.6	\$ 206.0
Increase in net assets before transfers	\$ (3.8)	\$ (11.2)	\$ 1.0	\$ 1.2	\$ (2.8)	\$ (10.0)
Transfers	0.7	1.7	(0.7)	(1.7)	-	-
Increase (decrease) in net assets	\$ (3.1)	\$ (9.5)	\$ 0.3	\$ (0.5)	\$ (2.8)	\$ (10.0)
Net assets at beginning of year	225.3	244.1	84.6	85.1	309.9	329.2
Net assets 6/30/07	\$ 222.2	\$ 234.6	\$ 84.9	\$ 84.6	\$ 307.1	\$ 319.2

## **BUSINESS-TYPE ACTIVITIES**

The cost of all business-type activities this year was \$36.7 million. As shown in the Statement of Activities and Changes in Net Assets, the amounts paid by users of the systems was \$36.9 million, operating grants were \$0.1 million and capital grants were \$0.1 million. Interest earnings/expense was \$0.1 million, miscellaneous revenue was \$0.5 million and transfers out were \$0.7 million.

Total resources available during the year to finance business-type activities were \$121.8 million consisting of Net Assets at July 1, 2006 of \$84.6 million and program revenues of \$37.2 million. Total revenue of business-type activities during the year were \$37.7 million; thus net assets were increased by \$0.3 million to \$84.9 million.

## **FINANCIAL ANALYSIS OF THE CITY'S FUNDS**

The fund balance at year-end for the City's General Fund of \$20.8 million is an overall increase of \$2.0 million, primarily due to increases in property taxes, sales tax, utility tax and interest earnings offset by increased costs for fire services contract and unanticipated overtime costs.

The Low and Moderate Income Housing Fund reflects a decrease of \$4.9 million due expenses related to disposition and development agreements, owner participation agreements and relocation expenses.

The General Debt Service Funds show a decrease of \$10.3 million and the Public Financing Authority Funds show an increase of \$10.4 million primarily due to the reclassification of Series AL debt activity.

The Redevelopment Agency Debt Service Funds show a decrease of \$0.2 million primarily due to incidental increases in various expenditures offset by increases in property tax revenues.

The Redevelopment Agency Capital Project Funds show a decrease of \$8.2 million primarily due to on-going capital projects.

The \$9.2 million increase in the Other Governmental Funds was primarily due to the receipt of funds transferred to the Capital Outlay Fund for capital improvement projects.

## **DEBT ADMINISTRATION**

At the end of the current fiscal year, the City and its component units (Redevelopment Agency of the City of Pomona and City of Pomona Public Financing Authority) had total long-term debt outstanding of \$476.5 million.

During the year, the Pomona Public Financing Authority issued \$26.3 million of Series AS Revenue Bonds to refinance portions of the 1998 Series W Refunding Revenue Bond, 2003 Series AH Revenue Bonds, and 2003 Series AI Subordinate Revenue Bonds. In addition, the Authority issued \$8.4 million of Series AT Taxable Revenue Bonds to refinance portions of 1998 Series W Refunding Revenue Bond, Series X Tax Allocation Refunding Bonds, 1998 Series Y Tax Allocation Refunding Bonds, and 2003 Series AH Revenue Bonds. In conjunction with Series AS & AT bonds, the Authority issued an additional \$25.9 million of Series AX Subordinate Revenue Bonds to refinance additional portion of 1998 Series W Refunding Revenue Bond, portions of 2003 Series AH Revenue Bonds and 2003 Series AI Subordinate Revenue Bonds, and to finance certain public improvements in the Agency's Merged Redevelopment Project Area.

The Pomona Public Financing Authority has also issued \$2.5 million of Series AU Lease Revenue Bond and \$10.8 million of Series AV Taxable Lease Revenue Bonds to refinance and defease 2002 Series AE Certificates of Participation obligation and to finance certain public improvements of the City.

Additionally, the Pomona Public Financing Authority issued \$99.4 million of Series AY Revenue Bonds and \$6.9 million of Series AZ Revenue Bonds for Water Facilities Project to refinance and defease the City's Water Facilities obligations in connection with the Authority's 1999 Series AA Revenue Bonds, and 1999 Series AC Revenue Bonds of \$23 million and \$25 million respectively, and to acquire and construct certain improvements to the water enterprise.

Furthermore, the Pomona Public Financing Authority issued \$15.6 million of Series BA Revenue Bonds (Sewer Projects) to provide funds to finance certain improvements to the City's sewer enterprise.

The City also entered into new lease agreements totaling \$1.7 million for the replacement of various vehicles and equipment. The terms of the new leases range from three to ten years.

Additional information on the City's long-term debt can be found in note 8 of this report.

	Governmental Activities	Business-type Activities	Total
Bonds	\$ 279,543,862	\$ 140,135,710	\$ 419,679,572
Certificates of participation	13,801,167	-	13,801,167
Notes payable	2,475,000	-	2,475,000
LA County deferred tax loan	25,475,833	-	25,475,833
Compensated absences	7,623,679	1,104,295	8,727,974
Obligations under capital lease	4,169,793	2,219,551	6,389,344
Total	<u>\$ 333,089,334</u>	<u>\$ 143,459,556</u>	<u>\$ 476,548,890</u>

## CASH MANAGEMENT

To obtain flexibility in cash management, the City employs a pooled cash system (Reference Note 2 in the Notes to the Basic Financial Statements). Under the pooled cash concept, the City invests the cash of all funds with maturities planned to coincide with cash needs. Idle cash is invested in certain eligible securities as constrained by law and further limited by the City's Investment Policy. The goals of the City's Investment Policy are safety, liquidity and yield.

**CAPITAL ASSETS**

The capital assets of the City are those assets, which are used in the performance of the City's functions including infrastructure assets. At June 30, 2007, net capital assets of the governmental activities totaled \$324.6 million and the net capital assets of the business-type activities totaled \$104.7 million. Depreciation on capital assets is recognized in the Government-Wide financial statements.

Description	Original Cost	Accumulated Depreciation	Book Value
<b>Capital Assets - Governmental Activities:</b>			
Land	\$ 77,025,334	\$ -	\$ 77,025,334
Buildings and improvements	14,553,683	8,495,313	6,058,370
Improvements other than buildings	48,687,384	12,457,290	36,230,094
Machinery and equipment	16,565,410	5,685,779	10,879,631
Autos and trucks	6,717,525	5,080,910	1,636,615
Equipment under capital leases	4,883,604	1,185,818	3,697,786
Infrastructure	372,572,863	191,371,115	181,201,748
Construction in Progress	7,839,960	-	7,839,960
<b>Total</b>	<b>\$ 548,845,763</b>	<b>\$ 224,276,225</b>	<b>\$ 324,569,538</b>
<b>Capital Assets - Business-Type Activities:</b>			
Land and water rights	\$ 4,298,097	\$ -	4,298,097
Construction in Progress	3,580,352	-	3,580,352
Buildings	148,084	16,130	131,954
Improvements other than buildings	286,638	31,464	255,174
Machinery and equipment	154,032,007	58,968,327	95,063,680
Autos and trucks	6,089,799	5,449,086	640,713
Equipment under capital leases	973,080	214,480	758,600
<b>Total</b>	<b>\$ 169,408,057</b>	<b>\$ 64,679,487</b>	<b>\$ 104,728,570</b>

Additional information on the City of Pomona's capital assets can be found in note 7 of this report.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

Comparing the fiscal year 2006-07 original adopted budget of the General Fund of \$87.8 million to the final budget of \$91.6 million shows a net increase of \$3.8 million.

The increase in the budget was primarily due to the transfer funds to CDBG and Capital Outlay funds for various projects including park renovations. In addition, there were additional increases for speed humps, City Hall energy system upgrade, street light utilities and various operating costs offset by a reduction in the fire contract cost. There were no significant variances between budgeted and actual expenditures.

## **ECONOMIC FACTORS**

The City of Pomona General Fund finished Fiscal Year 2006-07 with a surplus of nearly \$2.0 million, a far better performance than was foreseen at the time the budget was initially adopted by the City Council. Stronger than expected growth in property tax collections led the way, although an unusual mix of growth and shortfalls suggested an economy which was – and continues to be – very much in flux, with weakness evident in the fourth fiscal quarter. Pomona also enjoyed a second consecutive year free of new State revenue shifts, although the impact of early 1990s ERAF reallocations has grown to more than \$5.2 million annually. Moreover, an increased dependence on property tax related revenue (VLF in-lieu and “triple-flipped” sales taxes) has adversely impacted the City’s cashflow, and therefore creates an area of possible vulnerability in the future.

## **CONTACTING THE CITY’S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the City’s finances and to show the City’s accountability for the money it receives. If you have questions about this report, separate reports of the City’s component units or need any additional financial information contact the City of Pomona Finance Department at P.O. Box 660, Pomona, California, 91769 or phone 909-620-2406.



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# **BASIC FINANCIAL STATEMENTS**

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# GOVERNMENT-WIDE FINANCIAL STATEMENTS

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**City of Pomona**  
**Statement of Net Assets**  
**June 30, 2007**

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Current assets:			
Cash and investments	\$ 57,113,278	\$ 24,175,291	\$ 81,288,569
Receivables:			
Accounts, net	4,149,176	11,121,274	15,270,450
Interest	712,282	272,224	984,506
Due from other governments	13,308,419	-	13,308,419
Inventories	426,016	206,077	632,093
Prepaid items and deposits	4,007,959	-	4,007,959
Internal balances	32,553	(32,553)	-
<b>Total current assets</b>	<b>79,749,683</b>	<b>35,742,313</b>	<b>115,491,996</b>
Noncurrent assets:			
Restricted cash and investments	101,727,929	91,086,454	192,814,383
Loans receivable, net	24,022,104	-	24,022,104
Deferred charges	6,339,105	3,275,845	9,614,950
Pension asset, net	24,950,259	-	24,950,259
Land held for resale	19,705,386	-	19,705,386
Capital assets:			
Nondepreciable assets	84,865,294	7,878,449	92,743,743
Depreciable assets, net	239,704,244	96,850,121	336,554,365
<b>Total noncurrent assets</b>	<b>501,314,321</b>	<b>199,090,869</b>	<b>700,405,190</b>
<b>Total assets</b>	<b>581,064,004</b>	<b>234,833,182</b>	<b>815,897,186</b>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	4,946,099	2,332,897	7,278,996
Accrued liabilities	2,691,522	401,161	3,092,683
Interest payable	5,528,174	1,001,316	6,529,490
Due to other governments and agencies	957,623	-	957,623
Unearned revenue	2,971,032	17,429	2,988,461
Compensated absences	1,085,079	75,996	1,161,075
Claims payable	2,200,000	-	2,200,000
Long term debt - due within one year	4,206,083	654,596	4,860,679
<b>Total current liabilities</b>	<b>24,585,612</b>	<b>4,483,395</b>	<b>29,069,007</b>
Noncurrent liabilities:			
Deposits payable	287,093	2,685,324	2,972,417
Compensated absences	6,538,600	1,028,299	7,566,899
Claims payable	6,188,977	-	6,188,977
Long-term debt - due in more than one year	321,259,572	141,700,665	462,960,237
<b>Total noncurrent liabilities</b>	<b>334,274,242</b>	<b>145,414,288</b>	<b>479,688,530</b>
<b>Total liabilities</b>	<b>358,859,854</b>	<b>149,897,683</b>	<b>508,757,537</b>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	283,153,069	52,018,893	335,171,962
Restricted for:			
Special projects	45,342,540	-	45,342,540
Debt services	7,031,462	4,049,389	11,080,851
Capital projects	75,985,999	-	75,985,999
<b>Total restricted</b>	<b>128,360,001</b>	<b>4,049,389</b>	<b>132,409,390</b>
Unrestricted	(189,308,920)	28,867,217	(160,441,703)
<b>Total net assets</b>	<b>\$ 222,204,150</b>	<b>\$ 84,935,499</b>	<b>\$ 307,139,649</b>

See accompanying Notes to Basic Financial Statements.

**City of Pomona**  
**Statement of Activities and Changes in Net Assets**  
**For the year ended June 30, 2007**

Functions/Programs	Expenses	Program Revenues			Total Program Revenues
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Primary government:</b>					
<b>Governmental activities:</b>					
General government	\$ 5,374,997	\$ 1,445,241	\$ 2,483,939	\$ 42,500	\$ 3,971,680
Public safety	66,368,961	4,373,711	2,273,750	345,369	6,992,830
Urban development	70,071,752	8,118,681	22,204,256	6,270,016	36,592,953
Community services	12,761,215	777,003	357,532	496,150	1,630,685
Interest and fiscal charges	25,372,308	-	-	-	-
Total governmental activities	179,949,233	14,714,636	27,319,477	7,154,035	49,188,148
<b>Business-type activities:</b>					
Water	23,845,899	26,210,565	-	97,420	26,307,985
Sewer	3,915,545	3,384,966	-	-	3,384,966
Refuse	8,921,093	7,326,324	38,783	-	7,365,107
Canon Water Company	17,472	-	107,037	-	107,037
Total business-type activities	36,700,009	36,921,855	145,820	97,420	37,165,095
<b>Total primary government</b>	<b>\$ 216,649,242</b>	<b>\$ 51,636,491</b>	<b>\$ 27,465,297</b>	<b>\$ 7,251,455</b>	<b>\$ 86,353,243</b>

Functions/Programs	Net (Expense) Revenue and Changes in Net Assets		
	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>Primary government:</b>			
<b>Governmental activities:</b>			
General government	\$ (1,403,317)	\$ -	\$ (1,403,317)
Public safety	(59,376,131)	-	(59,376,131)
Urban development	(33,478,799)	-	(33,478,799)
Community services	(11,130,530)	-	(11,130,530)
Interest and fiscal charges	(25,372,308)	-	(25,372,308)
Total governmental activities	(130,761,085)	-	(130,761,085)
<b>Business-type activities:</b>			
Water	-	2,462,086	2,462,086
Sewer	-	(530,579)	(530,579)
Refuse	-	(1,555,986)	(1,555,986)
Canon Water Company	-	89,565	89,565
Total business-type activities	-	465,086	465,086
<b>Total primary government</b>	<b>(130,761,085)</b>	<b>465,086</b>	<b>(130,295,999)</b>
<b>General revenues:</b>			
Taxes:			
Property taxes	51,952,231	-	51,952,231
Sales taxes	19,072,975	-	19,072,975
Motor vehicle license	874,237	-	874,237
Transit occupancy taxes	1,727,097	-	1,727,097
Property transfer taxes	2,152,388	-	2,152,388
Franchise	5,871,860	-	5,871,860
Utility users taxes	18,290,416	-	18,290,416
Business licenses (nonregulatory)	2,844,503	-	2,844,503
Other	2,459,714	-	2,459,714
Total taxes	105,245,421	-	105,245,421
Investment earnings/expense	19,509,780	108,433	19,618,213
Miscellaneous	2,240,671	516,717	2,757,388
<b>Transfers</b>	<b>716,025</b>	<b>(716,025)</b>	<b>-</b>
<b>Total general revenues and transfers</b>	<b>127,711,897</b>	<b>(90,875)</b>	<b>127,621,022</b>
<b>Change in net assets</b>	<b>(3,049,188)</b>	<b>374,211</b>	<b>(2,674,977)</b>
<b>Net assets - beginning of year, as restated</b>	<b>225,253,338</b>	<b>84,561,288</b>	<b>309,814,626</b>
<b>Net assets - end of year</b>	<b>\$ 222,204,150</b>	<b>\$ 84,935,499</b>	<b>\$ 307,139,649</b>

See accompanying Notes to Basic Financial Statements.

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# FUND FINANCIAL STATEMENTS

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*Governmental Fund Financial Statements*  
*Proprietary Fund Financial Statements*  
*Fiduciary Fund Financial Statements*

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# GOVERNMENTAL FUND FINANCIAL STATEMENTS

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The City has determined the following funds to be major funds:

The *General Fund* is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *Low and Moderate Income Housing Fund* is a special revenue fund that accounts for monies received and expended to assist low and moderate income households.

The *General Debt Service Fund* accounts for the payment of interest and principal on debt incurred by the City.

The *Public Financing Authority Debt Service Fund* accounts for the payment of interest and principal on the local agency revenue bonds, notes payable and other debt of the Public Financing Authority.

The *Redevelopment Agency Debt Service Fund* accounts for tax increment and investment revenue and for the payment of interest and principal on the tax allocation bonds, loans payable, participation agreements and other debt of the Redevelopment Agency.

The *Redevelopment Agency Capital Project Fund* accounts for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

**City of Pomona**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2007**

	Major Funds			
	General	Low & Moderate Income Housing Fund	General Debt Service	Public Financing Authority Debt Service
<b>ASSETS</b>				
Cash and investments	\$ 13,760,226	\$ 6,245,110	\$ 3,756,326	\$ 101,055
Receivables:				
Accounts, net	2,665,294	370,023	-	-
Interest	249,396	91,702	31,792	1,160
Due from other funds	32,553	178,578	-	-
Due from other governments	5,004,600	-	-	-
Inventories	125,636	-	-	-
Prepaid items and deposits	71,320	600,000	-	-
Restricted cash and investments	-	8,345,749	4,236,160	8,948,624
Loans receivable, net	-	10,932,457	-	-
Advances to other funds	6,691,164	-	4,475,000	223,485,000
Land held for resale	-	8,017,574	-	-
<b>Total assets</b>	<b>\$ 28,600,189</b>	<b>\$ 34,781,193</b>	<b>\$ 12,499,278</b>	<b>\$ 232,535,839</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 1,684,169	\$ 78,161	\$ -	\$ -
Accrued liabilities	2,104,113	60,455	-	7,436
Interest payable	-	-	1,049,620	-
Due to other funds	-	2,036	-	-
Due to other governments	957,623	-	-	-
Deferred revenue	2,462,216	7,228,465	-	-
Deposits payable	-	134,560	-	-
Advances from other funds	600,000	9,965,000	50,215,000	-
<b>Total liabilities</b>	<b>7,808,121</b>	<b>17,468,677</b>	<b>51,264,620</b>	<b>7,436</b>
<b>Fund Balances:</b>				
Reserved for:				
Inventories	125,636	-	-	-
Prepaid items and deposits	71,320	600,000	-	-
Loans receivable	-	3,703,992	-	-
Advances to other funds	6,691,164	-	-	223,485,000
Land held for resale	-	8,017,574	-	-
Low and moderate income housing	-	4,990,950	-	-
Capital and special projects	-	-	-	-
Debt service and capital lease obligations	-	-	-	9,043,403
Unreserved, designated for:				
Contingencies	3,000,000	-	-	-
Special revenue funds	-	-	-	-
Unreserved, undesignated for:				
General fund	10,903,948	-	-	-
Special revenue funds	-	-	-	-
Debt service funds	-	-	(38,765,342)	-
Capital projects funds	-	-	-	-
<b>Total fund balances</b>	<b>20,792,068</b>	<b>17,312,516</b>	<b>(38,765,342)</b>	<b>232,528,403</b>
<b>Total liabilities and fund balances</b>	<b>\$ 28,600,189</b>	<b>\$ 34,781,193</b>	<b>\$ 12,499,278</b>	<b>\$ 232,535,839</b>

See accompanying Notes to Basic Financial Statements.

	Major Funds			
	Redevelopment	Redevelopment	Other Governmental Funds	Total Governmental Funds
	Agency Debt Service	Agency Capital Project		
<b>ASSETS</b>				
Cash and investments	\$ 4,714,807	\$ 815,471	\$ 27,100,275	\$ 56,493,270
Receivables:				
Accounts, net	7,119	813,082	23,517	3,879,035
Interest	21,589	13,561	303,082	712,282
Due from other funds	2,036	1,142,424	-	1,355,591
Due from other governments	6,438,444	-	1,865,375	13,308,419
Inventories	-	-	-	125,636
Prepaid items and deposits	-	2,594,488	742,151	4,007,959
Restricted cash and investments	14,285,074	39,865,917	26,044,292	101,725,816
Loans receivable, net	435,000	2,827,441	9,827,206	24,022,104
Advances to other funds	-	-	600,000	235,251,164
Land held for resale	-	11,687,812	-	19,705,386
<b>Total assets</b>	<b>\$ 25,904,069</b>	<b>\$ 59,760,196</b>	<b>\$ 66,505,898</b>	<b>\$ 460,586,662</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 57,183	\$ 145,486	\$ 2,388,441	\$ 4,353,440
Accrued liabilities	-	74,222	348,243	2,594,469
Interest payable	-	-	-	1,049,620
Due to other funds	1,321,002	-	-	1,323,038
Due to other governments	-	-	-	957,623
Deferred revenue	3,174,216	1,085,647	9,065,811	23,016,355
Deposits payable	-	152,533	-	287,093
Advances from other funds	164,610,243	7,567,848	-	232,958,091
<b>Total liabilities</b>	<b>169,162,644</b>	<b>9,025,736</b>	<b>11,802,495</b>	<b>266,539,729</b>
<b>Fund Balances:</b>				
Reserved for:				
Inventories	-	-	-	125,636
Prepaid items and deposits	-	2,594,488	742,151	4,007,959
Loans receivable	-	2,505,841	1,250,000	7,459,833
Advances to other funds	-	-	600,000	230,776,164
Land held for resale	-	11,687,812	-	19,705,386
Low and moderate income housing	-	-	-	4,990,950
Capital and special projects	-	33,946,319	25,717,911	59,664,230
Debt service and capital lease obligations	-	-	882,040	9,925,443
Unreserved, designated for:				
Contingencies	-	-	-	3,000,000
Special revenue funds	-	-	2,570,640	2,570,640
Unreserved, undesignated for:				
General fund	-	-	-	10,903,948
Special revenue funds	-	-	21,518,821	21,518,821
Debt service funds	(143,258,575)	-	-	(182,023,917)
Capital projects funds	-	-	1,421,840	1,421,840
<b>Total fund balances</b>	<b>(143,258,575)</b>	<b>50,734,460</b>	<b>54,703,403</b>	<b>194,046,933</b>
<b>Total liabilities and fund balances</b>	<b>\$ 25,904,069</b>	<b>\$ 59,760,196</b>	<b>\$ 66,505,898</b>	<b>\$ 460,586,662</b>

See accompanying Notes to Basic Financial Statements.

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**City of Pomona**  
**Reconciliation of the Governmental Funds Balance Sheet**  
**to the Government-Wide Statement of Net Assets**  
**June 30, 2007**

**Total Fund Balances - Total Governmental Funds** **\$ 194,046,933**

Amounts reported for governmental activities in the Statement of Net Assets were different because:

	Government-Wide Statement of Net Assets	Less Internal Service Funds	
Capital assets used in governmental activities were not current financial resources. Therefore, they were not reported in the Governmental Funds' Balance Sheet.			
Nondepreciable	\$ 84,865,294	\$ -	84,865,294
Depreciable, net of accumulated depreciation	239,704,244	211,633	239,492,611
Total capital assets	\$ 324,569,538	\$ 211,633	324,357,905

Bond issuance costs from issuing debt were expenditures in the fund financial statements. However, they were deferred and subject to capitalization and amortization in the Government-Wide Financial Statements.

Deferred charges, net of accumulated amortization 6,339,105

Pension contribution was an expenditure in the fund financial statements, but it was deferred and subject to capitalization and amortization on the Government-Wide Statement of Net Assets.

Pension asset, net of accumulated amortization 24,950,259

	Government-Wide Statement of Net Assets	Governmental Funds and Internal Service Funds	
Interest payable on long-term debt did not require current financial resources. Therefore, interest payable was not reported as a liability in the Governmental Funds' Balance Sheet.			
	\$ (5,528,174)	\$ 1,049,781	(4,478,393)

	Government-Wide Statement of Net Assets	Internal Service Funds	
Long-term liabilities were not due and payable in the current period. Therefore, they were not reported in the Governmental Funds' Balance Sheet.			
Compensated absences - current	\$ (1,085,079)	\$ 227,064	(858,015)
Compensated absences - noncurrent	(6,538,600)	-	(6,538,600)
Long-term debt - due within one year	(4,206,083)	12,684	(4,193,399)
Long-term debt - due in more than one year	(321,259,572)	21,194	(321,238,378)
	\$ (333,089,334)	\$ 260,942	(332,828,392)

Long-term receivables were not current available resources. Therefore, they were offset by a deferred revenue amount equal to the net receivable in the Governmental Funds' Balance Sheet. 20,045,323

Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Government-Wide Statement of Net Assets.			
Self-Insurance Fund			(10,581,999)
Equipment Maintenance Fund			353,409
			(10,228,590)

**Net Assets of Governmental Activities** **\$ 222,204,150**

See accompanying Notes to Basic Financial Statements.

**City of Pomona**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the year ended June 30, 2007**

	Major Funds			
	General	Low & Moderate Income Housing Fund	General Debt Service	Public Financing Authority Debt Service
<b>REVENUES:</b>				
Taxes	\$ 75,723,520	\$ -	\$ 2,884,998	\$ -
Special assessments	-	-	-	-
Intergovernmental	2,296,358	247,220	-	-
Charges for services	1,736,669	-	-	-
Fines and forfeitures	1,939,205	-	-	-
Licenses and permits	6,273,621	-	-	-
Use of money and property	1,468,278	1,265,642	264,122	10,167,568
Loan repaid	-	880,605	-	-
Contributions and donations	-	-	-	-
Miscellaneous	398,357	133,096	12,448	4,856
<b>Total revenues</b>	<b>89,836,008</b>	<b>2,526,563</b>	<b>3,161,568</b>	<b>10,172,424</b>
<b>EXPENDITURES:</b>				
Current:				
General government	4,294,331	-	14,820	-
Public safety	60,697,210	-	-	-
Urban development	10,842,698	9,111,468	-	-
Community services	9,596,632	-	-	-
Capital outlay	442,293	110,443	-	-
Debt service:				
Principal	1,287,694	-	1,508,000	5,560,000
Interest and fiscal charges	330,636	629,478	6,740,671	12,166,716
Debt issuance costs	-	-	-	1,253,413
<b>Total expenditures</b>	<b>87,491,494</b>	<b>9,851,389</b>	<b>8,263,491</b>	<b>18,980,129</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>2,344,514</b>	<b>(7,324,826)</b>	<b>(5,101,923)</b>	<b>(8,807,705)</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Issuance of bonds, loans, and notes payable	-	-	-	73,855,000
Payment to refunded bonds escrow agent	-	-	-	(58,315,000)
Bond premium	-	-	-	1,087,257
Issuance of capital leases	-	-	-	-
Proceeds from sale of capital assets	110,148	-	-	-
Loss on sale of land held for resale	-	-	-	-
Transfers in	3,628,531	4,554,968	3,284,358	17,029,914
Transfers out	(4,113,372)	(2,129,534)	(8,518,811)	(14,452,674)
<b>Total other financing sources (uses)</b>	<b>(374,693)</b>	<b>2,425,434</b>	<b>(5,234,453)</b>	<b>19,204,497</b>
<b>Net change in fund balances</b>	<b>1,969,821</b>	<b>(4,899,392)</b>	<b>(10,336,376)</b>	<b>10,396,792</b>
<b>FUND BALANCES:</b>				
Beginning of year, as restated	18,822,247	22,211,908	(28,428,966)	222,131,611
End of year	\$ 20,792,068	\$ 17,312,516	\$ (38,765,342)	\$ 232,528,403

See accompanying Notes to Basic Financial Statements.



	Major Funds			
	Redevelopment	Redevelopment	Other	Total
	Agency Debt Service	Agency Capital Project	Governmental Funds	Governmental Funds
<b>REVENUES:</b>				
Taxes	\$ 26,468,010	\$ -	\$ 168,893	\$ 105,245,421
Special assessments	-	-	1,166,719	1,166,719
Intergovernmental	2,285,920	-	29,601,515	34,431,013
Charges for services	-	-	559,726	2,296,395
Fines and forfeitures	-	-	708,750	2,647,955
Licenses and permits	-	-	416,620	6,690,241
Use of money and property	465,874	1,950,970	3,927,218	19,509,672
Loan repaid	-	31,823	-	912,428
Contributions and donations	-	3,344,179	-	3,344,179
Miscellaneous	139,485	359,731	1,192,698	2,240,671
<b>Total revenues</b>	<b>29,359,289</b>	<b>5,686,703</b>	<b>37,742,139</b>	<b>178,484,694</b>
<b>EXPENDITURES:</b>				
Current:				
General government	-	-	691,676	5,000,827
Public safety	-	-	4,038,602	64,735,812
Urban development	15,150,700	4,860,419	18,408,258	58,373,543
Community services	-	-	2,523,979	12,120,611
Capital outlay	-	-	19,391,979	19,944,715
Debt service:				
Principal	821,076	-	74,462	9,251,232
Interest and fiscal charges	7,442,897	-	17,904	27,328,302
Debt issuance costs	-	-	-	1,253,413
<b>Total expenditures</b>	<b>23,414,673</b>	<b>4,860,419</b>	<b>45,146,860</b>	<b>198,008,455</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>5,944,616</b>	<b>826,284</b>	<b>(7,404,721)</b>	<b>(19,523,761)</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Issuance of bonds, loans, and notes payable	352,460	-	-	74,207,460
Payment to refunded bonds escrow agent	(1,435,000)	-	-	(59,750,000)
Bond premium	-	-	-	1,087,257
Issuance of capital leases	-	-	1,714,407	1,714,407
Proceeds from sale of capital assets	-	-	-	110,148
Loss on sale of land held for resale	-	(654,961)	-	(654,961)
Transfers in	10,426,523	4,542,120	28,044,050	71,510,464
Transfers out	(15,533,529)	(12,925,900)	(13,120,619)	(70,794,439)
<b>Total other financing sources (uses)</b>	<b>(6,189,546)</b>	<b>(9,038,741)</b>	<b>16,637,838</b>	<b>17,430,336</b>
<b>Net change in fund balances</b>	<b>(244,930)</b>	<b>(8,212,457)</b>	<b>9,233,117</b>	<b>(2,093,425)</b>
<b>FUND BALANCES:</b>				
Beginning of year, as restated	(143,013,645)	58,946,917	45,470,286	196,140,358
End of year	\$ (143,258,575)	\$ 50,734,460	\$ 54,703,403	\$ 194,046,933

See accompanying Notes to Basic Financial Statements.

# City of Pomona

## Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Government-Wide Statement of Activities and Changes in Net Assets For the year ended June 30, 2007

**Net Change in Fund Balances - Total Governmental Funds** \$ (2,093,425)

Amounts reported for governmental activities in the Statement of Activities were different because:

Acquisition of capital assets was reported as expenditures in the governmental funds. However, in the Government-Wide Statement of Activities and Changes in Net Assets, the cost of those assets was allocated over the estimated useful lives as depreciation expense. The following was the amount of capital assets recorded in the current period:

Capital outlay	19,944,715
Urban development	(18,183)

Depreciation expense on capital assets was reported in the Government-Wide Statement of Activities and Changes in Net Assets, but they did not require the use of current financial resources. Therefore, depreciation expense was not reported as an expenditure in the governmental funds. The adjustment is the difference between the depreciation expense of the governmental activities in the amount of \$13,760,076 and the depreciation expense of the internal service funds in the amount of \$24,229. (13,735,847)

Capital assets contributed from the City to the Redevelopment Agency Capital Project Fund was not reported in the General Fund because the contribution did not have any flow of current financial resources. However, the contribution should be reported as transfers on the Government-Wide Statement of Activities. (3,344,179)

Amortization expense was reported in the Government-Wide Statement of Activities and Changes in Net Assets, but it did not require the use of current financial resources. Therefore, amortization expense was not reported as an expenditure in the governmental funds.

Amortization of deferred charges	(629,703)
Amortization of premium/discount	(69,520)
Amortization of deferred loss on refunding	(167,023)
Amortization of pension asset	(924,083)

Gain on disposal of capital assets was reported on the Government-wide Statement of Activities and Changes in Net Assets, but it did not require the use of current financial resources. (70,754)

Cost of issuance of bonds was an expenditure in the governmental funds, but the issuance cost was capitalized in the Government-Wide Statement of Net Assets and was to be amortized over the life of the bond. 1,253,413

Certain revenues were recorded as deferred revenue in the governmental funds because they did not meet the revenue recognition criteria of availability. However, they were included as revenue in the Government-Wide Statement of Activities and Changes in Net Assets under the full accrual basis. 1,000,897

Long-term compensated absences activity for the current year was reported in the Government-Wide Statement of Activities and Changes in Net Assets, but it did not require the use of current financial resources. Therefore, the current year activity for long-term compensated absences was not reported as an expenditure in the governmental funds. (540,473)

Proceeds from long-term debt provided current financial resources to governmental funds, but issuing debt increased long-term liabilities in the Government-Wide Statement of Net Assets. Repayment of bond principal was an expenditure in the governmental funds, but the repayment reduced long-term liabilities in the Government-Wide Statement of Net Assets.

Long-term debt proceeds	(74,207,460)
Proceeds from capital leases	(1,714,407)
Principal payment	69,001,232
Bond premium	(1,087,257)
Deferred loss on refunding	3,549,679

Accrued interest expense on County deferred loan did not require the use of current financial resources in the governmental funds, but it increased long-term liabilities in Government-Wide Statement of Net Assets. (1,666,644)

Interest expense on long-term debt was reported in the Government-Wide Statement of Activities and Changes in Net Assets, but it did not require the use of current financial resources. Therefore, interest expense was not reported as an expenditure in the governmental funds. The reconciling amount was the change in accrued interest from the prior year. 940,360

Internal service funds were used by management to charge the costs of certain activities, such as insurance and fleet management, to individual funds. The net revenue of the internal service funds was reported with governmental activities. 1,529,474

**Change in Net Assets of Governmental Activities** \$ (3,049,188)

See accompanying Notes to Basic Financial Statements.

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# PROPRIETARY FUND FINANCIAL STATEMENTS

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The City has determined the following funds to be major funds:

The *Water Utility Enterprise Fund* accounts for activities associated with the distribution and transmission of potable water to users.

The *Sewer Enterprise Fund* accounts for the operation and maintenance of the City's sewer network.

The *Refuse Enterprise Fund* accounts for activities associated with refuse collection, and curbside collection of recycling materials.

The *Canon Water Company Enterprise Fund* accounts for the activities of the Canon Water Company.

**City of Pomona**  
**Statement of Net Assets**  
**Proprietary Funds**  
**June 30, 2007**

	Major Funds			
	Water Utility	Sewer	Refuse	Canon Water Company February 28, 2007
<b>ASSETS</b>				
Current assets:				
Cash and investments	\$ 18,419,429	\$ 5,581,878	\$ 100	\$ 173,884
Receivables:				
Accounts, net	8,284,557	959,468	1,791,619	85,630
Interest	205,661	64,383	2,180	-
Inventories	206,077	-	-	-
Total current assets	<u>27,115,724</u>	<u>6,605,729</u>	<u>1,793,899</u>	<u>259,514</u>
Noncurrent assets:				
Restricted cash and investments	71,310,130	19,776,324	-	-
Deferred charges	1,775,720	1,500,125	-	-
Capital assets:				
Nondepreciable assets	7,326,646	551,803	-	-
Depreciable assets, net	71,047,766	25,109,944	692,411	-
Total net capital assets	<u>78,374,412</u>	<u>25,661,747</u>	<u>692,411</u>	<u>-</u>
Total noncurrent assets	<u>151,460,262</u>	<u>46,938,196</u>	<u>692,411</u>	<u>-</u>
<b>Total assets</b>	<u>178,575,986</u>	<u>53,543,925</u>	<u>2,486,310</u>	<u>259,514</u>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	1,952,992	71,067	301,278	7,560
Accrued liabilities	282,513	29,367	89,281	-
Interest payable	886,279	111,048	3,989	-
Due to other funds	-	-	32,553	-
Unearned revenue	-	17,429	-	-
Compensated absences	67,996	3,000	5,000	-
Claims payable	-	-	-	-
Obligations under capital leases	317,227	40,698	116,671	-
Long-term debt - due within one year	-	180,000	-	-
Total current liabilities	<u>3,507,007</u>	<u>452,609</u>	<u>548,772</u>	<u>7,560</u>
Noncurrent liabilities:				
Advances from other funds	-	-	-	-
Deposits payable	2,685,324	-	-	-
Compensated absences	703,907	108,866	215,526	-
Claims payable	-	-	-	-
Obligations under capital leases	1,480,061	20,829	244,065	-
Long-term debt - due in more than one year	110,445,710	29,510,000	-	-
Total noncurrent liabilities	<u>115,315,002</u>	<u>29,639,695</u>	<u>459,591</u>	<u>-</u>
<b>Total liabilities</b>	<u>118,822,009</u>	<u>30,092,304</u>	<u>1,008,363</u>	<u>7,560</u>
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt	38,429,918	13,257,300	331,675	-
Restricted for debt service	1,731,193	2,318,196	-	-
Unrestricted	19,592,866	7,876,125	1,146,272	251,954
<b>Total net assets</b>	<u>\$ 59,753,977</u>	<u>\$ 23,451,621</u>	<u>\$ 1,477,947</u>	<u>\$ 251,954</u>

See accompanying Notes to Basic Financial Statements.

	Total	Governmental Activities Internal Service Funds
<b>ASSETS</b>		
Current assets:		
Cash and investments	\$ 24,175,291	\$ 620,008
Receivables:		
Accounts, net	11,121,274	270,141
Interest	272,224	-
Inventories	206,077	300,380
Total current assets	<u>35,774,866</u>	<u>1,190,529</u>
Noncurrent assets:		
Restricted cash and investments	91,086,454	2,113
Deferred charges	3,275,845	-
Capital assets:		
Nondepreciable assets	7,878,449	-
Depreciable assets, net	96,850,121	211,633
Total net capital assets	<u>104,728,570</u>	<u>211,633</u>
Total noncurrent assets	<u>199,090,869</u>	<u>213,746</u>
<b>Total assets</b>	<u>234,865,735</u>	<u>1,404,275</u>
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable	2,332,897	592,659
Accrued liabilities	401,161	97,053
Interest payable	1,001,316	161
Due to other funds	32,553	-
Unearned revenues	17,429	-
Compensated absences	75,996	227,064
Claims payable	-	2,200,000
Obligations under capital leases	474,596	12,684
Long-term debt - due within one year	180,000	-
Total current liabilities	<u>4,515,948</u>	<u>3,129,621</u>
Noncurrent liabilities:		
Advances from other funds	-	2,293,073
Deposits payable	2,685,324	-
Compensated absences	1,028,299	-
Claims payable	-	6,188,977
Obligations under capital leases	1,744,955	21,194
Long-term debt - due in more than one year	139,955,710	-
Total noncurrent liabilities	<u>145,414,288</u>	<u>8,503,244</u>
<b>Total liabilities</b>	<u>149,930,236</u>	<u>11,632,865</u>
<b>NET ASSETS</b>		
Invested in capital assets, net of related debt	52,018,893	177,755
Restricted for debt service	4,049,389	1,952
Unrestricted	28,867,217	(10,408,297)
<b>Total net assets</b>	<u>\$ 84,935,499</u>	<u>\$ (10,228,590)</u>

See accompanying Notes to Basic Financial Statements.

**City of Pomona**  
**Statement of Revenues, Expenses and Changes in Net Assets**  
**Proprietary Funds**  
**For the year ended June 30, 2007**

	Major Funds			Canon Water Company February 28, 2007
	Water Utility	Sewer	Refuse	
<b>OPERATING REVENUES:</b>				
Charges for services	\$ 23,963,541	\$ 3,384,966	\$ 7,326,324	\$ -
Miscellaneous	348,419	16,379	151,919	-
<b>Total operating revenues</b>	<b>24,311,960</b>	<b>3,401,345</b>	<b>7,478,243</b>	<b>-</b>
<b>OPERATING EXPENSES:</b>				
Personnel services	6,515,802	722,143	2,112,069	-
Operations	14,664,652	2,100,187	6,715,916	17,472
Claims expense	-	-	-	-
Depreciation	2,427,753	1,021,058	93,108	-
Amortization of issuance costs	101,168	72,157	-	-
Insurance	-	-	-	-
<b>Total operating expenses</b>	<b>23,709,375</b>	<b>3,915,545</b>	<b>8,921,093</b>	<b>17,472</b>
<b>OPERATING INCOME (LOSS)</b>	<b>602,585</b>	<b>(514,200)</b>	<b>(1,442,850)</b>	<b>(17,472)</b>
<b>NONOPERATING REVENUES (EXPENSES):</b>				
Gain (loss) on disposal of capital assets	(136,524)	-	-	-
Interest expense and fees	(1,123,310)	(830,771)	(12,139)	-
Investment earnings	1,373,644	661,757	39,150	102
Intergovernmental	97,420	-	38,783	107,037
Sale of reclaimed water	1,141,787	-	-	-
Sale of surplus water	1,105,237	-	-	-
<b>Total nonoperating revenues (expenses)</b>	<b>2,458,254</b>	<b>(169,014)</b>	<b>65,794</b>	<b>107,139</b>
<b>INCOME (LOSS) BEFORE TRANSFERS</b>	<b>3,060,839</b>	<b>(683,214)</b>	<b>(1,377,056)</b>	<b>89,667</b>
Transfers in	388,747	-	-	-
Transfers out	(600,000)	(504,772)	-	-
<b>Total transfers</b>	<b>(211,253)</b>	<b>(504,772)</b>	<b>-</b>	<b>-</b>
<b>Change in net assets</b>	<b>2,849,586</b>	<b>(1,187,986)</b>	<b>(1,377,056)</b>	<b>89,667</b>
<b>NET ASSETS:</b>				
Beginning of year, as restated	56,904,391	24,639,607	2,855,003	162,287
End of year	\$ 59,753,977	\$ 23,451,621	\$ 1,477,947	\$ 251,954

See accompanying Notes to Basic Financial Statements.

	Total	Governmental Activities Internal Service Funds
<b>OPERATING REVENUES:</b>		
Charges for services	\$ 34,674,831	\$ 12,731,610
Miscellaneous	516,717	151,270
<b>Total operating revenues</b>	<b>35,191,548</b>	<b>12,882,880</b>
<b>OPERATING EXPENSES:</b>		
Personnel services	9,350,014	2,328,245
Operations	23,498,227	2,773,625
Claims expense	-	4,374,681
Depreciation	3,541,919	24,229
Amortization of issuance costs	173,325	-
Insurance	-	1,895,879
<b>Total operating expenses</b>	<b>36,563,485</b>	<b>11,396,659</b>
<b>OPERATING INCOME (LOSS)</b>	<b>(1,371,937)</b>	<b>1,486,221</b>
<b>NONOPERATING REVENUES (EXPENSES):</b>		
Gain (loss) on disposal of capital assets	(136,524)	1,800
Interest expense and fees	(1,966,220)	(1,155)
Investment earnings	2,074,653	108
Intergovernmental	243,240	42,500
Sale of reclaimed water	1,141,787	-
Sale of surplus water	1,105,237	-
<b>Total nonoperating revenues (expenses)</b>	<b>2,462,173</b>	<b>43,253</b>
<b>INCOME (LOSS) BEFORE TRANSFERS</b>	<b>1,090,236</b>	<b>1,529,474</b>
Transfers in	388,747	-
Transfers out	(1,104,772)	-
<b>Total transfers</b>	<b>(716,025)</b>	<b>-</b>
<b>Change in net assets</b>	<b>374,211</b>	<b>1,529,474</b>
<b>NET ASSETS:</b>		
Beginning of year, as restated	84,561,288	(11,758,064)
End of year	\$ 84,935,499	\$ (10,228,590)

See accompanying Notes to Basic Financial Statements.

**City of Pomona**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the year ended June 30, 2007**

	Major Funds			
	Water Utility	Sewer	Refuse	Canon Water Company February 28, 2007
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Cash received from customers/other funds	\$ 24,563,717	\$ 3,141,831	\$ 7,297,682	\$ (16,856)
Cash payments to suppliers for goods and services	(14,457,544)	(2,223,564)	(6,765,344)	(15,108)
Cash payments for general and administrative expenses	(6,339,644)	(686,293)	(2,099,456)	-
Cash received from (paid for) other	348,419	15,874	184,472	-
<b>Net cash provided (used) by operating activities</b>	<b>4,114,948</b>	<b>247,848</b>	<b>(1,382,646)</b>	<b>(31,964)</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>				
Cash received from other governments	-	-	38,783	107,037
Transfers in	388,747	-	-	-
Transfers out	(600,000)	(504,772)	-	-
Advances to other funds	104,280	-	-	-
Advances from other funds	-	-	-	-
<b>Net cash provided (used) by noncapital financing activities</b>	<b>(106,973)</b>	<b>(504,772)</b>	<b>38,783</b>	<b>107,037</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>				
Purchase, acquisition and construction of capital assets	(1,791,453)	(139,297)	-	-
Proceeds from sale of capital assets	-	-	-	-
Proceeds from issuance of bonds	108,568,822	15,575,000	-	-
Repayment of bonds payable and capital leases	(48,290,962)	(213,935)	(113,237)	-
Interest paid on capital-related debt	(660,077)	(774,058)	(13,421)	-
<b>Net cash provided (used) by capital and related financing activities</b>	<b>57,826,330</b>	<b>14,447,710</b>	<b>(126,658)</b>	<b>-</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Interest income received	1,332,261	663,851	58,449	102
<b>Net cash provided (used) by investing activities</b>	<b>1,332,261</b>	<b>663,851</b>	<b>58,449</b>	<b>102</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>63,166,566</b>	<b>14,854,637</b>	<b>(1,412,072)</b>	<b>75,175</b>
<b>CASH AND CASH EQUIVALENTS:</b>				
Beginning of year	26,562,993	10,503,565	1,412,172	98,709
End of year	<u>\$ 89,729,559</u>	<u>\$ 25,358,202</u>	<u>\$ 100</u>	<u>\$ 173,884</u>
<b>FINANCIAL STATEMENT PRESENTATION:</b>				
Cash and investments	\$ 18,419,429	\$ 5,581,878	\$ 100	\$ 173,884
Restricted cash and investments	71,310,130	19,776,324	-	-
<b>Total cash, cash equivalents, and investments</b>	<u>\$ 89,729,559</u>	<u>\$ 25,358,202</u>	<u>\$ 100</u>	<u>\$ 173,884</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b>				
Operating income (loss)	\$ 602,585	\$ (514,200)	\$ (1,442,850)	\$ (17,472)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	2,427,753	1,021,058	93,108	-
Amortization	101,168	72,157	-	-
Other nonoperating revenue	2,247,024	-	-	-
Changes in operating assets and liabilities:				
Accounts receivable	(1,646,848)	(243,135)	(28,642)	(16,856)
Inventories	23,749	-	-	-
Prepaid items	25,000	-	-	-
Accounts payable	(48,502)	(123,377)	(49,428)	2,364
Accrued liabilities	34,002	4,028	(3,913)	-
Due to other funds	-	-	32,553	-
Unearned revenue	-	(505)	-	-
Deposit payable	206,861	-	-	-
Compensated absences	142,156	31,822	16,526	-
Claims payable	-	-	-	-
Total adjustments	<u>(1,263,582)</u>	<u>(331,167)</u>	<u>(32,904)</u>	<u>(14,492)</u>
<b>Net cash provided (used) by operating activities</b>	<u>\$ 4,114,948</u>	<u>\$ 247,848</u>	<u>\$ (1,382,646)</u>	<u>\$ (31,964)</u>

See accompanying Notes to Basic Financial Statements.



	Total	Governmental Activities Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Cash received from customers/other funds	\$ 34,986,374	\$ 12,339,668
Cash payments to suppliers for goods and services	(23,461,560)	(9,142,607)
Cash payments for general and administrative expenses	(9,125,393)	(2,342,635)
Cash received from (paid for) other	548,765	151,270
<b>Net cash provided (used) by operating activities</b>	<b>2,948,186</b>	<b>1,005,696</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>		
Cash received from other governments	145,820	-
Transfers in	388,747	-
Transfers out	(1,104,772)	-
Advances to other funds	104,280	-
Advances from other funds	-	(400,968)
<b>Net cash provided (used) by noncapital financing activities</b>	<b>(465,925)</b>	<b>(400,968)</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
Purchase, acquisition and construction of capital assets	(1,930,750)	-
Proceeds from sale of capital assets	-	29,224
Proceeds from issuance of bonds	124,143,822	-
Repayment of bonds payable and capital leases	(48,618,134)	(12,875)
Interest paid on capital-related debt	(1,447,556)	(1,269)
<b>Net cash provided (used) by capital and related financing activities</b>	<b>72,147,382</b>	<b>15,080</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Interest income received	2,054,663	108
<b>Net cash provided (used) by investing activities</b>	<b>2,054,663</b>	<b>108</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>76,684,306</b>	<b>619,916</b>
<b>CASH AND CASH EQUIVALENTS:</b>		
Beginning of year	38,577,439	2,205
End of year	<b>\$ 115,261,745</b>	<b>\$ 622,121</b>
<b>FINANCIAL STATEMENT PRESENTATION:</b>		
Cash and investments	\$ 24,175,291	\$ 620,008
Restricted cash and investments	91,086,454	2,113
<b>Total cash, cash equivalents, and investments</b>	<b>\$ 115,261,745</b>	<b>\$ 622,121</b>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b>		
Operating income (loss)	\$ (1,371,937)	\$ 1,486,221
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation	3,541,919	24,229
Amortization	173,325	-
Other nonoperating revenue	2,247,024	-
Changes in operating assets and liabilities:		
Accounts receivable	(1,935,481)	(269,108)
Inventories	23,749	7,838
Prepaid items	25,000	-
Accounts payable	(218,943)	(319,299)
Accrued liabilities	34,117	4,071
Due to other funds	32,553	(122,834)
Unearned revenue	(505)	-
Deposit payable	206,861	-
Compensated absences	190,504	(18,461)
Claims payable	-	213,039
Total adjustments	(1,642,145)	(504,754)
<b>Net cash provided (used) by operating activities</b>	<b>\$ 2,948,186</b>	<b>\$ 1,005,696</b>

See accompanying Notes to Basic Financial Statements.

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# FIDUCIARY FUND FINANCIAL STATEMENTS

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The City's fiduciary fund types are agency funds which are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

**City of Pomona**  
**Statement of Fiduciary Net Assets**  
**Fiduciary Funds**  
**June 30, 2007**

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	Agency Funds
	<u>                    </u>
<b>ASSETS</b>	
Cash and investments	\$ 3,375,306
Accounts receivable	34,465
Interest receivable	6,354
Due from other governments	10,779
Prepaid items and deposits	4,572
	<u>                    </u>
<b>Total assets</b>	<b>\$ 3,431,476</b>
	<u>                    </u>
<b>LIABILITIES</b>	
Accounts payable	\$ 1,578,227
Deposits payable	1,652,369
Due to bondholders	200,880
	<u>                    </u>
<b>Total liabilities</b>	<b>\$ 3,431,476</b>
	<u>                    </u>

See accompanying Notes to Basic Financial Statements.

**City of Pomona**  
**Index to Notes to Basic Financial Statements**  
**For the year ended June 30, 2007**

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**City of Pomona**  
**Index to Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2007**

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# NOTES TO BASIC FINANCIAL STATEMENTS

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**City of Pomona**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2007**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The basic financial statements of the City of Pomona, California (City), have been prepared in conformity with 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 more significant of the City's accounting policies are described below.

**A. Financial Reporting Entity**

The City was incorporated in 1888 as a "Charter Law" City under the laws of the State of California. The City operates under the Council-Manager form of governments. The City principally provides general administrative services, public safety services, street, highway and bridge repairs and maintenance, and water and sanitation services.

As required by GAAP, the accompanying basic financial statements present the City and its component units. Component units are entities for which the City is considered to be financially accountable. GASB Statement No. 14, *The Financial Reporting Entity*, defines component units as legally separate entities that meet any one of the following tests:

1. The City appoints the voting majority of the board of the potential component unit and:
  - ◆ is able to impose its will on the component unit and/or
  - ◆ is in a relationship of financial benefit or burden with the potential component unit.
2. The potential component unit is fiscally dependent upon the City.
3. The financial statements of the City would be misleading if data from the potential component units were omitted.

Management determined that the following component units should be blended based on the criteria above:

- ◆ Redevelopment Agency of the City of Pomona
- ◆ Housing Authority of the City of Pomona
- ◆ City of Pomona Public Financing Authority
- ◆ Canon Water Company

These component units are included in the primary government because of the significance of their financial or operational relationship and the same City governing body.



**City of Pomona**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2007**

---

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

**A. Financial Reporting Entity, Continued**

Each of the blended component units in the accompanying basic financial statements of the City are described below:

Redevelopment Agency of the City of Pomona

The Redevelopment Agency of the City of Pomona (Agency) was established pursuant to the State of California Health and Safety Code, Section 33000 entitled "Community Redevelopment Law". Its purpose is to prepare and carry out plans for improvement, rehabilitation, and redevelopment of blighted areas within the territorial limits of the City. The Agency was included within the scope of the reporting entity of the City because its governing body is composed in its entirety of council members of the City.

Housing Authority of the City of Pomona

The Housing Authority of the City of Pomona (Housing Authority) was organized under the California Health and Safety Code. The objectives of the Housing Authority are to aid low-income families in obtaining decent, safe and sanitary housing through Federal assistance programs and low/moderate income housing programs. The Housing Authority was included within the scope of the reporting entity of the City because its governing body is composed in its entirety of council members of the City.

City of Pomona Public Financing Authority

The City of Pomona Public Financing Authority (Authority) is a joint exercise of powers authority created by a joint powers agreement between the City, the Redevelopment Agency of the City of Pomona (Agency) and the Redevelopment Agency of the City of West Covina, dated October 27, 1988. The purpose of the Authority is to provide, through the issuance of debt, financing necessary for the construction of public improvements. The Authority is not subject to federal or state income taxes. The Authority was included within the scope of the reporting entity of the City because its governing body is composed in its entirety of council members of the City.

Canon Water Company

The Canon Water Company of Pomona (Company) was incorporated on August 6, 1897. The Company owns and maintains a pipeline which transports water to the City. The Company was included within the scope of the reporting entity of the City because the Company provides services almost entirely to the City.

All component units had a fiscal year ended June 30, 2007 except for Canon Water Company which had a fiscal year ended February 28, 2007.

Since the governing boards for these entities were composed of either the City's employees or City Council members, they are considered blended component units. Blended component units, although legally separate entities, are in substance, part of the City's operations and so data from these units are reported with the interfund data of the primary government. Only the Authority, the Agency and the Company issue separate component unit financial statements. Financial statements of these component units can be obtained at City Hall.

**City of Pomona**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2007**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

***B. Basis of Accounting and Measurement Focus***

The accounting policies of the City conform to GAAP in the United States for local governmental units. The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purpose of which they are to be spent and means by which spending activities are controlled.

*Government – Wide and Fund Financial Statements*

The City's government-wide financial statements include a Statement of Net Assets and a Statement of Activities and Changes in Net Assets. These statements present summaries of governmental and business-type activities for the City accompanied by a total column. Fiduciary activities of the City are not included in these statements.

These basic financial statements are presented on an "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all of the City's assets and liabilities, including capital assets, as well as infrastructure assets, and long-term liabilities, are included in the accompanying Statement of Net Assets. The Statement of Activities presents changes in net assets. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

Certain types of transactions are reported as program revenues for the City in three categories:

- Charges for services
- Operating grants and contributions
- Capital grants and contributions

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regards to interfund activities. All internal balances in the Statement of Net Assets have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column, if any. In the Statement of Activities, internal service fund transactions have been eliminated; however, those transactions between governmental and business-type activities have not been eliminated. The following interfund activities have been eliminated:

- Due to and from other funds
- Advances to and from other funds
- Transfers in and out

The City applies all applicable GASB pronouncements (including all NCGA Statements and Interpretations currently in effect) as well as the following pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements: Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board (APB) Opinions, and Accounting Research Bulletins (ARB) of the Committee on Accounting Procedure.

**City of Pomona**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2007**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

**B. Basis of Accounting and Measurement Focus, Continued**

Governmental Fund Financial Statements

Governmental fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds and non-major funds aggregated. An accompanying schedule is presented to reconcile and explain the differences in net assets as presented in these statements to the net assets presented in the government-wide financial statements. The City has presented all major funds that met the applicable criteria. In addition, the City has presented the Low & Moderate Income Housing Special Revenue Fund as a major fund because the City believes the financial position and activities of the fund are significant to the City as a whole.

The City reports the following major governmental funds:

The **General Fund** is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The **Low & Moderate Income Housing Fund** is a special revenue fund that accounts for monies received and expended to assist low- and moderate- income households.

The **General Debt Service Fund** accounts for the payment of interest and principal on debt incurred by the City.

The **Public Financing Authority Debt Service Fund** accounts for the payment of interest and principal on the local agency revenue bonds, notes payable and other debt of the Authority.

The **Redevelopment Agency Debt Service Fund** accounts for tax increment and investment revenue and for the payment of interest and principal on the tax allocation bonds, loans payable, participation agreements and other debt of the Agency.

The **Redevelopment Agency Capital Project Fund** accounts for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

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 present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period.

**City of Pomona**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2007**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

***B. Basis of Accounting and Measurement Focus, Continued***

*Governmental Fund Financial Statements, Continued*

Revenues are recorded when received in cash, except that revenues subject to accrual (generally 60 days after year-end) are recognized when due. The primary revenue sources, which have been treated as susceptible to accrual by the City, are real and personal property tax, other local taxes, franchise fees, forfeitures and penalties, motor vehicle license fees, rents and concessions, interest revenue, and state and federal grants. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

Deferred revenue arises when potential revenues do not meet both the “measurable” and “available” criteria for recognition in the current period. Deferred revenues also arise when the government receives resources before it has a legal claim to them, as when grant monies are received prior to incurring qualifying expenditures. In subsequent periods when both revenue recognition criteria are met or when the government has a legal claim to the resources, the deferred revenue is removed from the balance sheet and revenue is recognized.

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

*Proprietary Fund Financial Statements*

Proprietary fund financial statements include a Statement of Net Assets, a Statement of Revenues, Expenses and Changes in Net Assets, and a Statement of Cash Flows for all proprietary funds. The City reports the following major proprietary funds:

The **Water Utility Enterprise Fund** accounts for activities associated with the distribution and transmission of potable water to users.

The **Sewer Enterprise Fund** accounts for the operation and maintenance of the City's sewer network.

The **Refuse Enterprise Fund** accounts for activities associated with refuse collection and curbside collection of recycling materials.

The **Canon Water Company Enterprise Fund** accounts for the activities of the Canon Water Company.

The **Internal Service Funds** account for the maintenance and repair of City vehicles and equipment, risk management, general liability and workers' compensation services provided to other departments or agencies of the City. Internal service balances and activities have been combined with the governmental activities in the government-wide financial statements.

**City of Pomona**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2007**

---

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

**B. Basis of Accounting and Measurement Focus, Continued**

Proprietary Fund Financial Statements, Continued

Proprietary funds are accounted for using the “*economic resources*” measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or noncurrent) are included on the Statement of Net Assets. The Statement of Revenues, Expenses and Changes in Net Assets presents increases (revenues) and decreases (expenses) in total net assets. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as nonoperating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as nonoperating expenses.

Fiduciary Fund Financial Statements

Fiduciary fund financial statements include a Statement of Net Assets. The City’s fiduciary funds represent agency funds. Fiduciary fund types are accounted for according to the nature of the fund. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Agency funds are accounted for using accrual basis accounting.

The Agency Funds account for assets held by the City for other funds, governments or individuals. These funds include receipts and disbursements of funds for the debt service activity of the 1911 Act assessment districts, cash deposits collected for street and sidewalk encroachment permits, debt services activity related to debt without government commitment for various assessment district improvements, cash guarantees (deposits) collected by the City for various construction improvement projects, deposits of miscellaneous, self-supporting City projects, payment of various employee benefits and deductions, including, but not limited to, health and dental insurance premiums, federal and state withholding taxes, life insurance and other withholdings from regular compensation.

**C. Cash, Cash Equivalents and Investments**

The City pools its available cash for investment purposes. The City’s cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturity of three months or less from the date of acquisition. Cash and cash equivalents are combined with investments and displayed as Cash and Investments.

In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, highly liquid market investments with maturities of one year or less at time of purchase are stated at amortized cost. All other investments are stated at fair value. Market value is used as fair value for those securities for which market quotations are readily available.

**City of Pomona**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2007**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

**C. Cash, Cash Equivalents and Investments, Continued**

The City participates in an investment pool managed by the State of California titled *Local Agency Investment Fund* (LAIF) which has invested a portion of the pool funds in structured notes and asset-backed securities. LAIF's investments are subject to credit risk with the full faith and credit of the State of California collateralizing these investments. In addition, these structured notes and asset-backed securities are subject to market risk as to change in interest rates.

In accordance with GASB Statement No. 40, *Deposit and Investment Risk Disclosures (an amendment of GASB No. 3)*, certain disclosure requirements, if applicable, are provided for deposit and investment risk in the following areas:

- Interest Rate Risk
- Credit Risk
  - ◆ Overall
  - ◆ Custodial Credit Risk
  - ◆ Concentration of Credit Risk
- Foreign Currency Risk

**D. Interfund Transactions**

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds" (i.e., current portion of interfund loans) or "advances from/to other funds" (i.e., noncurrent portion of interfund loans). Any residual balances outstanding between the governmental activities and business-type activities are reported in the governmental-wide financial statements as "internal balances."

**E. Inventories and Prepaid Items**

Inventories within the various fund types consist of materials and supplies which are valued at cost on a first-in, first-out basis. Reported expenditures reflecting the purchase of supplies have been restated to reflect the consumption method of recognizing inventory-related expenditures. A reservation of fund balance has been reported in the governmental funds to show that inventories do not constitute "available spendable resources", even though they are a component of net current assets.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

**F. Capital Assets**

Capital assets, which include land, construction in progress, buildings and improvements, improvements other than buildings, machinery and equipment, autos and trucks, equipment under capitalized lease and infrastructure assets (e.g. roads, bridges, traffic signals, and similar items), are reported in the applicable governmental or business-type activities in the Government-Wide Financial Statements. City policy has set the capitalization threshold for reporting capital assets at \$5,000. Capital assets are valued at historical cost or estimated historical cost if actual historical cost was not available. Donated assets are valued at their estimated fair market value on the date donated.

**City of Pomona**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2007**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

**F. Capital Assets, Continued**

Depreciation is recorded on a straight-line basis over estimated useful lives of the assets as follows:

Buildings and improvements	10-50 years
Improvements other than buildings	10-50 years
Machinery and equipment	5-50 years
Autos and trucks	5-10 years
Equipment under capitalized lease	5-10 years
Infrastructure	25-75 years

In June 1999, the Governmental Accounting Standards Board (GASB) issued Statement No. 34 which requires the inclusion of infrastructure capital assets in local governments' basic financial statements. For infrastructure systems, the City elected to use the "Basic Approach" as defined by GASB Statement No. 34 for infrastructure reporting.

The City defines infrastructure as the basic physical assets that allow the City to function. The assets include streets, bridges, sidewalks, drainage systems, and lighting systems, etc. Each major infrastructure system can be divided into subsystems. For example the street system can be subdivided into pavement, curb and gutters, sidewalks, medians, streetlights, landscaping and land. These subsystems were not delineated in the basic financial statements. The appropriate operating department maintains information regarding the subsystems.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest on construction-related debt incurred during the period of construction is capitalized as a cost of the constructed assets.

The long-term principal portion of debt on non-proprietary capital assets acquired through lease purchase contracts is accounted for in the government-wide financial statements as "capital lease obligations". Capital assets acquired under capital lease are capitalized at the net present value of the total lease payments in the government-wide financial statements.

**G. Land Held for Resale**

Land held for resale is carried at cost. An amount equal to the carrying value of land is reserved in fund balance because such assets are not available to finance the City's current operations.

**H. Pension Asset, Net**

A pension asset is created when an employer pays into a retirement plan amounts in excess of its annual required contribution (ARC). The ARC is an actuarially calculated amount that is sufficient to fund future costs and extinguish any existing unfunded actuarial accrued liability (UAAL). On June 29, 2004, the City made a payment of \$27,722,510 to CALPERS from the proceeds of the issuance of pension obligation bonds to reduce the City's UAAL as calculated at that time. The prepaid pension asset will be amortized over the life of the bonds on a straight line basis. As of June 30, 2007, the unamortized portion of the pension asset was \$24,950,259.

**City of Pomona**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2007**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

**I. Long-Term Debt**

**Government-Wide Financial Statements**

Long-term debt and other financed obligations are reported as liabilities in the proprietary fund financial statements and government-wide financial statements.

Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable premium or discount. Issuance costs are reported as deferred charges.

**Fund Financial Statements**

The fund financial statements do not present long-term debt. As such, long-term debt is shown in the Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Assets.

**J. Compensated Absences**

**Government-Wide Financial Statements**

For governmental and business-type activities, compensated absences are recorded as incurred and the related expenses and liabilities are reported.

**Fund Financial Statements**

In governmental funds, compensated absences are recorded as expenditures in the years paid, as it is the City's policy to liquidate any unpaid compensated absences at June 30 from future resources, rather than currently available financial resources. In proprietary funds, compensated absences are expensed to the various funds in the period they are earned, and such fund's share of the unpaid liability is recorded as a long-term liability of the fund. Vested or accumulated compensated absences in proprietary funds are recorded as an expense and liability of those funds as the benefits accrue to employees. The compensated absences liability will generally be liquidated through individual funds.

**K. Claims Payable**

The City records a liability to reflect an actuarial estimate of ultimate uninsured losses for both general liability claims (including property damage claims) and workers' compensation claims. The estimated liability for workers' compensation claims and general liability claims includes "incurred but not reported" (IBNR) claims. There is no fixed payment schedule to pay these liabilities.



**City of Pomona**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2007**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

**L. Unearned and Deferred Revenue**

**Government-Wide Financial Statements** - Unearned revenue is recognized for transactions for which revenue has not yet been earned. Unearned revenue includes monies received in advance from the fiscal agents on the amounts deposited in the reserve funds for various bonds and prepaid charges for services.

**Fund Financial Statements** - Deferred revenue represents money received during the current or previous years that has not been earned or is not considered available to finance expenditures of the current period.

**M. Property Taxes**

Property taxes attach a legal enforceable lien on property as of January 1. Taxes are levied on July 1 and are payable in two installments on December 10 and April 10. The County of Los Angeles (County) bills and collects the property taxes and remits them to the City in installments during the year. The City's property tax revenues are recognized when an enforceable legal lien is attached to the property. The County is permitted by State Law (Proposition 13) to levy taxes at 1% of full market value (at time of purchase) and can increase the property tax rate not more than 2% per year. The City receives a share of this basic levy proportionate to the amount received in the 1976 to 1978 period.

**N. Net Assets and Fund Balances**

**Government-Wide Financial Statements** - In the government-wide financial statements, net assets are classified in the following:

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

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

Unrestricted Net Assets - This amount is all net assets that do not meet the definition of "invested in capital assets, net of related debt" or "restricted net assets."

**Fund Financial Statements** - Reservations represent the fund balance which are not appropriable for expenditure or which are legally segregated for specific future use. Designated fund balance represents tentative plans for future use of financial resources. Undesignated fund balance represents the fund balance which is available for appropriation in future periods.

**O. Use of Restricted and Unrestricted Net Assets**

When an expense is incurred for purposes for which both restricted and unrestricted net assets are available, the City's policy is to apply restricted net assets first.

**City of Pomona**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2007**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

*P. Use of Estimates*

The preparation of the basic financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of certain assets and liabilities and the disclosure of contingent assets and liabilities at the date of the basic financial statements and the related reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Management believes that the estimates are reasonable.

**2. CASH AND INVESTMENTS**

The City maintains a cash and investment pool, which includes cash balances and authorized investments of all funds. This pooled cash is invested by the City Treasurer to enhance earnings. The pooled interest earned is allocated to the funds based on average month-end cash balances of the various funds.

*A. Summary of Cash and Investments*

The following is a summary of cash and investments at June 30, 2007:

	Government-Wide Statement of Net Assets			Fiduciary Funds	
	Governmental Activities	Business-Type Activities	Total	Statement of Net Assets	Total
<b>Cash and Investments</b>	<u>\$ 57,113,278</u>	<u>\$ 24,175,291</u>	<u>\$ 81,288,569</u>	<u>\$ 3,375,306</u>	<u>\$ 84,663,875</u>
<b>Restricted Cash and Investments:</b>					
Held by trustees	\$ 1,958,008	\$ -	\$ 1,958,008	\$ -	\$ 1,958,008
Held by fiscal agents	99,769,921	91,086,454	190,856,375	-	190,856,375
<b>Total restricted cash and investments</b>	<u>\$ 101,727,929</u>	<u>\$ 91,086,454</u>	<u>\$ 192,814,383</u>	<u>\$ -</u>	<u>\$ 192,814,383</u>
				<b>Total</b>	<u>\$ 277,478,258</u>

Cash and investments were comprised of the following at June 30, 2007:

<b>Cash and cash equivalents:</b>	
Petty Cash	\$ 8,718
Demand Deposit	<u>2,521,164</u>
Total Cash and cash equivalents	<u>2,529,882</u>
<b>Investments:</b>	
Local Agency Investment Fund	32,850,493
U.S. Government Securities:	
Federal Farm Credit Bank (FFCB)	2,355,119
Federal Home Loan Bank (FHLB)	30,133,957
Federal Home Loan Mortgage Corporation (FHLMC)	<u>16,794,424</u>
Total Investments	<u>82,133,993</u>
Total Cash and Investments	<u>\$ 84,663,875</u>

**City of Pomona**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2007**

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**2. CASH AND INVESTMENTS, Continued**

**B. Cash Deposits**

The carrying amounts of the City's cash deposits were \$2,521,164 at June 30, 2007. Bank balances at June 30, 2007, were \$3,531,615 which were fully insured or collateralized with securities held by the pledging financial institutions in the City's name as discussed below.

The California Government Code requires California banks and savings and loan associations to secure the City's cash deposits by pledging securities as collateral. This Code states that collateral pledged in this manner shall have the effect of perfecting a security interest in such collateral superior to those of a general creditor. Thus, collateral for cash deposits is considered to be held in the City's name.

The market value of pledged securities must equal at least 110% of the City's cash deposits. California law also allows institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the City's total cash deposits. The City may waive collateral requirements for cash deposits, which are fully insured up to \$100,000 by the Federal Deposit Insurance Corporation. The City, however, has not waived the collateralization requirements.

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

**C. Investments**

Under the provisions of the City's investment policy, and in accordance with California Government Code Section 53601, the City is authorized to invest or deposit in the following:

- Securities issued or guaranteed by the federal government or its agencies
- Bankers' acceptances that are eligible for purchase by the Federal Reserve System
- Commercial paper, rated A-1/P-1, secured by an irrevocable line of credit or government securities
- Medium-term corporate notes, rated AAA or AA
- Money market funds

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

**D. Investment in Local Agency Investment Funds**

As of June 30, 2007, the City had \$32,850,493 invested in LAIF. The City valued its investments in LAIF as of June 30, 2007, by multiplying the account balance by a fair value factor determined by LAIF. LAIF determines fair value on its investment portfolio based on market quotations for those securities where market quotations are readily available and based on amortized cost or best estimate for those securities where market value is not readily available. This fair value factor was determined by dividing all LAIF participants' total aggregate amortized cost by total aggregate fair value resulting in a factor of 0.999545022.

**City of Pomona**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2007**

**2. CASH AND INVESTMENTS, Continued**

**D. Investment in Local Agency Investment Funds, Continued**

The City's investments with LAIF at June 30, 2007, included 3.466% of the pooled funds invested in structured notes and asset-backed securities. These investments included the following:

*Structured Notes:* debt securities (other than asset-backed securities) whose cash flow characteristics (coupon rate, redemption amount, or stated maturity) depend upon one or more indices and/or that have embedded forwards or options.

*Asset-Backed Securities:* generally mortgage-backed securities that entitle their purchasers to receive a share of the cash flows from a pool of assets such as principal and interest repayments from a pool of mortgages (for example, Collateralized Mortgage Obligations) or credit card receivables.

LAIF is overseen by the Local Agency Investment Advisory Board, which consists of five members, in accordance with State statute.

**E. Risk Disclosures**

**Interest Rate Risk**

As a means of limiting its exposure to fair value losses arising from rising interest rates, the City's investment policy (Policy) limits investments to a maximum maturity of five years. The weighted average days to maturity of the total portfolio shall not exceed the City's anticipated liquidity needs for the next six (6) months. The City is in compliance with this provision of the Policy. At June 30, 2007, the City had the following investment maturities:

Investment Type	Fair Value	Investment Maturities (In Years)			
		Less than 1	1 to 2	2 to 3	3 to 4
Local Agency Investment Fund	\$ 32,850,493	\$ 32,850,493	\$ -	\$ -	\$ -
Federal Farm Credit Bank	2,355,119	1,358,239	996,880	-	-
Federal Home Loan Bank	30,133,957	10,922,510	9,229,857	7,986,590	1,995,000
Federal Home Loan Mortgage Corporation	16,794,424	5,327,919	5,474,985	5,991,520	-
<b>Total</b>	<b>\$ 82,133,993</b>	<b>\$ 50,459,161</b>	<b>\$ 15,701,722</b>	<b>\$ 13,978,110</b>	<b>\$ 1,995,000</b>

**Credit Risk**

The City's Policy limits investments in commercial paper to the highest grade of stand alone or enhanced (prime) commercial paper as rated by Moody's Investor Service, Standard & Poor's Corporation, or Fitch Financial Services and requires that the management company of mutual funds must have attained the highest ranking or the highest letter and numerical rating provided by not less than two nationally recognized statistical rating organizations.

**City of Pomona**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2007**

**2. CASH AND INVESTMENTS, Continued**

**E. Risk Disclosures, Continued**

The City's investments are rated by the nationally recognized statistical rating organizations as follows:

<b>Investment Pool</b>	<b>Moody's</b>	<b>Standard &amp; Poor's</b>
Local Agency Investment Fund	Not Rated	Not Rated
<b>U.S. Government Securities</b>		
Federal Farm Credit Bank (FFCB)	Aaa	AAA
Federal Home Loan Bank (FHLB)	Aaa	AAA
Federal Home Loan Mortgage Corporation (FHLMC)	Aaa	AAA

**Concentration of Credit Risk**

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

The following is a chart of the City's investment portfolio:

<b>Investments</b>	<b>Amount Invested</b>	<b>Percentage of Investments</b>
Local Agency Investment Fund	\$ 32,850,493	40.00%
Federal Farm Credit Bank (FFCB)	2,355,119	2.87%
Federal Home Loan Bank (FHLB)	30,133,957	36.69%
Federal Home Loan Mortgage Corporation (FHLMC)	16,794,424	20.45%
Total	\$ 82,133,993	100.00%

**Custodial Credit Risk**

For deposits, custodial credit risk is the risk that, in the event of the failure of a deposit financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City's investment policy does not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the provision for deposits stated in Note 2B. \$3,416,615 of the City's deposits with financial institutions in excess of federal depository insurance limits was held in collateralized accounts. Of the City's investments, \$192,814,383 of securities was held by the counterparty's trust department, the trustee for the bonds, not in the name of the City as of June 30, 2007.

**City of Pomona**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2007**

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**2. CASH AND INVESTMENTS, Continued**

*F. Investment in Bonds*

On February 1, 2005, the Authority issued \$11,370,000 2005 Revenue Bonds, Series AL, to purchase the City's 2005 Reassessment and Refunding Revenue Bonds, Series AM (Series AM Bonds). The Authority holds the Series AM Bonds in the amount of \$7,683,000 as an investment at June 30, 2007. The investment is held by the fiscal agent.

**3. DUE FROM OTHER GOVERNMENTS**

At June 30, 2007, the City's due from other governments consisted of the following:

<u>Agency</u>		
State of California	\$	2,832,980
County of Los Angeles		7,871,568
Department of Motor Vehicles		15,854
Department of Housing and Urban Development		502,755
South Coast Air Quality Management District		50,528
Metropolitan Transit Authority (TDA Article 3)		254,214
Office of Traffic Safety		239,436
Utility Users		1,205,543
Hotels		206,658
Miscellaneous		128,883
Total	\$	<u>13,308,419</u>

**City of Pomona**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2007**

**4. LOANS RECEIVABLE**

At June 30, 2007, the City's loans receivable consisted of the following:

	Balance July 1, 2006	Additions	Deletions	Balance June 30, 2007
Casa Herrera	\$ 1,375,000	\$ -	\$ (125,000)	\$ 1,250,000
Deferred Home Improvement Loans	6,726,596	-	(465,652)	6,260,944
Prototype Loans	660,000	-	-	660,000
Rental Rehabilitation Loans	427,442	7,043	-	434,485
Greater Pomona Housing Loans	779,000	-	-	779,000
CHDO	253,046	-	-	253,046
HOPE 3 Loans	424,701	17,125	(56,362)	385,464
Shield of Faith	-	3,744,816	-	3,744,816
Manufactured Housing Rehabilitation Loans	1,098,698	243,290	-	1,341,988
Occupied Rehabilitation Loans	157,351	607	(38,766)	119,192
MAP Loans, net	1,290,246	30,000	(101,123)	1,219,123
NIP Loans	2,782,846	324,277	(571,695)	2,535,428
Olsen Covenants	321,000	-	-	321,000
Southern California Resources & Development	85,000	-	-	85,000
Mission Promenade Project II Loan	-	1,370,177	-	1,370,177
Business Assistance Loans	-	435,000	-	435,000
Postal Extra (El Centro)	2,534	-	-	2,534
Cardenas Market	112,500	-	(37,500)	75,000
De La Torre	323,640	-	(46,345)	277,295
Guadalajara Market	210,600	-	-	210,600
James Caswell (West Coast RVs)	1,450,384	-	-	1,450,384
Meruelo	175,628	-	-	175,628
Community Builder Group	-	636,000	-	636,000
Red Hill Pizza	118,548	-	(118,548)	-
Miscellaneous	11,008	-	(11,008)	-
Total	<u>\$ 18,785,768</u>	<u>\$ 6,808,335</u>	<u>\$ (1,571,999)</u>	<u>\$ 24,022,104</u>

**5. INTERFUND TRANSACTIONS**

**A. Government-Wide Financial Statements**

**Internal Balance** - At June 30, 2007, the City had the following internal receivable and payable. The purpose of the internal balance was to cover cash deficits.

	<b>Internal Payable</b>
	Business-Type Activities
<b>Internal Receivable</b>	
Governmental Activities	\$ 32,553

**City of Pomona**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2007**

**5. INTERFUND TRANSACTIONS, Continued**

**A. Government-Wide Financial Statements, Continued**

**Transfers** - At June 30, 2007, the City had the following transfers. The purpose of the transfers was for the in lieu franchise fee and debt service payments.

<b>Transfers In</b>		<b>Transfers Out</b>	
		Business-Type	
		Activities	
Governmental Activities		\$	716,025

**B. Fund Financial Statements**

**Due To/Due From** - At June 30, 2007, the City had the following short-term interfund receivables and payables.

<b>Due To Other Funds</b>	<b>Due From Other Funds</b>				
	General	Low and Moderate Income Housing	Redevelopment Agency Debt Service	Redevelopment Agency Capital Project	<b>Total</b>
Low and Moderate Income Housing	\$ -	\$ -	\$ 2,036	\$ -	\$ 2,036
Redevelopment Agency Debt Service	-	178,578	-	1,142,424	1,321,002
Refuse Enterprise Fund	32,553	-	-	-	32,553
<b>Total</b>	<b>\$ 32,553</b>	<b>\$ 178,578</b>	<b>\$ 2,036</b>	<b>\$ 1,142,424</b>	<b>\$ 1,355,591</b>

The General Fund amounts were made to cover negative cash situations.

The Low and Moderate Income Housing Fund and Redevelopment Agency Capital Project Fund amounts represent tax increments due from the Redevelopment Agency Debt Service Fund.

The Redevelopment Agency Debt Service Fund amounts represent administrative fees due from the Low and Moderate Income Housing Fund.



**City of Pomona**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2007**

**5. INTERFUND TRANSACTIONS, Continued**

**B. Fund Financial Statements, Continued**

**Long-Term Advances** - At June 30, 2007, the City had the following interfund long-term advances:

		<b>Advances To Other Funds</b>				
		General	General Debt Service	Public Financing Authority Debt Service	Non-Major Governmental Funds	<b>Total</b>
<b>Advances From Other Funds</b>	Governmental Funds:					
	General	\$ -	\$ -	\$ -	\$ 600,000	\$ 600,000
	Low & Moderate Income Housing	-	-	9,965,000	-	9,965,000
	General Debt Service	-	-	50,215,000	-	50,215,000
	Redevelopment Agency Debt Service	1,305,243	-	163,305,000	-	164,610,243
	Redevelopment Agency Capital Project	3,092,848	4,475,000	-	-	7,567,848
	Internal Service Funds	2,293,073	-	-	-	2,293,073
<b>Total</b>	<b>\$ 6,691,164</b>	<b>\$ 4,475,000</b>	<b>\$ 223,485,000</b>	<b>\$ 600,000</b>	<b>\$ 235,251,164</b>	

Long-term advances are used to fund various capital projects, low and moderate housing activities, and in advance of related financing or assessments.

**Transfers** - At June 30, 2007, the City had the following transfers:

		<b>Transfers Out</b>									
		Governmental Funds						Enterprise Funds			
		General Fund	Low & Moderate Income Housing	General Debt Service	Public Financing Authority Debt Service	Redevelopment Agency Debt Service	Redevelopment Agency Capital Project	Non-Major Governmental Funds	Water Utility	Sewer	<b>Total</b>
<b>Transfers In</b>	Governmental Funds:										
	General Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,628,531	\$ -	\$ -	\$ 3,628,531
	Low & Moderate Income Housing	-	-	-	-	4,554,968	-	-	-	-	4,554,968
	General Debt Service	1,215,355	-	-	-	-	322,267	729,736	600,000	417,000	3,284,358
	Public Financing Authority Debt Service	-	-	8,483,794	-	8,546,120	-	-	-	-	17,029,914
	Redevelopment Agency Debt Service	-	2,129,534	-	4,171,275	-	4,125,714	-	-	-	10,426,523
	Redevelopment Agency Capital Project	-	-	8,302	2,101,377	2,432,441	-	-	-	-	4,542,120
	Non-Major Governmental Funds	2,898,017	-	26,715	8,180,022	-	8,475,095	8,464,201	-	-	28,044,050
	Water Utility Enterprise Fund	-	-	-	-	-	2,824	298,151	-	87,772	388,747
	<b>Total</b>	<b>\$ 4,113,372</b>	<b>\$ 2,129,534</b>	<b>\$ 8,518,811</b>	<b>\$ 14,452,674</b>	<b>\$ 15,533,529</b>	<b>\$ 12,925,900</b>	<b>\$ 13,120,619</b>	<b>\$ 600,000</b>	<b>\$ 504,772</b>	<b>\$ 71,899,211</b>

The transfer of \$1,215,355 between the General Fund and the General Debt Service Fund was for series AG and AN debt service.

**City of Pomona**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2007**

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**5. INTERFUND TRANSACTIONS, Continued**

**B. Fund Financial Statements, Continued**

Of the transfers in the amount of \$2,898,017 from the General Fund to the Non-Major Governmental Funds, \$2,808,356 was used to fund various capital projects within the City.

The transfer of \$2,129,534 from the Low & Moderate Income Housing Fund to the Redevelopment Agency Debt Service Fund was for its share of the Agency's debt service.

The transfer of \$8,483,794 from the General Debt Service to the Public Financing Authority Debt Service was for issuance of Series AU and AV.

The transfer of \$4,171,275 from the Public Financing Authority Debt Service to the Redevelopment Agency Debt Service was related to issuance of Series AS, AT & AX and for refunding of Series X & Y.

The transfer of \$2,101,377 from the Public Financing Authority Debt Service to the Redevelopment Agency Capital Project was related to issuance of Series AS/AT/AX.

The transfer of \$8,180,022 from the Public Financing Authority Debt Service to the Non-Major Governmental Funds (Capital Outlay Fund) was for Series AU projects and for future use the commercial improvement district.

The transfer of \$4,554,968 from the Redevelopment Agency Debt Service to the Low & Moderate Income Housing Fund represents the required 20% set aside tax increment revenue for low and moderate income housing.

The transfer of \$8,546,120 from the Redevelopment Agency Debt Service to the Public Financing Authority Debt Service was related to the issuance of Series AS, AT & AX, partial payoff of Series W & AH and defeasance of Series AI.

The transfer of \$2,432,441 from the Redevelopment Agency Debt Service to the Redevelopment Agency Capital Project represents excess debt service fund revenues available for use in the capital project fund.

The transfer of \$4,125,714 from the Redevelopment Agency Capital Project to the Redevelopment Agency Debt Service was to cover shortfalls in debt service requirements.

The transfer of \$8,475,095 from the Redevelopment Agency Capital Project to the Non-Major Government Funds (Capital Outlay Fund) were for various Police Department related projects, street rehab, alley improvements, general plan update & downtown signage projects.

Of the transfers in the amount of \$3,628,531 from the Non-Major Governmental Funds (State Gas Tax) to the General Fund, \$3,594,385 was for various street related programs.

**City of Pomona**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2007**

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**5. INTERFUND TRANSACTIONS, Continued**

**B. Fund Financial Statements, Continued**

Of the transfers in the amount of \$8,464,201 from the Non-Major Governmental Funds to the Non-Major Governmental Funds,

- the transfer of \$1,129,903 from the Capital Outlay Fund to the State Gas Tax Fund was for various CIP projects using Series AG & AN proceeds as well as funds set aside for street maintenance;
- the transfer of \$4,323,038 from the Proposition C Fund to the Capital Outlay Fund was for the purchase of property related to the Mission Blvd & State Route 71 Grade Separation project;
- the transfer of \$1,771,346 from the Community Development Block Grant Fund to the Capital Outlay Fund was for Ralph Welch Park renovation, citywide streetlights and alley improvements.

All other transfers were in the normal course of the City's business.

**6. LAND HELD FOR RESALE**

Land held for resale is comprised of the following at June 30, 2007:

Low & Moderate Income Housing Fund	\$ 8,017,574
Redevelopment Agency Capital Project Fund	<u>11,687,812</u>
<b>Total</b>	<u><u>\$ 19,705,386</u></u>

Land held for resale is recorded at cost. The available fund balance is reserved in an amount equal to the carrying value of land held for resale because such assets are not available to finance current operations.

**City of Pomona**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2007**

**7. CAPITAL ASSETS**

**A. Government-Wide Financial Statements**

At June 30, 2007, the City's capital assets consisted of the following:

	Governmental Activities	Business-Type Activities	Total
<b>Non-depreciable Assets:</b>			
Land	\$ 77,025,334	\$ 4,298,097	\$ 81,323,431
Construction in process	7,839,960	3,580,352	11,420,312
<b>Total non-depreciable assets</b>	<b>84,865,294</b>	<b>7,878,449</b>	<b>92,743,743</b>
<b>Depreciable Assets:</b>			
Buildings and improvements	14,553,683	148,084	14,701,767
Improvements other than building	48,687,384	286,638	48,974,022
Machinery and equipment	16,565,410	154,032,007	170,597,417
Autos and trucks	6,717,525	6,089,799	12,807,324
Equipment under capitalized lease	4,883,604	973,080	5,856,684
Infrastructure	372,572,863	-	372,572,863
Total depreciable assets, at cost	463,980,469	161,529,608	625,510,077
Less accumulated depreciation:			
Buildings and improvements	(8,495,313)	(16,130)	(8,511,443)
Improvements other than building	(12,457,290)	(31,464)	(12,488,754)
Machinery and equipment	(5,685,779)	(58,968,327)	(64,654,106)
Autos and trucks	(5,080,910)	(5,449,086)	(10,529,996)
Equipment under capitalized lease	(1,185,818)	(214,480)	(1,400,298)
Infrastructure	(191,371,115)	-	(191,371,115)
Total accumulated depreciation	(224,276,225)	(64,679,487)	(288,955,712)
<b>Total depreciable assets, net</b>	<b>239,704,244</b>	<b>96,850,121</b>	<b>336,554,365</b>
<b>Total capital assets</b>	<b>\$ 324,569,538</b>	<b>\$ 104,728,570</b>	<b>\$ 429,298,108</b>

**City of Pomona**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2007**

**7. CAPITAL ASSETS, Continued**

**A. Government-Wide Financial Statements, Continued**

The following is a summary of capital assets for governmental activities:

	Balance July 1, 2006	Prior Period Adjustments (Note 18)	Additions	Deletions	Reclassification	Balance June 30, 2007
<b>Non-depreciable Assets:</b>						
Land	\$ 70,751,972	\$ (803,544)	\$ 10,455,481	\$ (3,344,179)	\$ (34,396)	\$ 77,025,334
Construction in process	16,339,034	5,709	6,729,137	(15,233,920)	-	7,839,960
<b>Total non-depreciable assets</b>	<b>87,091,006</b>	<b>(797,835)</b>	<b>17,184,618</b>	<b>(18,578,099)</b>	<b>(34,396)</b>	<b>84,865,294</b>
<b>Depreciable Assets:</b>						
Buildings and improvements	14,072,226	536,621	292,120	-	(347,284)	14,553,683
Improvements other than building	34,781,522	9,404,317	2,458,753	-	2,042,792	48,687,384
Machinery and equipment	8,653,258	199,364	7,846,532	(415,044)	281,300	16,565,410
Autos and trucks	6,316,418	1,650	215,371	(700,177)	884,263	6,717,525
Equipment under capitalized lease	6,243,195	(18,486)	1,729,944	(244,374)	(2,826,675)	4,883,604
Infrastructure	352,396,514	14,748,795	5,448,183	(20,629)	-	372,572,863
<b>Total depreciable assets, at cost</b>	<b>422,463,133</b>	<b>24,872,261</b>	<b>17,990,903</b>	<b>(1,380,224)</b>	<b>34,396</b>	<b>463,980,469</b>
Less accumulated depreciation:						
Buildings and improvements	(9,065,935)	598,625	(332,460)	-	304,457	(8,495,313)
Improvements other than building	(8,028,451)	(2,469,460)	(1,061,743)	-	(897,636)	(12,457,290)
Machinery and equipment	(5,340,202)	141,227	(777,072)	384,050	(93,782)	(5,685,779)
Autos and trucks	(5,123,570)	45,912	(627,057)	660,424	(36,619)	(5,080,910)
Equipment under capitalized lease	(1,629,342)	(22,639)	(501,791)	244,374	723,580	(1,185,818)
Infrastructure	(177,975,453)	(2,956,338)	(10,459,953)	20,629	-	(191,371,115)
<b>Total accumulated depreciation</b>	<b>(207,162,953)</b>	<b>(4,662,673)</b>	<b>(13,760,076)</b>	<b>1,309,477</b>	<b>-</b>	<b>(224,276,225)</b>
<b>Total depreciable assets, net</b>	<b>215,300,180</b>	<b>20,209,588</b>	<b>4,230,827</b>	<b>(70,747)</b>	<b>34,396</b>	<b>239,704,244</b>
<b>Total capital assets</b>	<b>\$ 302,391,186</b>	<b>\$ 19,411,753</b>	<b>\$ 21,415,445</b>	<b>\$ (18,648,846)</b>	<b>\$ -</b>	<b>\$ 324,569,538</b>

Depreciation expense for capital assets of the governmental activities for the year ended June 30, 2007 was as follows:

General government	\$ 407,307
Public safety	1,285,637
Urban development	11,287,547
Community services	755,356
Internal service funds	24,229
<b>Total depreciation expense</b>	<b>\$ 13,760,076</b>

**City of Pomona**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2007**

**7. CAPITAL ASSETS, Continued**

**A. Government-Wide Financial Statements, Continued**

The following is a summary of capital assets for business-type activities:

	Balance July 1, 2006	Additions	Deletions	Reclassification	Balance June 30, 2007
<b>Non-depreciable Assets:</b>					
Land	\$ 3,951,214	\$ 346,883	\$ -	\$ -	\$ 4,298,097
Construction in process	6,413,685	1,298,765	(4,132,098)	-	3,580,352
<b>Total non-depreciable assets</b>	<b>10,364,899</b>	<b>1,645,648</b>	<b>(4,132,098)</b>	<b>-</b>	<b>7,878,449</b>
<b>Depreciable Assets:</b>					
Buildings and improvements	107,427	40,657	-	-	148,084
Improvements other than building	113,375	173,263	-	-	286,638
Machinery and equipment	147,242,418	7,012,872	(223,283)	-	154,032,007
Autos and trucks	5,883,203	250,228	(43,632)	-	6,089,799
Equipment under capitalized lease	3,983,908	-	(3,010,828)	-	973,080
<b>Total depreciable assets, at cost</b>	<b>157,330,331</b>	<b>7,477,020</b>	<b>(3,277,743)</b>	<b>-</b>	<b>161,529,608</b>
Less accumulated depreciation:					
Buildings and improvements	(11,028)	(5,102)	-	-	(16,130)
Improvements other than building	(16,134)	(15,330)	-	-	(31,464)
Machinery and equipment	(53,484,842)	(3,313,362)	135,188	(2,305,311)	(58,968,327)
Autos and trucks	(4,061,825)	(108,377)	43,631	(1,322,515)	(5,449,086)
Equipment under capitalized lease	(3,742,558)	(99,748)	-	3,627,826	(214,480)
<b>Total accumulated depreciation</b>	<b>(61,316,387)</b>	<b>(3,541,919)</b>	<b>178,819</b>	<b>-</b>	<b>(64,679,487)</b>
<b>Total depreciable assets, net</b>	<b>96,013,944</b>	<b>3,935,101</b>	<b>(3,098,924)</b>	<b>-</b>	<b>96,850,121</b>
<b>Total capital assets</b>	<b>\$ 106,378,843</b>	<b>\$ 5,580,749</b>	<b>\$ (7,231,022)</b>	<b>\$ -</b>	<b>\$ 104,728,570</b>

Depreciation expense for capital assets of the business-type activities for the year ended June 30, 2007 was as follows:

Water utility	\$ 2,427,753
Sewer	1,021,058
Refuse	93,108
<b>Total depreciation expense</b>	<b>\$ 3,541,919</b>

**B. Fund Financial Statements**

The fund financial statements do not present general government capital assets but are shown in the Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Assets.

**City of Pomona**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2007**

**8. LONG-TERM DEBT**

The following is a summary of long-term debt for the year ended June 30, 2007:

	Balance		Accrued		Balance	Classification	
	July 1, 2006	Additions	Interest	Deletions		June 30, 2007	Due within One Year
<b>Governmental Activities:</b>							
Participation agreement	\$ 436,076	\$ -	\$ -	\$ (436,076)	\$ -	\$ -	\$ -
County deferred tax loan	23,456,729	352,460	1,666,644	-	25,475,833	-	25,475,833
Obligation under capital lease	3,830,417	1,714,407	-	(1,375,031)	4,169,793	1,363,083	2,806,710
Notes payable	2,725,000	-	-	(250,000)	2,475,000	255,000	2,220,000
Revenue bonds	216,256,435	71,392,578	-	(60,200,835)	227,448,178	2,253,000	225,195,178
Tax allocation bonds	11,510,000	-	-	(1,695,000)	9,815,000	85,000	9,730,000
Pension obligation refunding bonds	42,280,684	-	-	-	42,280,684	-	42,280,684
Certificates of participation	18,621,789	-	-	(4,820,622)	13,801,167	250,000	13,551,167
Subtotal	319,117,130	73,459,445	1,666,644	(68,777,564)	325,465,655	4,206,083	321,259,572
Compensated absences	7,101,667	6,611,104	-	(6,089,092)	7,623,679	1,085,079	6,538,600
<b>Total governmental activities</b>	<b>\$ 326,218,797</b>	<b>\$ 80,070,549</b>	<b>\$ 1,666,644</b>	<b>\$ (74,866,656)</b>	<b>\$ 333,089,334</b>	<b>\$ 5,291,162</b>	<b>\$ 327,798,172</b>
<b>Business-Type Activities:</b>							
Obligations under capital lease	\$ 2,667,685	\$ -	\$ -	\$ (448,134)	\$ 2,219,551	\$ 474,596	\$ 1,744,955
Revenue bonds	62,285,000	126,016,410	-	(48,165,700)	140,135,710	180,000	139,955,710
Subtotal	64,952,685	126,016,410	-	(48,613,834)	142,355,261	654,596	141,700,665
Compensated absences	913,791	930,144	-	(739,640)	1,104,295	75,996	1,028,299
<b>Total business-type activities</b>	<b>\$ 65,866,476</b>	<b>\$ 126,946,554</b>	<b>\$ -</b>	<b>\$ (49,353,474)</b>	<b>\$ 143,459,556</b>	<b>\$ 730,592</b>	<b>\$ 142,728,964</b>

**A. Governmental Activities Long-Term Debt**

**Participation Agreement**

At June 30, 2007, the Participation Agreement consisted of the following:

	Balance		Balance	
	July 1, 2006	Additions	Deletions	June 30, 2007
Los Angeles County Fair Association	\$ 436,076	\$ -	\$ (436,076)	\$ -

Los Angeles County Fair Association

On April 1, 1989, the Agency entered into a participation agreement with the Los Angeles County Fair Association (Association) whereby the Agency agreed to provide financial assistance to the Association. The participation agreement was amended on April 15, 1994, which resulted in the Agency assuming an obligation of \$2,834,485, plus interest of approximately 10% per annum. The Agency has pledged tax increment of the Mountain Meadows Project Area as the source of repayment. Payment to the Association is required under the terms of the agreement when the tax increment is received by the Agency for the Mountain Meadows Project Area. During 2007, the participation agreement was fully paid off.

**City of Pomona**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2007**

**8. LONG-TERM DEBT, Continued**

**A. Governmental Activities Long-Term Debt, Continued**

**County Deferred Tax Loan**

At June 30, 2007, County deferred tax loan consisted of the following:

	Balance		Accrued		Balance	Due within	Due in more
	June 30, 2006	Additions	Interest	Deletions	June 30, 2007	one year	than one year
Southwest Pomona Project Area	\$ 22,355,752	\$ -	\$ 1,564,903	\$ -	\$ 23,920,655	\$ -	\$ 23,920,655
South Garey / Freeway Corridor Project Area	1,100,977	352,460	101,741	-	1,555,178	-	1,555,178
<b>Total</b>	<b>\$ 23,456,729</b>	<b>\$ 352,460</b>	<b>\$ 1,666,644</b>	<b>\$ -</b>	<b>\$ 25,475,833</b>	<b>\$ -</b>	<b>\$ 25,475,833</b>

The Agency entered into agreements with the County of Los Angeles whereby a portion of the County's share of tax increment revenues from the Southwest Pomona Project Area and South Garey/Freeway Corridor Project Area are loaned annually to the Agency. Interest on both loans will accrue at 7% per year, compounded annually. The Agency will commence repayment of the loans when excess funds become available.

**Obligations under Capital Lease**

At June 30, 2007, obligations under capital lease consisted of the following:

	Balance			Balance	Due within	Due in more
	July 1, 2006	Additions	Deletions	June 30, 2007	one year	than one year
SunTrust Lease #1	\$ 1,146,885	\$ -	\$ (150,115)	\$ 996,770	\$ 165,628	\$ 831,142
SunTrust Lease #2	522,976	-	(390,467)	132,509	132,509	-
SunTrust Lease #4	121,992	-	(121,992)	-	-	-
SunTrust Lease #5	28,980	-	(28,980)	-	-	-
SunTrust Lease #6	288,366	-	(129,163)	159,203	119,324	39,879
SunTrust Lease #8	175,675	-	(116,292)	59,383	59,383	-
SunTrust Lease #9	201,693	-	(70,259)	131,434	59,272	72,162
SunTrust Lease #10	583,100	-	(108,520)	474,580	112,427	362,153
SunTrust Lease #11	760,750	-	(244,862)	515,888	253,482	262,406
BofA 5 Copiers	-	47,913	(14,381)	33,532	16,427	17,105
BofA #1	-	997,500	-	997,500	320,432	677,068
BofA #2	-	668,994	-	668,994	124,199	544,795
<b>Total</b>	<b>\$ 3,830,417</b>	<b>\$ 1,714,407</b>	<b>\$ (1,375,031)</b>	<b>\$ 4,169,793</b>	<b>\$ 1,363,083</b>	<b>\$ 2,806,710</b>



**City of Pomona**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2007**

**8. LONG-TERM DEBT, Continued**

**A. Governmental Activities Long-Term Debt, Continued**

**Obligations under Capital Lease, Continued**

The City entered into numerous equipment lease-purchase agreements with a leasing company whereby the lessor acquired certain equipment and leased it to the City with an option to purchase. The related assets have been capitalized in the capital assets account. The total leased assets by major asset class consisted of the following:

	<u>June 30, 2007</u>
Machinery and equipment	\$ 545,512
Energy conservation upgrades	984,000
Autos and trucks	<u>3,344,647</u>
Equipment under capitalized lease, at cost	4,874,159
Accumulated depreciation	<u>(1,185,817)</u>
Equipment under capitalized lease, net	<u><u>\$ 3,688,342</u></u>

The depreciation expense of the capital assets was \$501,791 for the year ended June 30, 2007.

The annual debt service requirements outstanding at June 30, 2007 were as follows:

For the Years				
<u>Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	
2008	\$ 1,363,083	\$ 143,737	\$ 1,506,820	
2009	1,137,423	99,159	1,236,582	
2010	801,049	58,894	859,943	
2011	447,544	30,052	477,596	
2012	334,234	13,851	348,085	
2013	86,460	1,722	88,182	
<b>Total</b>	<u><u>\$ 4,169,793</u></u>	<u><u>\$ 347,415</u></u>	<u><u>\$ 4,517,208</u></u>	

**Notes Payable**

At June 30, 2007, notes payable consisted of the following:

	<u>Balance</u>			<u>Balance</u>	<u>Due within</u>	<u>Due in more</u>
	<u>July 1, 2006</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2007</u>	<u>one year</u>	<u>than one year</u>
HUD Section 108 loan	\$ 1,375,000	\$ -	\$ (125,000)	\$ 1,250,000	\$ 125,000	\$ 1,125,000
ERAF Loan	1,350,000	-	(125,000)	1,225,000	130,000	1,095,000
<b>Total</b>	<u><u>\$ 2,725,000</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (250,000)</u></u>	<u><u>\$ 2,475,000</u></u>	<u><u>\$ 255,000</u></u>	<u><u>\$ 2,220,000</u></u>

**City of Pomona**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2007**

**8. LONG-TERM DEBT, Continued**

**A. Governmental Activities Long-Term Debt, Continued**

**Notes Payable, Continued**

HUD Section 108 Loan

The City received \$2,945,000 for notes with Chase Manhattan Bank. The notes are guaranteed by the U.S. Department of Housing and Urban Development (HUD) under Section 108 of the Community Development Act and are payable from future Community Development Block Grant (CDBG) entitlements. Principal payments are due annually in amounts ranging from \$40,000 to \$125,000, commencing August 1, 1997. The loan bears an interest rate from 5.8% to 7.08% and is payable semi-annually on August 1 and February 1.

The annual debt service requirements at June 30, 2007 were as follows:

For the Years Ending June 30,	Principal	Interest	Total
2008	\$ 125,000	\$ 81,331	\$ 206,331
2009	125,000	73,144	198,144
2010	125,000	64,825	189,825
2011	125,000	60,638	185,638
2012	125,000	52,163	177,163
2013-2017	625,000	131,500	756,500
<b>Total</b>	<b>\$ 1,250,000</b>	<b>\$ 463,601</b>	<b>\$ 1,713,601</b>

ERAF Loan

In April 2005, the Agency financed its portion of the state ERAF payment through a bond offering with other redevelopment agencies. The Agency's portion of the bonds was \$1,455,000. Interest is payable semiannually on February 1 and August 1 at rates varying from 3.87% to 5.01% per annum. Principal is payable in annual installments ranging from \$105,000 to \$180,000 through August 1, 2015. However, the payments of both principal and interest are due to the fiscal agent on November 1 and March 1 annually. Therefore, the outstanding balance of the loan will be paid in full to the fiscal agent before June 30, 2015.

The annual debt service requirements at June 30, 2007 were as follows:

For the Years Ending June 30,	Principal	Interest	Total
2008	\$ 130,000	\$ 58,036	\$ 188,036
2009	135,000	52,394	187,394
2010	140,000	46,374	186,374
2011	150,000	39,948	189,948
2012	155,000	32,912	187,912
2013-2015	515,000	51,986	566,986
<b>Total</b>	<b>\$ 1,225,000</b>	<b>\$ 281,650</b>	<b>\$ 1,506,650</b>

**City of Pomona**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2007**

**8. LONG-TERM DEBT, Continued**

**A. Governmental Activities Long-Term Debt, Continued**

**Revenue Bonds**

At June 30, 2007, revenue bonds consisted of the following:

	Balance July 1, 2006	Additions	Deletions	Balance June 30, 2007	Due within one year	Due in more than one year
1998 Revenue Refunding Bonds, Series W	\$ 51,295,000	\$ -	\$ (13,430,000)	\$ 37,865,000	\$ 30,000	\$ 37,835,000
2001 Revenue Refunding Bonds, Series AD	38,380,000	-	(100,000)	38,280,000	100,000	38,180,000
2003 Revenue Refunding Bonds, Series AH	46,650,000	-	(20,015,000)	26,635,000	700,000	25,935,000
2003 Subordinate Revenue Bonds, Series AI	23,425,000	-	(23,425,000)	-	-	-
2005 Local Agency Revenue Bonds, Series AL	10,825,000	-	(1,600,000)	9,225,000	460,000	8,765,000
2005 Reassessment and Refunding Bonds, Series AM	9,066,000	-	(1,383,000)	7,683,000	303,000	7,380,000
2005 Lease Revenue Bonds, Series AN	19,910,000	-	(45,000)	19,865,000	50,000	19,815,000
2005 Taxable Lease Revenue Bonds, Series AP	4,385,000	-	(370,000)	4,015,000	380,000	3,635,000
2005 Taxable Housing Tax Revenue Bonds, Series AQ	10,065,000	-	(100,000)	9,965,000	205,000	9,760,000
2006 Lease Revenue Bonds, Series AU	-	2,540,000	-	2,540,000	25,000	2,515,000
Unamortized Deferred Loss on Refunding	-	(189,839)	7,031	(182,808)	-	(182,808)
2006 Taxable Lease Revenue Bonds, Series AV	-	10,790,000	-	10,790,000	-	10,790,000
2006 Revenue Bonds, Series AS	-	26,305,000	-	26,305,000	-	26,305,000
Unamortized Deferred Loss on Refunding	-	(3,359,840)	159,992	(3,199,848)	-	(3,199,848)
2006 Taxable Revenue Bonds, Series AT	-	8,355,000	-	8,355,000	-	8,355,000
2006 Subordinate Revenue Bonds, Series AX	-	25,865,000	-	25,865,000	-	25,865,000
Unamortized Bond Premiums and Discounts	2,255,435	1,087,257	100,142	3,442,834	-	3,442,834
<b>Total</b>	<b>\$ 216,256,435</b>	<b>\$ 71,392,578</b>	<b>\$ (60,200,835)</b>	<b>\$ 227,448,178</b>	<b>\$ 2,253,000</b>	<b>\$ 225,195,178</b>

**City of Pomona**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2007**

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**8. LONG-TERM DEBT, Continued**

**A. Governmental Activities Long-Term Debt, Continued**

**Revenue Bonds, Continued**

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

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

Interest on the bonds is payable semiannually on each August 1 and February 1. The rates of interest range from 3.8% to 5% per annum. Principal is payable in annual installments ranging from \$30,000 to \$4,105,000. Term bonds of \$3,005,000, \$16,690,000 and \$29,285,000 mature on February 1, 2018, February 1, 2024 and February 1, 2030, respectively, and are subject to mandatory redemption from a sinking fund account in amounts ranging from \$545,000 to \$5,495,000, as outlined in the bond's official statement. MBIA has issued a municipal bond insurance policy that insures the payment of the principal and interest on the bonds when due

During 2007, the bonds in the amount of \$13,305,000 were refunded by the 2006 Revenue Bonds, Series AS, 2006 Taxable Revenue Bonds, Series AT, and 2006 Subordinate Revenue Bonds, Series AX.

The annual debt service requirements for the 1998 Revenue Bonds, Refunding Series W outstanding at June 30, 2007, were as follows:

Year Ending June 30,	Principal	Interest	Total
2008	\$ 30,000	\$ 945,510	\$ 975,510
2009	30,000	944,835	974,835
2010	90,000	944,153	1,034,153
2011	350,000	942,060	1,292,060
2012	370,000	933,748	1,303,748
2013-2017	2,135,000	9,045,616	11,180,616
2018-2022	6,985,000	8,351,250	15,336,250
2023-2027	16,130,000	4,717,125	20,847,125
2028-2030	11,745,000	899,875	12,644,875
<b>Total</b>	<b>\$ 37,865,000</b>	<b>\$ 27,724,172</b>	<b>\$ 65,589,172</b>

**City of Pomona**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2007**

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**8. LONG-TERM DEBT, Continued**

**A. Governmental Activities Long-Term Debt, Continued**

**Revenue Bonds, Continued**

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

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

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

The annual debt service requirements for the 2001 Revenue Bonds, Series AD outstanding at June 30, 2007, were as follows:

Year Ending June 30,	Principal	Interest	Total
2008	\$ 100,000	\$ 1,897,006	\$ 1,997,006
2009	100,000	1,892,806	1,992,806
2010	-	1,888,506	1,888,506
2011	-	1,888,506	1,888,506
2012	1,875,000	1,888,506	3,763,506
2013-2017	10,135,000	8,053,475	18,188,475
2018-2022	9,930,000	5,387,750	15,317,750
2023-2027	8,615,000	3,204,250	11,819,250
2028-2032	7,080,000	1,055,500	8,135,500
2033	445,000	22,250	467,250
<b>Total</b>	<b>\$ 38,280,000</b>	<b>\$ 27,178,555</b>	<b>\$ 65,458,555</b>

**City of Pomona**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2007**

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**8. LONG-TERM DEBT, Continued**

**A. Governmental Activities Long-Term Debt, Continued**

**Revenue Bonds, Continued**

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

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

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

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

The annual debt service requirements for the 2003 Revenue Bonds, Series AH outstanding at June 30, 2007, were as follows:

Year Ending June 30,	Principal	Interest	Total
2008	\$ 700,000	\$ 1,250,190	\$ 1,950,190
2009	810,000	1,215,190	2,025,190
2010	930,000	1,178,740	2,108,740
2011	760,000	1,136,890	1,896,890
2012	1,115,000	1,098,890	2,213,890
2013-2017	6,595,000	4,739,813	11,334,813
2018-2022	5,620,000	3,162,503	8,782,503
2023-2027	2,235,000	2,290,155	4,525,155
2028-2032	6,895,000	1,474,890	8,369,890
2033-2034	975,000	61,628	1,036,628
<b>Total</b>	<b>\$ 26,635,000</b>	<b>\$ 17,608,889</b>	<b>\$ 44,243,889</b>

2003 Subordinate Revenue Bonds, Series AI – Original Issuance \$23,425,000

On November 1, 2003, the Authority issued \$23,425,000 2003 Subordinate Revenue Bonds, Series AI, to provide funds for a loan to the Agency for certain improvements and to refinance certain Agency obligations to the Authority.

Interest on the bonds is payable semiannually on each February 1 and August 1. The rates of interest range from 3.00% to 5.10% per annum. Principal on \$7,310,000 of the Subordinate revenue bonds is payable in annual installments ranging from \$450,000 to \$915,000. Term bonds of \$4,900,000, \$6,220,000 and \$4,995,000 mature on February 1, 2023, February 1, 2028 and February 1, 2034, respectively.

During 2007, the bonds were refunded by the 2006 Revenue Bonds, Series AS, 2006 Taxable Revenue Bonds, Series AT, and 2006 Subordinate Revenue Bonds, Series AX.

**City of Pomona**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2007**

**8. LONG-TERM DEBT, Continued**

**A. Governmental Activities Long-Term Debt, Continued**

**Revenue Bonds, Continued**

2005 Local Agency Revenue Bonds, Series AL – Original Issuance \$11,370,000

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

Interest on the bonds is payable semiannually on each September 2 and March 2, commencing September 2, 2005. The rates of interest range from 2.50% to 5.10% per annum. Principal on \$11,370,000 of the Subordinate revenue bonds is payable in annual installments ranging from \$275,000 to \$830,000.

The annual debt service requirements for the 2005 Revenue Bonds, Series AL outstanding at June 30, 2007, were as follows:

Year Ending June 30,	Principal	Interest	Total
2008	\$ 460,000	\$ 404,308	\$ 864,308
2009	470,000	389,652	859,652
2010	490,000	373,077	863,077
2011	510,000	354,568	864,568
2012	525,000	334,116	859,116
2013-2017	2,985,000	1,297,022	4,282,022
2018-2022	3,785,000	493,075	4,278,075
<b>Total</b>	<b>\$ 9,225,000</b>	<b>\$ 3,645,818</b>	<b>\$ 12,870,818</b>

2005 Reassessment and Refunding Revenue Bonds, Series AM – Original Issuance \$9,524,000

On February 1, 2005, the City issued \$9,524,000 2005 Reassessment and Refunding Revenue Bonds, Series AM, to provide funds to refund the refunding Improvement Bonds, Assessment District No. 294. Interest on the bonds is payable semiannually on each September 2 and March 2. The rate of interest is 7.22% per annum. The annual debt service requirements for the 2005 Reassessment and Refunding Revenue Bonds, Series AM outstanding at June 30, 2007, were as follows:

Year Ending June 30,	Principal	Interest	Total
2008	\$ 303,000	\$ 543,774	\$ 846,774
2009	319,000	521,320	840,320
2010	345,000	497,350	842,350
2011	371,000	471,503	842,503
2012	396,000	443,814	839,814
2013-2017	2,451,000	1,730,091	4,181,091
2018-2022	3,498,000	666,622	4,164,622
<b>Total</b>	<b>\$ 7,683,000</b>	<b>\$ 4,874,474</b>	<b>\$ 12,557,474</b>

**City of Pomona**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2007**

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**8. LONG-TERM DEBT, Continued**

**A. Governmental Activities Long-Term Debt, Continued**

**Revenue Bonds, Continued**

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

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

Interest on the bonds is payable semiannually on each October 1 and April 1. The rates of interest range from 3.00% to 4.375% per annum. Principal is payable in annual installments ranging from \$45,000 to \$1,460,000. The bonds are secured by certain revenues consisting of certain Lease Payments with respect to the leased property by the City. At June 30, 2007, the outstanding balance of the bonds was \$19,865,000.

The annual debt service requirements for the 2005 Lease Revenue Bonds, Series AN outstanding at June 30, 2007, were as follows:

Year Ending June 30,	Principal	Interest	Total
2008	\$ 50,000	\$ 921,438	\$ 971,438
2009	50,000	919,938	969,938
2010	55,000	918,363	973,363
2011	55,000	916,713	971,713
2012	55,000	915,008	970,008
2013-2017	870,000	4,534,013	5,404,013
2018-2022	3,515,000	4,065,788	7,580,788
2023-2027	4,330,000	3,253,979	7,583,979
2028-2032	5,450,000	2,066,750	7,516,750
2033-2036	5,435,000	560,125	5,995,125
<b>Total</b>	<b>\$ 19,865,000</b>	<b>\$ 19,072,113</b>	<b>\$ 38,937,113</b>



**City of Pomona**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2007**

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**8. LONG-TERM DEBT, Continued**

**A. Governmental Activities Long-Term Debt, Continued**

**Revenue Bonds, Continued**

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

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

Interest on the bonds is payable semiannually on each October 1 and April 1. The rates of interest range from 4.120% to 4.300% per annum. Principal is payable in annual installments ranging from \$370,000 to \$525,000. The bonds are secured by certain revenues consisting of certain Lease Payments with respect to the leased property by the City. At June 30, 2007, the outstanding balance of the bonds was \$4,015,000.

The annual debt service requirements for the 2005 Taxable Lease Revenue Bonds, Series AP outstanding at June 30, 2007, were as follows:

Year Ending June 30,	Principal	Interest	Total
2008	\$ 380,000	\$ 180,276	\$ 560,276
2009	390,000	163,136	553,136
2010	410,000	144,736	554,736
2011	425,000	125,531	550,531
2012	440,000	105,306	545,306
2013-2016	1,970,000	195,997	2,165,997
<b>Total</b>	<b>\$ 4,015,000</b>	<b>\$ 914,983</b>	<b>\$ 4,929,983</b>

**City of Pomona**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2007**

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**8. LONG-TERM DEBT, Continued**

**A. Governmental Activities Long-Term Debt, Continued**

**Revenue Bonds, Continued**

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

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

Interest on the bonds is payable semiannually on each August 1 and February 1. The rates of interest range from 5.23% to 6.25% per annum. Principal is payable in annual installments ranging from \$100,000 to \$750,000. The bonds are secured by the Housing Tax Revenues to be derived from the Merged Redevelopment Project Area. At June 30, 2007, the outstanding balance of the bonds was \$9,965,000.

The annual debt service requirements for the 2005 Taxable Housing Tax Revenue Bonds, Series AQ outstanding at June 30, 2007, were as follows:

Year Ending June 30,	Principal	Interest	Total
2008	\$ 205,000	\$ 591,118	\$ 796,118
2009	215,000	580,397	795,397
2010	225,000	569,152	794,152
2011	240,000	557,385	797,385
2012	250,000	544,833	794,833
2013-2017	1,475,000	2,512,349	3,987,349
2018-2022	1,955,000	2,027,126	3,982,126
2023-2027	2,640,000	1,335,876	3,975,876
2028-2031	2,760,000	426,000	3,186,000
<b>Total</b>	<u>\$ 9,965,000</u>	<u>\$ 9,144,236</u>	<u>\$ 19,109,236</u>

**City of Pomona**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2007**

**8. LONG-TERM DEBT, Continued**

**A. Governmental Activities Long-Term Debt, Continued**

**Revenue Bonds, Continued**

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

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

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

The annual debt service requirements for the 2006 Lease Revenue Bonds, Series AU outstanding at June 30, 2007, were as follows:

Year Ending June 30,	Principal	Interest	Total
2008	\$ 25,000	\$ 105,944	\$ 130,944
2009	30,000	105,132	135,132
2010	30,000	104,156	134,156
2011	30,000	103,182	133,182
2012	30,000	102,206	132,206
2013-2017	150,000	496,210	646,210
2018-2022	190,000	466,378	656,378
2023-2027	225,000	425,390	650,390
2028-2032	295,000	373,604	668,604
2033-2037	435,000	298,170	733,170
2038-2042	545,000	195,126	740,126
2043-2045	555,000	56,868	611,868
<b>Total</b>	<b>\$ 2,540,000</b>	<b>\$ 2,832,366</b>	<b>\$ 5,372,366</b>

The advance refunding resulted in a difference between the reacquisition price (Series AU & AV) and the net carrying amount of the bonds (Series AE) of \$189,839. This difference is considered to be a deferred loss on refunding. The deferred loss on refunding, reported in the basic financial statements as a deduction from long-term debt, is amortized on a straight-line method over 27 years. The following is a summary of unamortized deferred loss on refunding outstanding at June 30, 2007:

Balance July 1, 2006	Additions	Deletions	Balance June 30, 2007
\$ -	\$ (189,839)	\$ 7,031	\$ (182,808)

Amortization expense was \$7,031 for June 30, 2007.

**City of Pomona**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2007**

**8. LONG-TERM DEBT, Continued**

**A. Governmental Activities Long-Term Debt, Continued**

**Revenue Bonds, Continued**

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

The net present value of economic loss (difference between the present value of the new and old debt service payments) for both the 2006 Taxable Lease Revenue Bonds, Series AV and the 2006 Lease Revenue Bonds, Series AU was \$(102,570). A summary of the economic loss is as follows:

Present value of refunded debt service (Series AE) @ 5.87%	\$	4,266,657
Present value of new debt service (Series AU & AV) @ 5.87%		<u>12,505,817</u>
Present value of reduction (increase) of debt service		(8,239,160)
Add: New proceeds generated		8,180,022
Add: Fixed costs of issuance		292,302
Add: New funds created		176,207
Less: Prior funds on hand		<u>(511,941)</u>
Net present value of economic gain (loss)	\$	<u><u>(102,570)</u></u>

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

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

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

The annual debt service requirements for the 2006 Taxable Lease Revenue Bonds, Series AV outstanding at June 30, 2007, were as follows:

Year Ending June 30,	Principal	Interest	Total
2008	\$ -	\$ 604,170	\$ 604,170
2009	95,000	604,170	699,170
2010	100,000	599,420	699,420
2011	105,000	594,420	699,420
2012	110,000	589,170	699,170
2013-2017	655,000	2,855,850	3,510,850
2018-2022	840,000	2,665,280	3,505,280
2023-2027	1,110,000	2,401,520	3,511,520
2028-2032	1,455,000	2,054,600	3,509,600
2033-2037	1,910,000	1,595,716	3,505,716
2038-2042	2,520,000	985,246	3,505,246
2043-2045	1,890,000	219,452	2,109,452
<b>Total</b>	<u>\$ 10,790,000</u>	<u>\$ 15,769,014</u>	<u>\$ 26,559,014</u>

**City of Pomona**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2007**

**8. LONG-TERM DEBT, Continued**

**A. Governmental Activities Long-Term Debt, Continued**

**Revenue Bonds, Continued**

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

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

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

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

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

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

The annual debt service requirements for the 2006 Revenue Bonds, Series AS outstanding at June 30, 2007, were as follows:

Year Ending June 30,	Principal	Interest	Total
2008	\$ -	\$ 1,262,608	\$ 1,262,608
2009	-	1,262,608	1,262,608
2010	-	1,262,608	1,262,608
2011	-	1,262,608	1,262,608
2012	115,000	1,262,608	1,377,608
2013-2017	450,000	6,254,870	6,704,870
2018-2022	1,370,000	6,140,140	7,510,140
2023-2027	1,380,000	5,831,282	7,211,282
2028-2032	11,775,000	4,906,000	16,681,000
2033-2037	7,560,000	1,699,500	9,259,500
2038-2042	3,655,000	390,602	4,045,602
<b>Total</b>	<b>\$ 26,305,000</b>	<b>\$ 31,535,434</b>	<b>\$ 57,840,434</b>

**City of Pomona**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2007**

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**8. LONG-TERM DEBT, Continued**

**A. Governmental Activities Long-Term Debt, Continued**

**Revenue Bonds, Continued**

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

The advance refunding resulted in a difference between the reacquisition price (Series AS, AT & AX) and the net carrying amount of the bonds (Series W, AH, AI, X & Y) of \$3,359,840. This difference is considered to be a deferred loss on refunding. The deferred loss on refunding, reported in the basic financial statements as a deduction from long-term debt, is amortized on a straight-line method over 21 years. The following is a summary of unamortized deferred loss on refunding outstanding at June 30, 2007:

Balance July 1, 2006	Additions	Deletions	Balance June 30, 2007
\$ -	\$ (3,359,840)	\$ 159,992	\$ (3,199,848)

Amortization expense was \$159,992 for June 30, 2007.

The net present value of economic loss (difference between the present value of the new and old debt service payments) for the 2006 Revenue Bonds, Series AS, 2006 Taxable Revenue Bonds, Series AT and 2006 Subordinate Revenue Bonds, Series AX was \$(296,121). A summary of the economic loss is as follows:

Present value of refunded debt service (Series W, AH, AI, X & Y) @ 4.85%	\$ 58,108,221
Present value of new debt service (Series AS, AT & AX) @ 4.85%	<u>58,878,628</u>
Present value of reduction (increase) of debt service	(770,407)
Add: New funds created	2,335,405
Less: Prior funds on hand	<u>(1,861,119)</u>
Net present value of economic gain (loss)	<u>\$ (296,121)</u>

**City of Pomona**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2007**

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**8. LONG-TERM DEBT, Continued**

**A. Governmental Activities Long-Term Debt, Continued**

**Revenue Bonds, Continued**

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

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

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

The annual debt service requirements for the 2006 Taxable Revenue Bonds, Series AT outstanding at June 30, 2007, were as follows:

Year Ending June 30,	Principal	Interest	Total
2008	\$ -	\$ 467,700	\$ 467,700
2009	-	467,700	467,700
2010	-	467,700	467,700
2011	-	467,700	467,700
2012	340,000	467,700	807,700
2013-2017	2,000,000	2,047,610	4,047,610
2018-2022	2,600,000	1,438,650	4,038,650
2023-2027	3,415,000	607,247	4,022,247
<b>Total</b>	<u>\$ 8,355,000</u>	<u>\$ 6,432,007</u>	<u>\$ 14,787,007</u>

The calculation of deferred loss on refunding of the 2006 Taxable Revenue Bonds, Series AT was combined with the 2006 Revenue Bonds, Series AS and 2006 Subordinate Revenue Bonds, Series AX. See the 2006 Revenue Bonds, Series AS for more detail.

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

**City of Pomona**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2007**

**8. LONG-TERM DEBT, Continued**

**A. Governmental Activities Long-Term Debt, Continued**

**Revenue Bonds, Continued**

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

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

Interest on the bonds is payable semiannually on each August 1 and February 1. The rates of interest range from 4.00% to 5.00% per annum. Principal is payable in annual installments ranging from \$145,000 to \$1,515,000. The bonds are secured by certain revenues on the Series AX Loan pursuant to a Loan Agreement, dated as of December 1, 2006 between the Authority and the Agency. The loan payments are limited obligations of the Agency payable solely from and secured by the Subordinate Tax Revenues to be derived from the Agency’s project area remaining after payment of the Senior/Subordinate Obligations.

The annual debt service requirements for the 2006 Subordinate Revenue Bonds, Series AX outstanding at June 30, 2007, were as follows:

Year Ending June 30,	Principal	Interest	Total
2008	\$ -	\$ 1,217,340	\$ 1,217,340
2009	-	1,217,340	1,217,340
2010	-	1,217,340	1,217,340
2011	-	1,217,340	1,217,340
2012	800,000	1,217,340	2,017,340
2013-2017	4,385,000	5,581,530	9,966,530
2018-2022	4,940,000	4,604,596	9,544,596
2023-2027	5,780,000	3,383,250	9,163,250
2028-2032	7,205,000	1,794,000	8,999,000
2033-2037	1,935,000	422,750	2,357,750
2038-2041	820,000	97,509	917,509
<b>Total</b>	<b>\$ 25,865,000</b>	<b>\$ 21,970,335</b>	<b>\$ 47,835,335</b>

The calculation of deferred loss on refunding of the 2006 Subordinate Revenue Bonds, Series AX was combined with the 2006 Revenue Bonds, Series AS and 2006 Taxable Revenue Bonds, Series AT. See the 2006 Revenue Bonds, Series AS for more detail.

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



**City of Pomona**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2007**

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**8. LONG-TERM DEBT, Continued**

**A. Governmental Activities Long-Term Debt, Continued**

**Revenue Bonds, Continued**

Unamortized Bond Premiums and Discounts

The following is a summary of the unamortized premiums and discounts outstanding at June 30, 2007:

Balance July 1, 2006	Additions	Deletions	Balance June 30, 2007
\$ 2,255,435	\$ 1,087,257	\$ 100,142	\$ 3,442,834

Amortization expense was \$100,142 for June 30, 2007.

**Tax Allocation Bonds**

	Balance July 1, 2006	Additions	Deletions	Balance June 30, 2007	Due within one year	Due in more than one year
1998 Tax Allocation Bonds						
Series X	\$ 3,560,000	\$ -	\$(1,020,000)	\$ 2,540,000	\$ 50,000	\$ 2,490,000
1998 Tax Allocation Bonds						
Series Y	7,950,000	-	(675,000)	7,275,000	35,000	7,240,000
<b>Total</b>	<b>\$11,510,000</b>	<b>\$ -</b>	<b>\$(1,695,000)</b>	<b>\$ 9,815,000</b>	<b>\$ 85,000</b>	<b>\$ 9,730,000</b>

**City of Pomona**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2007**

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**8. LONG-TERM DEBT, Continued**

**A. Governmental Activities Long-Term Debt, Continued**

**Tax Allocation Bonds, Continued**

1998 Tax Allocation Refunding Bonds, Series X – Original Issuance \$5,055,000

On October 1, 1998, the Agency issued \$5,055,000 1998 Tax Allocation Refunding Bonds, Series X, for the Mountain Meadows Redevelopment Project to refund \$4,360,000 of the loan between the Agency and the Authority related to the Authority’s 1993 Refunding Revenue Bonds, Series N.

Interest is payable semiannually on June 1 and December 1 at rates varying from 3.0% to 5.1% per annum. Principal is payable in annual installments ranging from \$95,000 to \$300,000 through December 1, 2013. Term bonds of \$1,000,000 and \$460,000 mature on December 1, 2016 and December 1, 2024, respectively, and are subject to mandatory redemption from a sinking fund account in amounts ranging from \$45,000 to \$350,000, as outlined in the bonds’ official statement. A municipal bond insurance policy has been issued that insures the payment of the principal and interest on the bonds when due. The outstanding balance of the bonds was \$2,540,000 at June 30, 2007.

During 2007, the bonds in the amount of \$790,000 were refunded by the 2006 Taxable Revenue Bonds, Series AT.

The annual debt service requirements outstanding at June 30, 2007 were as follows:

Year Ending June 30,	Principal	Interest	Total
2008	\$ 50,000	\$ 130,791	\$ 180,791
2009	50,000	128,516	178,516
2010	55,000	126,073	181,073
2011	55,000	123,460	178,460
2012	280,000	115,140	395,140
2013-2017	1,590,000	343,524	1,933,524
2018-2022	260,000	90,990	350,990
2023-2025	200,000	16,466	216,466
<b>Total</b>	<b>\$ 2,540,000</b>	<b>\$ 1,074,960</b>	<b>\$ 3,614,960</b>

**City of Pomona**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2007**

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**8. LONG-TERM DEBT, Continued**

**A. Governmental Activities Long-Term Debt, Continued**

**Tax Allocation Bonds, Continued**

1998 Tax Allocation Refunding Bonds, Series Y – Original Issuance \$8,980,000

On October 1, 1998, the Agency issued \$8,980,000 1998 Tax Allocation Refunding Bonds, Series Y, for the West Holt Avenue Redevelopment Project to refund \$7,130,000 of the loan between the Agency and Authority related to the Authority's 1993 Refunding Revenue Bonds, Series N, and to finance certain redevelopment activities within the West Holt Avenue Project Area.

Interest on the bonds is payable semiannually on November 1 and May 1 at rates varying from 3.0% to 5.0% per annum. Principal is payable in annual installments ranging from \$115,000 to \$180,000 through May 1, 2011. Terms bonds of \$390,000, \$2,360,000 and \$4,380,000 mature on May 1, 2013, May 1, 2022, and May 1, 2032, respectively, and are subject to mandatory redemption from a sinking fund account in amounts ranging from \$190,000 to \$550,000 as outlined in the bonds' official statements. Bonds maturing on May 1, 2009 through May 1, 2011 are subject to redemption prior to maturity, as a whole or in part, at the option of the Agency on any date on or after May 1, 2008 at redemption prices ranging from 100% to 101% of principal. The outstanding balance of the bonds was \$7,275,000 at June 30, 2007.

During 2007, the bonds in the amount of \$645,000 were refunded by the 2006 Taxable Revenue Bonds, Series AT.

The annual debt service requirements outstanding at June 30, 2007 were as follows:

Year Ending June 30,	Principal	Interest	Total
2008	\$ 35,000	\$ 397,958	\$ 432,958
2009	35,000	396,348	431,348
2010	35,000	394,685	429,685
2011	40,000	392,970	432,970
2012	190,000	390,970	580,970
2013-2017	1,110,000	1,787,480	2,897,480
2018-2022	1,450,000	1,449,752	2,899,752
2023-2027	1,900,000	1,006,500	2,906,500
2028-2032	2,480,000	423,502	2,903,502
<b>Total</b>	<b>\$ 7,275,000</b>	<b>\$ 6,640,165</b>	<b>\$ 13,915,165</b>

**City of Pomona**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2007**

**8. LONG-TERM DEBT, Continued**

**A. Governmental Activities Long-Term Debt, Continued**

**Pension Obligation Refunding Bonds**

	Balance July 1, 2006	Additions	Deletions	Balance June 30, 2007	Due within one year	Due in more than one year
2006 POB, Series AR	\$ 42,280,684	\$ -	\$ -	\$ 42,280,684	\$ -	\$ 42,280,684

The City is a member of the California Public Employees' Retirement System (PERS), a public employees' defined benefits retirement program. In 2004, the City issued \$32,300,000 and \$5,700,000 in Pension Obligation Bonds, in order to fund the City's unamortized, unfunded actuarial accrued liability with PERS (see Note 10 for more information on the PERS pension plan). In 2006, the City issued \$42,280,684 in Pension Obligation Refunding Bonds, Series AR to refinance the City's outstanding Pension Obligation Refunding Bonds, Series 2004 AJ and Series 2004 AK. The refunding achieved net present value savings of \$868,932, or 2.3% of refunded par.

2006 Pension Obligation Refunding Bonds, Series AR – Original Issuance \$42,280,684

On February 1, 2006, the City issued \$42,280,684 Pension Obligations Refunding Bonds, Series 2006 AR (Bonds) to refinance the City's outstanding Pension Obligation Refunding Bonds, Series 2004 AJ and its Pension Obligation Refunding Bonds, Series 2004 AK, to capitalize certain interest on the Bonds and to pay the costs of issuing the Bonds. The Bonds were issued as current interest bonds in the principal amount of \$36,205,000 and as capital appreciation bonds in the original issuance amount of \$6,075,684.

Interest on the current interest bonds is payable semiannually on each January 1 and July 1. The rates of interest vary and range from 5.24% to 5.832% per annum. Principal is payable in annual installments ranging from \$71,302 to \$5,140,000. The capital appreciation bonds are payable only at maturity and will not bear interest on a current basis. The accreted value of each capital appreciation bond is equal to its accreted value upon the maturity thereof, being comprised of its initial purchase price and the accreted interest between the delivery date and its respective maturity date. The obligation of the City to make payments with respect to the Bonds is an absolute and unconditional obligation of the City imposed upon the City by the Retirement Law and is not limited to any special source of funds. The City's obligation for the Bonds is any money available in the City's General Fund. The Bonds are not secured or limited as to payment by any special source of funds of the City. The current interest bonds are subject to redemption prior to maturity. The capital appreciation bonds are not subject to redemption prior to maturity.

**City of Pomona**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2007**

**8. LONG-TERM DEBT, Continued**

**A. Governmental Activities Long-Term Debt, Continued**

**Pension Obligation Refunding Bonds, Continued**

2006 Pension Obligation Refunding Bonds, Series AR – Original Issuance \$42,280,684, Continued

The annual debt service requirements outstanding at June 30, 2007 were as follows:

Year Ending June 30,	Principal	Interest	Accreted Interest	Total
2008	\$ -	\$ 2,099,240	\$ -	\$ 2,099,240
2009	-	2,099,240	-	2,099,240
2010	71,302	2,099,240	13,698	2,184,240
2011	131,320	2,099,240	33,680	2,264,240
2012	188,803	2,099,240	61,198	2,349,241
2013-2017	1,793,026	10,486,587	826,975	13,106,588
2018-2022	4,027,660	10,066,593	1,502,341	15,596,594
2023-2027	6,348,646	9,040,010	3,151,354	18,540,010
2028-2032	11,769,927	7,153,532	2,965,164	21,888,623
2033-2036	17,950,000	2,217,618	-	20,167,618
<b>Total</b>	<b>\$ 42,280,684</b>	<b>\$ 49,460,540</b>	<b>\$ 8,554,410</b>	<b>\$ 100,295,634</b>

**Certificates of Participation**

	Balance July 1, 2006	Additions	Deletions	Balance June 30, 2007	Due within one year	Due in more than one year
2002 Certificates of Participation						
Series AE	\$ 4,555,000	\$ -	\$ (4,555,000)	\$ -	\$ -	\$ -
2003 Certificates of Participation						
Series AG	13,240,000	-	(235,000)	13,005,000	250,000	12,755,000
Unamortized Bond Premium	826,789	-	(30,622)	796,167	-	796,167
<b>Total</b>	<b>\$ 18,621,789</b>	<b>\$ -</b>	<b>\$ (4,820,622)</b>	<b>\$ 13,801,167</b>	<b>\$ 250,000</b>	<b>\$ 13,551,167</b>

2002 Certificates of Participation, Series AE – Original Issuance \$4,700,000

On December 1, 2001, the Authority issued \$4,700,000 City of Pomona Certificates of Participation, 2002 Series AE, to provide funds to the City to make future advances to the Agency to finance certain redevelopment activities. Term certificates of \$1,130,000 and \$2,995,000 mature on October 1, 2019 and October 1, 2032, respectively, with an interest rate of 5.375%. Serial certificates are due in annual installments ranging from \$70,000 to \$95,000. The serial certificates bear an interest rate at 5% payable semiannually on October 1 and April 1. During 2007, the bonds were refunded by the 2006 Lease Revenue Bonds, Series AU, and 2006 Taxable Lease Revenue Bonds, Series AV.

**City of Pomona**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2007**

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**8. LONG-TERM DEBT, Continued**

**A. Governmental Activities Long-Term Debt, Continued**

**Certificates of Participation, Continued**

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

On July 1, 2003, the Authority issued \$13,985,000 City of Pomona Certificates of Participation, 2003 Series AG, to provide funds to the City to finance certain public improvements, including street improvements throughout the City. Principal payments are made once a year on June 1. The bonds are set to mature on June 1, 2034. The Authority realized an original premium of approximately \$918,600 and incurred cost of issuance of approximately \$725,000.

The annual debt service requirements outstanding at June 30, 2007 were as follows:

Year Ending June 30,	Principal	Interest	Total
2008	\$ 250,000	\$ 680,580	\$ 930,580
2009	255,000	673,080	928,080
2010	260,000	665,940	925,940
2011	270,000	657,620	927,620
2012	280,000	648,170	928,170
2013-2017	1,595,000	3,043,445	4,638,445
2018-2022	2,085,000	2,558,600	4,643,600
2023-2027	2,730,000	1,918,400	4,648,400
2028-2032	3,565,000	1,080,475	4,645,475
2032-2034	1,715,000	142,725	1,857,725
<b>Total</b>	<b>\$ 13,005,000</b>	<b>\$ 12,069,035</b>	<b>\$ 25,074,035</b>

The following is a summary of the 2003 Certificate of Participation, Series AG unamortized premium outstanding at June 30, 2007:

Balance July 1, 2006	Additions	Deletions	Balance June 30, 2007
\$ 826,789	\$ -	\$ (30,622)	\$ 796,167

**Compensated Absences**

At June 30, 2007, the City's liability for vested and unpaid compensated absences (accrued vacation and sick pay) in the governmental activities has been accrued and amounts to \$7,623,679.

**City of Pomona**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2007**

**8. LONG-TERM DEBT, Continued**

**B. Business-Type Activities Long-Term Debt**

**Obligations under Capital Leases**

Balance July 1, 2006	Additions	Deletions	Balance June 30, 2007	Due within one year	Due in more than one year
\$ 2,667,685	\$ -	\$ (448,134)	\$ 2,219,551	\$ 474,596	\$ 1,744,955

The City entered into an equipment lease-purchase agreement with a leasing company whereby the lessor acquired certain equipment and leased it to the City with an option to purchase. The lease matures from 2004 to 2012. The related assets have been capitalized in the capital assets account. The total leased assets by major asset class consisted of the following:

	June 30, 2007
Machinery and equipment	\$ 61,764
Autos and trucks	911,316
Equipment under capitalized lease, at cost	973,080
Accumulated depreciation	(214,480)
Equipment under capitalized lease, net	\$ 758,600

The depreciation expenses of the capital assets were \$99,747 for the year ended June 30, 2007.

The annual debt service requirements outstanding at June 30, 2007 were as follows:

Year Ending June 30,	Principal	Interest	Total
2008	\$ 474,596	\$ 72,008	\$ 546,604
2009	454,809	56,049	510,858
2010	441,620	41,012	482,632
2011	329,067	26,909	355,976
2012	519,459	18,288	537,747
<b>Total</b>	<b>\$ 2,219,551</b>	<b>\$ 214,266</b>	<b>\$ 2,433,817</b>

**City of Pomona**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2007**

**8. LONG-TERM DEBT, Continued**

**B. Business-Type Activities Long-Term Debt, Continued**

**Revenue Bonds**

	Balance			Balance		
	July 1, 2006	Additions	Deletions	June 30, 2007	Due within one year	Due in more than one year
1999 Refunding Revenue Bonds						
Series AA	\$ 23,020,000	\$ -	\$ (23,020,000)	\$ -	\$ -	\$ -
1999 Refunding Revenue Bonds						
Series AC	24,975,000	-	(24,975,000)	-	-	-
2002 Sewer Refunding Revenue Bonds						
Series AF	14,290,000	-	(175,000)	14,115,000	180,000	13,935,000
2007 Revenue Bonds, Series AY	-	99,370,000	-	99,370,000	-	99,370,000
Unamortized Bond Premium	-	5,951,294	(74,391)	5,876,903	-	5,876,903
Unamortized Deferred Loss on Refunding	-	(1,809,884)	78,691	(1,731,193)	-	(1,731,193)
2007 Taxable Revenue Refunding						
Bonds, Series AZ	-	6,930,000	-	6,930,000	-	6,930,000
2007 Revenue Bonds, Series BA	-	15,575,000	-	15,575,000	-	15,575,000
<b>Total</b>	<b>\$ 62,285,000</b>	<b>\$ 126,016,410</b>	<b>\$ (48,165,700)</b>	<b>\$ 140,135,710</b>	<b>\$ 180,000</b>	<b>\$ 139,955,710</b>

1999 Refunding Revenue Bonds, Series AA – Original Issuance \$26,555,000

On May 1, 1999, the Authority issued \$26,555,000 1999 Refunding Revenue Bonds, Series AA, for the purpose of making an advance to the City for refunding the 1992 Revenue Bonds, Series A, in aggregate principal amount of \$6,915,000, as well as to provide financing for construction of certain water system improvements and related facilities located within the City. Interest on the bonds is payable semiannually on each May 1 and November 1. The rate of interest ranges from 3.3% to 5% per annum. Principal is payable in annual installments ranging from \$455,000 to \$ 1,615,000. Term bonds of \$4,515,000 and \$13,100,000 mature on May 1, 2019 and May 1, 2029, respectively, and are subject to mandatory redemption from a sinking fund account in amounts ranging from \$815,000 to \$1,615,000, as outlined in the bond’s official statement. During 2007, the bonds were refunded by the 2007 Revenue Bonds, Series AY and 2007 Taxable Revenue Refunding Bonds, Series AZ.

1999 Revenue Bonds, Series AC – Original Issuance \$27,615,000

On September 1, 1999, the Authority issued \$27,615,000 1999 Revenue Bonds, Series AC, for the purpose of making an advance to the City of Pomona for the construction of certain water system improvements within the City. Interest on the bonds is payable semiannually on each May 1 and November 1. The rate of interest ranges from 4% to 5.25% per annum. Principal is payable in annual installments ranging from \$330,000 to \$1,830,000. Term bonds of \$4,835,000 and \$14,565,000 mature on May 1, 2019 and 2029, respectively, and are subject to mandatory redemption from a sinking fund account in amounts ranging from \$865,000 to \$1,830,000, as outlined in the bond’s official statement. During 2007, the bonds were refunded by the 2007 Revenue Bonds, Series AY and 2007 Taxable Revenue Refunding Bonds, Series AZ.



**City of Pomona**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2007**

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**8. LONG-TERM DEBT, Continued**

**B. Business-type Activities Long-Term Debt, Continued**

**Revenue Bonds, Continued**

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

On October 1, 2002, the Authority issued \$15,025,000 2002 Sewer Refunding Revenue Bonds, Series AF, for the purpose of making an advance to the City’s Sewer Fund for refunding the 1996 Revenue Bonds, Series Q, as well as provide funds to refinance certain sewer obligations of the City of Pomona and to finance certain improvements to the City’s sewer enterprise project.

Interest is payable on June 1 and December 1 of each year. Interest rates range from 2.0% to 4.2% on serial bonds of \$3.9 million. Principal is payable in annual installments ranging from \$165,000 to \$420,000 through December 2019. Term bonds of \$1,210,000, \$1,075,000, \$2,620,000, \$2,815,000 and \$3,585,000 mature on December 1, 2023, 2026, 2032, 2037, and December 1, 2042, respectively.

This advance refunding has increased the aggregate debt service payments that were required for the Refunded Bonds by approximately \$1.588 million and provided an economic loss (difference between the present value of the new and old debt service payments) of approximately \$1.5 million.

The annual debt service requirements outstanding at June 30, 2007 were as follows:

Year Ending June 30,	Principal	Interest	Total
2008	\$ 180,000	\$ 634,844	\$ 814,844
2009	180,000	630,816	810,816
2010	185,000	626,251	811,251
2011	190,000	620,973	810,973
2012	200,000	614,998	814,998
2013-2017	1,100,000	2,967,454	4,067,454
2018-2022	1,350,000	2,727,328	4,077,328
2023-2027	1,710,000	2,389,300	4,099,300
2028-2032	2,135,000	1,957,638	4,092,638
2033-2037	2,680,000	1,398,038	4,078,038
2038-2042	3,415,000	640,625	4,055,625
2043	790,000	19,750	809,750
<b>Total</b>	<b>\$ 14,115,000</b>	<b>\$ 15,228,015</b>	<b>\$ 29,343,015</b>

**City of Pomona**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2007**

**8. LONG-TERM DEBT, Continued**

**B. Business-type Activities Long-Term Debt, Continued**

**Revenue Bonds, Continued**

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

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

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

The annual debt service requirements outstanding at June 30, 2007 were as follows:

Year Ending June 30,	Principal	Interest	Total
2008	\$ -	\$ 4,870,800	\$ 4,870,800
2009	-	4,870,800	4,870,800
2010	-	4,870,800	4,870,800
2011	885,000	4,870,800	5,755,800
2012	920,000	4,835,400	5,755,400
2013-2017	5,190,000	23,584,250	28,774,250
2018-2022	6,415,000	22,362,250	28,777,250
2023-2027	8,045,000	20,724,750	28,769,750
2028-2032	12,115,000	18,412,500	30,527,500
2033-2037	16,855,000	14,846,250	31,701,250
2038-2042	21,500,000	10,191,250	31,691,250
2043-2047	27,445,000	4,251,000	31,696,000
<b>Total</b>	<b>\$ 99,370,000</b>	<b>\$ 138,690,850</b>	<b>\$ 238,060,850</b>

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

Balance July 1, 2006	Additions	Deletions	Balance June 30, 2007
\$ -	\$ 5,951,294	\$ (74,391)	\$ 5,876,903

Amortization expense was \$74,391 for June 30, 2007.

**City of Pomona**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2007**

**8. LONG-TERM DEBT, Continued**

**B. Business-type Activities Long-Term Debt, Continued**

**Revenue Bonds, Continued**

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

The advance refunding resulted in a difference between the reacquisition price (Series AY & AZ) and the net carrying amount of the bonds (Series AA & AC) of \$1,809,884. This difference is considered to be a deferred loss on refunding. The deferred loss on refunding, reported in the basic financial statements as a deduction from long-term debt, is amortized on a straight-line method over 23 years. The following is a summary of unamortized deferred loss on refunding outstanding at June 30, 2007:

Balance July 1, 2006	Additions	Deletions	Balance June 30, 2007
\$ -	\$ (1,809,884)	\$ 78,691	\$ (1,731,193)

Amortization expense was \$78,691 for June 30, 2007.

The net present value of economic gain (difference between the present value of the new and old debt service payments) for both the 2007 Revenue Bonds, Series AY and the 2007 Taxable Revenue Refunding Bonds, Series AZ was \$1,645,999. A summary of the economic gain is as follows:

Present value of refunded debt service (Series AA & AC) @ 4.73%	\$ 50,617,924
Present value of new debt service (Series AY & AZ) @ 4.73%	48,994,314
	<hr/>
Present value of reduction (increase) of debt service	1,623,610
Add: Fixed costs of issuance	424,900
Add: New funds created	3,317,550
Less: Prior funds on hand	(3,720,061)
	<hr/>
Net present value of economic gain (loss)	\$ 1,645,999
	<hr/>

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

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

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

**City of Pomona**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2007**

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**8. LONG-TERM DEBT, Continued**

**B. Business-type Activities Long-Term Debt, Continued**

**Revenue Bonds, Continued**

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

The annual debt service requirements outstanding at June 30, 2007 were as follows:

Year Ending June 30,	Principal	Interest	Total
2008	\$ -	\$ 384,154	\$ 384,154
2009	-	384,154	384,154
2010	200,000	384,154	584,154
2011	210,000	373,618	583,618
2012	220,000	362,558	582,558
2013-2017	1,300,000	1,624,762	2,924,762
2018-2022	1,690,000	1,231,982	2,921,982
2023-2027	2,230,000	696,646	2,926,646
2028-2029	1,080,000	92,376	1,172,376
<b>Total</b>	<b>\$ 6,930,000</b>	<b>\$ 5,534,404</b>	<b>\$ 12,464,404</b>

The calculation of deferred loss on refunding of the 2007 Taxable Revenue Refunding Bonds, Series AZ was combined with the 2007 Revenue Bonds, Series AY. See the 2007 Revenue Bonds, Series AY for more detail.

The calculation of net present value of economic gain (loss) of the 2007 Taxable Revenue Refunding Bonds, Series AZ was combined with the 2007 Revenue Bonds, Series AY. See the 2007 Revenue Bonds, Series AY for the calculation.

**City of Pomona**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2007**

**8. LONG-TERM DEBT, Continued**

**B. Business-type Activities Long-Term Debt, Continued**

**Revenue Bonds, Continued**

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

On March 15, 2007, the Authority issued \$15,575,000 2007 Revenue Bonds, Series BA, to provide funds to finance certain improvements to the City’s sewer enterprise (Project).

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

The annual debt service requirements outstanding at June 30, 2007 were as follows:

Year Ending June 30,	Principal	Interest	Total
2008	\$ -	\$ 489,806	\$ 489,806
2009	-	688,790	688,790
2010	110,000	687,690	797,690
2011	135,000	684,140	819,140
2012	140,000	678,940	818,940
2013-2017	825,000	3,288,390	4,113,390
2018-2022	985,000	3,104,143	4,089,143
2023-2027	1,185,000	2,891,979	4,076,979
2028-2032	1,480,000	2,615,355	4,095,355
2033-2037	1,860,000	2,250,004	4,110,004
2038-2042	2,350,000	1,789,988	4,139,988
2043-2047	6,505,000	967,052	7,472,052
2048	-	17,944	17,944
<b>Total</b>	<b>\$ 15,575,000</b>	<b>\$ 20,154,221</b>	<b>\$ 35,729,221</b>

**Compensated Absences**

In enterprise funds, the liability for vested and unpaid compensated absences (accrued vacation and sick pay) is reported in the fund as the benefits vest and are earned. The compensated absences accrued in the enterprise funds amounted to \$1,104,295 at June 30, 2007.

**City of Pomona**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2007**

**8. LONG-TERM DEBT, Continued**

**C. Defeasance of Debt**

The City issued new debt to defease, or partially defease, existing debt. A summary of the transaction is as follows:

	Balance July 1, 2006	Additions	Deletions	Balance June 30, 2007
Assessment District No. 294				
Tax Allcoation Refunding Bonds	\$ 9,190,000	\$ -	\$ (9,190,000)	\$ -
1995 Lease Revenue				
Refunding Bonds, Series P	4,020,000	-	-	4,020,000
1999 Certificates of Participation Series AB	2,965,000	-	(90,000)	2,875,000
1998 Refunding Revenue Bonds, Series W	-	13,305,000	-	13,305,000
2003 Revenue Bonds, Series AH	-	17,110,000	-	17,110,000
2003 Subordinate Revenue Bonds, Series AI	-	23,425,000	(450,000)	22,975,000
1998 Tax Allocation Refunding Bonds, Series X	-	790,000	-	790,000
1998 Tax Allocation Refunding Bonds, Series Y	-	645,000	(120,000)	525,000
2002 Certificates of Participation, Series AE	-	4,475,000	-	4,475,000
1999 Refunding Revenue Bond Series AA	-	23,020,000	(585,000)	22,435,000
1999 Revenue Bonds Series AC	-	24,975,000	(585,000)	24,390,000
<b>Total</b>	<b>\$ 16,175,000</b>	<b>\$107,745,000</b>	<b>\$(11,020,000)</b>	<b>\$112,900,000</b>

Assessment District No. 294 Tax Allocation Refunding Bonds

On February 1, 2005, the City issued \$9,524,000 2005 Reassessment and Refunding Revenue Bonds, Series AM, to provide funds to refund the refunding Improvement Bonds, Assessment District No. 294. The amount of the total outstanding principal refunded was \$9,525,000. The net present value of economic gain (difference between the present value of the new and old debt service payments) was \$454,546. During 2007, the bonds were fully paid off.

1995 Lease Revenue Refunding Bonds, Series P – Original Issuance \$18,395,000

On July 21, 2005, the Authority issued \$19,910,000 2005 Lease Revenue Bonds, Series AN and \$4,385,000 2005 Taxable Lease Revenue Bonds, Series AP to provide refunding of the Authority’s 1995 Lease Revenue Bonds, Series P. The amount of the total outstanding principal refunded was \$12,200,000. The outstanding balance of the 1995 Lease Revenue Refunding Bonds, Series P was \$4,020,000 at June 30, 2007. The net present value of economic gain (difference between the present value of the new and old debt service payments) was \$199,136.

1999 Certificates of Participation, Series AB – Original Issuance \$3,295,000

On May 10, 2006, the Authority’s 1999 Certificates of Participation, Series AB was defeased by a cash defeasance. The outstanding balance of the 1999 Certificates of Participation, Series AB was \$2,875,000 at June 30, 2007.

**City of Pomona**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2007**

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**8. LONG-TERM DEBT, Continued**

**C. Defeasance of Debt, Continued**

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

On December 18, 2006, the Authority issued \$26,305,000 2006 Revenue Bonds, Series AS, \$8,355,000 2006 Taxable Revenue Bonds, Series AT, and \$25,865,000 2006 Subordinate Revenue Bonds, Series AX to provide refunding of the Authority's 1998 Revenue Refunding Bonds, Series W. The amount of the total outstanding principal refunded was \$13,305,000. The outstanding balance of the 1998 Revenue Refunding Bonds, Series was \$13,305,000 at June 30, 2007. The economic gain (difference between the present value of the new and old debt service payments) was \$2,482.

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

On December 18, 2006, the Authority issued \$26,305,000 2006 Revenue Bonds, Series AS, \$8,355,000 2006 Taxable Revenue Bonds, Series AT, and \$25,865,000 2006 Subordinate Revenue Bonds, Series AX to provide refunding of the Authority's 2003 Revenue Bonds, Series AH. The amount of the total outstanding principal refunded was \$17,110,000. The outstanding balance of the bonds was \$17,110,000 at June 30, 2007. The economic loss (difference between the present value of the new and old debt service payments) was \$(1,637,689).

2003 Subordinate Revenue Bonds, Series AI – Original Issuance \$23,425,000

On December 18, 2006, the Authority issued \$26,305,000 2006 Revenue Bonds, Series AS, \$8,355,000 2006 Taxable Revenue Bonds, Series AT, and \$25,865,000 2006 Subordinate Revenue Bonds, Series AX to provide refunding of the Authority's 2003 Subordinate Revenue Bonds, Series AI. The amount of the total outstanding principal refunded was \$23,425,000. The outstanding balance of the bonds was \$22,975,000 at June 30, 2007. The economic gain (difference between the present value of the new and old debt service payments) was \$1,590,147.

1998 Tax Allocation Refunding Bonds, Series X – Original Issuance \$5,055,000

On December 18, 2006, the Authority issued \$8,355,000 2006 Taxable Revenue Bonds, Series AT to provide refunding of the Agency's 1998 Tax Allocation Refunding Bonds, Series X. The amount of the total outstanding principal refunded was \$790,000. The outstanding balance of the bonds was \$790,000 at June 30, 2007. The economic loss (difference between the present value of the new and old debt service payments) was \$(93,300).

1998 Tax Allocation Refunding Bonds, Series Y – Original Issuance \$8,980,000

On December 18, 2006, the Authority issued \$8,355,000 2006 Taxable Revenue Bonds, Series AT to provide refunding of the Agency's 1998 Tax Allocation Refunding Bonds, Series Y. The amount of the total outstanding principal refunded was \$645,000. The outstanding balance of the bonds was \$525,000 at June 30, 2007. The economic loss (difference between the present value of the new and old debt service payments) was \$(157,761).

**City of Pomona**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2007**

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**8. LONG-TERM DEBT, Continued**

*C. Defeasance of Debt, Continued*

2002 Certificates of Participation, Series AE – Original Issuance \$4,700,000

On December 6, 2006, the Authority issued \$2,540,000 2006 Lease Revenue Bonds, Series AU and \$10,790,000 2006 Taxable Lease Revenue Bonds, Series AV to provide refunding of the City’s 2002 Certificates of Participation, Series AE (Mission Promenade Project). The amount of the total outstanding principal refunded was \$4,475,000. The outstanding balance of the bonds was \$4,475,000 at June 30, 2007. The economic loss (difference between the present value of the new and old debt service payments) was \$(102,570).

1999 Refunding Revenue Bonds, Series AA – Original Issuance \$26,555,000

On January 1, 2007, the Authority issued \$99,370,000 2007 Revenue Bonds, Series AY and \$6,930,000 2007 Taxable Revenue Refunding Bonds, Series AZ to provide refunding of the Authority’s 1999 Refunding Revenue Bonds, Series AA. The amount of the total outstanding principal refunded was \$23,020,000. The outstanding balance of the bonds was \$22,435,000 at June 30, 2007. The economic loss (difference between the present value of the new and old debt service payments) was \$(312,204).

1999 Revenue Bonds, Series AC – Original Issuance \$27,615,000

On January 1, 2007, the Authority issued \$99,370,000 2007 Revenue Bonds, Series AY and \$6,930,000 2007 Taxable Revenue Refunding Bonds, Series AZ to provide refunding of the Authority’s 1999 Revenue Bonds, Series AC. The amount of the total outstanding principal refunded was \$24,975,000. The outstanding balance of the bonds was \$24,390,000 at June 30, 2007. The economic gain (difference between the present value of the new and old debt service payments) was \$1,958,203.

**9. NON-CITY OBLIGATIONS**

The following bond issues are not reflected as City long-term debt because these debts are solely payable from and secured by specific revenue sources described in the official statements of the respective issues. Neither the faith and credit nor the taxing power of the City, the Agency, the State of California or any political subdivision thereof, is pledged for payment of these bonds. Accordingly, since this debt does not constitute an obligation of the City, it is not reflected as long-term debt in the accompanying basic financial statements. The City is acting only as an agent.

	Amount Outstanding June 30, 2007
<b>Mortgage Revenue Bonds</b>	<u><u>\$ 81,100,000</u></u>



**City of Pomona**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2007**

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**9. NON-CITY OBLIGATIONS, Continued**

Mortgage Revenue Bonds

Single family and multifamily housing revenue bonds are issued to provide construction and permanent financing to developers of multifamily residential rental projects located in the City to be partially occupied by persons of low and moderate income. The total amount of mortgage revenue bonds outstanding as of June 30, 2007 is \$81,100,000. These bonds are secured by first trust deeds and private mortgage insurance. The bonds, together with interest thereon, are limited obligations of the City payable solely from bond proceeds, revenues and other amounts derived solely from home mortgage and developer loans secured by first deeds of trust, irrevocable letters of credit and irrevocable surety bonds.

**10. RETIREMENT PLANS**

**Pension Plan**

Plan Description

The City contributes to the California Public Employees Retirement System (PERS), an agent multiple-employer public employee defined benefit pension plan. PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. PERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by State statute and City ordinance. Copies of PERS' annual financial report may be obtained from their Executive Office located at 400 P Street, Sacramento, California 95814.

Funding Policy

Active plan members are required by State statute to contribute 7% for miscellaneous and 9% for safety employees of their annual covered salary. The City employer makes the contributions required of City employees on their behalf and for their account, which amounted to \$1,955,799 for miscellaneous employees and \$1,410,553 for safety employees for the year ended June 30, 2007. The City employer is required to contribute for fiscal year 2006-2007 at an actuarially determined rate of 11.412% and 24.583% of annual covered payroll for miscellaneous and safety employees, respectively. Separately funded plans have been established for each employee group. Benefit provisions and all other requirements are established by State statute and City contracts with employee bargaining groups. The contribution requirements of plan members and the City are established by PERS.

Annual Pension Cost

For fiscal year 2006-2007, the City's annual pension cost of \$3,139,845 for miscellaneous employees and \$3,754,994 for safety employees for PERS was equal to the City's required and actual contributions. The required contribution was determined as part of the June 30, 2004, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) 7.75% investment rate of return (net of administrative expenses), (b) projected annual salary increases ranging from 3.25% to 14.45% for miscellaneous employees and 3.25% to 13.15% for safety employees, and (c) 2% per year cost-of-living adjustments. Both (a) and (b) included an inflation component of 3%. The actuarial value of PERS assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a fifteen-year period. PERS unfunded actuarial accrued liability (or surplus) is being amortized as a level percentage of projected payroll on a closed basis. The average remaining amortization period at June 30, 2004 was 24 years for miscellaneous employees and 32 years for safety employees for prior and current service unfunded liability.

**City of Pomona**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2007**

**10. RETIREMENT PLANS, Continued**

**Pension Plan, Continued**

**MISCELLANEOUS EMPLOYEE'S RETIREMENT PLAN  
SCHEDULE OF EMPLOYER CONTRIBUTIONS**

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2005	\$ 1,882,292	100%	\$ -
6/30/2006	3,234,245	100%	-
6/30/2007	3,139,845	100%	-

**SAFETY EMPLOYEE'S RETIREMENT PLAN  
SCHEDULE OF EMPLOYER CONTRIBUTIONS**

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Asset
6/30/2005	\$ 1,210,469	100%	\$ 26,798,426
6/30/2006	4,323,091	100%	25,874,342
6/30/2007	3,754,994	100%	24,950,259

A pension asset is created when an employer pays into a retirement plan amounts in excess of its annual required contribution (ARC). The ARC is an actuarially calculated amount that is sufficient to fund future costs and extinguish any existing unfunded actuarial accrued liability (UAAL). On June 29, 2004, the City made a payment of \$27,722,510 to CALPERS from the proceeds of the issuance of pension obligation bonds to reduce the City's UAAL as calculated at that time. The prepaid pension asset will be amortized over the life of the bonds on a straight line basis. As of June 30, 2007, the unamortized portion of the pension asset was \$24,950,259. See Note 8 for more detail.

**11. JOINT POWERS AGREEMENTS**

**A. Pomona-Walnut-Rowland (PWR) Joint Water Line Commission**

The City participates in the Pomona-Walnut-Rowland (PWR) Joint Water Line Commission (the Commission) joint venture, which provides for the acquisition, construction, maintenance, repair and operation of a water transmission pipeline for the benefit of member agencies. The Pomona-Walnut-Rowland Joint Water Line Commission's governing board is comprised of an appointed representative from each of three member agencies - the City, Walnut Valley Water, and Rowland Water District.

The cost of providing water to the member agencies is financed through the user charges. The Commission purchases water for resale to the member agencies at a price sufficient to provide reserve funds for emergencies. In addition, the member agencies are billed for the costs of maintenance and operation of the pipeline. The City paid the joint venture \$3,334,171 during the year ended June 30, 2007. Assets are divided based on the proportionate equity share at the time the joint venture dissolves. The City's share in the equity of the Commission at June 30, 2007 was \$584,049.

**City of Pomona**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2007**

**11. JOINT POWERS AGREEMENTS, Continued**

**A. Pomona-Walnut-Rowland (PWR) Joint Water Line Commission, Continued**

As of June 30, 2007, the three participants had the following approximate ownership equity interest:

Member	Percentages	Agreement Balance
City of Pomona	28%	\$ 584,049
Walnut Valley Water	43%	896,933
Rowland Water District	28%	584,049
Unallocated	1%	20,859
Total	100%	\$ 2,085,890

The Commission's basic financial statements for the fiscal year ended June 30, 2007 reflect the implementation of GASB 34 and include the following:

Total assets	\$ 5,114,202
Total liabilities	3,028,312
Net assets	\$ 2,085,890

The Commission does not recognize income or loss. Net operating expenditures in excess of users' assessments are treated as accounts receivable on the Commission's books and charged to each user's account in the following year. Conversely, user's assessments in excess of net operating expenditures are treated as a liability and credited against each user's account, also in the following year. Under this basis, operating expenses for the Commission totaled \$15,977,391 compared to total operating revenues of \$15,871,649 in fiscal year 2007. Complete financial statements can be obtained from the Pomona-Walnut-Rowland Joint Water Line Commission, P.O. Box 508, Walnut, CA 91789.

**B. Gold Line Phase II Construction Authority**

The City participates in the Gold Line Phase II Construction Authority (GLCA) joint venture, which became effective September 3, 2003. The GLCA oversees the planning, funding, designing and construction contracts for the completion of the Los Angeles-Pasadena Metro Blue Line light rail project. The GLCA's governing Board is comprised of an appointed representative from each of the affected cities and agencies, including the cities of Azusa, Claremont, Duarte, Glendora, Arcadia, La Verne, Los Angeles, Irwindale, Pomona, San Dimas, Monrovia, Pasadena, and South Pasadena, the San Bernardino Associated Governments (SANBAG) and the Blue Line Construction Authority. Los Angeles County Metropolitan Transportation Agency (LACMTA) will have the responsibility to operate and maintain the rail after its completion. Members will be paid for attending meetings, not to exceed \$1,800 per year, per member, plus direct expenses. Members are not allowed to withdraw from the GLCA and each member is required to pay \$31,445 in annual dues (first payments were due October 1, 2003) and each member will be held liable for their share of operating costs.

The City paid the joint venture \$0 during the year ended June 30, 2007. Assets are divided based on the proportionate equity share at the time the joint venture dissolves, which is currently not significant to the City.

**City of Pomona**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2007**

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**11. JOINT POWERS AGREEMENTS, Continued**

*C. Pomona Valley Transportation Authority*

The City is a member of the Pomona Valley Transportation Authority (Pomona Authority). The Pomona Authority is comprised of four cities and is organized under a Joint Powers Agreement pursuant to the California Government Code. The purpose of the Pomona Authority is to study, implement and provide for public transportation that will best serve transit-dependent persons, including handicapped and senior adults residing in the Pomona Valley.

Each member city has two representatives on the Board of Directors. Officers of the Pomona Authority are elected annually by the Board of Directors.

The City does not have an equity interest in the Pomona Authority. However, the City does have an ongoing financial interest. The City is able to influence the operations of the Pomona Authority. As a result, the Pomona Authority uses its resources on behalf of the City. Also, an ongoing financial responsibility exists as the Pomona Authority is dependent on continued funding from the City.

Below are the most currently available condensed audited financial statements of the Pomona Authority as of June 30, 2006. Separate financial statements of the Pomona Authority are available from its offices located in La Verne, California.

	<u>Total</u>
Assets	\$ 3,733,795
Liabilities	\$ 2,084,051
Contributed capital	612,185
Retained earnings	<u>1,037,559</u>
Total liabilities and fund equity	<u>\$ 3,733,795</u>
Operating revenues	\$ 164,890
Operating expenses	<u>2,866,236</u>
Operating (income)	(2,701,346)
Non-operating revenue	<u>2,553,856</u>
Net income	(147,490)
Retained earnings - July 1, 2005	<u>1,185,049</u>
<b>Retained earnings - June 30, 2006</b>	<u><u>\$ 1,037,559</u></u>

**City of Pomona**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2007**

**11. JOINT POWERS AGREEMENTS, Continued**

*D. Tri City Mental Health Center*

The City is a member of the Tri City Mental Health Center (Center). The Center is a jointly governed organization comprised of three cities and is organized under a Joint Powers Agreement pursuant to the California Government Code. The purpose of the Center is to develop mental health services and facilities to serve persons residing in the three member cities. The City's contribution to the Center was \$43,675 for the year ended June 30, 2007.

The Board of Directors has five members, three from the City of Pomona, one from the City of Claremont and one from the City of La Verne.

Below are the most currently available condensed audited financial statements of the Center as of June 30, 2006. Separate financial statements of the Center are available from its offices located in Pomona, California.

	<u>Total</u>
Assets	\$ 10,299,269
Liabilities	21,268,526
Net Assets	<u>\$ (10,969,257)</u>
Revenues	\$ 2,766,677
Expenses	4,831,620
Operating income	(2,064,943)
Nonoperating revenue (expenses)	3,647,743
Net income	1,582,800
Net assets - July 1, 2005	<u>(12,552,057)</u>
<b>Net assets - June 30, 2006</b>	<u><b>\$ (10,969,257)</b></u>

**12. RISK MANAGEMENT**

The City is exposed to various risks of loss related to its operations, including losses associated with errors and omissions and injuries to employees and members of the public. The City maintains self-insurance programs for unemployment insurance, workers' compensation and general liability. The City uses the Self-Insurance Fund (internal service fund) to account for and finance its uninsured risk of loss. All funds of the City make payments based on estimates of the amounts needed to pay prior and current year claims. The City is a member of the California Joint Power Risk Management Association (CJPRMA). Through CJPRMA, the City has a program limit of \$40 million dollars with a self-insured retention of \$500,000. The City purchases an excess workers' compensation policy through Continental Casualty, with a self-insured retention of \$1 million dollars and policy limits of \$25 million dollars.

CJPRMA is a governmental joint powers authority created by certain California cities and other joint powers authorities to provide a pooled approach to the members' liability coverage as allowed under the California Government Code. The authority manages four types of pooled coverage programs for participating members.

**City of Pomona**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2007**

**12. RISK MANAGEMENT, Continued**

As of June 30, 2007, claims payable amounted to \$8,388,977.

The estimated claims payable reported at June 30, 2007 is based on the requirements of GASB Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

Changes in the estimated claims payable amounts in fiscal years 2005, 2006, and 2007 were as follows:

Self Insurance Fund:	Claims Payable					
	Beginning Balance	Expenses and Changes in Estimates	Claims Payments	Ending Balance	Due within one year	Due in more than one year
2004-2005	\$ 9,956,738	\$ 8,351,227	\$ (8,080,830)	\$ 10,227,135	\$ 2,200,000	\$ 8,027,135
2005-2006	10,227,135	3,895,186	(5,946,383)	8,175,938	2,200,000	5,975,938
2006-2007	8,175,938	4,698,143	(4,485,104)	8,388,977	2,200,000	6,188,977

No significant reduction in insurance coverage occurred during the last three fiscal years ended June 30. In addition, the City did not incur any claim settlements in excess of its insurance coverage during the past three fiscal years ended June 30.

**13. POST EMPLOYMENT BENEFITS**

Approximately 348 employees are eligible to receive post-employment benefits at June 30, 2007. Retirees are eligible for a retiree collateral benefit if they retire after July 1, 1987 with at least 20 years of service with the City for general service employees and 20 years of service for public safety employees. This monthly retiree benefit terminates when the affected retiree becomes eligible for Medicare insurance at age 65. An additional benefit provides funding for a portion of health insurance premiums. These premiums are paid directly to the health insurance provider and do not terminate until the retiree is deceased. The City finances these post-employment benefits on a pay-as-you-go basis by recognizing expenditures based on its share of the annual premiums for these benefits as they become due. For the fiscal year ended June 30, 2007, post-employment benefit expenditures in the amount of \$1,570,986 were recognized.

**14. COMMITMENTS AND CONTINGENCIES**

**A. Agreement for Allocation of Tax Increment Funds**

On December 5, 1988, the Agency entered into an agreement with the County of Los Angeles (County) whereby the County has agreed to provide sufficient allocation of tax increment to allow the Agency to meet its debt service agreements on debt it has incurred in connection with the Southwest Pomona Project Area. Beginning in fiscal year 1988-89 and thereafter for the life of the project, the County will provide a grant to the Agency for any "deficiencies" of tax increment revenues allocated to the Agency as described in the agreement. In accordance with the agreement, during the fiscal year 2007, the Agency received a grant in the amount of \$2,285,920, which was recorded as intergovernmental revenue in the Redevelopment Agency Debt Service Fund.

**City of Pomona**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2007**

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**14. COMMITMENTS AND CONTINGENCIES, Continued**

***B. Agency Participation Agreement***

On April 5, 2004, the City entered into a reclaimed water agreement with the Los Angeles County Sanitation District (LACSD). The agreement is for 20 years, beginning on July 1, 2003, and requires the City to sell its interest in the Northside Recycled Water Line, a 20" non-reinforced concrete gravity reclaimed water pipeline to the LACSD for \$441,730. The City will receive discounted rates on water during the first 12 years of the agreement with an estimated value of \$2,800,000.

***C. Ground Lease and Option to Purchase Agreement***

In September 2003, the City entered into a ground lease and option to purchase agreement for 9.4 acres of undeveloped land located at the northwest corner of East End Avenue and 9<sup>th</sup> Street. The agreement is for 10 years and requires the City to pay a monthly rent of \$14,500 beginning July 1, 2003. As the result of a lawsuit filed against the City, the conditions of the April, 2007 settlement agreement assigned the ground lease liability to the plaintiff with the condition that the Agency will pay the plaintiff \$2,500 per month for the remaining period of the original ground lease effective May 1, 2007.

***D. Commercial Development***

The City and the Agency are defendants in separate legal actions related to the same matter. The matter involves imperfedted legal title on property sold by the Agency to various third parties, whereby the third parties sought monetary relief. In the case against the Agency, the plaintiff is alleging breach of contract, wrongful disclosure, fraud, inverse condemnation and defamation. In the City's matter, the plaintiff is alleging breach of indemnity agreement.

One of the litigations filed against the Agency, which began in May 1996, was settled through mediation on June 4, 2004. Under the terms of the Memorandum of Understanding (MOU), the Agency was required to pay the plaintiff's bankruptcy trustee \$2,200,000 as follows: \$1.6 million by August 1, 2004, \$250,000 by January 15, 2005, \$250,000 by July 15, 2005, and \$100,000 by January 1, 2006.

On January 10, 2005, the second plaintiff withdrew all causes of action that were triable by a jury and elected to pursue one remaining cause of action for wrongful quiet title against the Agency to be tried by a judge. In May of 2005, a Judgment was entered in the Agency's favor. In July 2005, the plaintiff filed an appeal. The matter is currently under review. Management cannot predict whether it will prevail on this matter or estimate the risk of monetary loss if the plaintiff does prevail; however, the Agency feels that an unfavorable verdict could result in payments by the Agency of up to \$10,000,000.

Approximately \$272,714 has been accrued for all the above matters in the self-insurance fund in the City's financial statements at June 30, 2007. As of June 30, 2007, the City has \$8,116,263 accrued for all other potential claims payable, in the self-insurance fund.

**City of Pomona**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2007**

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**14. COMMITMENTS AND CONTINGENCIES, Continued**

*E. Contractual Commitments*

The following schedule summarizes the major contractual commitments of the City as of June 30, 2007:

<b>Major Commitments and Contracts for Professional Services:</b>	
All American Asphalt	\$ 1,042,103
Cal-Pac Engineering Company	1,234,082
CH2MHill	1,185,577
Fleming Environmental Inc.	728,641
Layne-Christiansen Company	781,005
Metha Mechanical Company, Inc.	1,856,815
Transtech Engineering Inc.	<u>1,498,226</u>
Total major professional services	8,326,449
Commitments for all other services	<u>1,698,629</u>
Total contractual commitments	<u><u>\$ 10,025,078</u></u>

On May 7, 2007, the City and Agency approved a Disposition and Development Agreement (DDA) with Lewis Investment Company, LLC for Foothill/Towne Avenue Project in the amount of \$4.5 million. The DDA was signed before June 30, 2007.

On June 18, 2007, the City awarded a construction contract to Los Angeles Engineering Inc. in the amount of \$6,039,830 for the construction of Veterans Park Soccer Complex Phase I, project no. 418-70913. The contract agreement was signed before June 30, 2007.

*F. Lawsuits*

In addition, the City is a defendant in certain other legal actions arising in the normal course of operations. In the opinion of management and legal counsel, any liability resulting from these actions will not result in a material adverse effect on the City's financial position.

As of June 30, 2007, in the opinion of City management, there were no additional outstanding matters that would have a significant effect on the financial position of the funds of the City.



**City of Pomona**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2007**

**15. REDEVELOPMENT AGENCY'S FINANCIAL CONDITION**

At June 30, 2007, the Agency had a deficit unrestricted net assets of (\$196,660,709), an increased deficit of \$1,934,346 from the prior year, on the government-wide financial statements, and a deficit fund balance of (\$75,211,599), an increased deficit of \$13,356,779 from the prior year.

The following is the three year trend information of financial condition of the Agency:

Government-Wide Financial Statements

	Total Net Assets (Deficit) (as restated)		Unrestricted Net Assets		Change in Net Assets (as restated)	
		\$ Change		\$ Change		\$ Change
2005	\$ (86,397,744)		\$ (190,872,292)		\$ (5,847,279)	
2006	(90,865,725)	\$ (4,467,981)	(194,726,363)	\$ (3,854,071)	(4,467,981)	\$ 1,379,298
2007	(102,564,832)	(11,699,107)	(196,660,709)	(1,934,346)	(11,699,107)	(7,231,126)

Fund Financial Statements

	Total Fund Balance (Deficit) (as restated)	
		\$ Change
2005	\$ (56,733,283)	
2006	(61,854,820)	\$ (5,121,537)
2007	(75,211,599)	(13,356,779)

The Agency continues to suffer significant reductions in net assets and fund balances, which raises uncertainties regarding the Agency's ability to conduct future operations.

Looking forward to fiscal 2007-08, Management estimates that the Redevelopment Agency will have sufficient resources to fund current debt service obligations along with operating costs. However, with a significant increase in debt service in fiscal 2011-12 estimated at \$3.8 million, Management estimates that the Agency may not have sufficient resources to operate the Agency at its current level. In anticipation of this, staff will review the operational function of the Agency in fiscal 2008-09 with efforts directed towards fiscal health.

**City of Pomona**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2007**

**16. NET ASSETS AND FUND BALANCE**

**A. Government-Wide Financial Statements**

**Invested in Capital Assets, Net of Related Debt**

The following is a calculation of invested in capital assets, net of related debt at June 30, 2007:

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
Capital assets, net of accumulated depreciation	\$ 324,569,538	\$ 104,728,570	\$ 429,298,108
Less: Obligations under capital leases	(4,169,793)	(2,219,551)	(6,389,344)
Less: Long-term debt	(37,246,676)	(50,490,126)	(87,736,802)
<b>Invested in capital assets, net of related debt</b>	<b>\$ 283,153,069</b>	<b>\$ 52,018,893</b>	<b>\$ 335,171,962</b>

**Unrestricted Net Assets**

The unrestricted net assets had a deficit balance of \$(185,662,066) for the governmental activities at June 30, 2007. Of this amount \$(196,660,709) resulted from the Agency. See Note 15 for more details. In addition, the amount of deficit unrestricted net assets was due to debt issuances.

**B. Fund Financial Statements**

**Invested in Capital Assets, Net of Related Debt**

The following is a calculation of invested in capital assets, net of related debt for the Proprietary Funds at June 30, 2007:

	Enterprise Funds				Governmental
	Water Utility	Sewer	Refuse	Total	Activities Internal Service Funds
Capital assets, net of accumulated depreciation	\$ 78,374,412	\$ 25,661,747	\$ 692,411	\$ 104,728,570	\$ 211,633
Less: Obligations under capital leases	(1,797,288)	(61,527)	(360,736)	(2,219,551)	(33,878)
Less: Long-term debt	(38,147,206)	(12,342,920)	-	(50,490,126)	-
<b>Invested in capital assets, net of related debt</b>	<b>\$ 38,429,918</b>	<b>\$ 13,257,300</b>	<b>\$ 331,675</b>	<b>\$ 52,018,893</b>	<b>\$ 177,755</b>

**City of Pomona**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2007**

**16. NET ASSETS AND FUND BALANCE, Continued**

**B. Fund Financial Statements, Continued**

**Deficit Fund Balance**

At June 30, 2007, the following funds had net assets or fund balance deficits:

<u>Fund</u>	<u>Fund Type</u>	<u>Deficit</u>
General Debt Service	Major Governmental Fund	\$ (38,765,342)
Redevelopment Agency Debt Service	Major Governmental Fund	(143,258,575)
Self-Insurance	Internal Service Fund	(10,581,999)

*General Debt Service Fund* - The General Debt Service Fund had an accumulated deficit of \$(38,765,342), which resulted from issuance of bonds.

*Redevelopment Agency Debt Service Fund* - The Redevelopment Agency Debt Service Fund had an accumulated deficit of \$(143,258,575), which resulted from issuance of bonds.

*Self-Insurance Fund* - The Self-Insurance Fund had an accumulated deficit of \$(10,581,999), which resulted from outstanding claims liability and prior year cash deficits.

**Excess of Expenditures Over Appropriations**

Excess of expenditures over appropriations occurred in individual funds during the year ended June 30, 2007 as follows:

<u>Fund</u>	<u>Expenditures</u>	<u>Appropriations</u>	<u>Excess Expenditures over Appropriations</u>
Low & Moderate Income Housing	\$ 11,980,923	\$ 8,108,833	\$ 3,872,090
General Debt Service	16,782,302	4,616,077	12,166,225
Pubic Financing Authority Debt Service	91,747,803	16,002,700	75,745,103
Redevelopment Agency Debt Service	40,383,202	28,755,096	11,628,106
Redevelopment Agency Capital Project	18,441,280	6,006,980	12,434,300
Community Development Block Grant	5,052,823	4,669,895	382,928
Proposition C	4,525,468	210,110	4,315,358
Traffic Offender	569,915	493,318	76,597
Capital Outlay	21,043,214	12,042,113	9,001,101
Assessment District Improvement	51,291	-	51,291

**City of Pomona**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2007**

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**17. TAX AND REVENUE ANTICIPATION NOTE**

On July 5, 2006, the City issued a tax and revenue anticipation note totaling \$5,000,000 to the California Statewide Communities Development Authority, a public entity authorized to issue bonds and to finance working capital for local agencies within the State of California pursuant to the Marks-Roos Local Bond Pooling Act of 1985. The note was due June 25, 2007, and had an interest rate of 4.50%. The note was a general obligation of the City, but was payable solely from taxes, income, revenues, cash receipts, and other monies of the City legally available for payment thereof. Certain of said monies had been specifically pledged to the total payment of the note and the interest thereon. As the note was considered short-term with the proceeds received by the General Fund, it was reported as a liability of that fund.

**18. PRIOR PERIOD ADJUSTMENTS**

**Government-Wide Financial Statements**

During the fiscal year ended June 30, 2007, the City recorded the following prior period adjustments in the Government-Wide Financial Statements:

*Capital assets, net* - The City performed a review of its capital assets during the year ended June 30, 2007. As a result of the review, the City identified an error and recorded an adjustment increasing capital assets, net of accumulated depreciation in the amount of \$19,441,753 as of June 30, 2006. This was a continuation of the GASB No. 34 effort.

*Loans receivable* - The City determined that cash payments for loans receivable were recorded as expenditures in 2006 rather than an increase in the receivable balance. Therefore, the amount of loans receivable was understated by \$350,000 at June 30, 2006.

	Net Assets, as Previously Reported	Prior Period Adjustments		Net Assets, as Restated
		Capital Assets, Net	Loans Receivable	
<b>Governmental Activities:</b>				
Net assets	\$ 205,491,585	\$ 19,411,753	\$ 350,000	\$ 225,253,338

**City of Pomona**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2007**

**18. PRIOR PERIOD ADJUSTMENTS, Continued**

**Fund Financial Statements**

During the fiscal year ended June 30, 2007, the City recorded the following prior period adjustments in the Fund Financial Statements:

*Low and Moderate Income Housing Fund* - The City determined that cash payments for loans receivable were recorded as expenditures in 2006 rather than an increase in the receivable balance. Therefore, the amount of loans receivable was understated by \$350,000 at June 30, 2006.

*Equipment Maintenance Internal Service Fund* - The City identified an error and recorded an adjustment increasing capital assets, net of accumulated depreciation in the amount of \$110,444 as of June 30, 2006.

	Fund Balances, as Previously Reported	Prior Period Adjustments		Fund Balances, as Restated
		Capital Assets, net	Loans Receivable	
<b>Governmental Funds</b>				
Low & Moderate Income Housing Fund	\$ 21,861,908	\$ -	\$ 350,000	\$ 22,211,908
Total Governmental Funds	195,790,358	-	350,000	196,140,358
Equipment Maintenance Internal Service Fund	(213,735)	110,444	-	(103,291)
Governmental Activities Internal Service Funds	(11,868,508)	110,444	-	(11,758,064)

**19. SUBSEQUENT EVENTS**

The City had the following material subsequent events after June 30, 2007:

- 2007 Subordinate Revenue Bonds, Series AW - Original Issuance \$8,375,000 - On July 1, 2007, the Authority issued \$8,375,000 2007 Subordinate Revenue Bonds, Series AW (Loan), to make a loan to the Agency for the purpose of financing certain improvements in the Merged Redevelopment Project (Project Area). Interest on the bonds is payable semiannually on each August 1 and February 1. The rates of interest range from 4.250% to 5.125% per annum. Principal is payable in annual installments ranging from \$230,000 to \$625,000. The bonds are secured by certain revenues consisting of the payments of principal and interest on the Loan pursuant to the Loan Agreement, dated as of July 1, 2007, between the Authority and the Agency. The Loan payments are limited obligations of the Agency payable solely from and secured by the Subordinate Tax Revenues to be derived from the Project Area remaining after the payment of the Senior Obligations and from the amounts on deposit in certain funds.

**City of Pomona**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2007**

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**19. SUBSEQUENT EVENTS, Continued**

- Tax and Revenue Anticipation Note - In order to increase available cash balances, which provide operating funds to cover cash shortfalls, the City issued on July 2, 2007, a tax and revenue anticipation note totaling \$5,000,000 to the California Statewide Communities Development Authority, a public entity authorized to issue bonds and to finance working capital for local agencies within the State of California pursuant to the Marks-Roos Local Bond Pooling Act of 1985. The note is due June 30, 2008, and bears an interest rate of 4.50%. The note is a general obligation of the City, but is payable solely from taxes, income, revenues, cash receipts, and other monies of the City legally available for payment thereof. Certain of said monies have been specifically pledged to the total payment of the note and the interest thereon.
- 2005 Reassessment and Refunding Revenue Bonds, Series AM - Original Issuance \$9,524,000 - On September 4, 2007, the City made a principal redemption in the amount of \$1,920,000.
- 2005 Local Agency Revenue Bonds, Series AL - Original Issuance \$11,370,000 - On September 4, 2007, the City made a principal redemption in the amount of \$1,975,000.

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**REQUIRED SUPPLEMENTARY  
INFORMATION  
(Unaudited)**

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**City of Pomona**  
**Required Supplementary Information (Unaudited)**  
**For the year ended June 30, 2007**

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**1. BUDGETARY INFORMATION**

Annual budgets are adopted on a basis consistent with generally accepted accounting principles in the United States for all governmental funds, except that encumbrances are shown in the year incurred for budgetary purposes. All annual appropriations lapse at fiscal year end.

On or before the last day in January of each year, all operational units submit requests for appropriations to the City's manager for budget preparation purposes. Before April 30, the proposed budget is presented to the City Council for review. The City Council holds public hearings and a final budget must be prepared and adopted no later than June 30.

The appropriated budget is prepared by fund, function, and department. The City's department heads, with approval of the finance director and City Manager, may make transfers of appropriations within a department and between departments within a fund. The legal level of budgetary control (i.e. the level at which expenditures may not legally exceed appropriations) is the fund level. The City Council made several supplemental budgetary appropriations throughout the year. The supplementary budgetary appropriations made in the various governmental funds are not detailed in the required supplementary information.

Under encumbrance accounting, purchase orders, contracts and other commitments for expenditures are recorded to reserve that portion of the applicable appropriation. Encumbrance accounting is employed as an extension of formal budgetary accounting. Since encumbrances do not yet constitute expenditures or liabilities, encumbrances outstanding at year-end are reported as reservations of fund balances. Unexpended appropriations lapse at year-end.

Following are the budget comparison schedules for the General Fund and all major special revenue funds.



**City of Pomona**  
**Required Supplementary Information (Unaudited), Continued**  
**For the year ended June 30, 2007**

**1. BUDGETARY INFORMATION, Continued**

*Budget Comparison Schedule - General Fund*

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
<b>Fund balance, July 1, 2006</b>	\$ 18,822,247	\$ 18,822,247	\$ 18,822,247	\$ -
Resources (inflows):				
Taxes	69,487,956	75,868,638	75,723,520	(145,118)
Intergovernmental	2,190,750	2,190,750	2,296,358	105,608
Charges for services	1,563,910	1,563,910	1,736,669	172,759
Fine and forfeitures	1,912,079	1,912,079	1,939,205	27,126
License and permits	6,899,138	6,899,138	6,273,621	(625,517)
Use of money and property	991,298	991,298	1,468,278	476,980
Miscellaneous	462,618	588,804	398,357	(190,447)
Proceeds from sale of capital assets	-	-	110,148	110,148
Transfers in	3,729,669	4,295,388	3,628,531	(666,857)
Amount available for appropriation	<u>106,059,665</u>	<u>113,132,252</u>	<u>112,396,934</u>	<u>(735,318)</u>
Charges to appropriations (outflows):				
Current:				
General government	3,969,373	4,683,971	4,294,331	389,640
Public safety	62,321,568	61,961,663	60,697,210	1,264,453
Urban development	9,926,846	10,437,555	10,842,698	(405,143)
Community services	10,020,525	10,249,526	9,596,632	652,894
Capital outlay	-	7,200	442,293	(435,093)
Debt service:				
Principal retirement	-	-	1,287,694	(1,287,694)
Interest and fiscal charges	225,000	225,000	330,636	(105,636)
Transfers out	<u>1,303,165</u>	<u>4,046,861</u>	<u>4,113,372</u>	<u>(66,511)</u>
Total charges to appropriations	<u>87,766,477</u>	<u>91,611,776</u>	<u>91,604,866</u>	<u>6,910</u>
<b>Fund balance, June 30, 2007</b>	<u>\$ 18,293,188</u>	<u>\$ 21,520,476</u>	<u>\$ 20,792,068</u>	<u>\$ (728,408)</u>

**City of Pomona**  
**Required Supplementary Information (Unaudited), Continued**  
**For the year ended June 30, 2007**

**1. BUDGETARY INFORMATION, Continued**

*Budget Comparison Schedule - Low and Moderate Income Housing Special Revenue Fund*

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
<b>Fund balance, July 1, 2006, as restated</b>	\$ 22,211,908	\$ 22,211,908	\$ 22,211,908	\$ -
Resources (inflows):				
Intergovernmental	500,000	500,000	247,220	(252,780)
Investment earnings	121,000	121,000	1,265,642	1,144,642
Loans repaid	348,000	348,000	880,605	532,605
Miscellaneous	176,170	176,170	133,096	(43,074)
Transfers in	4,919,625	4,919,625	4,554,968	(364,657)
Amount available for appropriation	<u>28,276,703</u>	<u>28,276,703</u>	<u>29,293,439</u>	<u>1,016,736</u>
Charges to appropriations (outflows):				
Current:				
Urban development	3,905,656	5,264,361	9,111,468	(3,847,107)
Capital outlay	-	-	110,443	(110,443)
Debt service - interest and fiscal charges	11,500	11,500	629,478	(617,978)
Transfers out	2,832,972	2,832,972	2,129,534	703,438
Total charges to appropriations	<u>6,750,128</u>	<u>8,108,833</u>	<u>11,980,923</u>	<u>(3,872,090)</u>
<b>Fund balance, June 30, 2007</b>	<u>\$ 21,526,575</u>	<u>\$ 20,167,870</u>	<u>\$ 17,312,516</u>	<u>\$ (2,855,354)</u>

**City of Pomona**  
**Required Supplementary Information (Unaudited), Continued**  
**For the year ended June 30, 2007**

**2. DEFINED PENSION PLAN**

**PUBLIC EMPLOYEE RETIREMENT SYSTEMS (PERS)**  
**SCHEDULE OF FUNDING PROGRESS**

*Safety Employees*

Actuarial Valuation Date*	Actuarial Value of Assets (AVA)	Entry Age Actuarial Accrued Liability	(Unfunded) Actuarial Accrued Liability	Funded Ratio	Annual Covered Payroll	(Unfunded)
						Actuarial Liability as Percentage of Covered Payroll
6/30/2004	\$ 189,588,892	\$ 199,442,768	\$ (9,853,876)	95.06%	\$ 13,151,584	(74.93)%
6/30/2005	197,315,242	207,564,684	(10,249,442)	95.06%	14,001,640	(73.20)%
6/30/2006	208,029,550	219,334,623	(11,305,073)	94.85%	15,057,803	(75.08)%

*Miscellaneous Employees*

Actuarial Valuation Date*	Actuarial Value of Assets (AVA)	Entry Age Actuarial Accrued Liability	(Unfunded) Actuarial Accrued Liability	Funded Ratio	Annual Covered Payroll	(Unfunded)
						Actuarial Liability as Percentage of Covered Payroll
6/30/2004	\$ 140,413,203	\$ 150,750,182	\$ (10,336,979)	93.14%	\$ 26,979,137	(38.31)%
6/30/2005	147,890,132	159,339,028	(11,448,896)	92.81%	26,779,482	(42.75)%
6/30/2006	158,136,306	167,410,886	(9,274,580)	94.46%	27,123,214	(34.19)%

\* Based on the latest actuarial valuation as of June 30, 2006.

In 2004, the City issued \$32,300,000 in Pension Obligation Bonds in order to fund the City's unamortized, unfunded actuarial accrued liability with the Public Employees Retirement System (PERS). A payment of \$27,722,510 was made to PERS on June 29, 2004 (See Notes 8 and 9).

In 2005, the City issued an additional \$5,700,000 in Pension Obligation Bonds in order to make current payments for the accrued liability with PERS.

In 2006, the City issued \$42,280,684 Pension Obligations Refunding Bonds to refinance the City's outstanding Pension Obligation Refunding Bonds Series 2004 AJ and Series 2004 AK.

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# **SUPPLEMENTARY INFORMATION**

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# NON-MAJOR GOVERNMENTAL FUNDS

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The *Housing Assistance Program* offers expanded opportunities for rental assistance to very low income families by utilizing existing housing units.

The *Community Development Block Grant Fund* develops viable urban communities by providing decent housing and a suitable environment and expand economic opportunity for persons of low and moderate income.

The *Miscellaneous Grants Fund* accounts for revenues received and expenditures made for Federal and/or State approved programs/projects.

The *State Gas Tax Fund* accounts for revenues received and expenditures made for general street improvement and maintenance. The revenues consist of the City's share of state gasoline taxes collected under Sections 2105, 2106, 2107, and 2107.5 of the Street and Highway Code.

The *Proposition "A" Fund* accounts for the receipt and disbursement of funds derived from the one-half cent sales tax imposed by the Proposition "A" ordinance of the Los Angeles County Transportation Commission. The funds are used to finance public transportation projects.

The *Proposition "C" Fund* accounts for receipt and disbursement of funds derived from a 1990-91 increase in County sales tax. The funds are used to finance transit or transit-related projects.

The *Vehicle Parking Districts Fund* accounts for the operation, maintenance, capital improvements, and administration of parking lots in the downtown business area. Revenues are received from parking fees.

The *Air Quality Improvement Fund* accounts for the revenues and expenditures made for air quality improvement projects. The revenues consist of funds received from the South Coast Air Quality Management District (SCAQMD) in accordance with AB2766.

The *Traffic Congestion Relief Fund* accounts for revenues received and expenditures made for either street pavement, rehabilitation and reconstruction of associated facilities such as drainage and traffic control devices.

The *Landscape Maintenance District Fund* accounts for revenues received and expenditures made for landscape and lighting maintenance in various areas of the City. Revenues consist of assessments received from property owners.

The *Narcotics Forfeiture Fund* accounts for the City's share of assets seized by law enforcement agencies. The monies are used for law enforcement purposes.

The *Traffic Offender Fund* accounts for the fees collected for the impoundment of vehicles and expenditures shall be for the enforcement, education and prosecution of drivers with a suspended or revoked license as well as unlicensed drivers operating a motor vehicle.

The *Capital Outlay Fund* accounts for the accumulation of the cost of capital projects.

The *Assessment District Improvement Fund* accounts for capital improvements through special charges levied against the properties benefited.

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**City of Pomona**  
**Combining Balance Sheet**  
**Non-Major Governmental Funds**  
**June 30, 2007**

	Special Revenue				
	Housing Assistance Program	Community Development Block Grant	Miscellaneous Grants	State Gas Tax	Proposition A
<b>ASSETS</b>					
Cash and investments	\$ 4,784,247	\$ 1,777,260	\$ 2,978,016	\$ 142,673	\$ 4,377,179
Receivables:					
Accounts, net	211	-	-	-	10,136
Interest	53,239	18,802	36,499	5,208	48,737
Due from other governments	-	312,578	965,174	263,281	-
Prepaid items and deposits	700,103	2,164	37,515	-	-
Restricted cash and investments	-	324,350	339,041	-	-
Loans receivable	-	3,070,026	6,757,180	-	-
Advances to other funds	-	-	-	-	-
<b>Total assets</b>	<b>\$ 5,537,800</b>	<b>\$ 5,505,180</b>	<b>\$ 11,113,425</b>	<b>\$ 411,162</b>	<b>\$ 4,436,052</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts payable	\$ 82,602	\$ 276,716	\$ 244,003	\$ 322,403	\$ 164,386
Accrued liabilities	148,021	52,395	62,477	6,826	951
Deferred revenue	-	2,051,842	7,013,969	-	-
<b>Total liabilities</b>	<b>230,623</b>	<b>2,380,953</b>	<b>7,320,449</b>	<b>329,229</b>	<b>165,337</b>
<b>Fund Balances:</b>					
Reserved for:					
Prepaid items and deposits	700,103	2,164	37,515	-	-
Loans receivable	-	1,250,000	-	-	-
Advances to other funds	-	-	-	-	-
Capital and special projects	-	324,350	339,041	-	-
Debt service and capital lease obligations	-	-	-	-	-
Unreserved, designated for:					
Contingencies	-	-	-	-	-
Unreserved, undesignated	4,607,074	1,547,713	3,416,420	81,933	4,270,715
<b>Total fund balances</b>	<b>5,307,177</b>	<b>3,124,227</b>	<b>3,792,976</b>	<b>81,933</b>	<b>4,270,715</b>
<b>Total liabilities and fund balances</b>	<b>\$ 5,537,800</b>	<b>\$ 5,505,180</b>	<b>\$ 11,113,425</b>	<b>\$ 411,162</b>	<b>\$ 4,436,052</b>

(Continued)

	Special Revenue				
	Proposition	Vehicle	Air Quality	Traffic	Landscape
	C	Parking District	Improvement	Congestion Relief	Maintenance District
<b>ASSETS</b>					
Cash and investments	\$ 6,555,087	\$ 1,299,308	\$ 639,043	\$ 1,012,941	\$ 219,804
Receivables:					
Accounts, net	-	13,170	-	-	-
Interest	77,481	14,672	6,761	16,265	3,479
Due from other governments	-	713	50,528	-	34,001
Prepaid items and deposits	-	-	-	-	-
Restricted cash and investments	-	-	-	-	-
Loans receivable	-	-	-	-	-
Advances to other funds	-	600,000	-	-	-
<b>Total assets</b>	<b>\$ 6,632,568</b>	<b>\$ 1,927,863</b>	<b>\$ 696,332</b>	<b>\$ 1,029,206</b>	<b>\$ 257,284</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts payable	\$ -	\$ 7,415	\$ 10,900	\$ -	\$ 127,690
Accrued liabilities	5,507	8,263	411	760	14,286
Deferred revenue	-	-	-	-	-
<b>Total liabilities</b>	<b>5,507</b>	<b>15,678</b>	<b>11,311</b>	<b>760</b>	<b>141,976</b>
<b>Fund Balances:</b>					
Reserved for:					
Prepaid items and deposits	-	-	-	-	-
Loans receivable	-	-	-	-	-
Advances to other funds	-	600,000	-	-	-
Capital and special projects	-	-	685,021	-	-
Debt service and capital lease obligations	-	-	-	-	-
Unreserved, designated for:					
Contingencies	2,570,640	-	-	-	-
Unreserved, undesignated	4,056,421	1,312,185	-	1,028,446	115,308
<b>Total fund balances</b>	<b>6,627,061</b>	<b>1,912,185</b>	<b>685,021</b>	<b>1,028,446</b>	<b>115,308</b>
<b>Total liabilities and fund balances</b>	<b>\$ 6,632,568</b>	<b>\$ 1,927,863</b>	<b>\$ 696,332</b>	<b>\$ 1,029,206</b>	<b>\$ 257,284</b>

(Continued)

**City of Pomona**  
**Combining Balance Sheet**  
**Non-Major Governmental Funds**  
**June 30, 2007**

	Special Revenue		Capital Projects		Total Other Governmental Funds
	Narcotics Forfeiture	Traffic Offender	Capital Outlay	Assessment District Improvement	
<b>ASSETS</b>					
Cash and investments	\$ 871,745	\$ 318,824	\$ 1,952,906	\$ 171,242	\$ 27,100,275
Receivables:					
Accounts, net	-	-	-	-	23,517
Interest	11,057	3,175	5,760	1,947	303,082
Due from other governments	-	-	239,100	-	1,865,375
Prepaid items and deposits	2,369	-	-	-	742,151
Restricted cash and investments	-	-	24,150,594	1,230,307	26,044,292
Loans receivable	-	-	-	-	9,827,206
Advances to other funds	-	-	-	-	600,000
<b>Total assets</b>	<b>\$ 885,171</b>	<b>\$ 321,999</b>	<b>\$ 26,348,360</b>	<b>\$ 1,403,496</b>	<b>\$ 66,505,898</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts payable	\$ 91,004	\$ 9,793	\$ 1,051,529	\$ -	\$ 2,388,441
Accrued liabilities	7,890	13,508	26,948	-	348,243
Deferred revenue	-	-	-	-	9,065,811
<b>Total liabilities</b>	<b>98,894</b>	<b>23,301</b>	<b>1,078,477</b>	<b>-</b>	<b>11,802,495</b>
<b>Fund Balances:</b>					
Reserved for:					
Prepaid items and deposits	2,369	-	-	-	742,151
Loans receivable	-	-	-	-	1,250,000
Advances to other funds	-	-	-	-	600,000
Capital and special projects	-	-	23,139,192	1,230,307	25,717,911
Debt service and capital lease obligations	-	-	882,040	-	882,040
Unreserved, designated for:					
Contingencies	-	-	-	-	2,570,640
Unreserved, undesignated	783,908	298,698	1,248,651	173,189	22,940,661
<b>Total fund balances</b>	<b>786,277</b>	<b>298,698</b>	<b>25,269,883</b>	<b>1,403,496</b>	<b>54,703,403</b>
<b>Total liabilities and fund balances</b>	<b>\$ 885,171</b>	<b>\$ 321,999</b>	<b>\$ 26,348,360</b>	<b>\$ 1,403,496</b>	<b>\$ 66,505,898</b>

(Concluded)

# City of Pomona

## Combining Statement of Revenues, Expenditures and Changes in Fund Balances

### Non-Major Governmental Funds

For the year ended June 30, 2007

	Special Revenue				
	Housing Assistance Programs	Community Development Block Grant	Miscellaneous Grants	State Gas Tax	Proposition A
<b>REVENUES:</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-
Intergovernmental	11,428,357	3,928,490	4,207,414	2,883,313	2,574,187
Charges for services	-	-	45,246	-	-
Fines and forfeitures	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Use of money and property	177,322	132,074	909,479	17,492	226,086
Miscellaneous	15,451	459,934	366,905	-	7,000
<b>Total revenues</b>	<b>11,621,130</b>	<b>4,520,498</b>	<b>5,529,044</b>	<b>2,900,805</b>	<b>2,807,273</b>
<b>EXPENDITURES:</b>					
Current:					
General government	-	591,272	-	-	-
Public safety	-	757,735	957,827	-	-
Urban development	9,208,068	1,442,841	2,450,633	337,201	4,281,680
Community services	-	-	719,845	-	45,929
Capital outlay	76,877	275,204	696,751	543,275	-
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal charges	3,500	-	-	-	-
<b>Total expenditures</b>	<b>9,288,445</b>	<b>3,067,052</b>	<b>4,825,056</b>	<b>880,476</b>	<b>4,327,609</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>2,332,685</b>	<b>1,453,446</b>	<b>703,988</b>	<b>2,020,329</b>	<b>(1,520,336)</b>
<b>OTHER FINANCING SOURCES (USES):</b>					
Issuance of capital leases	-	-	-	-	-
Transfers in	-	1,340,271	89,660	1,420,503	-
Transfers out	-	(1,985,771)	(115,970)	(3,594,385)	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>(645,500)</b>	<b>(26,310)</b>	<b>(2,173,882)</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>2,332,685</b>	<b>807,946</b>	<b>677,678</b>	<b>(153,553)</b>	<b>(1,520,336)</b>
<b>FUND BALANCES:</b>					
Beginning of year	2,974,492	2,316,281	3,115,298	235,486	5,791,051
End of year	\$ 5,307,177	\$ 3,124,227	\$ 3,792,976	\$ 81,933	\$ 4,270,715

(Continued)

# City of Pomona

## Combining Statement of Revenues, Expenditures and Changes in Fund Balances

### Non-Major Governmental Funds

For the year ended June 30, 2007

	Special Revenue				
	Proposition	Vehicle	Air Quality	Traffic	Landscape
	C	Parking District	Improvement	Congestion Relief	Maintenance District
<b>REVENUES:</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	10,696	-	-	1,156,023
Intergovernmental	2,134,042	-	194,999	1,165,812	-
Charges for services	-	-	-	-	-
Fines and forfeitures	-	68,418	-	-	-
Licenses and permits	-	70,275	-	-	-
Use of money and property	405,976	308,733	27,941	66,100	17,002
Miscellaneous	26	38	-	-	12
<b>Total revenues</b>	<b>2,540,044</b>	<b>458,160</b>	<b>222,940</b>	<b>1,231,912</b>	<b>1,173,037</b>
<b>EXPENDITURES:</b>					
Current:					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Urban development	152,436	304,057	36,700	7,178	-
Community services	-	-	-	-	1,577,004
Capital outlay	49,994	8,477	1,144	6,856	-
Debt service:					
Principal	-	-	74,462	-	-
Interest and fiscal charges	-	-	14,404	-	-
<b>Total expenditures</b>	<b>202,430</b>	<b>312,534</b>	<b>126,710</b>	<b>14,034</b>	<b>1,577,004</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>2,337,614</b>	<b>145,626</b>	<b>96,230</b>	<b>1,217,878</b>	<b>(403,967)</b>
<b>OTHER FINANCING SOURCES (USES):</b>					
Issuance of capital leases	-	-	-	-	-
Transfers in	-	-	-	2,834	-
Transfers out	(4,323,038)	-	-	(915,267)	(50,000)
<b>Total other financing sources (uses)</b>	<b>(4,323,038)</b>	<b>-</b>	<b>-</b>	<b>(912,433)</b>	<b>(50,000)</b>
<b>Net change in fund balances</b>	<b>(1,985,424)</b>	<b>145,626</b>	<b>96,230</b>	<b>305,445</b>	<b>(453,967)</b>
<b>FUND BALANCES:</b>					
Beginning of year	8,612,485	1,766,559	588,791	723,001	569,275
End of year	\$ 6,627,061	\$ 1,912,185	\$ 685,021	\$ 1,028,446	\$ 115,308

(Continued)

# City of Pomona

## Combining Statement of Revenues, Expenditures and Changes in Fund Balances

### Non-Major Governmental Funds

For the year ended June 30, 2007

	Special Revenue		Capital Projects		Total Other Governmental Funds
	Narcotics Forfeiture	Traffic Offender	Capital Outlay	Assessment District Improvement	
<b>REVENUES:</b>					
Taxes	\$ -	\$ -	\$ 168,893	\$ -	\$ 168,893
Special assessments	-	-	-	-	1,166,719
Intergovernmental	3,579	-	1,081,322	-	29,601,515
Charges for services	-	514,480	-	-	559,726
Fines and forfeitures	640,332	-	-	-	708,750
Licenses and permits	-	-	346,345	-	416,620
Use of money and property	53,757	16,076	1,505,793	63,387	3,927,218
Miscellaneous	28,843	-	125,644	188,845	1,192,698
<b>Total revenues</b>	<b>726,511</b>	<b>530,556</b>	<b>3,227,997</b>	<b>252,232</b>	<b>37,742,139</b>
<b>EXPENDITURES:</b>					
Current:					
General government	-	-	49,168	51,236	691,676
Public safety	892,505	569,915	860,620	-	4,038,602
Urban development	-	-	187,409	55	18,408,258
Community services	-	-	181,201	-	2,523,979
Capital outlay	104,773	-	17,628,628	-	19,391,979
Debt service:					
Principal	-	-	-	-	74,462
Interest and fiscal charges	-	-	-	-	17,904
<b>Total expenditures</b>	<b>997,278</b>	<b>569,915</b>	<b>18,907,026</b>	<b>51,291</b>	<b>45,146,860</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(270,767)</b>	<b>(39,359)</b>	<b>(15,679,029)</b>	<b>200,941</b>	<b>(7,404,721)</b>
<b>OTHER FINANCING SOURCES (USES):</b>					
Issuance of capital leases	-	-	1,714,407	-	1,714,407
Transfers in	-	-	25,190,782	-	28,044,050
Transfers out	-	-	(2,136,188)	-	(13,120,619)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>24,769,001</b>	<b>-</b>	<b>16,637,838</b>
<b>Net change in fund balances</b>	<b>(270,767)</b>	<b>(39,359)</b>	<b>9,089,972</b>	<b>200,941</b>	<b>9,233,117</b>
<b>FUND BALANCES:</b>					
Beginning of year	1,057,044	338,057	16,179,911	1,202,555	45,470,286
End of year	\$ 786,277	\$ 298,698	\$ 25,269,883	\$ 1,403,496	\$ 54,703,403

(Concluded)

# City of Pomona

## Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

### General Debt Service

For the year ended June 30, 2007

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive/(Negative)
	Original	Final		
<b>Fund balance, July 1, 2006</b>	\$ (28,428,966)	\$ (28,428,966)	\$ (28,428,966)	\$ -
Resources (inflows):				
Taxes	989,857	989,857	2,884,998	1,895,141
Use of money and property	1,076,935	1,076,935	264,122	(812,813)
Miscellaneous	-	-	12,448	12,448
Transfers in	2,672,985	2,672,985	3,284,358	611,373
Amount available for appropriation	(23,689,189)	(23,689,189)	(21,983,040)	1,706,149
Charges to appropriations (outflows):				
Current:				
General government	8,700	8,700	14,820	(6,120)
Debt service:				
Principal	-	-	1,508,000	(1,508,000)
Interest and fiscal charges	3,549,377	3,549,377	6,740,671	(3,191,294)
Transfers out	1,058,000	1,058,000	8,518,811	(7,460,811)
Total charges to appropriations	4,616,077	4,616,077	16,782,302	(12,166,225)
<b>Fund balance, June 30, 2007</b>	\$ (28,305,266)	\$ (28,305,266)	\$ (38,765,342)	\$ (10,460,076)

# City of Pomona

## Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

### Public Financing Authority Debt Service

For the year ended June 30, 2007

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget Positive/(Negative)
<b>Fund balance, July 1, 2006</b>	\$ 222,131,611	\$ 222,131,611	\$ 222,131,611	\$ -
Resources (inflows):				
Use of money and property	11,264,700	11,264,700	10,167,568	(1,097,132)
Miscellaneous	-	-	4,856	4,856
Issuance of bonds, loans, and notes payable	-	-	73,855,000	73,855,000
Bond premium	-	-	1,087,257	1,087,257
Transfers in	4,738,000	4,738,000	17,029,914	12,291,914
Amount available for appropriation	238,134,311	238,134,311	324,276,206	86,141,895
Charges to appropriations (outflows):				
Debt service:				
Principal	4,738,000	4,738,000	5,560,000	(822,000)
Interest and fiscal charges	11,264,700	11,264,700	12,166,716	(902,016)
Debt issuance costs	-	-	1,253,413	(1,253,413)
Payment to refunded bonds escrow agent	-	-	58,315,000	(58,315,000)
Transfers out	-	-	14,452,674	(14,452,674)
Total charges to appropriations	16,002,700	16,002,700	91,747,803	(75,745,103)
<b>Fund balance, June 30, 2007</b>	\$ 222,131,611	\$ 222,131,611	\$ 232,528,403	\$ 10,396,792



# City of Pomona

## Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

### Redevelopment Agency Debt Service

For the year ended June 30, 2007

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive/(Negative)
	Original	Final		
<b>Fund balance, July 1, 2006</b>	\$ (143,013,645)	\$ (143,013,645)	\$ (143,013,645)	\$ -
Resources (inflows):				
Taxes	23,572,795	23,572,795	26,468,010	2,895,215
Intergovernmental	2,510,161	2,510,161	2,285,920	(224,241)
Use of money and property	439,586	439,586	465,874	26,288
Miscellaneous	144,941	144,941	139,485	(5,456)
Issuance of bonds, loans, and notes payable	258,309	258,309	352,460	94,151
Transfers in	2,732,972	2,732,972	10,426,523	7,693,551
Amount available for appropriation	<u>(113,354,881)</u>	<u>(113,354,881)</u>	<u>(102,875,373)</u>	<u>10,479,508</u>
Charges to appropriations (outflows):				
Current:				
Urban development	10,914,106	11,564,106	15,150,700	(3,586,594)
Debt service:				
Principal	661,223	661,223	821,076	(159,853)
Interest and fiscal charges	6,821,229	6,821,229	7,442,897	(621,668)
Payment to refunded bonds escrow agent	-	-	1,435,000	(1,435,000)
Transfers out	9,708,538	9,708,538	15,533,529	(5,824,991)
Total charges to appropriations	<u>28,105,096</u>	<u>28,755,096</u>	<u>40,383,202</u>	<u>(11,628,106)</u>
<b>Fund balance, June 30, 2007</b>	<u>\$ (141,459,977)</u>	<u>\$ (142,109,977)</u>	<u>\$ (143,258,575)</u>	<u>\$ (1,148,598)</u>

# City of Pomona

## Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

### Redevelopment Agency Capital Project

For the year ended June 30, 2007

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive/(Negative)
	Original	Final		
<b>Fund balance, July 1, 2006</b>	\$ 58,946,917	\$ 58,946,917	\$ 58,946,917	\$ -
Resources (inflows):				
Use of money and property	234,882	234,882	1,950,970	1,716,088
Loan repaid	600,000	600,000	31,823	(568,177)
Contributions and donations	-	-	3,344,179	3,344,179
Miscellaneous	1,460,068	1,460,068	359,731	(1,100,337)
Transfers in	545,078	545,078	4,542,120	3,997,042
Amount available for appropriation	61,786,945	61,786,945	69,175,740	7,388,795
Charges to appropriations (outflows):				
Current:				
Urban development	6,185,761	5,685,761	4,860,419	825,342
Loss on sale of land held for resale	-	-	654,961	(654,961)
Transfers out	321,219	321,219	12,925,900	(12,604,681)
Total charges to appropriations	6,506,980	6,006,980	18,441,280	(12,434,300)
<b>Fund balance, June 30, 2007</b>	\$ 55,279,965	\$ 55,779,965	\$ 50,734,460	\$ (5,045,505)

# City of Pomona

## Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

### Housing Assistance Program

For the year ended June 30, 2007

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget Positive/(Negative)
<b>Fund balance, July 1, 2006</b>	\$ 2,974,492	\$ 2,974,492	\$ 2,974,492	\$ -
Resources (inflows):				
Intergovernmental	10,534,927	10,534,927	11,428,357	893,430
Use of money and property	39,000	39,000	177,322	138,322
Miscellaneous	6,000	6,000	15,451	9,451
Amount available for appropriation	13,554,419	13,554,419	14,595,622	1,041,203
Charges to appropriations (outflows):				
Current:				
Urban development	10,810,645	10,799,915	9,208,068	1,591,847
Capital outlay	78,470	-	76,877	(76,877)
Debt service:				
Interest and fiscal charges	-	-	3,500	(3,500)
Total charges to appropriations	10,889,115	10,799,915	9,288,445	1,511,470
<b>Fund balance, June 30, 2007</b>	\$ 2,665,304	\$ 2,754,504	\$ 5,307,177	\$ 2,552,673

# City of Pomona

## Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

### Community Development Block Grant

For the year ended June 30, 2007

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive/(Negative)
	Original	Final		
<b>Fund balance, July 1, 2006</b>	\$ 2,316,281	\$ 2,316,281	\$ 2,316,281	\$ -
Resources (inflows):				
Intergovernmental	2,948,205	2,958,205	3,928,490	970,285
Use of money and property	125,000	125,000	132,074	7,074
Miscellaneous	-	-	459,934	459,934
Transfers in	-	53,000	1,340,271	1,287,271
Amount available for appropriation	5,389,486	5,452,486	8,177,050	2,724,564
Charges to appropriations (outflows):				
Current:				
General government	602,394	602,394	591,272	11,122
Public safety	851,642	856,642	757,735	98,907
Urban development	775,437	780,437	1,442,841	(662,404)
Capital outlay	856,485	2,430,422	275,204	2,155,218
Transfers out	-	-	1,985,771	(1,985,771)
Total charges to appropriations	3,085,958	4,669,895	5,052,823	(382,928)
<b>Fund balance, June 30, 2007</b>	\$ 2,303,528	\$ 782,591	\$ 3,124,227	\$ 2,341,636

# City of Pomona

## Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

### Miscellaneous Grants

For the year ended June 30, 2007

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive/(Negative)
	Original	Final		
<b>Fund balance, July 1, 2006</b>	\$ 3,115,298	\$ 3,115,298	\$ 3,115,298	\$ -
Resources (inflows):				
Intergovernmental	5,527,355	6,538,795	4,207,414	(2,331,381)
Charges for services	52,035	52,035	45,246	(6,789)
Use of money and property	320,200	320,200	909,479	589,279
Miscellaneous	361,611	941,342	366,905	(574,437)
Transfers in	199,330	199,330	89,660	(109,670)
Amount available for appropriation	9,575,829	11,167,000	8,734,002	(2,432,998)
Charges to appropriations (outflows):				
Current:				
Public safety	852,049	2,146,393	957,827	1,188,566
Urban development	5,328,747	5,629,432	2,450,633	3,178,799
Community services	718,271	727,542	719,845	7,697
Capital outlay	-	137,464	696,751	(559,287)
Transfers out	109,670	176,060	115,970	60,090
Total charges to appropriations	7,008,737	8,816,891	4,941,026	3,875,865
<b>Fund balance, June 30, 2007</b>	\$ 2,567,092	\$ 2,350,109	\$ 3,792,976	\$ 1,442,867

# City of Pomona

## Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

### State Gas Tax

For the year ended June 30, 2007

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive/(Negative)
	Original	Final		
<b>Fund balance, July 1, 2006</b>	\$ 235,486	\$ 235,486	\$ 235,486	\$ -
Resources (inflows):				
Intergovernmental	2,930,000	2,930,000	2,883,313	(46,687)
Use of money and property	40,000	40,000	17,492	(22,508)
Transfers in	-	-	1,420,503	1,420,503
Amount available for appropriation	3,205,486	3,205,486	4,556,794	1,351,308
Charges to appropriations (outflows):				
Current:				
Urban development	35,576	45,576	337,201	(291,625)
Capital outlay	347,738	1,748,056	543,275	1,204,781
Transfers out	3,717,669	3,717,669	3,594,385	123,284
Total charges to appropriations	4,100,983	5,511,301	4,474,861	1,036,440
<b>Fund balance, June 30, 2007</b>	\$ (895,497)	\$ (2,305,815)	\$ 81,933	\$ 2,387,748

# City of Pomona

## Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

### Proposition A

For the year ended June 30, 2007

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget Positive/(Negative)
<b>Fund balance, July 1, 2006</b>	\$ 5,791,051	\$ 5,791,051	\$ 5,791,051	\$ -
Resources (inflows):				
Intergovernmental	2,217,000	2,217,000	2,574,187	357,187
Use of money and property	39,000	39,000	226,086	187,086
Miscellaneous	5,000	5,000	7,000	2,000
Amount available for appropriation	8,052,051	8,052,051	8,598,324	546,273
Charges to appropriations (outflows):				
Current:				
Urban development	1,957,645	4,817,645	4,281,680	535,965
Community services	80,000	80,000	45,929	34,071
Total charges to appropriations	2,037,645	4,897,645	4,327,609	570,036
<b>Fund balance, June 30, 2007</b>	\$ 6,014,406	\$ 3,154,406	\$ 4,270,715	\$ 1,116,309

# City of Pomona

## Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual Proposition C

For the year ended June 30, 2007

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive/(Negative)
	Original	Final		
<b>Fund balance, July 1, 2006</b>	\$ 8,612,485	\$ 8,612,485	\$ 8,612,485	\$ -
Resources (inflows):				
Intergovernmental	1,850,000	1,850,000	2,134,042	284,042
Use of money and property	60,000	60,000	405,976	345,976
Miscellaneous	-	-	26	26
Amount available for appropriation	10,522,485	10,522,485	11,152,529	630,044
Charges to appropriations (outflows):				
Current:				
Urban development	210,110	210,110	152,436	57,674
Capital outlay	-	-	49,994	(49,994)
Transfers out	-	-	4,323,038	(4,323,038)
Total charges to appropriations	210,110	210,110	4,525,468	(4,315,358)
<b>Fund balance, June 30, 2007</b>	\$ 10,312,375	\$ 10,312,375	\$ 6,627,061	\$ (3,685,314)



# City of Pomona

## Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

### Vehicle Parking District

For the year ended June 30, 2007

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive/(Negative)
	Original	Final		
<b>Fund balance, July 1, 2006</b>	\$ 1,766,559	\$ 1,766,559	\$ 1,766,559	\$ -
Resources (inflows):				
Special assessments	14,000	14,000	10,696	(3,304)
Fines and forfeitures	21,000	21,000	68,418	47,418
Licenses and permits	85,000	85,000	70,275	(14,725)
Use of money and property	286,000	286,000	308,733	22,733
Miscellaneous	-	-	38	38
Amount available for appropriation	2,172,559	2,172,559	2,224,719	52,160
Charges to appropriations (outflows):				
Current:				
Urban development	354,342	363,033	304,057	58,976
Capital outlay	-	-	8,477	(8,477)
Total charges to appropriations	354,342	363,033	312,534	50,499
<b>Fund balance, June 30, 2007</b>	\$ 1,818,217	\$ 1,809,526	\$ 1,912,185	\$ 102,659

# City of Pomona

## Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

### Air Quality Improvement

For the year ended June 30, 2007

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive/(Negative)
	Original	Final		
<b>Fund balance, July 1, 2006</b>	\$ 588,791	\$ 588,791	\$ 588,791	\$ -
Resources (inflows):				
Intergovernmental	187,000	187,000	194,999	7,999
Use of money and property	11,000	11,000	27,941	16,941
Amount available for appropriation	<u>786,791</u>	<u>786,791</u>	<u>811,731</u>	<u>24,940</u>
Charges to appropriations (outflows):				
Current:				
Urban development	149,369	149,369	36,700	112,669
Capital outlay	-	-	1,144	(1,144)
Debt Service:				
Principal	-	-	74,462	(74,462)
Interest and fiscal charges	-	-	14,404	(14,404)
Total charges to appropriations	<u>149,369</u>	<u>149,369</u>	<u>126,710</u>	<u>22,659</u>
<b>Fund balance, June 30, 2007</b>	<u>\$ 637,422</u>	<u>\$ 637,422</u>	<u>\$ 685,021</u>	<u>\$ 47,599</u>

# City of Pomona

## Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

### Traffic Congestion Relief

For the year ended June 30, 2007

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget Positive/(Negative)
<b>Fund balance, July 1, 2006</b>	\$ 723,001	\$ 723,001	\$ 723,001	\$ -
Resources (inflows):				
Intergovernmental	-	-	1,165,812	1,165,812
Use of money and property	-	-	66,100	66,100
Miscellaneous	449,969	449,969	-	(449,969)
Transfers in	-	-	2,834	2,834
Amount available for appropriation	1,172,970	1,172,970	1,957,747	784,777
Charges to appropriations (outflows):				
Current:				
Urban development	-	-	7,178	(7,178)
Capital outlay	1,097,484	1,097,484	6,856	1,090,628
Transfers out	-	-	915,267	(915,267)
Total charges to appropriations	1,097,484	1,097,484	929,301	168,183
<b>Fund balance, June 30, 2007</b>	\$ 75,486	\$ 75,486	\$ 1,028,446	\$ 952,960

# City of Pomona

## Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

### Landscape Maintenance District

For the year ended June 30, 2007

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget Positive/(Negative)
<b>Fund balance, July 1, 2006</b>	\$ 569,275	\$ 569,275	\$ 569,275	\$ -
Resources (inflows):				
Special assessments	1,230,000	1,230,000	1,156,023	(73,977)
Use of money and property	10,000	10,000	17,002	7,002
Miscellaneous	-	-	12	12
Amount available for appropriation	1,809,275	1,809,275	1,742,312	(66,963)
Charges to appropriations (outflows):				
Current:				
Community services	1,719,954	1,719,954	1,577,004	142,950
Transfers out	12,000	12,000	50,000	(38,000)
Total charges to appropriations	1,731,954	1,731,954	1,627,004	104,950
<b>Fund balance, June 30, 2007</b>	\$ 77,321	\$ 77,321	\$ 115,308	\$ 37,987

# City of Pomona

## Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

### Narcotics Forfeiture

For the year ended June 30, 2007

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive/(Negative)
	Original	Final		
<b>Fund balance, July 1, 2006</b>	\$ 1,057,044	\$ 1,057,044	\$ 1,057,044	\$ -
Resources (inflows):				
Intergovernmental	8,000	8,000	3,579	(4,421)
Fines and forfeiture	1,872,000	1,872,000	640,332	(1,231,668)
Use of money and property	20,000	20,000	53,757	33,757
Miscellaneous	-	1,798	28,843	27,045
Amount available for appropriation	2,957,044	2,958,842	1,783,555	(1,175,287)
Charges to appropriations (outflows):				
Current:				
Public safety	1,911,261	1,887,279	892,505	994,774
Capital outlay	-	25,780	104,773	(78,993)
Total charges to appropriations	1,911,261	1,913,059	997,278	915,781
<b>Fund balance, June 30, 2007</b>	\$ 1,045,783	\$ 1,045,783	\$ 786,277	\$ (259,506)

# City of Pomona

## Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

### Traffic Offender

For the year ended June 30, 2007

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive/(Negative)
	Original	Final		
<b>Fund balance, July 1, 2006</b>	\$ 338,057	\$ 338,057	\$ 338,057	\$ -
Resources (inflows):				
Charges for services	504,735	504,735	514,480	9,745
Use of money and property	3,500	3,500	16,076	12,576
Amount available for appropriation	846,292	846,292	868,613	22,321
Charges to appropriations (outflows):				
Current:				
Public safety	493,318	493,318	569,915	(76,597)
Total charges to appropriations	493,318	493,318	569,915	(76,597)
<b>Fund balance, June 30, 2007</b>	\$ 352,974	\$ 352,974	\$ 298,698	\$ (54,276)

# City of Pomona

## Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

### Capital Outlay Fund

For the year ended June 30, 2007

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget Positive/(Negative)
<b>Fund balance, July 1, 2006</b>	\$ 16,179,911	\$ 16,179,911	\$ 16,179,911	\$ -
Resources (inflows):				
Taxes	120,000	120,000	168,893	48,893
Intergovernmental	-	319,381	1,081,322	761,941
Licenses and permits	275,000	275,000	346,345	71,345
Use of money and property	30,000	30,000	1,505,793	1,475,793
Miscellaneous	33,931	33,931	125,644	91,713
Issuance of capital leases	-	-	1,714,407	1,714,407
Transfers in	-	1,318,696	25,190,782	23,872,086
Amount available for appropriation	16,638,842	18,276,919	46,313,097	28,036,178
Charges to appropriations (outflows):				
Current:				
General government	-	100,000	49,168	50,832
Public safety	-	-	860,620	(860,620)
Urban development	-	-	187,409	(187,409)
Community services	-	-	181,201	(181,201)
Capital outlay	5,317,870	11,767,852	17,628,628	(5,860,776)
Transfers out	121,261	174,261	2,136,188	(1,961,927)
Total charges to appropriations	5,439,131	12,042,113	21,043,214	(9,001,101)
<b>Fund balance, June 30, 2007</b>	\$ 11,199,711	\$ 6,234,806	\$ 25,269,883	\$ 19,035,077

# City of Pomona

## Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

### Assessment District Improvement

For the year ended June 30, 2007

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget Positive/(Negative)
<b>Fund balance, July 1, 2006</b>	\$ 1,202,555	\$ 1,202,555	\$ 1,202,555	\$ -
Resources (inflows):				
Use of money and property	700	700	63,387	62,687
Miscellaneous	-	-	188,845	188,845
Amount available for appropriation	1,203,255	1,203,255	1,454,787	251,532
Charges to appropriations (outflows):				
Current:				
General government	-	-	51,236	(51,236)
Urban development	-	-	55	(55)
Total charges to appropriations	-	-	51,291	(51,291)
<b>Fund balance, June 30, 2007</b>	\$ 1,203,255	\$ 1,203,255	\$ 1,403,496	\$ 200,241



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# INTERNAL SERVICE FUNDS

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The **Internal Service Funds** account for the maintenance and repair of City vehicles and equipment, risk management, general liability and workers' compensation services provided to other departments or agencies of the City.

**City of Pomona**  
**Combining Statement of Net Assets**  
**All Internal Service Funds**  
**June 30, 2007**

	Self- Insurance	Equipment Maintenance	Total
<b>ASSETS</b>			
Current assets:			
Cash and investments	\$ 310,535	\$ 309,473	\$ 620,008
Accounts receivable	262,106	8,035	270,141
Inventories	-	300,380	300,380
Total current assets	<u>572,641</u>	<u>617,888</u>	<u>1,190,529</u>
Noncurrent assets:			
Restricted cash and investments	-	2,113	2,113
Capital assets:			
Depreciable assets	-	488,596	488,596
Less accumulated depreciation	-	(276,963)	(276,963)
Capital assets, net	<u>-</u>	<u>211,633</u>	<u>211,633</u>
Total noncurrent assets	<u>-</u>	<u>213,746</u>	<u>213,746</u>
<b>Total assets</b>	<u>572,641</u>	<u>831,634</u>	<u>1,404,275</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	389,218	203,441	592,659
Accrued liabilities	28,579	68,474	97,053
Interest payable	-	161	161
Compensated absences	54,793	172,271	227,064
Claims payable	2,200,000	-	2,200,000
Obligations under capital leases	-	12,684	12,684
Total current liabilities	<u>2,672,590</u>	<u>457,031</u>	<u>3,129,621</u>
Noncurrent liabilities:			
Advances from other funds	2,293,073	-	2,293,073
Claims payable	6,188,977	-	6,188,977
Obligations under capital leases	-	21,194	21,194
Total noncurrent liabilities	<u>8,482,050</u>	<u>21,194</u>	<u>8,503,244</u>
<b>Total liabilities</b>	<u>11,154,640</u>	<u>478,225</u>	<u>11,632,865</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	-	177,755	177,755
Restricted for debt service	-	1,952	1,952
Unrestricted	(10,581,999)	173,702	(10,408,297)
<b>Total net assets</b>	<u>\$ (10,581,999)</u>	<u>\$ 353,409</u>	<u>\$ (10,228,590)</u>

**City of Pomona**  
**Combining Statement of Activities and Changes in Net Assets**  
**All Internal Service Funds**  
**For the year ended June 30, 2007**

	Self- Insurance	Equipment Maintenance	Total
<b>OPERATING REVENUES:</b>			
Charges for services	\$ 7,327,244	\$ 5,404,366	\$ 12,731,610
Miscellaneous	137,135	14,135	151,270
<b>Total operating revenues</b>	<b>7,464,379</b>	<b>5,418,501</b>	<b>12,882,880</b>
<b>OPERATING EXPENSES:</b>			
Personnel services	708,883	1,619,362	2,328,245
Operations	125,731	2,647,894	2,773,625
Claims expense	4,374,681	-	4,374,681
Depreciation	-	24,229	24,229
Insurance	1,182,310	713,569	1,895,879
<b>Total operating expenses</b>	<b>6,391,605</b>	<b>5,005,054</b>	<b>11,396,659</b>
<b>OPERATING INCOME (LOSS)</b>	<b>1,072,774</b>	<b>413,447</b>	<b>1,486,221</b>
<b>NONOPERATING REVENUES (EXPENSES):</b>			
Gain (loss) on disposal of capital assets	-	1,800	1,800
Interest expense and fees	-	(1,155)	(1,155)
Investment earnings	-	108	108
Intergovernmental	-	42,500	42,500
<b>Total nonoperating revenues (expenses)</b>	<b>-</b>	<b>43,253</b>	<b>43,253</b>
<b>Changes in net assets</b>	<b>1,072,774</b>	<b>456,700</b>	<b>1,529,474</b>
<b>NET ASSETS:</b>			
Beginning of year, as restated	(11,654,773)	(103,291)	(11,758,064)
End of year	<u>\$ (10,581,999)</u>	<u>\$ 353,409</u>	<u>\$ (10,228,590)</u>

**City of Pomona**  
**Combining Statement of Cash Flows**  
**All Internal Service Funds**  
**For the year ended June 30, 2007**

	Self- Insurance	Equipment Maintenance	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Cash received from customers/other funds	\$ 7,065,138	\$ 5,274,530	\$ 12,339,668
Cash payments to suppliers for goods and services	(5,748,199)	(3,394,408)	(9,142,607)
Cash payments for general and administrative expenses	(742,571)	(1,600,064)	(2,342,635)
Cash received from (paid for) other	137,135	14,135	151,270
<b>Net cash provided (used) by operating activities</b>	<b>711,503</b>	<b>294,193</b>	<b>1,005,696</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>			
Advances from other funds	(400,968)	-	(400,968)
<b>Net cash provided (used) by noncapital financing activities</b>	<b>(400,968)</b>	<b>-</b>	<b>(400,968)</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>			
Proceeds from sale of capital assets	-	29,224	29,224
Repayment of bonds payable and capital leases	-	(12,875)	(12,875)
Interest paid on capital-related debt	-	(1,269)	(1,269)
<b>Net cash provided (used) by capital and related financing activities</b>	<b>-</b>	<b>15,080</b>	<b>15,080</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Interest income received	-	108	108
<b>Net cash provided (used) by investing activities</b>	<b>-</b>	<b>108</b>	<b>108</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>310,535</b>	<b>309,381</b>	<b>619,916</b>
<b>CASH AND CASH EQUIVALENTS:</b>			
Beginning of year	-	2,205	2,205
End of year	<b>\$ 310,535</b>	<b>\$ 311,586</b>	<b>\$ 622,121</b>
<b>FINANCIAL STATEMENT PRESENTATION:</b>			
Cash and investments	\$ 310,535	\$ 309,473	\$ 620,008
Restricted cash and investments	-	2,113	2,113
<b>Total cash, cash equivalents, and investments</b>	<b>\$ 310,535</b>	<b>\$ 311,586</b>	<b>\$ 622,121</b>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b>			
Operating income (loss)	\$ 1,072,774	\$ 413,447	\$ 1,486,221
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	-	24,229	24,229
Changes in operating assets and liabilities:			
Accounts receivable	(262,106)	(7,002)	(269,108)
Inventories	-	7,838	7,838
Accounts payable	(278,516)	(40,783)	(319,299)
Accrued liabilities	(1,376)	5,447	4,071
Due to other funds	-	(122,834)	(122,834)
Compensated absences	(32,312)	13,851	(18,461)
Claims payable	213,039	-	213,039
Total adjustments	(361,271)	(143,483)	(504,754)
<b>Net cash provided (used) by operating activities</b>	<b>\$ 711,503</b>	<b>\$ 294,193</b>	<b>\$ 1,005,696</b>

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# FIDUCIARY FUNDS

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The **Agency Funds** account for assets held by the City for other funds, governments or individuals. These funds include receipts and disbursements of funds for the debt service activity of the 1911 Act assessment districts, cash deposits collected for street and sidewalk encroachment permits, debt services activity related to debt without government commitment for various assessment district improvements, cash guarantees (deposits) collected by the City for various construction improvement projects, deposits of miscellaneous, self-supporting City projects, payment of various employee benefits and deductions, including, but not limited to, health and dental insurance premiums, federal and state withholding taxes, life insurance and other withholdings from regular compensation.

**City of Pomona**  
**Combining Statement of Fiduciary Net Assets**  
**All Agency Funds**  
**June 30, 2007**

	Assessment Districts	Engineers' Revolving	Construction Guarantee	Municipal Revolving	Employee Benefits/ Deductions	Total Agency Funds
<b>ASSETS</b>						
Cash and investments	\$ 189,834	\$ 568,298	\$ 628,294	\$ 435,160	\$ 1,553,720	\$ 3,375,306
Accounts receivable	-	-	-	33,952	513	34,465
Interest receivable	2,151	4,203	-	-	-	6,354
Due from other governments	10,039	-	-	740	-	10,779
Prepaid items and deposits	-	-	-	-	4,572	4,572
<b>Total assets</b>	<b>\$ 202,024</b>	<b>\$ 572,501</b>	<b>\$ 628,294</b>	<b>\$ 469,852</b>	<b>\$ 1,558,805</b>	<b>\$ 3,431,476</b>
<b>LIABILITIES</b>						
Accounts payable	\$ -	\$ -	\$ 3,150	\$ 16,272	\$ 1,558,805	\$ 1,578,227
Deposits payable	1,144	572,501	625,144	453,580	-	1,652,369
Due to bondholders	200,880	-	-	-	-	200,880
<b>Total liabilities</b>	<b>\$ 202,024</b>	<b>\$ 572,501</b>	<b>\$ 628,294</b>	<b>\$ 469,852</b>	<b>\$ 1,558,805</b>	<b>\$ 3,431,476</b>

**City of Pomona**  
**Combining Statement of Changes in Assets and Liabilities**  
**All Agency Funds**  
**For the year ended June 30, 2007**

	Balance July 1, 2006	Additions	Deletions	Balance June 30, 2007
<b><u>Assessment Districts</u></b>				
<b>Assets:</b>				
Cash and investments	\$ 330,919	\$ 26,856	\$ (167,941)	\$ 189,834
Accounts receivable	82,647	-	(82,647)	-
Due from other governments	-	10,039	-	10,039
Interest receivable	11,255	-	(9,104)	2,151
<b>Total assets</b>	<b>\$ 424,821</b>	<b>\$ 36,895</b>	<b>\$ (259,692)</b>	<b>\$ 202,024</b>
<b>Liabilities:</b>				
Accounts payable	\$ 15,487	\$ -	\$ (15,487)	\$ -
Deposits payable	67,160	1,144	(67,160)	1,144
Due to bondholders	342,174	-	(141,294)	200,880
<b>Total liabilities</b>	<b>\$ 424,821</b>	<b>\$ 1,144</b>	<b>\$ (223,941)</b>	<b>\$ 202,024</b>
<b><u>Engineers' Revolving</u></b>				
<b>Assets:</b>				
Cash and investments	\$ 582,344	\$ 22,777	\$ (36,823)	\$ 568,298
Interest receivable	-	4,203	-	4,203
<b>Total assets</b>	<b>\$ 582,344</b>	<b>\$ 26,980</b>	<b>\$ (36,823)</b>	<b>\$ 572,501</b>
<b>Liabilities:</b>				
Deposits payable	\$ 582,344	\$ 26,980	\$ (36,823)	\$ 572,501
<b>Total liabilities</b>	<b>\$ 582,344</b>	<b>\$ 26,980</b>	<b>\$ (36,823)</b>	<b>\$ 572,501</b>
<b><u>Construction Guarantee</u></b>				
<b>Assets:</b>				
Cash and investments	\$ 593,724	\$ 105,847	\$ (71,277)	\$ 628,294
<b>Total assets</b>	<b>\$ 593,724</b>	<b>\$ 105,847</b>	<b>\$ (71,277)</b>	<b>\$ 628,294</b>
<b>Liabilities:</b>				
Accounts payable	\$ 4,035	\$ 3,150	\$ (4,035)	\$ 3,150
Deposits payable	589,689	105,847	(70,392)	625,144
<b>Total liabilities</b>	<b>\$ 593,724</b>	<b>\$ 108,997</b>	<b>\$ (74,427)</b>	<b>\$ 628,294</b>
<b><u>Municipal Revolving</u></b>				
<b>Assets:</b>				
Cash and investments	\$ 438,801	\$ 403,343	\$ (406,984)	\$ 435,160
Accounts receivable	9,266	33,952	(9,266)	33,952
Due from other governments	370	740	(370)	740
<b>Total assets</b>	<b>\$ 448,437</b>	<b>\$ 438,035</b>	<b>\$ (416,620)</b>	<b>\$ 469,852</b>
<b>Liabilities:</b>				
Accounts payable	\$ 45,805	\$ 319,769	\$ (349,302)	\$ 16,272
Deposits payable	402,632	428,669	(377,721)	453,580
<b>Total liabilities</b>	<b>\$ 448,437</b>	<b>\$ 748,438</b>	<b>\$ (727,023)</b>	<b>\$ 469,852</b>

**City of Pomona**  
**Combining Statement of Changes in Assets and Liabilities, Continued**  
**All Agency Funds**  
**For the year ended June 30, 2007**

	Balance July 1, 2006	Additions	Deletions	Balance June 30, 2007
<b><u>Employee Benefits/Deductions</u></b>				
<b>Assets:</b>				
Cash and investments	\$ 1,577,265	\$ -	\$ (23,545)	\$ 1,553,720
Accounts receivable	513	-	-	513
Prepaid items and deposits	-	4,572	-	4,572
<b>Total assets</b>	<b>\$ 1,577,778</b>	<b>\$ 4,572</b>	<b>\$ (23,545)</b>	<b>\$ 1,558,805</b>
<b>Liabilities:</b>				
Accounts payable	\$ 1,577,778	\$ -	\$ (18,973)	\$ 1,558,805
<b>Total liabilities</b>	<b>\$ 1,577,778</b>	<b>\$ -</b>	<b>\$ (18,973)</b>	<b>\$ 1,558,805</b>
<b><u>Total All Agency Funds</u></b>				
<b>Assets:</b>				
Cash and investments	\$ 3,523,053	\$ 558,823	\$ (706,570)	\$ 3,375,306
Accounts receivable	92,426	33,952	(91,913)	34,465
Interest receivable	11,255	4,203	(9,104)	6,354
Due from other governments	370	10,779	(370)	10,779
Prepaid items and deposits	-	4,572	-	4,572
<b>Total assets</b>	<b>\$ 3,627,104</b>	<b>\$ 612,329</b>	<b>\$ (807,957)</b>	<b>\$ 3,431,476</b>
<b>Liabilities:</b>				
Accounts payable	\$ 1,643,105	\$ 322,919	\$ (387,797)	\$ 1,578,227
Deposits payable	1,641,825	562,640	(552,096)	1,652,369
Due to bondholders	342,174	-	(141,294)	200,880
<b>Total liabilities</b>	<b>\$ 3,627,104</b>	<b>\$ 885,559</b>	<b>\$ (1,081,187)</b>	<b>\$ 3,431,476</b>



# Statistical Section (Unaudited)

*This part of the City of Pomona's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.*

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**City of Pomona**  
**Net Assets by Component**  
**Last Five Fiscal Years**

*Schedule 1*

	Fiscal Year				
	2003	2004	2005	2006	2007
<b>Governmental activities:</b>					
Invested in capital assets, net of related debt	\$ 50,247,574	\$ (4,298,872)	\$ 95,062,872	\$ 271,540,388	283,153,069
Restricted	69,634,633	24,233,671	162,563,670	113,101,903	121,330,491
Unrestricted	(64,303,903)	29,368,859	(198,364,012)	(179,150,706)	(182,279,410)
<b>Total governmental activities net assets</b>	<b>\$ 55,578,304</b>	<b>\$ 49,303,658</b>	<b>\$ 59,262,530</b>	<b>\$ 205,491,585</b>	<b>\$ 222,204,150</b>
<b>Business-type activities:</b>					
Invested in capital assets, net of related debt	\$ 51,170,354	\$ 49,330,263	\$ 55,380,677	\$ 54,100,219	52,018,893
Restricted	-	-	19,373,600	2,986,079	4,049,389
Unrestricted	24,182,750	33,940,619	10,349,393	27,474,990	28,867,217
<b>Total business-type activities net assets</b>	<b>\$ 75,353,104</b>	<b>\$ 83,270,882</b>	<b>\$ 85,103,670</b>	<b>\$ 84,561,288</b>	<b>\$ 84,935,499</b>
<b>Primary government:</b>					
Invested in capital assets, net of related debt	\$ 101,417,928	\$ 45,031,391	\$ 150,443,549	\$ 325,640,607	\$ 335,171,962
Restricted	69,634,633	24,233,671	181,937,270	116,087,982	125,379,880
Unrestricted	(40,121,153)	63,309,478	(188,014,619)	(151,675,716)	(153,412,193)
<b>Total primary government net assets</b>	<b>\$ 130,931,408</b>	<b>\$ 132,574,540</b>	<b>\$ 144,366,200</b>	<b>\$ 290,052,873</b>	<b>307,139,649</b>

Ten years of data is not available.

**City of Pomona**  
**Changes in Net Assets**  
**Last Five Fiscal Years**

*Schedule 2*

	Fiscal Year				
	2003	2004	2005	2006	2007
<b>Expenses</b>					
Governmental activities:					
General government	\$ 20,586,309	\$ 16,877,268	\$ 8,502,072	\$ 4,566,737	5,374,997
Public safety	30,080,994	54,409,038	61,493,317	62,314,546	66,368,961
Urban development	54,029,511	43,458,432	39,149,792	68,802,603	70,071,752
Community services	11,253,597	11,752,699	13,511,242	14,817,177	12,761,215
Pass through payments	-	-	9,052,148	-	-
Interest and fiscal charges	17,218,724	20,640,447	15,626,679	25,274,237	25,372,308
<b>Total governmental activities</b>	<b>133,169,135</b>	<b>147,137,884</b>	<b>147,335,250</b>	<b>175,775,300</b>	<b>179,949,233</b>
Business-type activities:					
Water	21,770,977	21,939,428	19,210,002	19,172,107	23,845,899
Sewer	1,649,229	2,789,001	2,542,545	2,458,616	3,915,545
Refuse	6,280,528	6,842,583	7,967,320	8,488,309	8,921,093
Canon Water Company	-	-	48,563	52,345	17,472
<b>Total business-type activities</b>	<b>29,700,734</b>	<b>31,571,012</b>	<b>29,768,430</b>	<b>30,171,377</b>	<b>36,700,009</b>
<b>Total primary government expenses</b>	<b>\$ 162,869,869</b>	<b>\$ 178,708,896</b>	<b>\$ 177,103,680</b>	<b>\$ 205,946,677</b>	<b>216,649,242</b>
<b>Program Revenues</b>					
Governmental activities:					
Charges for services					
Police revenues	\$ 2,822,004	\$ 2,410,468	\$ 1,983,620	\$ 1,862,076	\$ 1,723,534
Plan check fees	1,241,023	886,327	939,836	988,874	543,317
Building permits	1,191,428	1,380,789	1,330,168	1,336,527	927,771
Graffiti abatement	565,438	566,686	617,619	609,228	530,399
Street sweeping fee	475,943	477,135	520,018	512,819	423,356
Maintenance assessment fee	1,156,023	1,180,820	1,178,638	1,227,281	1,208,338
All other	12,422,595	15,423,131	9,614,208	10,410,856	9,357,921
Operating grants and contributions	15,564,685	18,844,817	22,516,819	22,656,450	27,319,477
Capital grants and contributions	9,013,220	6,421,422	10,040,740	6,718,223	7,154,035
<b>Total governmental activities program revenues</b>	<b>44,452,359</b>	<b>47,591,595</b>	<b>48,741,666</b>	<b>46,322,334</b>	<b>49,188,148</b>
Business-type activities:					
Charges for services:					
Water	\$ 20,350,752	21,080,917	22,454,752	22,689,164	26,210,565
Sewer	2,519,070	2,525,048	2,601,847	2,853,610	3,384,966
Refuse	6,935,134	7,224,218	7,234,940	7,395,141	7,326,324
Operating grants and contributions	140,853	122,197	156,781	68,966	145,820
Capital grants and contributions	217,129	-	264,506	23,100	97,420
<b>Total business-type activities program revenues</b>	<b>30,162,938</b>	<b>30,952,380</b>	<b>32,712,826</b>	<b>33,029,981</b>	<b>37,165,095</b>
<b>Total primary government program revenues</b>	<b>\$ 74,615,297</b>	<b>\$ 78,543,975</b>	<b>\$ 81,454,492</b>	<b>\$ 79,352,315</b>	<b>\$ 86,353,243</b>

**City of Pomona**  
**Changes in Net Assets, Continued**  
**Last Five Fiscal Years**

*Schedule 2*

	Fiscal Year				
	2003	2004	2005	2006	2007
<b>Net (Expense)/Revenue</b>					
Governmental activities	\$ (88,716,776)	\$ (99,546,289)	\$ (98,593,584)	\$ (129,452,966)	\$ (130,761,085)
Business-type activities	462,204	(618,632)	2,944,396	2,858,604	465,086
<b>Total primary government net expense</b>	<b>\$ (88,254,572)</b>	<b>\$ (100,164,921)</b>	<b>\$ (95,649,188)</b>	<b>\$ (126,594,362)</b>	<b>\$ (130,295,999)</b>
<b>General Revenues and Other Changes in Net Assets</b>					
Governmental activities:					
Taxes:					
Property taxes	29,915,221	\$ 32,674,483	\$ 46,538,436	\$ 53,239,617	51,952,231
Sales taxes	15,647,492	14,483,633	11,683,923	14,710,345	19,072,975
Motor vehicle license	8,866,986	7,204,184	1,025,393	1,109,390	874,237
Transient occupancy taxes	1,348,863	1,482,972	1,473,711	1,865,001	1,727,097
Property transfer taxes	-	-	-	-	2,152,388
Franchise	1,980,304	4,078,354	4,360,394	5,397,384	5,871,860
Utility users taxes	16,492,851	16,375,211	16,774,747	17,576,969	18,290,416
Business licenses	-	-	-	-	2,844,503
Other	1,624,406	936,114	786,421	678,897	2,459,714
Investment earnings/(expenses)	11,130,241	12,309,966	16,833,110	17,819,663	19,509,780
Miscellaneous	3,523,822	-	7,748,110	5,832,425	2,240,671
Income (loss) on sale of capital assets	144,553	2,482,994	-	-	-
Transfers	(105,625)	1,243,732	957,958	1,743,417	716,025
<b>Total governmental activities</b>	<b>90,569,114</b>	<b>93,271,643</b>	<b>108,182,203</b>	<b>119,973,108</b>	<b>127,711,897</b>
Business-type activities:					
Investment earnings/(expenses)	2,206,094	3,087,898	(1,816,793)	(1,991,603)	108,433
Miscellaneous	140,860	257,334	289,625	334,034	516,717
Income (loss) on sale of capital assets	(6,987)	492,080	(14,987)	-	-
Transfers	105,625	(1,243,732)	(957,958)	(1,743,417)	(716,025)
<b>Total business-type activities</b>	<b>2,445,592</b>	<b>2,593,580</b>	<b>(2,500,113)</b>	<b>(3,400,986)</b>	<b>(90,875)</b>
<b>Total primary government</b>	<b>\$ 93,014,706</b>	<b>\$ 95,865,223</b>	<b>\$ 105,682,090</b>	<b>\$ 116,572,122</b>	<b>127,621,022</b>
<b>Changes in Net Assets</b>					
Governmental activities	\$ 1,852,338	\$ (6,274,646)	\$ 9,588,619	\$ (9,479,858)	(3,049,188)
Business-type activities	2,907,796	1,974,948	444,283	(542,382)	374,211
<b>Total primary government</b>	<b>\$ 4,760,134</b>	<b>\$ (4,299,698)</b>	<b>\$ 10,032,902</b>	<b>\$ (10,022,240)</b>	<b>(2,674,977)</b>

Ten years of data is not available.

**City of Pomona**

**Governmental Activities Tax Revenue by Source**

(in thousands of dollars)

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Fiscal Year	Property	Sales	Motor	Transient	Property	Utility	Business			
Ended	Tax	Tax	Vehicle	Occupancy	Transfer	Users	Licenses	Other	Total	
June 30			License		Tax	Tax				
2003	\$ 29,915	\$ 15,647	\$ 16,493	\$ 1,349	\$ -	\$ 1,980	\$ 8,867	\$ -	\$ 1,624	\$ 75,875
2004	32,674	14,484	7,204	1,483	-	4,078	16,375	-	936	77,234
2005	46,538	11,684	1,025	1,474	-	4,360	16,775	-	786	82,642
2006	53,240	14,710	1,109	1,865	-	5,397	17,577	-	679	94,577
2007	51,952	19,073	874	1,727	2,152	5,872	18,290	2,845	2,460	105,245

Ten years of data is not available.

**City of Pomona**  
**Fund Balances, Governmental Funds**  
**Last Five Years**

*Schedule 4*

	Fiscal Year				
	2003	2004	2005	2006	2007
<b>General Fund:</b>					
Reserved	\$ 6,650,885	\$ 6,198,142	\$ 8,976,671	\$ 7,907,817	6,888,120
Unreserved	2,605,887	4,065,766	7,843,760	10,914,430	13,903,948
<b>Total General Fund</b>	<b>\$ 9,256,772</b>	<b>\$ 10,263,908</b>	<b>16,820,431</b>	<b>\$ 18,822,247</b>	<b>20,792,068</b>
<b>All Other Governmental Funds:</b>					
Reserved	\$ 199,962,812	\$ 275,867,951	\$ 281,404,289	279,513,977	329,767,481
Unreserved, designated	-	-	-	6,877,406	2,570,640
Unreserved, reported in:					
Special revenue funds	11,086,632	21,930,326	31,519,944	18,048,054	21,518,821
Capital projects funds	(135,498,637)	(177,203,920)	(173,774,677)	(182,032,654)	(182,023,917)
Debt service funds	25,621,657	37,561,953	29,471,016	54,561,328	1,421,840
<b>Total All Other Governmental Funds</b>	<b>\$ 101,172,464</b>	<b>\$ 158,156,310</b>	<b>\$ 168,620,572</b>	<b>\$ 176,968,111</b>	<b>173,254,865</b>

Ten years of data is not available.





**Governmental Activities Tax Revenue by Source**

(in thousands of dollars)

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Fiscal Year	Property	Sales	Motor	Transient	Property	Utility	Business			
Ended	Tax	Tax	Vehicle	Occupancy	Transfer	Users	Licenses	Other	Total	
June 30			License		Tax	Tax				
2003	\$ 29,915	\$ 15,647	\$ 16,493	\$ 1,349	\$ -	\$ 1,980	\$ 8,867	\$ -	\$ 1,624	\$ 75,875
2004	32,674	14,484	7,204	1,483	-	4,078	16,375	-	936	77,234
2005	46,538	11,684	1,025	1,474	-	4,360	16,775	-	786	82,642
2006	53,240	14,710	1,109	1,865	-	5,397	17,577	-	679	94,577
2007	51,952	19,073	874	1,727	2,152	5,872	18,290	2,845	2,460	105,245

Ten years of data is not available.

**City of Pomona***Schedule 7***Assessed Value and Estimated Actual Value of Taxable Property  
Current Fiscal Year (in thousands of dollars)**

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<u>Fiscal Year Ended June 30</u>	<u>Residential Property</u>	<u>Commercial Property</u>	<u>Industrial Property</u>	<u>Other</u>	<u>Less: Tax Exempt Property</u>	<u>Total Taxable Assessed Value</u>	<u>Total Direct Tax Rate</u>
2003	\$ 3,593,679	\$ 614,669	\$ 682,034	\$ 752,703	\$ 96,642	\$ 5,546,443	1.15046
2004	3,892,089	641,314	734,707	785,248	95,098	5,958,260	1.14814
2005	4,269,218	696,636	800,713	659,932	97,486	6,329,013	1.14988
2006	4,831,270	746,383	878,890	716,095	97,406	7,075,232	1.15134
2007	5,578,161	850,653	927,787	596,021	369,955	7,582,667	1.15214

Source: Muni Services

Ten years of data is not available.

**City of Pomona**  
**Property Tax Rates - Direct and Overlapping Governments**  
**(Rate per \$100 of assessed value)**  
**Last Ten Fiscal Years**

*Schedule 8*

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
<b>City Direct Rates:</b>										
City basic rate	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
<b>Overlapping Rates:</b>										
City	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000
County	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00079	0.00066
Schools	0.07825	0.08391	0.10507	0.13493	0.12202	0.12342	0.12633	0.12910	0.12488	0.12401
Community College	0.00000	0.00000	0.00000	0.00000	0.00000	0.01946	0.01525	0.01473	0.02122	0.02184
Flood Control	0.00220	0.00195	0.00177	0.00155	0.00107	0.00088	0.00046	0.00025	0.00005	0.00005
Metro Water District	0.00890	0.00890	0.00890	0.00880	0.00770	0.00670	0.00610	0.00580	0.00520	0.00470
<b>Total Direct Rate</b>	<b>1.08934</b>	<b>1.09476</b>	<b>1.11573</b>	<b>1.14528</b>	<b>1.13079</b>	<b>1.15046</b>	<b>1.14814</b>	<b>1.14988</b>	<b>1.15214</b>	<b>1.15126</b>

Source: Los Angeles County Auditor-Controller

**City of Pomona**  
**Principal Property Taxpayers**  
**Current Year and Three Years Ago**

*Schedule 9*

Taxpayer	2006			2003		
	Taxable Assessed Valuation	Rank	Percent of Total City Taxable Assessed Value	Taxable Assessed Valuation	Rank	Percent of Total City Taxable Assessed Value
UDR the Crest LP	\$ 60,656,659	1	0.91%	\$ 59,553,370	1	1.23%
1675 Mission Associates LLC	31,365,000	2	0.47%	-		0.00%
Ripom Cogeneration Inc	27,611,833	3	0.41%	-		0.00%
Realty Associates Iowa Corp.	24,162,254	4	0.36%	31,057,340	2	0.64%
Topanga Ownesmouth LLC	22,661,900	5	0.34%	-		0.00%
CH Realty IIII Pomona LP	21,420,000	6	0.32%	-		0.00%
FDS Manufacturing Co.	18,842,013	7	0.28%	16,482,134	4	0.34%
Devry Inc.	18,758,886	8	0.28%	-	8	0.31%
Familian Corp.	17,722,558	9	0.26%	17,056,612	3	0.35%
Weiss Family Limited Partnership	16,601,920	10	0.25%	15,978,095	5	0.33%
Pomona Valley Hospital Medical Center	-		-	15,219,712	6	0.31%
CB Richard Ellis Strategic Partners	-		-	15,010,070	7	0.31%
Pioneer Electronics Technology Inc	-		-	14,419,409	9	0.30%
Mission Equities LLC	-		-	14,326,308	10	0.30%

Source: California Municipal Statistics, Inc.

**City of Pomona**  
**Property Tax Levies and Collections**  
**Last Five Fiscal Years**

*Schedule 10*

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Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Delinquent Tax Collections	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2003	\$ 8,704,145	\$ 8,455,522	97.1%	\$ 250,142	\$ 8,705,664	100.0%
2004	9,214,750	9,066,487	98.4%	601,132	9,667,619	104.9%
2005	9,213,382	9,066,487	98.4%	916,070	9,982,557	108.3%
2006	10,222,688	9,994,413	97.8%	1,369,939	11,364,352	111.2%
2007	11,542,995	11,208,880	97.1%	1,627,684	12,836,564	111.2%

Source: City of Pomona Finance Department

Ten years of data is not available.

**City of Pomona**  
**Ratios of Outstanding Debt by Type**  
**Last Five Fiscal Years**

Fiscal Year Ended June 30	Governmental Activities					Total Governmental Activities
	Tax Allocation Bonds	Revenue Bonds	Pension Obligation Ref Bonds	Certificates of Participation	Other	
2003	\$ 12,565,000	\$ 125,152,449	\$ -	\$ 7,920,000	\$ 54,105,737	\$ 199,743,186
2004	12,225,000	174,560,847	32,300,000	22,398,034	53,775,028	295,258,909
2005	11,875,000	195,413,124	38,000,000	22,002,468	46,053,488	313,344,080
2006	11,510,000	216,256,435	42,280,684	18,621,789	37,549,889	326,218,797
2007	9,815,000	227,448,178	42,280,684	13,801,167	39,744,305	333,089,334

Notes: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

(1) These ratios are calculated using personal income and population for the prior year.

Ten years of data is not available.

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Business-type Activities			Total Primary Government	Percentage of Personal Income (1)	Debt per Capita (1)
Revenue Bonds	Other	Total Business-type Activities			
\$ 65,915,000	\$ 3,969,361	\$ 69,884,361	\$ 269,627,547	n/a	n/a
64,815,000	4,494,808	69,309,808	364,568,717	2.2%	2,329
63,575,000	4,049,424	67,624,424	380,968,504	2.1%	2,405
62,285,000	3,581,475	65,866,475	392,085,272	2.3%	2,438
140,135,710	3,323,846	143,459,556	476,548,890	n/a	2,939

Ratios of General Bonded Debt Outstanding

Last Five Fiscal Years (dollars in thousands, except per capita)

Fiscal Year Ended June 30	General Bonded Debt Outstanding					Total	Percentage of Actual Value of Property (1)	Per Capita (2)
	Revenue Bonds	Tax Allocation Bonds	Pension Obligation Ref Bonds	Certificates of Participation				
2003	\$ 125,152	\$ 12,565	\$ -	\$ 7,920		\$ 145,637	2.6%	\$ 931
2004	174,561	12,225	32,300	22,398		241,484	4.1%	1,524
2005	195,413	11,875	38,000	22,002		267,290	4.2%	1,662
2006	216,256	11,510	42,281	18,622		288,669	4.1%	1,783
2007	227,448	9,815	42,281	13,802		293,346	3.5%	1,809

(1) See Schedule 7 for property value data.

(2) Population data can be found in Schedule 16.

Ten years of data is not available.



**City of Pomona**  
**Direct and Overlapping Debt**  
**as of June 30, 2007**

*Schedule 13*

OVERLAPPING TAX AND ASSESSMENT DEBT:	Total Debt 6/30/2007	% Applicable (1)	City's Share of Debt 6/30/07
Los Angeles County Flood Control District	113,560,000	0.681	773,344
Metropolitan Water District	359,115,000	0.342	1,228,173
Citrus Community College District	57,100,000	1.546	882,766
Mount San Antonio Community College District	176,917,046	11.347	20,074,777
Bonita Unified School District	54,539,790	0.189	103,080
Claremont Unified School District	42,665,000	6.755	2,882,021
Pomona Unified School District	153,632,274	71.898	110,458,532
City of Pomona 1915 Act Bonds	9,485,000	100.000	9,485,000
Los Angeles County Regional Park and Open Space Assessment District	304,235,000	0.684	2,080,967
<b>TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT</b>			<b>\$ 147,968,660</b>
<b>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</b>			
Los Angeles County General Fund Obligations	\$ 1,084,851,959	0.684	\$ 7,420,387
Los Angeles County Pension Obligations	546,849,147	0.684	3,740,448
Los Angeles County Superintendent of Schools Certificates of Participation	19,817,270	0.684	135,550
Los Angeles County Sanitation District No. 21 Authority	23,967,687	19.906	4,771,008
Bonita Unified School District Certificates of Participation	2,255,000	0.189	4,262
Claremont Unified School District General Fund Obligations	10,775,000	6.755	727,851
Pomona Unified School District Certificates of Participation	65,910,000	71.898	47,387,972
City of Pomona General Fund Obligations	50,215,000	100.000	50,215,000
City of Pomona Pension Obligations	42,280,684	100.000	42,280,684
Walnut Valley Water District Authority	14,075,000	2.34	314,436
<b>TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND DEBT</b>			<b>\$ 156,997,598</b>
Less: Pomona Unified School District Lease Revenue Bonds (100% self-supporting from investment agreement deposits)			21,569,400
Walnut Valley Water District Authority			314,436
<b>TOTAL NET DIRECT AND OVERLAPPING GENERAL FUND DEBT</b>			<b>\$ 135,113,762</b>
<b>GROSS COMBINED TOTAL DEBT</b>			<b>\$ 304,966,258 (2)</b>
<b>NET COMBINED TOTAL DEBT</b>			<b>\$ 283,082,422</b>

(1) Percentage of overlapping agency's assessed valuation located within the boundaries of the city.

(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and tax allocation bonds and non-bonded capital lease obligations.

Ratios to 2006-07 Assessed Valuation:

Total Overlapping Tax and Assessment Debt 1.84%

Ratios to Adjusted Assessed Valuation:

Combined Direct Debt (\$87,838,514) 1.67%

Gross Combined Total Debt 5.50%

Net Combined Total Debt 5.11%

STATE SCHOOL BUILDING AID REPAYABLE AS OF 6/30/07: \$382

Source: California Municipal Statistics, Inc.

**City of Pomona**  
**Legal Debt Margin Information**  
**Last Four Fiscal Years (dollars in thousands)**

*Schedule 14*

	2003	2004	2005	2006	2007
Debt limit	\$ 832,676	\$ 893,751	\$ 954,851	\$ 1,061,285	\$ 1,209,039
Amount of debt applicable to debt limit	-	-	-	-	-
Legal debt margin	<u>\$ 832,676</u>	<u>\$ 893,751</u>	<u>\$ 954,851</u>	<u>\$ 1,061,285</u>	<u>\$ 1,209,039</u>
Total debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%

**Legal Debt Margin Calculation for Fiscal Year 2007**

Assessed Value	\$ 8,060,261
Debt Limit 15%	1,209,039
Debt applicable to debt limit	-
Legal Debt Margin	<u>\$ 1,209,039</u>

Notes: Under State Finance Law, the City's outstanding general obligation debt should not exceed 15 percent of the total assessed property value. By law, the general obligation debt subject to the limitation may be offset by amounts set aside for repaying general obligation bonds.

Ten years of data is not available.

**City of Pomona**  
**Pledged Revenue Coverage**  
**Last Ten Years**

*Schedule 15*

Fiscal Year Ended June 30	Water Revenue Bonds							Coverage
	Water Revenue	Less Operating Expenses	Net Available Revenue	Debt Service				
				Principal	Interest	Total		
1998	\$ 12,347,904	\$ 10,464,489	\$ 1,883,415	\$ 190,000	\$ 417,230	\$ 607,230	3.102	
1999	13,688,393	11,689,626	1,998,767	200,000	416,392	616,392	3.243	
2000	17,596,322	12,955,203	4,641,119	455,000	2,220,564	2,675,564	1.735	
2001	23,086,449	14,775,508	8,310,941	840,000	2,692,474	3,532,474	2.353	
2002	21,615,513	16,595,841	5,019,672	915,000	2,662,164	3,577,164	1.403	
2003	22,035,396	17,117,082	4,918,314	830,000	2,628,231	3,458,231	1.422	
2004	22,425,087	18,025,197	4,399,890	935,000	2,597,201	3,532,201	1.246	
2005	21,677,425	17,132,885	4,544,540	1,075,000	2,556,427	3,631,427	1.251	
2006	21,782,253	16,950,584	4,831,669	1,125,000	2,393,889	3,518,889	1.373	
2007	25,685,604	21,281,622	4,403,982	-	2,933,194	2,933,194	1.501	

Notes: Details regarding the City's Water Fund outstanding debt can be found in the notes to the financial statements.

**City of Pomona**  
**Demographic and Economic Statistics**  
**Last Six Fiscal Years**

*Schedule 16*

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Calendar Year	Population	Personal Income (in thousands)	Per Capita Personal Income	Unemployment Rate	School Enrollment	Median Age
2002	\$ 154,741	\$ 1,765,567	\$ 11,410	6.8%	35,070	n/a
2003	156,503	1,662,963	10,626	7.0%	35,427	n/a
2004	158,360	1,674,055	10,571	6.5%	35,412	n/a
2005	160,815	1,729,113	10,752	5.3%	34,657	n/a
2006	161,850	n/a	n/a	4.8%	33,294	26.5
2007	162,140	2,398,683	14,794	5.8%	33,683	26.5

Source: Population -State of California Department of Finance; Personal Income - Claritas;  
 Unemployment Rate - City-Data.com; School Enrollment - City-Data.com; Median Age - City-Data.com

Ten years of data is not available.

**City of Pomona**  
**Principal Employers**  
**Fiscal Year Ended June 30, 2007**

*Schedule 17*

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Employer	Number of Employees	Rank	Percentage of Total City Employment
Pomona Unified School District	3406	1	5.1%
Pomona Valley Hospital	3080	2	4.6%
Lanterman Developmental Center	1780	3	2.6%
City of Pomona	708	4	1.1%
California Acrylic Industries	650	5	1.0%
Casa Colina Rehabilitation Center	600	6	0.9%
Verizon	596	7	0.9%
Royal Cabinets	450	8	0.7%
Department of Social Services	378	9	0.6%
Hayward Industries Inc	351	10	0.5%
First Transit	311	11	0.5%
Interstate Brands West Corp	300	12	0.4%
Walmart Stores Inc	284	13	0.4%
Pioneer Electronics	280	14	0.4%
Inland Valley Care & Rehab	270	15	0.4%

Source: City Redevelopment Agency

**City of Pomona**  
**Authorized Full-Time City Employees by Function**  
**Last Five Fiscal Years**

*Schedule 18*

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Function	2003	2004	2005	2006	2007
General Government	23	25	36	37	37
Support Services	46	49	47	45	45
Police	319	330	333	332	345
Public Works	82	82	77	87	88
Planning & Housing	66	68	56	40	40
Utility Services	133	132	132	126	127
Neighborhood Services	79	79	79	76	78
<b>Total</b>	<b>748</b>	<b>765</b>	<b>760</b>	<b>743</b>	<b>760</b>

Source: City of Pomona Finance Department

Ten years of data is not available.

**City of Pomona**  
**Operating Indicators by Function**  
**Last Three Fiscal Years**

*Schedule 19*

	2005	2006	2007
Police:			
Felony Arrests	4,592	3,987	3,990
Misdemeanor Arrests	9,318	8,888	8,319
Parking Citations	12,492	13,000	14,670
Moving Citations	11,151	9,113	15,861
Fire:			
Incidents	11,989	12,892	12,557
Urban development:			
Residential building permits issued	3,052	3,174	3,039
Inspections	12,907	14,585	20,877
Asphalt repaired (square feet)	18,000	19,500	16,600
Sidewalk repaired (square feet)	24,500	26,000	16,859
Community services:			
Community Center participants	528,255	556,000	919,153
Senior Program participants	108,250	110,240	185,285
Youth program participants	278,654	280,000	286,925
Other program participants	56,365	66,200	70,329
Sports Teams	250,350	450,300	376,614
Facility rentals	420	466	424
Library:			
Program attendance (all programs)	18,131	17,650	11,514
Literacy instruction (hours)	1,048	1,500	762
Water:			
New connections	121	166	47
Average daily consumption (thousands of gallons)	21,179	19,990	23,028
Refuse:			
Curbside Collection (in tons)	41,279	42,000	42,884
Recycle Collection (in tons)	9,448	9,500	9,380
Greenwaste Collection (in tons)	n/a	n/a	14,687

Source: Various City Departments

Ten years of data is not available.

**City of Pomona**  
**Capital Asset Statistics by Function**  
**Last Three Fiscal Years**

*Schedule 20*

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	2005	2006	2007
Police:			
Stations	1	1	1
Patrol Units	45	45	45
Fire:			
Fire stations	8	8	8
Public works:			
Streets (miles)	n/a	296	297
Streetlights	n/a	9,933	9939
Traffic signals	n/a	175	175
Community services:			
Parks	25	25	25
Park Acreage	210	210	210
Baseball fields	14	14	15
Soccer fields	11	11	11
Basketball courts	17	17	18
Tennis courts	9	9	9
Community centers	7	9	12
Libraries	1	1	1
Water:			
Water mains (miles)	435	436	421
Sewer:			
Sanitary sewers (miles)	293	313	313
Storm drains (miles)	120	120	120

Source: Various City Departments

Ten years of data is not available.