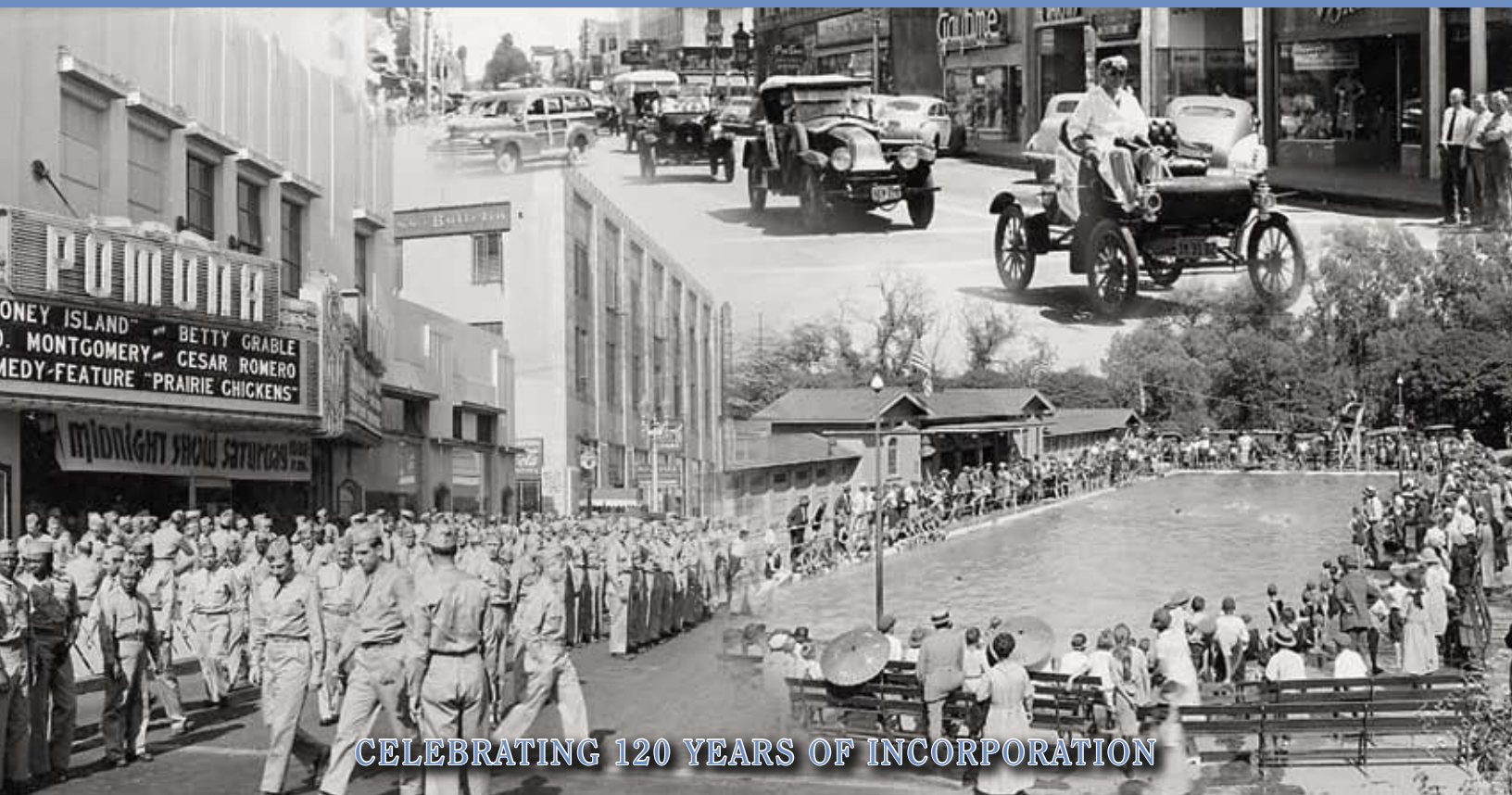




COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2008

CITY OF POMONA
CALIFORNIA



CELEBRATING 120 YEARS OF INCORPORATION



CITY OF POMONA, CALIFORNIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Year Ended June 30, 2008

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

Prepared by the City of Pomona Finance Department
Paula Chamberlain, Finance Director

City of Pomona
Comprehensive Annual Financial Report
For the year ended June 30, 2008

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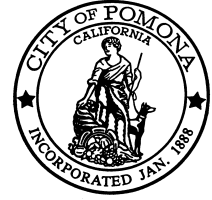
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THE CITY OF
POMONA
Finance Department



January 29, 2009

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, 2008 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, 2008. 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, 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.

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 163,405 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 72,670 as of 2007, 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 significantly over the last ten years from approximately \$1.069 billion dollars in FY 1997-98, to an estimated \$1.633 billion dollars in FY 2007-08. Pomona is home to an auto/RV mall with four 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.

Taxable assessed valuation on property within the City of Pomona has increased in recent years to just over \$8.77 billion dollars in Fiscal Year 2007-08. Combined growth in sales and property taxes have, in recent years, provided revenues to help offset increased services and facilities for the City's diverse and growing population, although like other governmental entities nationwide, Pomona finds itself significantly challenged by the current economic environment. Overall, property taxes constituted 30.8% of budgeted General Fund revenues during Fiscal Year 2007-08, while sales taxes represented 19.4% 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. Although Pomona has enjoyed several recent years of relative prosperity, the dramatic reversal in global economic fortunes seen within the last year has not bypassed the City. As with virtually all governmental entities throughout the region and the State, an extensive array of expenditures throughout all areas of City operations will be subject to re-examination and reductions in the coming fiscal year, and for some time to come.

OUTLOOK FOR THE FUTURE

The City of Pomona has adopted a budget for Fiscal Year 2008-09 that includes the use of \$4.0 million worth of reserves built in recent years. As of this writing however, a broadly-based decline in revenues resulting from a major economic downturn has potential to adversely impact the City's prospects for the coming fiscal year, and well beyond. Given these realities, the goal of City budgets will continue to be the optimal provision of services to the City's population, while still operating within the confines of a limited set of fiscal resources.

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, 2008 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.

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, 2007. The City of Pomona has received a Certificate of Achievement for the last fifteen consecutive years (1993-2007). 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, 2008. 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,



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, 2007

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.



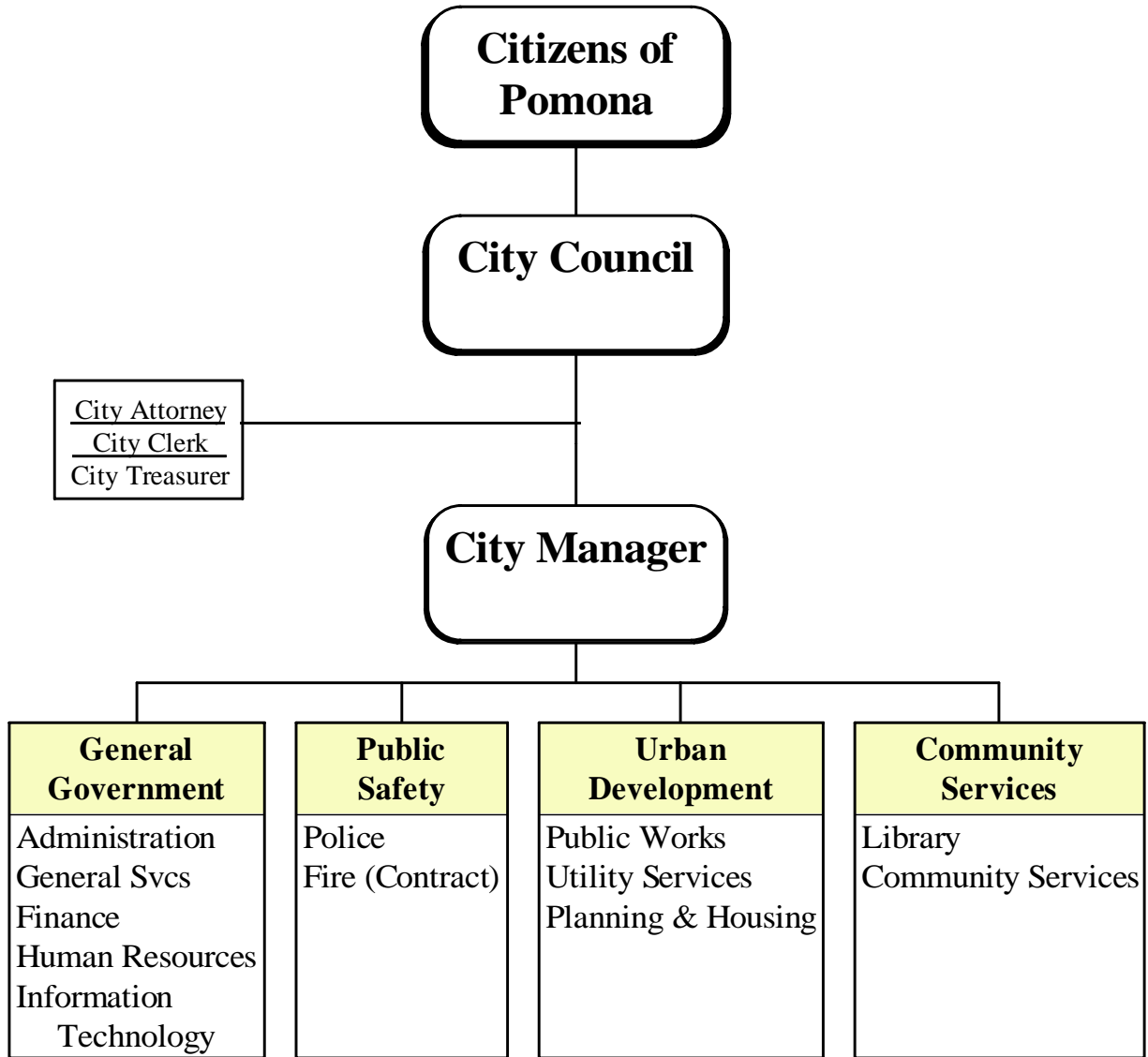
Oliver S. Cox

President

Jeffrey R. Emery

Executive Director

Organizational Chart



CITY OF POMONA
DIRECTORY OF CITY OFFICIALS
at June 30, 2008

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..... Linda Lowry
City Attorney..... Arnold Alvarez-Glasman
City Clerk..... Marie Macias
City Treasurer Douglas Peterson

DEPARTMENT DIRECTORS

Finance Paula Chamberlain
Fire Chief (Los Angeles County)..... Glynn Johnson
Human Resources..... William Johnson
Information Technology John Depolis
Library..... Greg Shapton
Community Services Steve Rudometkin
Planning & Housing..... Mark Lazzaretto
Police Chief..... Joseph Romero
Public Works..... Tim D’Zmura
Utility Services..... Henry Pepper

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, 2008, 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, 2008 of the Canon Water Company of Pomona, California, Inc. (Company), a component unit of the City, which represents \$301,061 of assets, \$59,656 of liabilities, \$241,405 of net assets, and \$(10,549) 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.

Subsequent to the basic financial statement date of June 30, 2008 and the year then ended, the United States has entered into a Financial Credit Crisis. Although the United States Federal Government has taken actions which, at least in part, are intended to relieve and correct this Financial Credit Crisis, investments are subject to significant impairment and losses. To date, the City has not been informed and is not aware of any investment losses. Accordingly, such investment losses, if any, have not been reflected in the accompanying basic financial statements.

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, 2008, 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.

Toll Free Ph: (877) 862-2200

Toll Free Fax: (866) 436-0927

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
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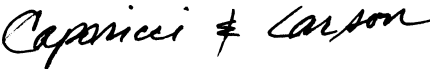
As described in Note 1 to the basic financial statements, the City adopted Statement of Governmental Accounting Standards Board No. 45 *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues*, and No. 50, *Pension Disclosures, an Amendment of GASB Statements No. 25 and No. 27*.

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.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 29, 2009 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
January 29, 2009



MANAGEMENT'S DISCUSSION AND ANALYSIS

Fiscal Year Ended June 30, 2008

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, 2008. 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 \$298.2 million.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$183.2 million.
- At the end of the current fiscal year, unreserved fund balance for the general fund was \$10.8 million, or approximately 11.5% 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 equipment maintenance fund. 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 \$298.2 million at June 30, 2008. 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, 2007 and June 30, 2008 are as follows:

	Governmental Activities		Business-type Activities		Total	
	2008	2007	2008	2007	2008	2007
Current and other assets	\$ 251.5	\$ 256.0	\$ 129.0	\$ 130.1	\$ 380.5	\$ 386.1
Capital assets	320.7	321.5	117.1	104.7	437.8	426.2
Total assets	\$ 572.2	\$ 577.5	\$ 246.1	\$ 234.8	\$ 818.3	\$ 812.3
Other liabilities	\$ 28.4	\$ 24.6	\$ 6.9	\$ 4.5	\$ 35.3	\$ 29.1
Long-term liabilities outstanding	339.9	334.3	144.9	145.4	484.8	479.7
Total liabilities	\$ 368.3	\$ 358.9	\$ 151.8	\$ 149.9	\$ 520.1	\$ 508.8
Net assets:						
Invested in capital assets, net of related debt	\$ 266.3	\$ 280.1	\$ 58.4	\$ 52.0	\$ 324.7	\$ 332.1
Restricted	126.4	127.8	3.0	4.0	129.4	131.8
Unrestricted	(188.8)	(189.3)	32.9	28.9	(155.9)	(160.4)
Total Net Assets	\$ 203.9	\$ 218.6	\$ 94.3	\$ 84.9	\$ 298.2	\$ 303.5

The City's net assets, including both the governmental activities and business-type activities, decreased \$9.0 million over the prior fiscal year. Total revenues increased 6.9% and total expenses increased 8.0%. General revenues reflect an overall increase of \$8.6 million, while program revenues increased by \$6.1 million. Revenue from grants and contributions increased 17.2% over the prior year for a total of \$6.0 million. Tax revenue decreased less than 1.0% or \$0.1 million over prior year and charges for services increased less than 0.1% or \$0.1 million.

GOVERNMENTAL ACTIVITIES

The City's net assets from governmental activities decreased \$14.7 million. The cost of all governmental activities this year was \$190.9 million. However, as shown in the Statement of Activities, the amount that the taxpayers ultimately financed for these activities was only \$141.4 million because some of the cost was paid by those who directly benefited from the programs (\$12.9 million), or by other governments and organizations that subsidized certain programs with operating grants and contributions (\$24.2 million), and capital grants and contributions (\$12.4 million). Overall, the City's governmental revenues were \$49.4 million. The City paid for the remaining "public benefit" portion of governmental activities with \$126.7 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 herein.

City of Pomona Changes in Net Assets

	Governmental Activities		Business-type Activities		Total	
	2008	2007	2008	2007	2008	2007
Revenues:						
Program Revenues:						
Charges for services:	\$ 12.9	\$ 14.7			\$ 12.9	\$ 14.7
Water			\$ 27.2	\$ 26.2	27.2	26.2
Sewer			4.0	3.4	4.0	3.4
Refuse			7.7	7.3	7.7	7.3
Operating grants and contributions	24.2	27.3	0.1	0.1	24.3	27.4
Capital grants and contributions	12.4	7.1	4.0	0.1	16.4	7.2
General Revenues:						
Taxes:						
Property taxes	56.2	51.9	-	-	56.2	51.9
Sales and use taxes	17.2	19.0	-	-	17.2	19.0
Utility Users Tax	18.2	18.3	-	-	18.2	18.3
Transient occupancy	1.7	1.7	-	-	1.7	1.7
Property transfer tax	1.2	2.2	-	-	1.2	2.2
Franchises	5.8	5.9	-	-	5.8	5.9
Motor Vehicle In-Lieu	0.7	0.9	-	-	0.7	0.9
Business License	3.0	2.8	-	-	3.0	2.8
Other taxes	2.0	2.5	-	-	2.0	2.5
Income from property and investment	19.9	19.5	(1.7)	0.1	18.2	19.6
Miscellaneous	2.6	2.3	1.0	0.5	3.6	2.8
Total revenues	<u>\$ 178.0</u>	<u>\$ 176.1</u>	<u>\$ 42.3</u>	<u>\$ 37.7</u>	<u>\$ 220.3</u>	<u>\$ 213.8</u>
Expenses						
General government	\$ 7.8	\$ 5.4	\$ -	\$ -	\$ 7.8	\$ 5.4
Public safety	71.8	66.4	-	-	71.8	66.4
Urban development	58.9	70.0	-	-	58.9	70.0
Community Services	21.5	12.8	-	-	21.5	12.8
Interest on long term debt	30.9	25.3	-	-	30.9	25.3
Water	-	-	22.8	23.9	22.8	23.9
Sewer	-	-	2.9	3.9	2.9	3.9
Refuse	-	-	8.8	8.9	8.8	8.9
Canon Water Company	-	-	0.1	-	0.1	-
Total expenses	<u>\$ 190.9</u>	<u>\$ 179.9</u>	<u>\$ 34.6</u>	<u>\$ 36.7</u>	<u>\$ 225.5</u>	<u>\$ 216.6</u>
Increase in net assets before transfers	\$ (12.9)	\$ (3.8)	\$ 7.7	\$ 1.0	\$ (5.2)	\$ (2.8)
Transfers	(1.7)	0.7	1.7	(0.7)	-	-
Increase (decrease) in net assets	\$ (14.6)	\$ (3.1)	\$ 9.4	\$ 0.3	\$ (5.2)	\$ (2.8)
Net assets at beginning of year (restated)	218.6	225.3	84.9	84.6	303.5	309.9
Net assets 6/30/08	<u>\$ 204.0</u>	<u>\$ 222.2</u>	<u>\$ 94.3</u>	<u>\$ 84.9</u>	<u>\$ 298.3</u>	<u>\$ 307.1</u>

BUSINESS-TYPE ACTIVITIES

The cost of all business-type activities this year was \$34.7 million. As shown in the Statement of Activities and Changes in Net Assets, the amounts paid by users of the systems was \$38.9 million, operating grants were \$0.1 million and capital grants were \$4.0 million. Investment expense was \$1.7 million, miscellaneous revenue was \$1.0 million and transfers in were \$1.7 million.

Total resources available during the year to finance business-type activities were \$127.9 million consisting of Net Assets at July 1, 2007 of \$84.9 million and program revenues of \$43.0 million. Total revenue of business-type activities during the year was \$45.7 million; thus net assets were increased by \$9.4 million to \$94.3 million.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

The fund balance at year-end for the City's General Fund of \$15.3 million is an overall decrease of \$5.5 million, primarily due to decreases in sales tax, utility tax and property transfer tax as well as a transfer to the Self Insurance Fund to cover its deficit.

The Low and Moderate Income Housing Fund reflects an increase of \$0.4 million due to reduced expenses in various expense accounts.

The General Debt Service Funds show a decrease of \$3.2 million due to payoff of assessment district parcels in fiscal year 06/07 which did not repeat in fiscal year 07/08 as well as increased debt service requirements in 07/08.

The Public Financing Authority Funds show an increase to fund balance of \$4.4 million primarily due to the issuance of revenue bonds.

The Redevelopment Agency Debt Service Funds show a decrease of \$8.8 million primarily due to the transfer of bond proceeds to the Redevelopment Capital Project Funds.

The Redevelopment Agency Capital Project Funds show an increase of \$11.0 million primarily due to the transfer of funds from Redevelopment Debt Service Funds.

The \$8.8 million decrease in the Other Governmental Funds was primarily due to the expenditure of funds in 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 \$479.3 million.

During the year, the Pomona Public Financing Authority issued \$8.3 million of Series AW Revenue Bonds to provide funds for a loan to the Agency for certain improvements.

The City also entered into new lease agreements totaling \$0.3 million for the replacement of various vehicles and equipment. The terms of the new leases range from three to five years.

	Governmental Activities	Business-type Activities	Total
Bonds	\$ 281,702,958	\$ 139,885,619	\$ 421,588,577
Certificates of participation	13,520,545	-	13,520,545
Notes payable	2,220,000	-	2,220,000
LA County deferred tax loan	27,682,564	-	27,682,564
Compensated absences	8,217,801	1,159,813	9,377,614
Obligations under capital lease	3,118,875	1,744,955	4,863,830
Total	\$ 336,462,743	\$ 142,790,387	\$ 479,253,130

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

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, 2008, net capital assets of the governmental activities totaled \$320.7 million and the net capital assets of the business-type activities totaled \$117.2 million. Depreciation on capital assets is recognized in the Government-Wide financial statements.

Description	Original Cost	Accumulated Depreciation	Book Value
Capital Assets - Governmental Activities:			
Land	\$ 76,881,932	\$ -	\$ 76,881,932
Buildings and improvements	14,560,662	8,698,565	5,862,097
Improvements other than buildings	50,827,656	13,494,734	37,332,922
Machinery and equipment	17,915,584	7,605,252	10,310,332
Autos and trucks	7,554,992	5,867,607	1,687,385
Equipment under capital leases	3,563,192	920,372	2,642,820
Infrastructure	373,528,480	203,904,198	169,624,282
Construction in Progress	16,336,944	-	16,336,944
Total	\$ 561,169,442	\$ 240,490,728	\$ 320,678,714
Capital Assets - Business-Type Activities:			
Land and water rights	\$ 4,298,097	\$ -	4,298,097
Construction in Progress	15,543,516	-	15,543,516
Buildings	148,084	19,599	128,485
Improvements other than buildings	286,638	44,484	242,154
Machinery and equipment	157,217,283	61,635,677	95,581,606
Autos and trucks	6,283,549	5,545,808	737,741
Equipment under capital leases	973,080	315,608	657,472
Total	\$ 184,750,247	\$ 67,561,176	\$ 117,189,071

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 2007-08 original adopted budget of the General Fund of \$96.6 million to the final budget of \$97.4 million shows a net increase of \$0.8 million.

The increase in the budget was primarily due to increased legal costs, liability claims, and contract services which were offset by a decrease to the fire services contract cost with Los Angeles County. There were no significant variances between budgeted and actual expenditures.

ECONOMIC FACTORS

The City of Pomona General Fund finished Fiscal Year 2007-08 with a deficit of nearly \$5.5 million, which fell considerably short of prevailing expectations at the time the budget was adopted. While a substantial portion of this total (\$2.1 million) was directly attributable to a transfer into the Self Insurance Fund in order to clear the cash shortage there. Other elements, however, appeared consistent with economic trends on both the state and national levels, and represented the lead-in to – and start of – the recession in which the world's economies are currently mired. Although Pomona did enjoy a third consecutive year free of new State revenue shifts, the ongoing impact of early 1990s ERAF reallocations has grown to more than \$5.5 million annually. Moreover, continued dependence on property tax related revenues (exacerbated by both 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. Of special note are shortfalls of roughly \$2.25 million in Sales Taxes (and in-lieu), which can be traced to a diminished consumer marketplace, and nearly \$1.0 million in Property Transfer Tax, as evidence of the nationwide real estate slowdown. Utility Tax receipts were lower than expected (by about \$450,000) largely due to rate reductions from Southern California Edison, while a shortfall of more than \$300,000 in Vehicle License Fees from the state parallels reduced sales of new motor vehicles, and the concurrent reduction in the value of those cars and trucks that remain on the road.

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.

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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, 2008

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
ASSETS			
Current assets:			
Cash and investments	\$ 52,853,002	\$ 27,715,331	\$ 80,568,333
Receivables:			
Accounts, net	3,737,025	11,559,646	15,296,671
Interest	436,743	155,273	592,016
Due from other governments	12,867,031	-	12,867,031
Inventories	472,360	224,909	697,269
Prepaid items and deposits	4,013,971	-	4,013,971
Internal balances	956,306	(956,306)	-
Total current assets	<u>75,336,438</u>	<u>38,698,853</u>	<u>114,035,291</u>
Noncurrent assets:			
Restricted cash and investments	93,475,956	87,081,237	180,557,193
Loans receivable, net	23,460,200	-	23,460,200
Deferred charges	5,709,402	3,158,731	8,868,133
Pension asset, net	25,409,457	-	25,409,457
Land held for resale	28,098,612	-	28,098,612
Capital assets:			
Nondepreciable assets	93,218,876	19,841,613	113,060,489
Depreciable assets, net	227,459,838	97,347,458	324,807,296
Total noncurrent assets	<u>496,832,341</u>	<u>207,429,039</u>	<u>704,261,380</u>
Total assets	<u>572,168,779</u>	<u>246,127,892</u>	<u>818,296,671</u>
LIABILITIES			
Current liabilities:			
Accounts payable	5,967,858	4,734,601	10,702,459
Accrued liabilities	3,308,247	458,070	3,766,317
Interest payable	6,691,293	996,553	7,687,846
Notes payable	3,611,939	-	3,611,939
Unearned revenue	1,706,533	-	1,706,533
Compensated absences	821,186	89,084	910,270
Claims payable	2,200,000	-	2,200,000
Long term debt - due within one year	4,126,885	648,421	4,775,306
Total current liabilities	<u>28,433,941</u>	<u>6,926,729</u>	<u>35,360,670</u>
Noncurrent liabilities:			
Deposits payable	392,566	2,844,678	3,237,244
OPEB Obligations	2,994,122	-	2,994,122
Compensated absences	7,396,615	1,070,729	8,467,344
Claims payable	4,934,528	-	4,934,528
Long-term debt - due in more than one year	324,118,057	140,982,153	465,100,210
Total noncurrent liabilities	<u>339,835,888</u>	<u>144,897,560</u>	<u>484,733,448</u>
Total liabilities	<u>368,269,829</u>	<u>151,824,289</u>	<u>520,094,118</u>
NET ASSETS			
Invested in capital assets, net of related debt	<u>266,292,700</u>	<u>58,437,024</u>	<u>324,729,724</u>
Restricted for:			
Special projects	46,128,347	-	46,128,347
Debt services	14,072,997	3,015,084	17,088,081
Capital projects	66,239,202	-	66,239,202
Total restricted	<u>126,440,546</u>	<u>3,015,084</u>	<u>129,455,630</u>
Unrestricted	<u>(188,834,296)</u>	<u>32,851,495</u>	<u>(155,982,801)</u>
Total net assets	<u>\$ 203,898,950</u>	<u>\$ 94,303,603</u>	<u>\$ 298,202,553</u>

See accompanying Notes to Basic Financial Statements.

City of Pomona
Statement of Activities and Changes in Net Assets
For the year ended June 30, 2008

Functions/Programs	Expenses	Program Revenues			Total Program Revenues
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary government:					
Governmental activities:					
General government	\$ 7,900,649	\$ 1,386,968	\$ 3,722,251	\$ -	\$ 5,109,219
Public safety	71,782,018	4,630,485	2,153,009	311,780	7,095,274
Urban development	58,806,052	6,085,741	17,936,979	11,784,049	35,806,769
Community services	21,517,903	769,627	359,344	299,422	1,428,393
Interest and fiscal charges	30,865,822	-	-	-	-
Total governmental activities	190,872,444	12,872,821	24,171,583	12,395,251	49,439,655
Business-type activities:					
Water	22,807,789	27,155,086	-	4,004,312	31,159,398
Sewer	2,920,219	4,008,291	-	-	4,008,291
Refuse	8,837,471	7,733,411	40,841	-	7,774,252
Canon Water Company	96,255	-	85,630	-	85,630
Total business-type activities	34,661,734	38,896,788	126,471	4,004,312	43,027,571
Total primary government	\$ 225,534,178	\$ 51,769,609	\$ 24,298,054	\$ 16,399,563	\$ 92,467,226

Functions/Programs	Net (Expense) Revenue and Changes in Net Assets		
	Primary Government		
	Governmental Activities	Business-type Activities	Total
Primary government:			
Governmental activities:			
General government	\$ (2,791,430)	\$ -	\$ (2,791,430)
Public safety	(64,686,744)	-	(64,686,744)
Urban development	(22,999,283)	-	(22,999,283)
Community services	(20,089,510)	-	(20,089,510)
Interest and fiscal charges	(30,865,822)	-	(30,865,822)
Total governmental activities	(141,432,789)	-	(141,432,789)
Business-type activities:			
Water	-	8,351,609	8,351,609
Sewer	-	1,088,072	1,088,072
Refuse	-	(1,063,219)	(1,063,219)
Canon Water Company	-	(10,625)	(10,625)
Total business-type activities	-	8,365,837	8,365,837
Total primary government	(141,432,789)	8,365,837	(133,066,952)
General revenues:			
Taxes:			
Property taxes	56,246,496	-	56,246,496
Sales taxes	17,200,015	-	17,200,015
Motor vehicle license	718,936	-	718,936
Transient occupancy taxes	1,718,607	-	1,718,607
Property transfer taxes	1,189,405	-	1,189,405
Franchise	5,776,052	-	5,776,052
Utility users taxes	18,154,259	-	18,154,259
Business licenses (nonregulatory)	2,977,865	-	2,977,865
Other	1,973,674	-	1,973,674
Total taxes	105,955,309	-	105,955,309
Investment earnings/(expense)	19,956,964	(1,696,056)	18,260,908
Miscellaneous	2,568,179	944,403	3,512,582
Transfers	(1,753,920)	1,753,920	-
Total general revenues and transfers	126,726,532	1,002,267	127,728,799
Change in net assets	(14,706,257)	9,368,104	(5,338,153)
Net assets - beginning of year, as restated	218,605,207	84,935,499	303,540,706
Net assets - end of year	\$ 203,898,950	\$ 94,303,603	\$ 298,202,553

See accompanying Notes to Basic Financial Statements.

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FUND FINANCIAL STATEMENTS

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

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GOVERNMENTAL FUND FINANCIAL STATEMENTS

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, 2008

	Major Funds			
	General	Low & Moderate Income Housing Fund	General Debt Service	Public Financing Authority Debt Service
	General	Fund	Service	Service
ASSETS				
Cash and investments	\$ 8,167,008	\$ 4,743,856	\$ 89,118	\$ 107,906
Receivables:				
Accounts, net	2,606,256	316,014	-	-
Interest	147,332	44,111	3,505	678
Due from other funds	2,034,814	302,412	-	-
Due from other governments	5,135,969	-	32,184	-
Inventories	117,077	-	-	-
Prepaid items and deposits	29,704	600,000	-	-
Restricted cash and investments	-	8,384,499	3,981,498	6,751,787
Loans receivable, net	-	10,594,329	-	-
Advances to other funds	4,313,092	-	-	230,120,000
Land held for resale	-	10,499,985	-	-
Total assets	\$ 22,551,252	\$ 35,485,206	\$ 4,106,305	\$ 236,980,371
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 1,943,823	\$ 23,968	\$ 2,422	\$ 46
Accrued liabilities	2,666,207	57,893	-	7,309
Interest payable	-	-	1,049,619	-
Due to other funds	-	-	-	-
Deferred revenue	2,071,770	6,761,021	-	-
Deposits payable	-	139,583	-	-
Notes payable	-	1,068,246	-	-
Advances from other funds	600,000	9,760,000	49,510,000	-
Total liabilities	7,281,800	17,810,711	50,562,041	7,355
Fund Balances:				
Reserved for:				
Inventories	117,077	-	-	-
Prepaid items and deposits	29,704	600,000	-	-
Loans receivable	-	3,833,308	-	-
Advances to other funds	4,313,092	-	-	230,120,000
Land held for resale	-	10,499,985	-	-
Low and moderate income housing	-	2,741,202	-	-
Capital and special projects	-	-	-	-
Debt service and capital lease obligations	-	-	-	6,853,016
Unreserved, designated for:				
Contingencies	3,000,000	-	-	-
Unreserved, undesignated for:				
General fund	7,809,579	-	-	-
Special revenue funds	-	-	-	-
Debt service funds	-	-	(46,455,736)	-
Capital projects funds	-	-	-	-
Total fund balances	15,269,452	17,674,495	(46,455,736)	236,973,016
Total liabilities and fund balances	\$ 22,551,252	\$ 35,485,206	\$ 4,106,305	\$ 236,980,371

See accompanying Notes to Basic Financial Statements.

	Major Funds			
	Redevelopment	Redevelopment	Other	Total
	Agency Debt Service	Agency Capital Project	Governmental Funds	Governmental Funds
ASSETS				
Cash and investments	\$ 5,602,527	\$ 6,482,486	\$ 27,245,233	\$ 52,438,134
Receivables:				
Accounts, net	3,170	773,301	35,662	3,734,403
Interest	50,925	21,363	168,829	436,743
Due from other funds	-	1,323,651	-	3,660,877
Due from other governments	4,749,627	-	2,949,251	12,867,031
Inventories	-	-	-	117,077
Prepaid items and deposits	-	2,644,540	739,727	4,013,971
Restricted cash and investments	13,908,488	41,836,093	18,613,591	93,475,956
Loans receivable, net	747,500	2,185,134	9,933,237	23,460,200
Advances to other funds	-	-	600,000	235,033,092
Land held for resale	-	17,598,627	-	28,098,612
Total assets	\$ 25,062,237	\$ 72,865,195	\$ 60,285,530	\$ 457,336,096
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ -	\$ 218,154	\$ 3,488,110	\$ 5,676,523
Accrued liabilities	-	60,574	444,465	3,236,448
Interest payable	-	-	-	1,049,619
Due to other funds	1,626,063	-	1,078,508	2,704,571
Deferred revenue	3,379,993	1,046,647	9,200,009	22,459,440
Deposits payable	-	252,983	-	392,566
Notes payable	-	2,413,693	130,000	3,611,939
Advances from other funds	172,070,244	3,092,848	-	235,033,092
Total liabilities	177,076,300	7,084,899	14,341,092	274,164,198
Fund Balances:				
Reserved for:				
Inventories	-	-	-	117,077
Prepaid items and deposits	-	2,644,540	739,727	4,013,971
Loans receivable	-	2,185,134	9,933,237	15,951,679
Advances to other funds	-	-	600,000	235,033,092
Land held for resale	-	17,598,627	-	28,098,612
Low and moderate income housing	-	-	-	2,741,202
Capital and special projects	-	-	4,986,149	4,986,149
Debt service and capital lease obligations	-	-	-	6,853,016
Unreserved, designated for:				
Contingencies	-	-	-	3,000,000
Unreserved, undesignated for:				
General fund	-	-	-	7,809,579
Special revenue funds	-	-	12,653,645	12,653,645
Debt service funds	(152,014,063)	-	-	(198,469,799)
Capital projects funds	-	43,351,995	17,031,680	60,383,675
Total fund balances	(152,014,063)	65,780,296	45,944,438	183,171,898
Total liabilities and fund balances	\$ 25,062,237	\$ 72,865,195	\$ 60,285,530	\$ 457,336,096

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, 2008

Total Fund Balances - Total Governmental Funds \$ 183,171,898

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.			
Nondepreciable	\$ 93,218,876	\$ -	93,218,876
Depreciable, net of accumulated depreciation	227,459,838	250,552	227,209,286
Total capital assets	\$ 320,678,714	\$ 250,552	320,428,162

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 5,709,402

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 25,409,457

	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.			
	\$ (6,691,293)	\$ 1,049,743	(5,641,550)

	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.			
Compensated absences - current	\$ (821,186)	\$ 160,281	(660,905)
Compensated absences - noncurrent	(7,396,615)	-	(7,396,615)
OPEB obligations	(2,994,122)	-	(2,994,122)
Claims liability - current	(2,200,000)	-	(2,200,000)
Claims liability - noncurrent	(4,934,528)	-	(4,934,528)
Long-term debt - due within one year	(4,126,885)	20,571	(4,106,314)
Long-term debt - due in more than one year	(324,118,057)	-	(324,118,057)
	\$ (346,591,393)	\$ 180,852	(346,410,541)

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.

20,752,907

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.

Equipment Maintenance Fund 479,215

479,215

Net Assets of Governmental Activities \$ 203,898,950

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, 2008

	Major Funds			
	General	Low & Moderate Income Housing Fund	General Debt Service	Public Financing Authority Debt Service
REVENUES:				
Taxes	\$ 73,829,819	\$ -	\$ 543,126	\$ -
Special assessments	-	-	-	-
Intergovernmental	4,096,463	68,280	-	-
Charges for services	2,177,640	-	-	-
Fines and forfeitures	2,057,017	-	-	-
Licenses and permits	5,824,100	-	-	-
Use of money and property	1,387,251	887,089	131,598	11,823,610
Loan repaid	-	235,265	-	-
Contributions and donations	-	-	-	-
Miscellaneous	472,881	92,003	329	5,366
Total revenues	89,845,171	1,282,637	675,053	11,828,976
EXPENDITURES:				
Current:				
General government	4,403,915	-	16,615	2,897
Public safety	66,765,857	-	-	-
Urban development	10,836,799	3,476,680	-	-
Community services	10,578,814	-	-	-
Capital outlay	129,954	20,243	-	-
Debt service:				
Principal	1,259,221	-	2,348,000	4,175,000
Interest and fiscal charges	353,616	607,561	5,230,004	11,649,168
Debt issuance costs	-	-	-	-
Total expenditures	94,328,176	4,104,484	7,594,619	15,827,065
REVENUES OVER (UNDER) EXPENDITURES	(4,483,005)	(2,821,847)	(6,919,566)	(3,998,089)
OTHER FINANCING SOURCES (USES):				
Issuance of bonds, loans, and notes payable	-	-	-	8,375,000
Payment to refunded bonds escrow agent	-	-	-	-
Bond premium	-	-	-	57,600
Issuance of capital leases	-	-	-	-
Sale of capital assets	459,950	(101,238)	-	-
Transfers in	2,913,006	5,787,000	3,714,274	10,102
Transfers out	(4,412,567)	(2,501,936)	(10,102)	-
Total other financing sources (uses)	(1,039,611)	3,183,826	3,704,172	8,442,702
Net change in fund balances	(5,522,616)	361,979	(3,215,394)	4,444,613
FUND BALANCES:				
Beginning of year, as restated	20,792,068	17,312,516	(43,240,342)	232,528,403
End of year	\$ 15,269,452	\$ 17,674,495	\$ (46,455,736)	\$ 236,973,016

See accompanying Notes to Basic Financial Statements.

	Major Funds			
	Redevelopment	Redevelopment	Other Governmental Funds	Total Governmental Funds
	Agency Debt Service	Agency Capital Project		
REVENUES:				
Taxes	\$ 28,890,253	\$ -	\$ 10,227,548	\$ 113,490,746
Special assessments	-	-	1,172,826	1,172,826
Intergovernmental	2,085,236	-	20,841,343	27,091,322
Charges for services	-	-	577,572	2,755,212
Fines and forfeitures	-	-	1,307,355	3,364,372
Licenses and permits	-	-	437,742	6,261,842
Use of money and property	801,230	2,239,882	2,683,820	19,954,480
Loan repaid	-	-	-	235,265
Contributions and donations	-	257,000	-	257,000
Miscellaneous	169,574	1,222,739	666,527	2,629,419
Total revenues	31,946,293	3,719,621	37,914,733	177,212,484
EXPENDITURES:				
Current:				
General government	-	-	631,190	5,054,617
Public safety	-	-	3,871,418	70,637,275
Urban development	13,685,860	4,468,312	27,156,698	59,624,349
Community services	-	-	10,237,801	20,816,615
Capital outlay	-	-	2,096,754	2,246,951
Debt service:				
Principal	215,000	-	81,227	8,078,448
Interest and fiscal charges	9,233,198	-	19,190	27,092,737
Debt issuance costs	241,350	-	-	241,350
Total expenditures	23,375,408	4,468,312	44,094,278	193,792,342
REVENUES OVER (UNDER) EXPENDITURES	8,570,885	(748,691)	(6,179,545)	(16,579,858)
OTHER FINANCING SOURCES (USES):				
Issuance of bonds, loans, and notes payable	430,595	-	-	8,805,595
Payment to refunded bonds escrow agent	-	-	-	-
Bond premium	-	-	-	57,600
Issuance of capital leases	-	-	304,646	304,646
Sale of capital assets	-	520,418	-	879,130
Transfers in	2,501,936	14,479,732	6,161,958	35,568,008
Transfers out	(20,258,904)	(3,230,623)	(9,046,024)	(39,460,156)
Total other financing sources (uses)	(17,326,373)	11,769,527	(2,579,420)	6,154,823
Net change in fund balances	(8,755,488)	11,020,836	(8,758,965)	(10,425,035)
FUND BALANCES:				
Beginning of year, as restated	(143,258,575)	54,759,460	54,703,403	193,596,933
End of year	\$ (152,014,063)	\$ 65,780,296	\$ 45,944,438	\$ 183,171,898

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, 2008

Net Change in Fund Balances - Total Governmental Funds \$ (10,425,035)

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	2,246,951
Urban development	11,861,782

Depreciation expense on capital assets 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, 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 \$14,802,741 and the depreciation expense of the internal service funds in the amount of \$23,481. (14,779,260)

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	119,305
Amortization of deferred loss on refunding	(167,023)
Amortization of pension asset	459,198

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. (110,273)

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. 707,584

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. (660,905)

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	(8,805,595)
Proceeds from capital leases	(304,646)
Principal payment	8,176,374

Accrued interest expense on the County of Los Angeles 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. (1,811,009)

OPEB obligation costs did not require current resources, so it was not reported in the governmental funds. (2,994,122)

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 is the change in accrued interest from the prior year. (1,163,157)

Long-term claims payable are reported in the Government-Wide Statement of Activities and Changes in Net Assets, but they do not require the use of current financial resources. Therefore, long-term claims payable are not reported as expenditures in Governmental Funds. (7,134,528)

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. 10,707,805

Change in Net Assets of Governmental Activities \$ (14,706,257)

See accompanying Notes to Basic Financial Statements.

PROPRIETARY FUND FINANCIAL STATEMENTS

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, 2008

	Major Funds			
	Water Utility	Sewer	Refuse	Canon Water Company February 28, 2008
ASSETS				
Current assets:				
Cash and investments	\$ 21,279,745	\$ 6,220,155	\$ -	\$ 215,431
Receivables:				
Accounts, net	8,389,699	1,055,750	2,028,567	85,630
Interest	114,442	40,831	-	-
Inventories	224,909	-	-	-
Total current assets	<u>30,008,795</u>	<u>7,316,736</u>	<u>2,028,567</u>	<u>301,061</u>
Noncurrent assets:				
Restricted cash and investments	66,849,024	20,232,213	-	-
Deferred charges	1,730,765	1,427,966	-	-
Capital assets:				
Nondepreciable assets	18,760,973	1,080,640	-	-
Depreciable assets, net	71,906,059	24,805,628	635,771	-
Total net capital assets	<u>90,667,032</u>	<u>25,886,268</u>	<u>635,771</u>	<u>-</u>
Total noncurrent assets	<u>159,246,821</u>	<u>47,546,447</u>	<u>635,771</u>	<u>-</u>
Total assets	<u>189,255,616</u>	<u>54,863,183</u>	<u>2,664,338</u>	<u>301,061</u>
LIABILITIES				
Current liabilities:				
Accounts payable	3,947,968	304,049	422,928	59,656
Accrued liabilities	329,289	39,449	89,332	-
Interest payable	884,375	109,479	2,699	-
Due to other funds	-	-	956,306	-
Unearned revenue	-	-	-	-
Compensated absences	77,846	11,238	-	-
Obligations under capital leases	327,383	20,829	120,209	-
Long-term debt - due within one year	-	180,000	-	-
Total current liabilities	<u>5,566,861</u>	<u>665,044</u>	<u>1,591,474</u>	<u>59,656</u>
Noncurrent liabilities:				
Advances from other funds	-	-	-	-
Deposits payable	2,844,678	-	-	-
Compensated absences	771,901	111,866	186,962	-
Obligations under capital leases	1,152,679	-	123,855	-
Long-term debt - due in more than one year	110,375,619	29,330,000	-	-
Total noncurrent liabilities	<u>115,144,877</u>	<u>29,441,866</u>	<u>310,817</u>	<u>-</u>
Total liabilities	<u>120,711,738</u>	<u>30,106,910</u>	<u>1,902,291</u>	<u>59,656</u>
NET ASSETS				
Invested in capital assets, net of related debt	44,776,798	13,268,519	391,707	-
Restricted for debt service	-	3,015,084	-	-
Unrestricted	23,767,080	8,472,670	370,340	241,405
Total net assets	<u>\$ 68,543,878</u>	<u>\$ 24,756,273</u>	<u>\$ 762,047</u>	<u>\$ 241,405</u>

See accompanying Notes to Basic Financial Statements.

	Total	Governmental Activities Internal Service Funds
ASSETS		
Current assets:		
Cash and investments	\$ 27,715,331	\$ 414,868
Receivables:		
Accounts, net	11,559,646	2,622
Interest	155,273	-
Inventories	224,909	355,283
Total current assets	<u>39,655,159</u>	<u>772,773</u>
Noncurrent assets:		
Restricted cash and investments	87,081,237	-
Deferred charges	3,158,731	-
Capital assets:		
Nondepreciable assets	19,841,613	-
Depreciable assets, net	97,347,458	250,552
Total net capital assets	<u>117,189,071</u>	<u>250,552</u>
Total noncurrent assets	<u>207,429,039</u>	<u>250,552</u>
Total assets	<u>247,084,198</u>	<u>1,023,325</u>
LIABILITIES		
Current liabilities:		
Accounts payable	4,734,601	291,335
Accrued liabilities	458,070	71,799
Interest payable	996,553	124
Due to other funds	956,306	-
Unearned revenues	-	-
Compensated absences	89,084	160,281
Obligations under capital leases	468,421	20,571
Long-term debt - due within one year	180,000	-
Total current liabilities	<u>7,883,035</u>	<u>544,110</u>
Noncurrent liabilities:		
Advances from other funds	-	-
Deposits payable	2,844,678	-
Compensated absences	1,070,729	-
Obligations under capital leases	1,276,534	-
Long-term debt - due in more than one year	139,705,619	-
Total noncurrent liabilities	<u>144,897,560</u>	<u>-</u>
Total liabilities	<u>152,780,595</u>	<u>544,110</u>
NET ASSETS		
Invested in capital assets, net of related debt	58,437,024	229,981
Restricted for debt service	3,015,084	-
Unrestricted	32,851,495	249,234
Total net assets	<u>\$ 94,303,603</u>	<u>\$ 479,215</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, 2008

	Major Funds			
	Water Utility	Sewer	Refuse	Canon Water Company February 28, 2008
OPERATING REVENUES:				
Charges for services	\$ 25,189,584	\$ 4,008,291	\$ 7,733,411	\$ -
Miscellaneous	168,574	419,813	356,016	-
Total operating revenues	25,358,158	4,428,104	8,089,427	-
OPERATING EXPENSES:				
Personnel services	7,289,733	808,102	1,850,724	-
Operations	13,050,117	1,189,310	6,413,478	96,255
Claims expense	143,819	70,345	418,341	-
Depreciation	2,059,912	753,043	92,838	-
Amortization of issuance costs	-	72,158	-	-
Insurance	248,274	27,261	62,090	-
Total operating expenses	22,791,855	2,920,219	8,837,471	96,255
OPERATING INCOME (LOSS)	2,566,303	1,507,885	(748,044)	(96,255)
NONOPERATING REVENUES (EXPENSES):				
Gain (loss) on disposal of capital assets	(15,934)	-	-	-
Interest expense and fees	(5,156,210)	(1,296,766)	(8,697)	-
Investment earnings	3,508,977	1,256,564	-	76
Intergovernmental	1,316,475	-	40,841	85,630
Contributions from developers	2,687,837	-	-	-
Sale of reclaimed water	804,502	-	-	-
Sale of surplus water	1,161,000	-	-	-
Total nonoperating revenues (expenses)	4,306,647	(40,202)	32,144	85,706
INCOME (LOSS) BEFORE TRANSFERS	6,872,950	1,467,683	(715,900)	(10,549)
Transfers in	2,222,025	27,004	-	-
Transfers out	(305,074)	(190,035)	-	-
Equity transfer	-	-	-	-
Total transfers	1,916,951	(163,031)	-	-
Change in net assets	8,789,901	1,304,652	(715,900)	(10,549)
NET ASSETS:				
Beginning of year	59,753,977	23,451,621	1,477,947	251,954
End of year	\$ 68,543,878	\$ 24,756,273	\$ 762,047	\$ 241,405

See accompanying Notes to Basic Financial Statements.

	Total	Governmental Activities Internal Service Funds
OPERATING REVENUES:		
Charges for services	\$ 36,931,286	\$ 4,708,972
Miscellaneous	944,403	8,630
Total operating revenues	37,875,689	4,717,602
OPERATING EXPENSES:		
Personnel services	9,948,559	1,527,752
Operations	20,749,160	2,855,187
Claims expense	632,505	114,613
Depreciation	2,905,793	23,481
Amortization of issuance costs	72,158	-
Insurance	337,625	64,401
Total operating expenses	34,645,800	4,585,434
OPERATING INCOME (LOSS)	3,229,889	132,168
NONOPERATING REVENUES (EXPENSES):		
Gain (loss) on disposal of capital assets	(15,934)	(5,600)
Interest expense and fees	(6,461,673)	(801)
Investment earnings	4,765,617	39
Intergovernmental	1,442,946	-
Contributions from developers	2,687,837	-
Sale of reclaimed water	804,502	-
Sale of surplus water	1,161,000	-
Total nonoperating revenues (expenses)	4,384,295	(6,362)
INCOME (LOSS) BEFORE TRANSFERS	7,614,184	125,806
Transfers in	2,249,029	2,138,228
Transfers out	(495,109)	-
Equity transfer	-	8,443,771
Total transfers	1,753,920	10,581,999
Change in net assets	9,368,104	10,707,805
NET ASSETS:		
Beginning of year	84,935,499	(10,228,590)
End of year	\$ 94,303,603	\$ 479,215

See accompanying Notes to Basic Financial Statements.

City of Pomona
Statement of Cash Flows
Proprietary Funds
For the year ended June 30, 2008

	Major Funds			Canon Water Company February 28, 2008
	Water Utility	Sewer	Refuse	
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash received from customers/other funds	\$ 27,049,944	\$ 3,912,009	\$ 7,496,463	\$ -
Cash payments to suppliers for goods and services	(11,058,438)	(1,026,673)	(6,710,169)	(44,159)
Cash payments for general and administrative expenses	(7,413,387)	(814,043)	(1,946,327)	-
Cash received from (paid for) other	168,574	402,384	1,279,769	-
Net cash provided (used) by operating activities	8,746,693	2,473,677	119,736	(44,159)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Cash received from other governments	-	-	40,841	85,630
Transfers in	2,222,025	27,004	-	-
Transfers out	(305,074)	(190,035)	-	-
Advances to other funds	-	-	-	-
Advances from other funds	-	-	-	-
Net cash provided (used) by noncapital financing activities	1,916,951	(163,031)	40,841	85,630
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Purchase, acquisition and construction of capital assets	(10,364,154)	(977,564)	-	-
Proceeds from sale of capital assets	-	-	(36,198)	-
Repayment of bonds payable and capital leases	(342,362)	(220,697)	(116,672)	-
Interest paid on capital-related debt	(5,158,114)	(1,298,335)	(9,987)	-
Net cash provided (used) by capital and related financing activities	(15,864,630)	(2,496,596)	(162,857)	-
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest income received	3,600,196	1,280,116	2,180	76
Net cash provided (used) by investing activities	3,600,196	1,280,116	2,180	76
Net increase (decrease) in cash and cash equivalents	(1,600,790)	1,094,166	(100)	41,547
CASH AND CASH EQUIVALENTS:				
Beginning of year	89,729,559	25,358,202	100	173,884
End of year	<u>88,128,769</u>	<u>26,452,368</u>	<u>\$ -</u>	<u>\$ 215,431</u>
FINANCIAL STATEMENT PRESENTATION:				
Cash and investments	\$ 21,279,745	\$ 6,220,155	\$ -	\$ 215,431
Restricted cash and investments	66,849,024	20,232,213	-	-
Total cash, cash equivalents, and investments	\$ 88,128,769	\$ 26,452,368	\$ -	\$ 215,431
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:				
Operating income (loss)	\$ 2,566,303	\$ 1,507,885	\$ (748,044)	\$ (96,255)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	2,059,912	753,043	92,838	-
Amortization	-	72,158	-	-
Other nonoperating revenue	1,965,502	-	-	-
Changes in operating assets and liabilities:				
Accounts receivable	(105,142)	(96,282)	(236,948)	-
Inventories	(18,832)	-	-	-
Prepaid items	-	-	-	-
Accounts payable	1,994,976	232,982	121,650	52,096
Accrued liabilities	46,776	10,082	51	-
Due to other funds	-	-	923,753	-
Unearned revenue	-	(17,429)	-	-
Deposit payable	159,354	-	-	-
Compensated absences	77,844	11,238	(33,564)	-
Claims payable	-	-	-	-
Total adjustments	2,154,976	140,591	774,942	52,096
Net cash provided (used) by operating activities	\$ 8,746,693	\$ 2,473,677	\$ 119,736	\$ (44,159)

See accompanying Notes to Basic Financial Statements.

	Total	Governmental Activities Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from customers/other funds	\$ 38,458,416	\$ 4,976,491
Cash payments to suppliers for goods and services	(18,839,439)	(11,779,405)
Cash payments for general and administrative expenses	(10,173,757)	(1,619,789)
Cash received from (paid for) other	1,850,727	8,630
Net cash provided (used) by operating activities	11,295,947	(8,414,073)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Cash received from other governments	126,471	-
Transfers in	2,249,029	2,293,073
Transfers out	(495,109)	-
Equity transfer	-	8,288,926
Advances from other funds	-	(2,293,073)
Net cash provided (used) by noncapital financing activities	1,880,391	8,288,926
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Purchase, acquisition and construction of capital assets	(11,341,718)	-
Proceeds from sale of capital assets	(36,198)	(68,000)
Repayment of bonds payable and capital leases	(679,731)	(13,307)
Interest paid on capital-related debt	(6,466,436)	(838)
Net cash provided (used) by capital and related financing activities	(18,524,083)	(82,145)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest income received	4,882,568	39
Net cash provided (used) by investing activities	4,882,568	39
Net increase (decrease) in cash and cash equivalents	(465,177)	(207,253)
CASH AND CASH EQUIVALENTS:		
Beginning of year	115,261,745	622,121
End of year	<u>\$ 114,796,568</u>	<u>\$ 414,868</u>
FINANCIAL STATEMENT PRESENTATION:		
Cash and investments	\$ 27,715,331	\$ 414,868
Restricted cash and investments	87,081,237	-
Total cash, cash equivalents, and investments	\$ 114,796,568	\$ 414,868
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
Operating income (loss)	\$ 3,229,889	\$ 132,168
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation	2,905,793	23,481
Amortization	72,158	-
Other nonoperating revenue	1,965,502	-
Changes in operating assets and liabilities:		
Accounts receivable	(438,372)	267,519
Inventories	(18,832)	(54,903)
Prepaid items	-	-
Accounts payable	2,401,704	(301,324)
Accrued liabilities	56,909	(25,254)
Due to other funds	923,753	-
Unearned revenue	(17,429)	-
Deposit payable	159,354	-
Compensated absences	55,518	(66,783)
Claims payable	-	(8,388,977)
Total adjustments	3,122,605	(8,569,722)
Net cash provided (used) by operating activities	\$ 11,295,947	\$ (8,414,073)

See accompanying Notes to Basic Financial Statements.

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FIDUCIARY FUND FINANCIAL STATEMENTS

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, 2008

	Agency Funds
	<u> </u>
ASSETS	
Cash and investments	\$ 4,464,957
Accounts receivable	9,761
Interest receivable	4,757
Due from other governments	<u>18,096</u>
Total assets	<u>\$ 4,497,571</u>
LIABILITIES	
Accounts payable	\$ 2,311,165
Deposits payable	1,825,783
Due to bondholders	<u>360,623</u>
Total liabilities	<u>\$ 4,497,571</u>

City of Pomona
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For the year ended June 30, 2008

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For the year ended June 30, 2008

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NOTES TO BASIC FINANCIAL STATEMENTS

City of Pomona
Notes to Basic Financial Statements
For the year ended June 30, 2008

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, 2008

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 City staff.

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, 2008 except for Canon Water Company which had a fiscal year ended February 28, 2008.

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, 2008

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, 2008

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, 2008

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

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 Fund accounts for the maintenance and repair of City vehicles and equipment 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, 2008

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, 2008

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

Government-Wide Financial Statements

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.

City of Pomona
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2008

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

F. Capital Assets, Continued

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.

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, 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.

Fund Financial Statements

The fund financial statements do not present capital assets. As such, capital assets are shown as a reconciling item in the Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Assets.

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.

City of Pomona
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2008

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

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.

In accordance with GASB Statement No. 27, the net pension asset is being amortized using the same amortization methodology used by PERS to calculate the Annual Required Contribution (ARC) each year. Interest on the Net Pension Asset (NPA) is calculated as a percentage of the NPA's balance at the beginning of each year based on the investment rate of return stated above and is added to the balance of the NPA for that year.

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 as a reconciling item 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. Compensated absences are primarily liquidated by the General Fund.

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. The compensated absences liability will generally be liquidated through the general fund. 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.

City of Pomona
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2008

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

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.

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.

City of Pomona
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2008

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

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.

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.

Q. New Pronouncements

In 2008, the City adopted new accounting standards in order to conform to the following GASB Statements:

- GASB Statement No. 45, *Financial Reporting for Postemployment Benefit Plans (OPEB) other than Pension Plans* – this Statement establishes standards for the measurement, recognition, and display of OPEB expense/expenditures and related liabilities (assets), note disclosures, and, if applicable, required supplementary information (RSI) in the financial reports of state and local governmental employers.
- GASB Statement No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues* – this Statement establishes accounting and financial reporting standards for transactions in which a government receives, or is entitled to, resources in exchange for future cash flows generated by collecting specific receivables or specific future revenues.
- GASB Statement No. 50, *Pension Disclosures – An Amendment of GASB Statements No. 25 and 27* – this Statement more closely aligns the financial reporting requirements for pensions with those for other post-employment benefits (OPEB) and in doing so, enhances information disclosed in notes to financial statements or presented as RSI by pension plans and by employers that provide pension benefits.

City of Pomona
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2008

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, 2008:

	Government-Wide Statement of Net Assets			Fiduciary Funds	
	Governmental	Business-Type	Total	Statement of	
	Activities	Activities		Net Assets	Total
Cash and Investments	\$ 52,853,002	\$ 27,715,331	\$ 80,568,333	\$ 4,464,957	\$ 85,033,290
Restricted Cash and Investments:					
Held by trustees	\$ 1,692,666	\$ 274,125	\$ 1,966,791	\$ -	1,966,791
Held by fiscal agents	91,783,290	86,807,112	178,590,402	-	178,590,402
Total restricted cash and investments	\$ 93,475,956	\$ 87,081,237	\$ 180,557,193	\$ -	180,557,193
				Total	\$ 265,590,483

Cash and investments were comprised of the following at June 30, 2008:

Cash and cash equivalents:	
Petty Cash	\$ 8,919
Demand Deposit	1,981,592
Total Cash and cash equivalents	1,990,511
Investments:	
Local Agency Investment Fund	74,500,789
U.S. Government Securities:	
Federal Farm Credit Bank (FFCB)	2,009,070
Federal Home Loan Bank (FHLB)	4,020,630
Federal Home Loan Mortgage Corporation (FHLMC)	2,512,290
Total Investments	83,042,779
Total Cash and Investments	\$ 85,033,290

City of Pomona
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2008

2. CASH AND INVESTMENTS, Continued

B. Cash Deposits

The carrying amounts of the City's cash deposits were \$1,981,592 at June 30, 2008. Bank balances at June 30, 2008, were \$2,393,529 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.

City of Pomona
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2008

2. CASH AND INVESTMENTS, Continued

D. Investment in Local Agency Investment Funds

The City is a participant in LAIF which is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The City's investments with LAIF at June 30, 2008, included a portion of the pool funds invested in Structured Notes and Asset-Backed Securities:

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.

As of June 30, 2008, the City had \$74,500,789 invested in LAIF, which had invested 14.72% of the pool investment funds in Structured Notes and Asset-Backed Securities as compared to 3.466% in the previous year. The LAIF fair value factor of 0.999950219 was used to calculate the fair value of the investments in LAIF.

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, 2008, the City had the following investment maturities:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities (In Years)</u>			
		<u>Less than 1</u>	<u>1 to 2</u>	<u>2 to 3</u>	<u>3 to 4</u>
Local Agency Investment Fund	\$ 74,500,789	\$ 74,500,789	\$ -	\$ -	\$ -
Federal Farm Credit Bank	2,009,070	-	-	2,009,070	-
Federal Home Loan Bank	4,020,630	-	-	4,020,630	-
Federal Home Loan Mortgage Corporation	2,512,290	2,512,290	-	-	-
Total	\$ 83,042,779	\$ 77,013,079	\$ -	\$ 6,029,700	\$ -

City of Pomona
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2008

2. CASH AND INVESTMENTS, Continued

E. Risk Disclosures, Continued

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.

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

Investment Pool	Moody's	Standard & Poor's
	<hr/>	<hr/>
Local Agency Investment Fund	Not Rated	Not Rated
 U.S. Government Securities		
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:

Investments	Amount Invested	Percentage of Investments
	<hr/>	<hr/>
Local Agency Investment Fund	\$ 74,500,789	89.71%
Federal Farm Credit Bank (FFCB)	2,009,070	2.42%
Federal Home Loan Bank (FHLB)	4,020,630	4.84%
Federal Home Loan Mortgage Corporation (FHLMC)	2,512,290	3.03%
Total	<hr/> <hr/> \$ 83,042,779	<hr/> <hr/> 100.00%

City of Pomona
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2008

2. CASH AND INVESTMENTS, Continued

E. Risk Disclosures, Continued

Custodial Credit Risk

For deposits, custodial credit risk is the risk that, in the event of the failure of a deposit financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City's investment policy does not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the provision for deposits stated in Note 2B. \$2,293,529 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, \$180,557,193 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, 2008.

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 \$5,460,000 as an investment at June 30, 2008. The investment is held by the fiscal agent.

3. DUE FROM OTHER GOVERNMENTS

At June 30, 2008, the City's due from other governments consisted of the following:

<u>Agency</u>		
State of California	\$	2,938,652
County of Los Angeles		6,300,903
Department of Motor Vehicles		76,279
Department of Housing and Urban Development		1,100,053
South Coast Air Quality Management District		50,604
Metropolitan Transit Authority (TDA Article 3)		261,476
Office of Traffic Safety		118,377
Utility Users		1,434,124
Hotels		282,801
Miscellaneous		303,762
Total	\$	<u>12,867,031</u>

City of Pomona
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2008

4. LOANS RECEIVABLE

At June 30, 2008, the City's loans receivable consisted of the following:

	Balance			Balance
	July 1, 2007	Additions	Deletions	June 30, 2008
Casa Herrera	\$ 1,250,000	\$ -	\$ (125,000)	\$ 1,125,000
Deferred Home Improvement Loans	6,260,944	-	(103,832)	6,157,112
Prototype Loans	660,000	-	-	660,000
ADDI Loans	-	16,418	-	16,418
Rental Rehabilitation Loans	434,485	7,042	-	441,527
Greater Pomona Housing Loans	779,000	-	-	779,000
CHDO	253,046	-	-	253,046
HOPE 3 Loans	385,464	126,127	(25,027)	486,564
Shield of Faith	3,744,816	111,450	-	3,856,266
Manufactured Housing Rehabilitation Loans	1,341,988	441,202	(22,946)	1,760,244
Occupied Rehabilitation Loans	119,192	521	(16,704)	103,009
MAP Loans, net	1,219,123	314,325	(56,625)	1,476,823
NIP Loans	2,535,428	414,320	(73,191)	2,876,557
Olsen Covenants	321,000	130,000	-	451,000
Southern California Resources & Development	85,000	-	-	85,000
Mission Promenade Project II Loan	1,370,177	-	(1,370,177)	-
Business Assistance Loans	435,000	275,000	-	710,000
Postal Extra (El Centro)	2,534	-	-	2,534
Cardenas Market	75,000	-	(37,500)	37,500
De La Torre	277,295	-	(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	36,000	-	672,000
Pomona Fox Theater	-	1,300,000	-	1,300,000
Total	\$ 24,022,104	\$ 3,172,405	\$ (3,734,309)	\$ 23,460,200

City of Pomona
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2008

5. INTERFUND TRANSACTIONS

A. Government-Wide Financial Statements

Internal Balance - At June 30, 2008, the City had the following internal receivable and payable. The purpose of the internal balance was to cover cash deficits.

		Internal Payable	
		Business-Type	
		Activities	
Internal Receivable			
Governmental Activities	\$	956,306	

Transfers - At June 30, 2008, the City had the following transfers. The purpose of the transfers was for the in lieu franchise fee and debt service payments.

		Transfers Out	
		Business-Type	
		Activities	
Transfers In			
Governmental Activities	\$	1,753,920	

B. Fund Financial Statements

Due To/Due From - At June 30, 2008, the City had the following short-term interfund receivables and payables.

		Due From Other Funds			
		General	Low and Moderate Income Housing	Redevelopment Agency Capital Project	Total
Due To Other Funds	Nonmajor Governmental Funds	\$ 1,078,508	\$ -	\$ -	\$ 1,078,508
	Redevelopment Agency Debt Service	-	302,412	1,323,651	1,626,063
	Refuse Enterprise Fund	956,306	-	-	956,306
	Total	\$ 2,034,814	\$ 302,412	\$ 1,323,651	\$ 3,660,877

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, 2008

5. INTERFUND TRANSACTIONS, Continued

B. Fund Financial Statements, Continued

Long-Term Advances - At June 30, 2008, the City had the following interfund long-term advances:

		Advances To Other Funds			Total
		General	Public Financing Authority Debt Service	Non-Major Governmental Funds	
Advances From Other Funds	Governmental Funds:				
	General	\$ -	\$ -	\$ 600,000	\$ 600,000
	Low & Moderate Income Housing	-	9,760,000	-	9,760,000
	General Debt Service	-	49,510,000	-	49,510,000
	Redevelopment Agency Debt Service	1,220,244	170,850,000	-	172,070,244
	Redevelopment Agency Capital Project	3,092,848	-	-	3,092,848
Total	\$ 4,313,092	\$ 230,120,000	\$ 600,000	\$ 235,033,092	

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, 2008, the City had the following transfers:

		Transfers Out							Total		
		Governmental Funds					Enterprise Funds				
		General Fund	Low & Moderate Income Housing	General Debt Service	Redevelopment Agency Debt Service	Redevelopment Agency Capital Project	Non-Major Governmental Funds	Water Utility	Sewer		
Transfers In	Governmental Funds:										
	General Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,913,006	\$ -	\$ -	\$ 2,913,006	
	Low & Moderate Income Housing	-	-	-	5,787,000	-	-	-	-	5,787,000	
	General Debt Service	1,989,679	-	-	-	543,788	717,093	273,679	190,035	3,714,274	
	Public Financing Authority Debt Service	-	-	10,102	-	-	-	-	-	10,102	
	Redevelopment Agency Debt Service	-	2,501,936	-	-	-	-	-	-	2,501,936	
	Redevelopment Agency Capital Project	-	-	-	14,471,904	-	7,828	-	-	14,479,732	
	Non-Major Governmental Funds	284,660	-	-	-	2,393,298	3,484,000	-	-	6,161,958	
	Total Governmental Funds	\$ 2,274,339	\$ 2,501,936	\$ 10,102	\$ 20,258,904	\$ 2,937,086	\$ 7,121,927	\$ 273,679	\$ 190,035	\$ 35,568,008	
	Proprietary Funds:										
	Self Insurance Fund	\$ 2,138,228	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,138,228
	Water Utility Enterprise Fund	-	-	-	-	293,537	1,924,097	4,391	-	-	2,222,025
	Sewer Enterprise Fund	-	-	-	-	-	-	27,004	-	-	27,004
Total Proprietary Funds	2,138,228	-	-	-	293,537	1,924,097	31,395	-	-	4,387,257	
Total	\$ 4,412,567	\$ 2,501,936	\$ 10,102	\$ 20,258,904	\$ 3,230,623	\$ 9,046,024	\$ 305,074	\$ 190,035	\$ 39,955,265		

City of Pomona
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2008

5. INTERFUND TRANSACTIONS, Continued

B. Fund Financial Statements, Continued

The transfer of \$1,989,679 between the General Fund and the General Debt Service Fund was for Series AG and AN debt service.

The transfer of \$2,138,228 from the General Fund to the Self Insurance Fund was to eliminate the cash deficit.

The transfer of \$5,787,000 from the Redevelopment Agency Debt Service to the Low & Moderate Income Housing Fund represents the 20% set aside tax increment revenue for low and moderate income housing

The transfer of \$14,471,904 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 \$2,393,298 from the Redevelopment Agency Capital Project to the Non-Major Governmental Funds (Capital Outlay Fund) was for various projects including Community Services department projects, Police Department projects, street rehab, and the Foothill/Towne project.

The transfers of \$2,913,006 from the Non-Major Governmental Funds (State Gas Tax) included a transfer of \$2,905,178 to the General Fund for various street related programs.

Of the transfers in the amount of \$3,484,000 from the Non-Major Governmental Funds to the Non-Major Governmental Funds included:

- transfers of \$989,703 from the Capital Outlay Fund to the State Gas Tax Fund were from various CIP projects using Series AG & AN proceeds as well as funds set aside for street maintenance.
- transfers of \$510,762 from the Capital Outlay Fund to the Debt Service Fund represents interest earnings on unspent construction funds to be used for debt service of Series AU & AV.
- transfer of \$1,152,285 from the Miscellaneous Grants Fund to the newly established Housing Authority Fund was for the purchase and rehabilitation of various Agency owned properties.
- transfers of \$803,811 from the Community Development Block Grant Fund and the Traffic Congestion Relief Fund to the Capital Outlay Fund were for various park and street construction projects.

The transfer of \$1,924,097 from the Non-Major Governmental Funds includes \$253,343 from the State Gas Tax Fund and \$1,670,754 from the Capital Outlay Fund to the Water Utility Enterprise Fund for various water construction projects.

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

City of Pomona
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2008

6. LAND HELD FOR RESALE

Land held for resale is comprised of the following at June 30, 2008:

Low & Moderate Income Housing Fund	\$ 10,499,985
Redevelopment Agency Capital Project Fund	<u>17,598,627</u>
Total	<u><u>\$ 28,098,612</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.

7. CAPITAL ASSETS

A. Government-Wide Financial Statements

At June 30, 2008, the City's capital assets consisted of the following:

	Governmental Activities	Business-Type Activities	Total
Non-depreciable Assets:			
Land	\$ 76,881,932	\$ 4,298,097	\$ 81,180,029
Construction in process	16,336,944	15,543,516	31,880,460
Total non-depreciable assets	<u>93,218,876</u>	<u>19,841,613</u>	<u>113,060,489</u>
Depreciable Assets:			
Buildings and improvements	14,560,662	148,084	14,708,746
Improvements other than building	50,827,656	286,638	51,114,294
Machinery and equipment	17,915,585	157,217,283	175,132,868
Autos and trucks	7,554,992	6,283,549	13,838,541
Equipment under capitalized lease	3,563,192	973,080	4,536,272
Infrastructure	373,528,480	-	373,528,480
Total depreciable assets, at cost	<u>467,950,567</u>	<u>164,908,634</u>	<u>632,859,201</u>
Less accumulated depreciation:			
Buildings and improvements	(8,698,565)	(19,599)	(8,718,164)
Improvements other than building	(13,494,734)	(44,484)	(13,539,218)
Machinery and equipment	(7,605,252)	(61,635,677)	(69,240,929)
Autos and trucks	(5,867,608)	(5,545,808)	(11,413,416)
Equipment under capitalized lease	(920,372)	(315,608)	(1,235,980)
Infrastructure	(203,904,198)	-	(203,904,198)
Total accumulated depreciation	<u>(240,490,729)</u>	<u>(67,561,176)</u>	<u>(308,051,905)</u>
Total depreciable assets, net	<u>227,459,838</u>	<u>97,347,458</u>	<u>324,807,296</u>
Total capital assets	<u><u>\$ 320,678,714</u></u>	<u><u>\$ 117,189,071</u></u>	<u><u>\$ 437,867,785</u></u>

City of Pomona
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2008

7. CAPITAL ASSETS, Continued

A. Government-Wide Financial Statements, Continued

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

	Balance July 1, 2007	Prior Period Adjustments (Note 18)	Additions	Deletions	Reclassifications	Balance June 30, 2008
Non-depreciable Assets:						
Land	\$ 77,025,334	\$ -	\$ -	\$ (143,402)	\$ -	\$ 76,881,932
Construction in process	7,839,960	-	12,922,406	(20,167)	(4,405,255)	16,336,944
Total non-depreciable assets	84,865,294	-	12,922,406	(163,569)	(4,405,255)	93,218,876
Depreciable Assets:						
Buildings and improvements	14,553,683	-	20,979	(14,000)	-	14,560,662
Improvements other than building	48,687,384	(1,035,129)	7,125	-	3,168,276	50,827,656
Machinery and equipment	16,565,410	-	345,398	(111,574)	1,116,350	17,915,584
Autos and trucks	6,717,525	-	411,823	(226,998)	652,642	7,554,992
Equipment under capitalized lease	4,883,604	-	469,002	(20,422)	(1,768,992)	3,563,192
Infrastructure	372,572,863	-	-	(281,362)	1,236,979	373,528,480
Total depreciable assets, at cost	463,980,469	(1,035,129)	1,254,327	(654,356)	4,405,255	467,950,566
Less accumulated depreciation:						
Buildings and improvements	(8,495,313)	-	(358,216)	154,964	-	(8,698,565)
Improvements other than building	(12,457,290)	148,246	(1,097,052)	(88,638)	-	(13,494,734)
Machinery and equipment	(5,685,779)	-	(1,632,168)	208,489	(495,794)	(7,605,252)
Autos and trucks	(5,080,910)	-	(629,699)	311,685	(468,683)	(5,867,607)
Equipment under capitalized lease	(1,185,818)	-	(497,598)	(201,433)	964,477	(920,372)
Infrastructure	(191,371,115)	(2,262,060)	(10,588,008)	316,985	-	(203,904,198)
Total accumulated depreciation	(224,276,225)	(2,113,814)	(14,802,741)	702,052	-	(240,490,728)
Total depreciable assets, net	239,704,244	(3,148,943)	(13,548,414)	47,696	4,405,255	227,459,838
Total capital assets	\$ 324,569,538	\$ (3,148,943)	\$ (626,008)	\$ (115,873)	\$ -	\$ 320,678,714

Depreciation expense for capital assets of the governmental activities for the year ended June 30, 2008 was as follows:

General government	\$ 478,074
Public safety	2,169,049
Urban development	11,323,940
Community services	808,197
Internal service funds	23,481
Total depreciation expense	\$ 14,802,741

City of Pomona
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2008

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, 2007	Additions	Deletions	Balance June 30, 2008
Non-depreciable Assets:				
Land	\$ 4,298,097	\$ -	\$ -	\$ 4,298,097
Construction in process	3,580,352	11,963,566	(402)	15,543,516
Total non-depreciable assets	<u>7,878,449</u>	<u>11,963,566</u>	<u>(402)</u>	<u>19,841,613</u>
Depreciable Assets:				
Buildings and improvements	148,084	-	-	148,084
Improvements other than building	286,638	-	-	286,638
Machinery and equipment	154,032,007	3,214,434	(29,158)	157,217,283
Autos and trucks	6,089,799	205,428	(11,678)	6,283,549
Equipment under capitalized lease	973,080	-	-	973,080
Total depreciable assets, at cost	<u>161,529,608</u>	<u>3,419,862</u>	<u>(40,836)</u>	<u>164,908,634</u>
Less accumulated depreciation:				
Buildings and improvements	(16,130)	(3,469)	-	(19,599)
Improvements other than building	(31,464)	(13,020)	-	(44,484)
Machinery and equipment	(58,968,327)	(2,679,776)	12,426	(61,635,677)
Autos and trucks	(5,449,086)	(108,400)	11,678	(5,545,808)
Equipment under capitalized lease	(214,480)	(101,128)	-	(315,608)
Total accumulated depreciation	<u>(64,679,487)</u>	<u>(2,905,793)</u>	<u>24,104</u>	<u>(67,561,176)</u>
Total depreciable assets, net	<u>96,850,121</u>	<u>514,069</u>	<u>(16,732)</u>	<u>97,347,458</u>
Total capital assets	<u>\$ 104,728,570</u>	<u>\$ 12,477,635</u>	<u>\$ (17,134)</u>	<u>\$ 117,189,071</u>

Depreciation expense for capital assets of the business-type activities for the year ended June 30, 2008 was as follows:

Water utility	\$ 2,059,912
Sewer	753,043
Refuse	92,838
Total depreciation expense	<u>\$ 2,905,793</u>

City of Pomona
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2008

8. LONG-TERM DEBT

The following is a summary of long-term debt for the year ended June 30, 2008:

	Balance		Accrued		Balance	Classification	
	July 1, 2007	Additions	Interest	Deletions		June 30, 2008	Due within One Year
Governmental Activities:							
County deferred tax loan	\$ 25,475,833	\$ 395,722	\$ 1,811,009	\$ -	\$ 27,682,564	\$ -	\$ 27,682,564
Obligation under capital lease	4,169,793	304,646	-	(1,355,564)	3,118,875	1,207,885	1,910,990
Notes payable	2,475,000	-	-	(255,000)	2,220,000	260,000	1,960,000
Revenue bonds	227,448,178	8,375,000	-	(6,130,904)	229,692,274	2,319,000	227,373,274
Tax allocation bonds	9,815,000	-	-	(85,000)	9,730,000	85,000	9,645,000
Pension obligation refunding bonds	42,280,684	-	-	-	42,280,684	-	42,280,684
Certificates of participation	13,801,167	-	-	(280,622)	13,520,545	255,000	13,265,545
Subtotal	325,465,655	9,075,368	1,811,009	(8,107,090)	328,244,942	4,126,885	324,118,057
Compensated absences	7,623,679	606,113	-	(11,991)	8,217,801	821,186	7,396,615
Total governmental activities	\$ 333,089,334	\$ 9,681,481	\$ 1,811,009	\$ (8,119,081)	\$ 336,462,743	\$ 4,948,071	\$ 331,514,672
Business-Type Activities:							
Obligations under capital lease	\$ 2,219,551	\$ -	\$ -	\$ (474,596)	\$ 1,744,955	\$ 468,421	\$ 1,276,534
Revenue bonds	140,135,710	-	-	(250,091)	139,885,619	180,000	139,705,619
Subtotal	142,355,261	-	-	(724,687)	141,630,574	648,421	140,982,153
Compensated absences	1,104,295	55,518	-	-	1,159,813	89,084	1,070,729
Total business-type activities	\$ 143,459,556	\$ 55,518	\$ -	\$ (724,687)	\$ 142,790,387	\$ 737,505	\$ 142,052,882

A. Governmental Activities Long-Term Debt

County Deferred Tax Loan

At June 30, 2008, the County deferred tax loan consisted of the following:

	Balance		Accrued		Balance	Due within one year	Due in more than one year
	June 30, 2007	Additions	Interest	Deletions			
Southwest Pomona Project Area	\$ 23,920,655	\$ -	\$ 1,674,446	\$ -	\$ 25,595,101	\$ -	\$ 25,595,101
South Garey / Freeway Corridor Project Area	1,555,178	395,722	136,563	-	2,087,463	-	2,087,463
Total	\$ 23,456,729	\$ 395,722	\$ 1,811,009	\$ -	\$ 27,682,564	\$ -	\$ 27,682,564

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.

City of Pomona
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2008

8. LONG-TERM DEBT, Continued

A. Governmental Activities Long-Term Debt, Continued

Obligations under Capital Lease

At June 30, 2008, obligations under capital lease consisted of the following:

	Balance July 1, 2007	Additions	Deletions	Balance June 30, 2008	Due within one year	Due in more than one year
SunTrust Lease #1	\$ 996,770	\$ -	\$ (165,628)	\$ 831,142	\$ 171,519	\$ 659,623
SunTrust Lease #2	132,509	-	(132,509)	-	-	-
SunTrust Lease #6	159,203	-	(111,805)	47,398	47,398	-
SunTrust Lease #8	59,383	-	(59,383)	-	-	-
SunTrust Lease #9	131,434	-	(59,272)	72,162	57,222	14,940
SunTrust Lease #10	474,580	-	(112,427)	362,153	116,474	245,679
SunTrust Lease #11	515,888	-	(253,482)	262,406	262,406	-
BofA 5 Copiers	33,532	-	(16,427)	17,105	17,105	-
BofA #1	997,500	-	(320,432)	677,068	332,352	344,716
BofA #2	668,994	-	(124,199)	544,795	128,823	415,972
LaSalle #1	-	138,000	-	138,000	44,051	93,949
LaSalle #2	-	166,646	-	166,646	30,535	136,111
Total	\$ 4,169,793	\$ 304,646	\$ (1,355,564)	\$ 3,118,875	\$ 1,207,885	\$ 1,910,990

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, 2008</u>
Machinery and equipment	\$ 387,693
Autos and trucks	<u>3,175,499</u>
Equipment under capitalized lease, at cost	3,563,192
Accumulated depreciation	<u>(920,372)</u>
Equipment under capitalized lease, net	<u>\$ 2,642,820</u>

The depreciation expense of the capital assets was \$498,232 for the year ended June 30, 2008.

City of Pomona
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2008

8. LONG-TERM DEBT, Continued

A. Governmental Activities Long-Term Debt, Continued

Obligations under Capital Lease, Continued

The annual debt service requirements outstanding at June 30, 2008 were as follows:

For the Years Ending June 30,	Principal	Interest	Total
2009	\$ 1,207,885	\$ 114,120	\$ 1,322,005
2010	878,893	68,952	947,845
2011	528,788	27,709	556,497
2012	368,960	16,959	385,919
2013	134,349	3,311	137,660
Total	\$ 3,118,875	\$ 231,051	\$ 3,349,926

Notes Payable

At June 30, 2008, notes payable consisted of the following:

	Balance July 1, 2007	Additions	Deletions	Balance June 30, 2008	Due within one year	Due in more than one year
HUD Section 108 loan	\$ 1,250,000	\$ -	\$ (125,000)	\$ 1,125,000	\$ 125,000	\$ 1,000,000
ERAF Loan	1,225,000	-	(130,000)	1,095,000	135,000	960,000
Total	\$ 2,475,000	\$ -	\$ (255,000)	\$ 2,220,000	\$ 260,000	\$ 1,960,000

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, 2008 were as follows:

For the Years Ending June 30,	Principal	Interest	Total
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	125,000	43,625	168,625
2014-2017	500,000	87,875	587,875
Total	\$ 1,125,000	\$ 382,269	\$ 1,507,269

City of Pomona
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2008

8. LONG-TERM DEBT, Continued

A. Governmental Activities Long-Term Debt, Continued

Notes Payable, Continued

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, 2008 were as follows:

For the Years Ending June 30,	Principal	Interest	Total
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	165,000	25,518	190,518
2014-2015	350,000	26,468	376,468
Total	\$ 1,095,000	\$ 223,614	\$ 1,318,614

City of Pomona
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2008

8. LONG-TERM DEBT, Continued

A. Governmental Activities Long-Term Debt, Continued

Revenue Bonds

At June 30, 2008, revenue bonds consisted of the following:

	Balance			Balance	Due within	Due in more
	July 1, 2007	Additions	Deletions	June 30, 2008	one year	than one year
1998 Revenue Refunding						
Bonds, Series W	\$ 37,865,000	\$ -	\$ (30,000)	\$ 37,835,000	\$ 30,000	\$ 37,805,000
2001 Revenue Refunding Bonds, Series AD	38,280,000	-	(100,000)	38,180,000	100,000	38,080,000
2003 Revenue Refunding Bonds, Series AH	26,635,000	-	(700,000)	25,935,000	810,000	25,125,000
2005 Local Agency Revenue						
Bonds, Series AL	9,225,000	-	(2,435,000)	6,790,000	365,000	6,425,000
2005 Reassessment and						
Refunding Bonds, Series AM	7,683,000	-	(2,223,000)	5,460,000	234,000	5,226,000
2005 Lease Revenue Bonds, Series AN	19,865,000	-	(50,000)	19,815,000	50,000	19,765,000
2005 Taxable Lease						
Revenue Bonds, Series AP	4,015,000	-	(380,000)	3,635,000	390,000	3,245,000
2005 Taxable Housing Tax						
Revenue Bonds, Series AQ	9,965,000	-	(205,000)	9,760,000	215,000	9,545,000
2006 Lease Revenue Bonds, Series AU	2,540,000	-	(25,000)	2,515,000	30,000	2,485,000
Unamortized Deferred Loss on Refunding	(182,808)	-	7,031	(175,777)	-	(175,777)
2006 Taxable Lease Revenue Bonds,						
Series AV	10,790,000	-	-	10,790,000	95,000	10,695,000
2006 Revenue Bonds, Series AS	26,305,000	-	-	26,305,000	-	26,305,000
Unamortized Deferred Loss on Refunding	(3,199,848)	-	159,992	(3,039,856)	-	(3,039,856)
2006 Taxable Revenue Bonds, Series AT	8,355,000	-	-	8,355,000	-	8,355,000
2007 Revenue Bonds, Series AW	-	8,375,000	-	8,375,000	-	8,375,000
2006 Subordinate Revenue Bonds, Series AX	25,865,000	-	-	25,865,000	-	25,865,000
Unamortized Bond Premiums and Discounts	3,442,834	-	(149,927)	3,292,907	-	3,292,907
Total	\$ 227,448,178	\$ 8,375,000	\$ (6,130,904)	\$ 229,692,274	\$ 2,319,000	\$ 227,373,274

City of Pomona
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2008

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, 2008, were as follows:

Year Ending June 30,	Principal	Interest	Total
2009	\$ 30,000	\$ 1,889,670	\$ 1,919,670
2010	90,000	1,888,306	1,978,306
2011	350,000	1,884,120	2,234,120
2012	370,000	1,867,496	2,237,496
2013	385,000	1,849,366	2,234,366
2014-2018	2,245,000	8,939,250	11,184,250
2019-2023	9,410,000	8,002,000	17,412,000
2024-2028	16,935,000	4,607,500	21,542,500
2029-2030	8,020,000	606,250	8,626,250
Total	\$ 37,835,000	\$ 31,533,958	\$ 69,368,958

City of Pomona
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2008

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, 2008, were as follows:

Year Ending June 30,	Principal	Interest	Total
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	1,960,000	1,801,788	3,761,788
2014-2018	10,525,000	7,555,188	18,080,188
2019-2023	9,155,000	4,891,250	14,046,250
2024-2028	8,895,000	2,773,500	11,668,500
2029-2033	5,670,000	701,500	6,371,500
Total	\$ 38,180,000	\$ 25,281,550	\$ 63,461,550

City of Pomona
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2008

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, 2008, were as follows:

Year Ending June 30,	Principal	Interest	Total
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	1,175,000	1,043,140	2,218,140
2014-2018	6,940,000	4,482,612	11,422,612
2019-2023	4,495,000	2,873,838	7,368,838
2024-2028	2,260,000	2,182,224	4,442,224
2029-2033	7,180,000	1,133,800	8,313,800
2034	270,000	13,366	283,366
Total	\$ 25,935,000	\$ 16,358,690	\$ 42,293,690

City of Pomona
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2008

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.

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

The annual debt service requirements for the 2005 Revenue Bonds, Series AL outstanding at June 30, 2008, were as follows:

Year Ending June 30,	Principal	Interest	Total
2009	\$ 365,000	\$ 301,801	\$ 666,801
2010	380,000	288,938	668,938
2011	395,000	274,593	669,593
2012	410,000	258,683	668,683
2013	420,000	241,248	661,248
2014-2018	2,420,000	895,431	3,315,431
2019-2022	2,400,000	249,474	2,649,474
Total	<u>\$ 6,790,000</u>	<u>\$ 2,510,168</u>	<u>\$ 9,300,168</u>

City of Pomona
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2008

8. LONG-TERM DEBT, Continued

A. Governmental Activities Long-Term Debt, Continued

Revenue Bonds, Continued

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.

During 2008, the bonds in the amount of \$1,920,000 were called.

The annual debt service requirements for the 2005 Reassessment and Refunding Revenue Bonds, Series AM outstanding at June 30, 2008, were as follows:

Year Ending June 30,	Principal	Interest	Total
2009	\$ 234,000	\$ 385,765	\$ 619,765
2010	255,000	368,112	623,112
2011	276,000	348,943	624,943
2012	296,000	328,294	624,294
2013	312,000	306,345	618,345
2014-2018	1,948,000	1,143,865	3,091,865
2019-2022	2,139,000	321,976	2,460,976
Total	\$ 5,460,000	\$ 3,203,300	\$ 8,663,300

City of Pomona
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2008

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, 2008, the outstanding balance of the bonds was \$19,815,000.

The annual debt service requirements for the 2005 Lease Revenue Bonds, Series AN outstanding at June 30, 2008, were as follows:

Year Ending June 30,	Principal	Interest	Total
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	60,000	913,138	973,138
2014-2018	1,460,000	4,490,048	5,950,048
2019-2023	3,660,000	3,917,019	7,577,019
2024-2028	4,520,000	3,053,200	7,573,200
2029-2033	5,725,000	1,787,375	7,512,375
2034-2036	4,175,000	319,875	4,494,875
Total	\$ 19,815,000	\$ 18,150,674	\$ 37,965,674

City of Pomona
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2008

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, 2008, the outstanding balance of the bonds was \$3,635,000.

The annual debt service requirements for the 2005 Taxable Lease Revenue Bonds, Series AP outstanding at June 30, 2008, were as follows:

Year Ending June 30,	Principal	Interest	Total
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	460,000	83,931	543,931
2014-2016	1,510,000	112,066	1,622,066
Total	\$ 3,635,000	\$ 734,707	\$ 4,369,707

City of Pomona
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2008

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, 2008, the outstanding balance of the bonds was \$9,760,000.

The annual debt service requirements for the 2005 Taxable Housing Tax Revenue Bonds, Series AQ outstanding at June 30, 2008, were as follows:

Year Ending June 30,	Principal	Interest	Total
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	265,000	531,758	796,758
2014-2018	1,555,000	2,431,891	3,986,891
2019-2023	2,075,000	1,904,939	3,979,939
2024-2028	2,805,000	1,172,363	3,977,363
2029-2031	2,130,000	260,400	2,390,400
Total	\$ 9,760,000	\$ 8,553,118	\$ 18,313,118

City of Pomona
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2008

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, 2008, were as follows:

Year Ending June 30,	Principal	Interest	Total
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	25,000	101,194	126,194
2014-2018	160,000	490,992	650,992
2019-2023	195,000	458,988	653,988
2024-2028	235,000	416,072	651,072
2029-2033	325,000	361,068	686,068
2034-2038	455,000	279,564	734,564
2039-2043	565,000	171,282	736,282
2044-2045	435,000	32,586	467,586
Total	\$ 2,515,000	\$ 2,726,422	\$ 5,241,422

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, 2008:

Balance July 1, 2007	Additions	Deletions	Balance June 30, 2008
\$ (182,808)	\$ -	\$ 7,031	\$ (175,777)

Amortization expense was \$7,031 for June 30, 2008.

City of Pomona
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2008

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

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, 2008, were as follows:

Year Ending June 30,	Principal	Interest	Total
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	120,000	583,670	703,670
2014-2018	685,000	2,823,100	3,508,100
2019-2023	890,000	2,618,240	3,508,240
2024-2028	1,170,000	2,339,360	3,509,360
2029-2033	1,535,000	1,973,120	3,508,120
2034-2038	2,020,000	1,486,846	3,506,846
2039-2043	2,665,000	841,606	3,506,606
2044-2045	1,295,000	111,722	1,406,722
Total	\$ 10,790,000	\$ 15,164,844	\$ 25,954,844

City of Pomona
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2008

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

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, 2008, were as follows:

Year Ending June 30,	Principal	Interest	Total
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	145,000	1,258,584	1,403,584
2014-2018	410,000	6,238,790	6,648,790
2019-2023	1,520,000	6,085,118	7,605,118
2024-2028	2,375,000	5,770,400	8,145,400
2029-2033	13,295,000	4,317,250	17,612,250
2034-2038	5,750,000	1,326,126	7,076,126
2039-2041	2,695,000	226,126	2,921,126
Total	\$ 26,305,000	\$ 30,272,826	\$ 56,577,826

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, 2008:

Balance July 1, 2007	Additions	Deletions	Balance June 30, 2008
\$ (3,199,848)	\$ -	\$ 159,992	\$ (3,039,856)

Amortization expense was \$159,992 for June 30, 2008.

City of Pomona
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2008

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, 2008, were as follows:

Year Ending June 30,	Principal	Interest	Total
2009	\$ -	\$ 467,700	\$ 467,700
2010	-	467,700	467,700
2011	-	467,700	467,700
2012	340,000	467,700	807,700
2013	360,000	449,718	809,718
2014-2018	2,105,000	1,941,830	4,046,830
2019-2023	2,745,000	1,289,982	4,034,982
2024-2027	2,805,000	411,977	3,216,977
Total	\$ 8,355,000	\$ 5,964,307	\$ 14,319,307

City of Pomona
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2008

8. LONG-TERM DEBT, Continued

A. Governmental Activities Long-Term Debt, Continued

Revenue Bonds, Continued

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

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

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

The annual debt service requirements for the 2007 Subordinate Revenue Bonds, Series AW outstanding at June 30, 2008, were as follows:

Year Ending June 30,	Principal	Interest	Total
2009	\$ -	\$ 412,990	\$ 412,990
2010	-	412,990	412,990
2011	-	412,990	412,990
2012	250,000	407,678	657,678
2013	230,000	397,478	627,478
2014-2018	1,380,000	1,815,289	3,195,289
2019-2023	1,780,000	1,442,380	3,222,380
2024-2028	2,190,000	940,682	3,130,682
2029-2033	2,545,000	311,472	2,856,472
Total	\$ 8,375,000	\$ 6,553,947	\$ 14,928,947

City of Pomona
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2008

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, 2008, were as follows:

Year Ending June 30,	Principal	Interest	Total
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	840,000	1,185,340	2,025,340
2014-2018	4,470,000	5,400,666	9,870,666
2019-2023	5,070,000	4,387,120	9,457,120
2024-2028	6,055,000	3,094,250	9,149,250
2029-2033	6,670,000	1,433,750	8,103,750
2034-2038	1,355,000	326,000	1,681,000
2039-2041	605,000	56,509	661,509
Total	\$ 25,865,000	\$ 20,752,995	\$ 46,617,995

City of Pomona
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2008

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, 2008:

Balance July 1, 2007	Additions	Deletions	Balance June 30, 2008
\$ 3,442,834	\$ -	\$ (149,927)	\$ 3,292,907

Amortization expense was \$149,927 for June 30, 2008.

Tax Allocation Bonds

	Balance July 1, 2007	Additions	Deletions	Balance June 30, 2008	Due within one year	Due in more than one year
1998 Tax Allocation Bonds						
Series X	\$ 2,540,000	\$ -	\$ (50,000)	\$ 2,490,000	\$ 50,000	\$ 2,440,000
1998 Tax Allocation Bonds						
Series Y	7,275,000	-	(35,000)	7,240,000	35,000	7,205,000
Total	\$ 9,815,000	\$ -	\$ (85,000)	\$ 9,730,000	\$ 85,000	\$ 9,645,000

City of Pomona
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2008

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 \$2,490,000 at June 30, 2008.

The annual debt service requirements outstanding at June 30, 2008 were as follows:

Year Ending June 30,	Principal	Interest	Total
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	290,000	100,890	390,890
2014-2018	1,345,000	266,259	1,611,259
2019-2023	280,000	76,410	356,410
2024-2025	135,000	7,425	142,425
Total	\$ 2,490,000	\$ 944,173	\$ 3,434,173

City of Pomona
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2008

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 \$7,240,000 at June 30, 2008.

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, 2008 were as follows:

Year Ending June 30,	Principal	Interest	Total
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	200,000	380,520	580,520
2014-2018	1,170,000	1,726,886	2,896,886
2019-2023	1,530,000	1,370,726	2,900,726
2024-2028	2,005,000	902,000	2,907,000
2029-2032	2,035,000	287,102	2,322,102
Total	\$ 7,240,000	\$ 6,242,207	\$ 13,482,207

City of Pomona
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2008

8. LONG-TERM DEBT, Continued

A. Governmental Activities Long-Term Debt, Continued

Pension Obligation Refunding Bonds

	Balance July 1, 2007	Additions	Deletions	Balance June 30, 2008	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, 2008

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, 2008 were as follows:

Year Ending June 30,	Principal	Interest	Accreted Interest	Total
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	2,349,240
2013	243,151	2,099,240	96,849	2,439,240
2014-2018	2,187,853	10,456,106	927,148	13,571,108
2019-2023	4,459,010	9,906,716	1,785,991	16,151,717
2024-2028	6,867,426	8,760,445	3,557,664	19,185,534
2029-2033	14,046,819	6,458,357	2,078,182	22,583,358
2034-2036	14,085,000	1,283,477	-	15,368,477
Total	\$ 42,280,684	\$ 47,361,299	\$ 8,554,410	\$ 98,196,393

Certificates of Participation

	Balance July 1, 2007	Additions	Deletions	Balance June 30, 2008	Due within one year	Due in more than one year
2003 Certificates of Participation						
Series AG	\$ 13,005,000	\$ -	\$ (250,000)	\$ 12,755,000	\$ 255,000	\$ 12,500,000
Unamortized Bond Premium	796,167	-	(30,622)	765,545	-	765,545
Total	\$ 13,801,167	\$ -	\$ (280,622)	\$ 13,520,545	\$ 255,000	\$ 13,265,545

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, 2008

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, 2008 were as follows:

Year Ending June 30,	Principal	Interest	Total
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	290,000	638,020	928,020
2014-2018	1,680,000	2,960,650	4,640,650
2019-2023	2,200,000	2,443,925	4,643,925
2024-2028	2,880,000	1,768,250	4,648,250
2029-2033	3,760,000	884,400	4,644,400
2034	880,000	48,400	928,400
Total	\$ 12,755,000	\$ 11,388,455	\$ 24,143,455

The following is a summary of the 2003 Certificate of Participation, Series AG unamortized premium outstanding at June 30, 2008:

Balance July 1, 2007	Additions	Deletions	Balance June 30, 2008
\$ 796,167	\$ -	\$ (30,622)	\$ 765,545

Compensated Absences

At June 30, 2008, the City's liability for vested and unpaid compensated absences (accrued vacation and sick pay) in the governmental activities has been accrued and amounted to \$8,217,801.

City of Pomona
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2008

8. LONG-TERM DEBT, Continued

B. Business-Type Activities Long-Term Debt

Obligations under Capital Leases

Balance July 1, 2007	Additions	Deletions	Balance June 30, 2008	Due within one year	Due in more than one year
\$ 2,219,551	\$ -	\$ (474,596)	\$ 1,744,955	\$ 468,421	\$ 1,276,534

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, 2008
Machinery and equipment	\$ 61,764
Autos and trucks	911,316
Equipment under capitalized lease, at cost	973,080
Accumulated depreciation	(315,608)
Equipment under capitalized lease, net	\$ 657,472

The depreciation expense of the capital assets was \$101,128 for the year ended June 30, 2008.

The annual debt service requirements outstanding at June 30, 2008 were as follows:

Year Ending June 30,	Principal	Interest	Total
2009	\$ 468,421	\$ 56,067	\$ 524,488
2010	437,793	41,012	478,805
2011	326,067	26,909	352,976
2012	337,771	15,203	352,974
2013	174,903	3,083	177,986
Total	\$ 1,744,955	\$ 142,274	\$ 1,887,229

City of Pomona
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2008

8. LONG-TERM DEBT, Continued

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

Revenue Bonds

	Balance			Balance		
	July 1, 2007	Additions	Deletions	June 30, 2008	Due within one year	Due in more than one year
2002 Sewer Refunding Revenue Bonds						
Series AF	\$ 14,115,000	\$ -	\$ (180,000)	\$ 13,935,000	\$ 180,000	\$ 13,755,000
2007 Revenue Bonds, Series AY	99,370,000	-	-	99,370,000	-	99,370,000
Unamortized Bond Premium	5,876,903	-	(148,782)	5,728,121	-	5,728,121
Unamortized Deferred Loss on Refunding	(1,731,193)	-	78,691	(1,652,502)	-	(1,652,502)
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
Total	\$ 140,135,710	\$ -	\$ (250,091)	\$ 139,885,619	\$ 180,000	\$ 139,705,619

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, 2008 were as follows:

Year Ending	Principal	Interest	Total
June 30,			
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	205,000	608,541	813,541
2014-2018	1,140,000	2,926,538	4,066,538
2019-2023	1,415,000	2,667,578	4,082,578
2024-2028	1,790,000	2,310,550	4,100,550
2029-2033	2,230,000	1,859,425	4,089,425
2034-2038	2,815,000	1,261,875	4,076,875
2039-2043	3,585,000	555,250	4,140,250
Total	\$ 13,935,000	\$ 14,682,793	\$ 28,617,793

City of Pomona
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2008

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, 2008 were as follows:

Year Ending June 30,	Principal	Interest	Total
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	955,000	4,798,600	5,753,600
2014-2018	5,410,000	23,365,900	28,775,900
2019-2023	6,695,000	22,080,000	28,775,000
2024-2028	8,450,000	20,322,500	28,772,500
2029-2033	13,305,000	17,806,750	31,111,750
2034-2038	17,695,000	14,003,500	31,698,500
2039-2043	22,575,000	9,116,250	31,691,250
2044-2047	22,480,000	2,878,750	25,358,750
Total	\$ 99,370,000	\$ 133,820,050	\$ 233,190,050

The following is a summary of the 2007 Revenue Bonds, Series AY unamortized premium outstanding at June 30, 2008:

Balance July 1, 2007	Additions	Deletions	Balance June 30, 2008
\$ 5,876,903	\$ -	\$ (148,782)	\$ 5,728,121

Amortization expense was \$148,782 for June 30, 2008.

City of Pomona
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2008

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, 2008:

Balance July 1, 2007	Additions	Deletions	Balance June 30, 2008
\$ (1,731,193)	\$ -	\$ 78,691	\$ (1,652,502)

Amortization expense was \$78,691 for June 30, 2008.

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.

The annual debt service requirements outstanding at June 30, 2008 were as follows:

Year Ending June 30,	Principal	Interest	Total
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	235,000	350,972	585,972
2014-2018	1,365,000	1,556,290	2,921,290
2019-2023	1,790,000	1,136,498	2,926,498
2024-2028	2,355,000	570,650	2,925,650
2029	555,000	31,356	586,356
Total	\$ 6,930,000	\$ 5,150,250	\$ 12,080,250

City of Pomona
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2008

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, 2008 were as follows:

Year Ending June 30,	Principal	Interest	Total
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	150,000	672,915	822,915
2014-2018	860,000	3,250,771	4,110,771
2019-2023	1,020,000	3,065,899	4,085,899
2024-2028	1,235,000	2,842,867	4,077,867
2029-2033	1,550,000	2,549,422	4,099,422
2034-2038	1,945,000	2,166,247	4,111,247
2039-2043	2,465,000	1,684,182	4,149,182
2044-2048	5,965,000	674,608	6,639,608
Total	\$ 15,575,000	\$ 19,646,471	\$ 35,221,471

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 \$1,159,813 at June 30, 2008.

City of Pomona
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2008

8. LONG-TERM DEBT, Continued

C. Pledged Revenue

The City has pledged certain tax revenues to the repayment of the City debts through the final maturity of the Bonds on February 1, 2041, or early retirement of the Bonds whichever occurs first.

Tax revenues consist of tax increment revenues allocated to the Agency to various project areas pursuant to Section 33670 of the Redevelopment Law excluding that portion of such tax increment revenues required to be paid under Tax-Sharing Agreements unless the payment of such amounts has been subordinated to the payment of debt services on the Bonds. Tax increment received in 2008 was \$29,576,147 and total debt service paid was \$10,851,410. The Bonds required 37% of net revenues. In future years, annual principal and interest payment on the Bonds and advances are expected to require roughly 40% of tax increment revenues. The total principal and interest remaining to be paid on the Bonds and Advances is \$362,292,805.

Debt Issue	Remaining Balance	Project Area	2008 Increment
County of LA Agreement	\$ 29,540,372	Project A1	\$ 656,955
ERAF Loan	1,138,943	Project A2	798,986
1998 Series X	3,255,655	Mountain Meadow	1,029,388
1998 Series Y	7,549,070	Reservoir Street	1,730,005
Fox Theater Loan	600,000	Holt Ave./Indian Hill	769,411
Financing ERAF	1,702,000	Southwest	12,684,815
Administrative Expense	2,492,848	Arrow Towne	919,520
1998 Series W	67,469,285	Mission Corona	284,297
2001 Series AD	61,468,744	West Holt	4,204,427
2003 Series AH	40,268,507	Downtown 3	1,602,499
2005 Series AQ	17,517,716	Fairgrounds Amend	411,757
2006 Series AS	55,315,218	South Garey	2,551,391
2006 Series AT	13,851,608	Merged Redevelopment Project	1,932,696
2006 Series AX	45,400,655		
2007 Series AW	14,722,184		
		Total	\$ 29,576,147
Total	\$ 362,292,805		

City of Pomona
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2008

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, 2008
Mortgage Revenue Bonds	<u><u>\$ 78,945,000</u></u>

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, 2008 is \$78,945,000. 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 \$2,151,196 for miscellaneous employees and \$1,583,877 for safety employees for the year ended June 30, 2008. The City employer is required to contribute for fiscal year 2007-2008 at an actuarially determined rate of 11.227% and 24.170% 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.

City of Pomona
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2008

10. RETIREMENT PLANS, Continued

Pension Plan, Continued

Annual Pension Cost

For fiscal year 2007-2008, the City's annual required contribution was \$3,400,378 for miscellaneous employees and \$4,155,276 for safety employees for PERS. The annual required contribution for the safety plan was adjusted by the amortization of the net pension asset and the interest earned on that asset to arrive at the annual pension cost. The annual pension cost for the safety plan was \$3,696,078. The required contribution was determined as part of the June 30, 2005, 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, 2005 was 22 years for miscellaneous employees and 32 years for safety employees for prior and current service unfunded liability.

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

<u>Fiscal Year Ended</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/2006	\$ 3,234,245	100%	\$ -
6/30/2007	3,139,845	100%	-
6/30/2008	3,400,378	100%	-

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

<u>Fiscal Year Ended</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Asset</u>
6/30/2006	\$ 5,028,646	86%	\$ 25,874,342
6/30/2007	3,300,759	114%	24,950,259
6/30/2008	3,696,078	112%	25,409,457

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. This prepayment has been recorded on the Statement of Net Assets as a Net Pension Asset. The prepaid pension asset will be amortized over the average remaining amortization period of the PERS unfunded liability. As of June 30, 2008, the unamortized portion of the pension asset was \$25,409,457. See Note 8 for more detail.

City of Pomona
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2008

10. RETIREMENT PLANS, Continued

Pension Plan, Continued

In accordance with GASB Statement No. 27, the net pension asset is being amortized using the same amortization methodology used by PERS to calculate the Annual Required Contribution (ARC) each year. A summary of the methodology used is as follows:

Amortization Method	Level Percent of Payroll
Amortization Period (as of 6/30/2008)	30 years rolling period
Investment Rate of Return	7.75% (net of administrative expenses)
Payroll Growth	3.25%

Interest on the Net Pension Asset (NPA) is calculated as a percentage of the NPA's balance at the beginning of each year based on the investment rate of return stated above and is added to the balance of the NPA for that year.

During fiscal year 2008, interest earned and amortization of the NPA was \$2,059,416 and \$1,600,218 respectively.

A summary of the changes to the NPA for the year ended June 30, 2008 is as follows:

	Balance July 1, 2007	Additions	Deletions	Balance June 30, 2008
Governmental Activities	\$ 24,950,259	\$ 2,059,416	\$ (1,600,218)	\$ 25,409,457

A schedule of funding progress for the most current available year follows, the remaining periods can be found in the RSI section.

**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
6/30/2007	\$ 220,662,025	\$ 233,678,076	\$ (13,016,051)	94.43%	\$ 15,883,076	(81.95)%

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
6/30/2007	\$ 170,216,582	\$ 180,903,700	\$ (10,687,118)	94.09%	\$ 29,649,412	(36.04)%

City of Pomona
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2008

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 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 \$3,702,546 during the year ended June 30, 2008. 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, 2008 was \$606,343.

As of June 30, 2008, the three participants had the following approximate ownership equity interest:

Member	Percentages	Agreement Balance
City of Pomona	28%	\$ 606,343
Walnut Valley Water	43%	931,169
Rowland Water District	28%	606,343
Unallocated	1%	21,655
Total	100%	\$ 2,165,510

The Commission’s basic financial statements for the fiscal year ended June 30, 2008 reflect the implementation of GASB 34 and include the following:

Total assets	\$ 5,558,644
Total liabilities	<u>3,393,134</u>
Net assets	<u>\$ 2,165,510</u>

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 \$17,119,668 compared to total operating revenues of \$17,126,430 in fiscal year 2008. Complete financial statements can be obtained from the Pomona-Walnut-Rowland Joint Water Line Commission, P.O. Box 508, Walnut, CA 91789.

City of Pomona
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2008

11. JOINT POWERS AGREEMENTS, Continued

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, 2008. Assets are divided based on the proportionate equity share at the time the joint venture dissolves, which is currently not significant to the City.

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.

City of Pomona
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2008

11. JOINT POWERS AGREEMENTS, Continued

C. Pomona Valley Transportation Authority, Continued

Below are the most currently available condensed audited financial statements of the Pomona Authority as of June 30, 2008. Separate financial statements of the Pomona Authority are available from its offices located in La Verne, California.

	Total
Assets	\$ 3,009,060
Liabilities	\$ 1,783,794
Contributed capital	391,798
Retained earnings	833,468
Total liabilities and fund equity	\$ 3,009,060
Operating revenues	\$ 151,178
Operating expenses	3,328,429
Operating (income)	(3,177,251)
Non-operating revenue	3,039,064
Net income	(138,187)
Retained earnings - July 1, 2007	971,655
Retained earnings - June 30, 2008	\$ 833,468

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, 2008.

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, 2008. Separate financial statements of the Center are available from its offices located in Pomona, California.

	Total
Assets	\$ 8,386,509
Liabilities	15,384,700
Net Assets	\$ (6,998,191)
Revenues	\$ 1,171,168
Expenses	5,249,403
Operating income	(4,078,235)
Nonoperating revenue (expenses)	3,766,134
Net income	(312,101)
Net assets - July 1, 2007	(6,686,090)
Net assets - June 30, 2008	\$ (6,998,191)

City of Pomona
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2008

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 General Fund to account for and finance its uninsured risk of loss. Liabilities of these claims are recorded as part of long-term obligations in the Government-Wide Statement of Net Assets. Each department is charged based on expenditures as incurred for these 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 \$50 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.

As of June 30, 2008, claims payable amounted to \$7,134,528.

The estimated claims payable reported at June 30, 2008 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 2006, 2007, and 2008 were as follows:

	Claims Payable					
	Beginning Balance	Expenses and Changes in Estimates	Claims Payments	Ending Balance	Due within one year	Due in more than one year
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	4,698,142	(4,485,103)	8,388,977	2,200,000	6,188,977
2007-2008	8,388,977	3,296,531	(4,550,980)	7,134,528	2,200,000	4,934,528

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.

City of Pomona
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2008

13. POST EMPLOYMENT BENEFITS

Plan Descriptions. Employees of City, who retire through CalPERS, their spouse, and eligible dependents, may receive health plan coverage through the Public Employees' Medical & Hospital Care Program (PEMHCA) Plan (Plan). The Plan is a defined benefit plan which provides the retirees a monthly medical contribution that is not to exceed the cost of the plan selected. The cost of the plan to the City for each bargaining group will be determined by CalPERS regulations and requirements.

The City pays up to \$700 per month for individual retiree benefits which are based on the bargaining groups listed below:

<u>Bargaining Group</u>	<u>2008 Benefit</u>
Pomona City Employees Association	537.06
Pomona Mid Management/Confidential Employees Association	537.06
Pomona Police Managers Association	557.05
Pomona Police Officers Association	558.06
Firefighters *	465.00

* There are no active firefighters in the plan, only retirees.

In subsequent years, the monthly retiree contributions shall increase by the minimum 5% statutory requirements until it is equal to active contributions, with a maximum increase of \$100 per year.

The City also offers a Medical Collateral Benefit plan for retirees up to the age of 65 based on the bargaining group and years of City service as listed below:

<u>Bargaining Group</u>	<u>City Service</u>
Executive Management, Mid Mgmt, Confidential, City Employees Association, Police Officers	20 Years
Dept. Directors, City Council	1 Year
Police Mgmt., Firefighters	Not Eligible

The Police Management retirees, in addition to PEMHCA amounts, also receive, up to 90% contribution toward the most expensive 2-party PEMHCA premiums with 22 years of City service as police officer. This benefit terminates once the retiree is eligible for Medicare (Age 65).

Eligibility. Approximately 369 employees are eligible to receive post-employment benefits at June 30, 2008. 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.

City of Pomona
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2008

13. POST EMPLOYMENT BENEFITS, Continued

Funding Policy. The required contribution of the City is based on a pay-as-you-go financing requirement. For fiscal year 2008, the City contributed \$2,095,878 to the plan.

Annual OPEB Cost and Net OPEB Obligation. The City's annual Other Postemployment Benefit (OPEB) cost (expense) is calculated base on the *Annual Required Contribution of the Employer (ARC)*, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excesses) over a period not to exceed thirty years. The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City's net OPEB Obligation to the Plan:

	<u>Total</u>
Annual required contribution	\$ 5,090,000
Interest on net OPEB obligation	-
Adjustment to annual required contribution	-
Annual OPEB cost (expense)	<u>5,090,000</u>
Contributions made	<u>(2,095,878)</u>
Increase in net OPEB obligation	2,994,122
Net OPEB obligation - beginning of year	-
Net OPEB obligation - end of year	<u>\$ 2,994,122</u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2008 is as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Annual Contribution</u>	<u>% of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
6/30/2008	\$ 5,090,000	\$ 2,095,878	41.2%	\$ 2,994,122

Funded Status and Funding Progress. As of January 1, 2008, the most recent actuarial valuation date, the plan was zero percent funded. The Actuarial Accrued Liability for benefits was \$64,974,000, and the actuarial value of assets was \$0, resulting in an UAAL of \$64,974,000. The covered payroll (annual payroll of active employees covered by the plan) was \$44,227,000 and the ratio of UAAL to the covered payroll was 146.91%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The table below shows a one-year analysis of the actuarial value of assets as a percentage of the actuarial accrual liability and the unfunded actuarial accrued liability as a percentage of the annual covered payroll as of June 30, 2008. This is the first year of the post employment obligation information being presented and so prior year's information is not available.

City of Pomona
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2008

13. POST EMPLOYMENT BENEFITS, Continued

Actuarial Valuation Date	Actuarial Asset Value	Actuarial Accrued Liability Entry Age	(Unfunded) Actuarial Accrued Liability	Funded Ratio	Covered Payroll	Unfunded Actuarial Liability as Percentage of Covered Payroll
1/1/2008	\$ -	\$ 64,974,000	\$ (64,974,000)	0.0%	\$ 44,227,000	146.91%

Actuarial Methods and Assumptions. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the January 1, 2008, actuarial valuation, the entry age actuarial cost method was used. The actuarial assumptions include a 4.50% investment rate of return which is based on the expected return on funds invested by CalPERS, and an annual healthcare cost trend rate of 9.7% initially and reduced to an ultimate rate of 4.5% thereafter. The actuarial assumption for inflation was 3 percent, and the aggregate payroll increases was 3.25 percent used in the actuarial valuation. The UAAL is being amortized as level percentage of projected payroll over a 30 year period. The remaining amortization period at January 1, 2008, was 30 years.

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 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 2008, the Agency received a grant in the amount of \$2,040,486, which was recorded as intergovernmental revenue in the Redevelopment Agency Debt Service Fund.

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.

City of Pomona
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2008

14. COMMITMENTS AND CONTINGENCIES, Continued

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 9th 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 imperfected 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. In October 2008, all available appeals by the plaintiff have been exhausted in favor of the City.

City of Pomona
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2008

14. COMMITMENTS AND CONTINGENCIES, Continued

E. Contractual Commitments

The following schedule summarizes the major contractual commitments of the City as of June 30, 2008:

Major Commitments and Contracts for Professional Service	
Hardy & Harper	\$ 404,543
Transtech	1,024,332
CH2M Hill	485,542
Conengr Co	486,502
Layne Christensen Co	250,594
PBS&J	1,648,555
Total major professional services	4,300,069
Commitments for all other services	3,198,600
Total contractual commitments	<u>\$ 7,498,669</u>

On May 5, 2008, the Agency Board approved an assistance agreement with Mission BP, LLC, in the amount of \$300,000 for relocation of existing public waters lines in the Mission 71 Business Park Development.

As of June 30, 2008, in the opinion of Agency management, there were no additional outstanding matters that would have a significant effect on the financial position of the funds of the Agency.

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, 2008, 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, 2008

15. REDEVELOPMENT AGENCY'S FINANCIAL CONDITION

At June 30, 2008, the Agency had a deficit unrestricted net assets of (\$206,005,804), an increased deficit of \$9,345,095 from the prior year, on the Government-Wide Financial Statements, and a deficit fund balance of (\$68,559,271), a decreased deficit of \$7,102,328 from the prior year.

The following is the four 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)
2008	(97,017,814)	5,547,018	(206,005,804)	(9,345,095)	1,522,018	13,221,125

Fund Financial Statements

	Total Fund Balance (Deficit) (as restated)	
		Change \$
2005	\$ (56,733,283)	
2006	(61,854,820)	\$ (5,121,537)
2007	(75,661,599)	(13,806,779)
2008	(68,559,271)	7,102,328

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

During fiscal 2007-08, the Agency undertook certain procedures to reduce the deficit in net assets and fund balances including reductions in operating expenses and sale of land which are anticipated to continue for the next few years.

Looking forward to fiscal 2008-09, 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 2009-10 with efforts directed towards fiscal health.

City of Pomona
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2008

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, 2008:

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Capital assets, net of accumulated depreciation	\$ 320,678,714	\$ 117,189,071	\$ 437,867,785
Less: Obligations under capital leases	(3,118,875)	(1,744,955)	(4,863,830)
Less: Long-term debt	(51,267,139)	(57,007,092)	(108,274,231)
Invested in capital assets, net of related debt	\$ 266,292,700	\$ 58,437,024	\$ 324,729,724

Unrestricted Net Assets

The unrestricted net assets had a deficit balance of \$(188,834,296) for the governmental activities at June 30, 2008. Of this amount \$(206,005,804) 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, 2008:

	Enterprise Funds				Governmental
	Water Utility	Sewer	Refuse	Total	Activities Internal Service Funds
Capital assets, net of accumulated depreciation	\$ 90,667,032	\$ 25,886,268	\$ 635,771	\$ 117,189,071	\$ 250,552
Less: Obligations under capital leases	(1,480,062)	(20,829)	(244,064)	(1,744,955)	(20,571)
Less: Long-term debt	(44,410,172)	(12,596,920)	-	(57,007,092)	-
Invested in capital assets, net of related debt	\$ 44,776,798	\$ 13,268,519	\$ 391,707	\$ 58,437,024	\$ 229,981

City of Pomona
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2008

16. NET ASSETS AND FUND BALANCE, Continued

B. Fund Financial Statements, Continued

Deficit Fund Balance

At June 30, 2008, 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	\$ (46,455,736)
Redevelopment Agency Debt Service	Major Governmental Fund	(152,014,063)
Traffic Congestion Relief	Non-Major Governmental Fund	(79,339)
Landscape Maintenance District	Non-Major Governmental Fund	(323,775)

General Debt Service Fund – The General Debt Service Fund had an accumulated deficit of \$(46,455,736), which resulted from issuance of bonds.

Redevelopment Agency Debt Service Fund – The Redevelopment Agency Debt Service Fund had an accumulated deficit of \$(152,014,063), which resulted from issuance of bonds.

Traffic Congestion Relief Fund – The Traffic Congestion Relief Fund had an accumulated deficit of \$(79,339), which represents expenditures to be funded by other sources, such as bond proceeds or other state funding.

Landscape Maintenance District Fund – The Landscape Maintenance District Fund had an accumulated deficit of \$(323,775), which resulted from expenditures continuing to increase while revenues remain frozen due to Prop 218. Staff is reviewing expenditures and making changes as needed.

Excess of Expenditures Over Appropriations

Excess of expenditures over appropriations occurred in individual funds during the year ended June 30, 2008 as follows:

<u>Fund</u>	<u>Expenditures</u>	<u>Appropriations</u>	<u>Excess Expenditures over Appropriations</u>
General Fund	\$ 98,740,744	\$ 97,448,597	\$ 1,292,147
General Debt Service	7,604,721	5,874,760	1,729,961
Pubic Financing Authority Debt Service	15,827,065	13,627,969	2,199,096
Redevelopment Agency Debt Service	44,827,962	34,215,621	10,612,341
Community Development Block Grant	4,001,212	3,168,724	832,488
Housing Authority	1,067,670	-	1,067,670
State Gas Tax	3,850,327	2,987,410	862,917
Traffic Congestion Relief	1,630,855	1,035,102	595,753
Landscape Maintenance	1,601,315	1,523,412	77,903
Assessment District Improvement	829,500	500,000	329,500

City of Pomona
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2008

17. TAX AND REVENUE ANTICIPATION NOTE

On July 2, 2007, the City issued a tax and revenue anticipation note totaling \$5,000,000 to the California Statewide Communities Development Authority, a public entity organized pursuant to an Amended and Restated Joint Exercise of Powers Agreement among a number of California counties, cities, and special districts. The note was issued pursuant to the provisions relating to the joint exercise of powers contained in Chapter 5 of Division 7 of Title 1 (commencing with Section 6500) of the California Government Code. The note was due June 25, 2008, and had an interest rate of 4.50%. The note was a general obligation of the City, but was payable from taxes, 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. At June 30, 2008, the note was paid off.

18. PRIOR PERIOD ADJUSTMENTS

Government-Wide Financial Statements

During the fiscal year ended June 30, 2008, 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, 2008. As a result of the review, the City identified an error and recorded an adjustment decreasing capital assets, net of accumulated depreciation in the amount of \$3,148,943 as of June 30, 2007. This was a continuation of the GASB No. 34 effort.

Loans receivable - The Agency determined that a receivable was incorrectly recorded in the prior year. A prior period adjustment was made to correct that error.

	Net Assets, as Previously Reported	Prior Period Adjustments		Net Assets, as Restated
		Capital Assets	Loans Receivable	
Governmental Activities:				
Net assets (deficit)	\$ 222,204,150	\$ (3,148,943)	\$ (450,000)	\$ 218,605,207

City of Pomona
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2008

18. PRIOR PERIOD ADJUSTMENTS, Continued

Fund Financial Statements

During the fiscal year ended June 30, 2008, the City recorded the following prior period adjustments in the Fund Financial Statements:

RDA Capital Projects Fund - The City determined that an advance from the City was incorrectly recorded in the prior year. In addition, a loans receivable balance was determined to be incorrectly recorded as well. Prior period adjustments were made to correct these errors.

General Debt Service Fund - The City determined that an advance to the RDA was incorrectly recorded in the prior year. A prior period adjustment was made to correct that error.

	Fund Balances, as Previously Reported	Prior Period Adjustments			Fund Balances, as Restated
		Fund Close Out	Loans Receivable	Advances	
Governmental Funds					
RDA Capital Projects Fund	\$ 50,734,460	\$ -	\$ (450,000)	\$ 4,475,000	\$ 54,759,460
General Debt Service Fund	(38,765,342)	-	-	(4,475,000)	(43,240,342)

**REQUIRED SUPPLEMENTARY
INFORMATION
(Unaudited)**

City of Pomona
Required Supplementary Information (Unaudited)
For the year ended June 30, 2008

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, 2008

1. BUDGETARY INFORMATION, Continued

Budget Comparison Schedule - General Fund

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
Fund balance, July 1, 2007	\$ 20,792,068	\$ 20,792,068	\$ 20,792,068	\$ -
Resources (inflows):				
Taxes	77,040,351	77,040,351	73,829,820	(3,210,531)
Intergovernmental	1,348,500	1,348,500	1,096,463	(252,037)
Charges for services	1,850,820	1,878,820	2,178,043	299,223
Fine and forfeitures	1,938,000	1,938,000	2,023,966	85,966
License and permits	6,229,632	6,278,616	6,064,778	(213,838)
Use of money and property	1,053,920	1,053,920	1,386,849	332,929
Miscellaneous	138,700	3,142,055	3,265,253	123,198
Proceeds from sale of capital assets	-	300,000	459,950	159,950
Transfers in	2,905,178	2,905,178	2,913,006	7,828
Amount available for appropriation	<u>113,297,169</u>	<u>116,677,508</u>	<u>114,010,196</u>	<u>(2,667,312)</u>
Charges to appropriations (outflows):				
Current:				
General government	4,160,904	4,631,417	4,399,012	232,405
Public safety	68,022,354	67,156,586	66,765,858	390,728
Urban development	10,956,307	11,973,895	10,836,799	1,137,096
Community services	10,935,850	10,959,362	10,578,813	380,549
Capital outlay	-	227,999	129,954	98,045
Debt service:				
Principal retirement	-	-	1,263,305	(1,263,305)
Interest and fiscal charges	225,000	225,000	354,436	(129,436)
Transfers out	<u>2,274,338</u>	<u>2,274,338</u>	<u>4,412,567</u>	<u>(2,138,229)</u>
Total charges to appropriations	<u>96,574,753</u>	<u>97,448,597</u>	<u>98,740,744</u>	<u>(1,292,147)</u>
Fund balance, June 30, 2008	<u>\$ 16,722,416</u>	<u>\$ 19,228,911</u>	<u>\$ 15,269,452</u>	<u>\$ (3,959,459)</u>

City of Pomona
Required Supplementary Information (Unaudited), Continued
For the year ended June 30, 2008

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)
Fund balance, July 1, 2007, as restated	\$ 21,526,575	\$ 20,167,870	\$ 17,312,516	\$ (2,855,354)
Resources (inflows):				
Intergovernmental	238,500	238,500	68,280	(170,220)
Investment earnings	991,883	991,883	887,089	(104,794)
Loans repaid	650,000	650,000	235,265	(414,735)
Miscellaneous	80,250	80,250	92,003	11,753
Sale of land	236,590	236,590	(101,238)	(337,828)
Transfers in	5,255,080	5,255,080	5,787,000	531,920
Amount available for appropriation	<u>28,978,878</u>	<u>27,620,173</u>	<u>24,280,915</u>	<u>(3,339,258)</u>
Charges to appropriations (outflows):				
Current:				
Urban development	5,187,142	5,187,142	3,476,680	1,710,462
Capital outlay	2,594,300	2,594,300	20,243	2,574,057
Debt service - interest and fiscal charges	592,153	592,153	607,561	(15,408)
Transfers out	3,679,140	3,679,140	2,501,936	1,177,204
Total charges to appropriations	<u>12,052,735</u>	<u>12,052,735</u>	<u>6,606,420</u>	<u>5,446,315</u>
Fund balance, June 30, 2008	<u>\$ 16,926,143</u>	<u>\$ 15,567,438</u>	<u>\$ 17,674,495</u>	<u>\$ 2,107,057</u>

City of Pomona
Required Supplementary Information (Unaudited), Continued
For the year ended June 30, 2008

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
6/30/2005	\$ 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)%
6/30/2007	220,662,025	233,678,076	(13,016,051)	94.43%	15,883,076	(81.95)%

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
6/30/2005	\$ 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)%
6/30/2007	170,216,582	180,903,700	(10,687,118)	94.09%	29,649,412	(36.04)%

* Based on the latest actuarial valuation as of June 30, 2007.

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 California 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.

City of Pomona
Required Supplementary Information (Unaudited), Continued
For the year ended June 30, 2008

3. OTHER POST EMPLOYMENT BENEFITS

REQUIRED SUPPLEMENTARY INFORMATION
Schedule of Funding Progress for the City's Plan

Actuarial Valuation Date	Actuarial Asset Value	Actuarial Accrued Liability Entry Age	(Unfunded) Actuarial Accrued Liability	Funded Ratio	Covered Payroll	Unfunded Actuarial Liability as Percentage of Covered Payroll
1/1/2008	\$ -	\$ 64,974,000	\$ (64,974,000)	0.0%	\$ 44,227,000	146.91%

SUPPLEMENTARY INFORMATION

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NON-MAJOR GOVERNMENTAL FUNDS

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 *Housing Authority Fund* accounts for acquisition, rehabilitation, and administration of properties used to provide affordable rental housing.

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 *Prop 1B Fund* accounts for the monies received under Proposition 1B.

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, 2008

	Special Revenue					
	Housing Assistance Program	Community Development Block Grant	Housing Authority	Miscellaneous Grants	State Gas Tax	Proposition A
ASSETS						
Cash and investments	\$ 5,681,902	\$ 1,371,288	\$ 214,615	\$ 2,083,838	\$ 10,994	\$ 1,380,205
Receivables:						
Accounts, net	32	-	788	21,310	-	-
Interest	38,015	10,456	-	24,133	-	7,804
Due from other governments	30,427	581,972	-	1,262,500	928,267	6,482
Prepaid items and deposits	693,414	2,164	-	44,149	-	-
Restricted cash and investments	-	149,439	-	311,720	-	-
Loans receivable	-	2,934,577	-	6,998,660	-	-
Land held for resale	-	-	-	-	-	-
Advances to other funds	-	-	-	-	-	-
Total assets	\$ 6,443,790	\$ 5,049,896	\$ 215,403	\$ 10,746,310	\$ 939,261	\$ 1,394,491
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 14,361	\$ 283,486	\$ -	\$ 363,878	\$ 16,652	\$ 124,972
Accrued liabilities	242,164	59,630	-	62,553	82	1,516
Deferred revenue	-	1,939,873	-	7,260,136	-	-
Due to other funds	-	-	-	-	880,611	-
Notes Payable	-	-	130,000	-	-	-
Total liabilities	256,525	2,282,989	130,000	7,686,567	897,345	126,488
Fund Balances:						
Reserved for:						
Prepaid items and deposits	693,414	2,164	-	44,149	-	-
Loans receivable	-	2,934,577	-	6,998,660	-	-
Land held for resale	-	-	-	-	-	-
Advances to other funds	-	-	-	-	-	-
Capital and special projects	-	149,439	-	311,720	-	-
Debt service and capital lease obligations	-	-	-	-	-	-
Unreserved, designated for:						
Contingencies	-	-	-	-	-	-
Unreserved, undesignated	5,493,851	(319,273)	85,403	(4,294,786)	41,916	1,268,003
Total fund balances	6,187,265	2,766,907	85,403	3,059,743	41,916	1,268,003
Total liabilities and fund balances	\$ 6,443,790	\$ 5,049,896	\$ 215,403	\$ 10,746,310	\$ 939,261	\$ 1,394,491

(Continued)

	Special Revenue					
	Proposition	Vehicle	Air Quality	Traffic	Landscape	Narcotics
	C	Parking District	Improvement	Congestion Relief	Maintenance District	Forfeiture
ASSETS						
Cash and investments	\$ 8,889,571	\$ 1,343,350	\$ 620,276	\$ 104,902	\$ -	\$ 1,165,470
Receivables:						
Accounts, net	-	13,532	-	-	-	-
Interest	57,297	8,804	3,884	3,893	-	6,911
Due from other governments	-	2,007	50,604	-	47,830	17,387
Prepaid items and deposits	-	-	-	-	-	-
Restricted cash and investments	-	-	-	-	-	-
Loans receivable	-	-	-	-	-	-
Land held for resale	-	-	-	-	-	-
Advances to other funds	-	600,000	-	-	-	-
Total assets	\$ 8,946,868	\$ 1,967,693	\$ 674,764	\$ 108,795	\$ 47,830	\$ 1,189,768
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ -	\$ 13,371	\$ 5,808	\$ 187,099	\$ 162,631	\$ 70,192
Accrued liabilities	6,222	8,686	1,731	1,035	11,077	10,361
Deferred revenue	-	-	-	-	-	-
Due to other funds	-	-	-	-	197,897	-
Notes Payable	-	-	-	-	-	-
Total liabilities	6,222	22,057	7,539	188,134	371,605	80,553
Fund Balances:						
Reserved for:						
Prepaid items and deposits	-	-	-	-	-	-
Loans receivable	-	-	-	-	-	-
Land held for resale	-	-	-	-	-	-
Advances to other funds	-	600,000	-	-	-	-
Capital and special projects	4,066,084	-	-	-	-	-
Debt service and capital lease obligations	-	-	-	-	-	-
Unreserved, designated for:						
Contingencies	-	-	-	-	-	-
Unreserved, undesignated	4,874,562	1,345,636	667,225	(79,339)	(323,775)	1,109,215
Total fund balances	8,940,646	1,945,636	667,225	(79,339)	(323,775)	1,109,215
Total liabilities and fund balances	\$ 8,946,868	\$ 1,967,693	\$ 674,764	\$ 108,795	\$ 47,830	\$ 1,189,768

(Continued)

City of Pomona
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2008

	Special Revenue		Capital Projects		Total
	Traffic	Proposition	Capital	Assessment	Other
	Offender	1B	Outlay	District Improvement	Governmental Funds
ASSETS					
Cash and investments	\$ 178,631	\$ 2,614,872	\$ 1,410,005	\$ 175,314	\$ 27,245,233
Receivables:					
Accounts, net	-	-	-	-	35,662
Interest	1,150	5,769	-	713	168,829
Due from other governments	-	-	21,775	-	2,949,251
Prepaid items and deposits	-	-	-	-	739,727
Restricted cash and investments	-	-	17,693,526	458,906	18,613,591
Loans receivable	-	-	-	-	9,933,237
Land held for resale	-	-	-	-	-
Advances to other funds	-	-	-	-	600,000
Total assets	\$ 179,781	\$ 2,620,641	\$ 19,125,306	\$ 634,933	\$ 60,285,530
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 1,284	\$ -	\$ 2,224,082	\$ 20,294	\$ 3,488,110
Accrued liabilities	14,131	-	24,659	618	444,465
Deferred revenue	-	-	-	-	9,200,009
Due to other funds	-	-	-	-	1,078,508
Notes Payable	-	-	-	-	130,000
Total liabilities	15,415	-	2,248,741	20,912	14,341,092
Fund Balances:					
Reserved for:					
Prepaid items and deposits	-	-	-	-	739,727
Loans receivable	-	-	-	-	9,933,237
Land held for resale	-	-	-	-	-
Advances to other funds	-	-	-	-	600,000
Capital and special projects	-	-	-	458,906	4,986,149
Debt service and capital lease obligations	-	-	-	-	-
Unreserved, designated for:					
Contingencies	-	-	-	-	-
Unreserved, undesignated	164,366	2,620,641	16,876,565	155,115	29,685,325
Total fund balances	164,366	2,620,641	16,876,565	614,021	45,944,438
Total liabilities and fund balances	\$ 179,781	\$ 2,620,641	\$ 19,125,306	\$ 634,933	\$ 60,285,530

(Concluded)

City of Pomona

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Non-Major Governmental Funds

For the year ended June 30, 2008

	Special Revenue					
	Housing Assistance Programs	Community Development Block Grant	Housing Authority	Miscellaneous Grants	State Gas Tax	Proposition A
REVENUES:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 2,809,237	\$ 2,585,241
Special assessments	-	-	-	-	-	-
Intergovernmental	10,361,436	3,355,066	-	5,266,649	-	-
Charges for services	-	-	-	40,859	-	-
Fines and forfeitures	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Use of money and property	234,235	127,738	788	546,498	376	53,781
Miscellaneous	41,861	120,939	-	368,436	-	6,500
Total revenues	10,637,532	3,603,743	788	6,222,442	2,809,613	2,645,522
EXPENDITURES:						
Current:						
General government	-	591,406	-	-	-	-
Public safety	-	888,704	-	1,185,625	-	-
Urban development	9,750,796	2,048,810	-	3,900,398	945,149	5,593,795
Community services	-	-	-	642,943	-	54,439
Capital outlay	-	-	1,067,670	164,084	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest and fiscal charges	6,648	-	-	-	-	-
Total expenditures	9,757,444	3,528,920	1,067,670	5,893,050	945,149	5,648,234
REVENUES OVER (UNDER) EXPENDITURES	880,088	74,823	(1,066,882)	329,392	1,864,464	(3,002,712)
OTHER FINANCING SOURCES (USES):						
Issuance of capital leases	-	-	-	-	-	-
Transfers in	-	40,149	1,152,285	89,660	1,000,697	-
Transfers out	-	(472,292)	-	(1,152,285)	(2,905,178)	-
Total other financing sources (uses)	-	(432,143)	1,152,285	(1,062,625)	(1,904,481)	-
Net change in fund balances	880,088	(357,320)	85,403	(733,233)	(40,017)	(3,002,712)
FUND BALANCES:						
Beginning of year	5,307,177	3,124,227	-	3,792,976	81,933	4,270,715
End of year	\$ 6,187,265	\$ 2,766,907	\$ 85,403	\$ 3,059,743	\$ 41,916	\$ 1,268,003

(Continued)

City of Pomona

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Non-Major Governmental Funds

For the year ended June 30, 2008

	Special Revenue					
	Proposition	Vehicle	Air Quality	Traffic	Landscape	Narcotics
	C	Parking	Improvement	Congestion	Maintenance	Forfeiture
	District		Relief	District		
REVENUES:						
Taxes	\$ 2,140,959	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	11,173	-	-	1,161,653	-
Intergovernmental	-	-	243,654	-	-	9,344
Charges for services	-	58,913	-	-	-	-
Fines and forfeitures	-	53,490	-	-	-	1,253,865
Licenses and permits	-	-	-	-	-	-
Use of money and property	333,940	301,111	24,467	36,270	579	34,542
Miscellaneous	128	33	-	-	-	3,814
Total revenues	2,475,027	424,720	268,121	36,270	1,162,232	1,301,565
EXPENDITURES:						
Current:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	930,304
Urban development	161,442	380,069	89,128	828,668	-	-
Community services	-	-	-	-	1,601,057	-
Capital outlay	-	11,200	107,923	-	-	48,323
Debt service:						
Principal	-	-	77,143	-	-	-
Interest and fiscal charges	-	-	11,723	-	-	-
Total expenditures	161,442	391,269	285,917	828,668	1,601,057	978,627
REVENUES OVER						
(UNDER) EXPENDITURES	2,313,585	33,451	(17,796)	(792,398)	(438,825)	322,938
OTHER FINANCING SOURCES (USES):						
Issuance of capital leases	-	-	-	-	-	-
Transfers in	-	-	-	486,800	-	-
Transfers out	-	-	-	(802,187)	(258)	-
Total other financing sources (uses)	-	-	-	(315,387)	(258)	-
Net change in fund balances	2,313,585	33,451	(17,796)	(1,107,785)	(439,083)	322,938
FUND BALANCES:						
Beginning of year	6,627,061	1,912,185	685,021	1,028,446	115,308	786,277
End of year	\$ 8,940,646	\$ 1,945,636	\$ 667,225	\$ (79,339)	\$ (323,775)	\$ 1,109,215

(Continued)

City of Pomona

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Non-Major Governmental Funds

For the year ended June 30, 2008

	Special Revenue		Capital Projects		Total Other Governmental Funds
	Traffic Offender	Proposition 1B	Capital Outlay	Assessment District Improvement	
REVENUES:					
Taxes	\$ -	\$ 2,607,912	\$ 84,199	\$ -	\$ 10,227,548
Special assessments	-	-	-	-	1,172,826
Intergovernmental	-	-	1,605,194	-	20,841,343
Charges for services	477,800	-	-	-	577,572
Fines and forfeitures	-	-	-	-	1,307,355
Licenses and permits	-	-	437,742	-	437,742
Use of money and property	8,022	12,729	928,719	40,025	2,683,820
Miscellaneous	-	-	124,816	-	666,527
Total revenues	485,822	2,620,641	3,180,670	40,025	37,914,733
EXPENDITURES:					
Current:					
General government	-	-	39,784	-	631,190
Public safety	455,960	-	410,825	-	3,871,418
Urban development	-	-	3,238,444	219,999	27,156,698
Community services	-	-	7,939,362	-	10,237,801
Capital outlay	164,194	-	533,360	-	2,096,754
Debt service:					
Principal	-	-	4,084	-	81,227
Interest and fiscal charges	-	-	819	-	19,190
Total expenditures	620,154	-	12,166,678	219,999	44,094,278
REVENUES OVER (UNDER) EXPENDITURES	(134,332)	2,620,641	(8,986,008)	(179,974)	(6,179,545)
OTHER FINANCING SOURCES (USES):					
Issuance of capital leases	-	-	304,646	-	304,646
Transfers in	-	-	3,392,367	-	6,161,958
Transfers out	-	-	(3,104,323)	(609,501)	(9,046,024)
Total other financing sources (uses)	-	-	592,690	(609,501)	(2,579,420)
Net change in fund balances	(134,332)	2,620,641	(8,393,318)	(789,475)	(8,758,965)
FUND BALANCES:					
Beginning of year	298,698	-	25,269,883	1,403,496	54,703,403
End of year	\$ 164,366	\$ 2,620,641	\$ 16,876,565	\$ 614,021	\$ 45,944,438

(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, 2008

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget Positive/(Negative)
Fund balance, July 1, 2007	\$ (43,240,342)	\$ (43,240,342)	\$ (43,240,342)	\$ -
Resources (inflows):				
Taxes	884,814	884,814	543,126	(341,688)
Use of money and property	1,270,706	1,270,706	131,598	(1,139,108)
Miscellaneous	-	-	329	329
Transfers in	2,951,912	2,951,912	3,714,274	762,362
Amount available for appropriation	(38,132,910)	(38,132,910)	(38,851,015)	(718,105)
Charges to appropriations (outflows):				
Current:				
General government	11,100	11,100	16,615	(5,515)
Debt service:				
Principal	303,000	303,000	2,348,000	(2,045,000)
Interest and fiscal charges	5,560,660	5,560,660	5,230,004	330,656
Transfers out	-	-	10,102	(10,102)
Total charges to appropriations	5,874,760	5,874,760	7,604,721	(1,729,961)
Fund balance, June 30, 2008	\$ (44,007,670)	\$ (44,007,670)	\$ (46,455,736)	\$ (2,448,066)

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, 2008

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget Positive/(Negative)
Fund balance, July 1, 2007	\$ 232,528,403	\$ 232,528,403	\$ 232,528,403	\$ -
Resources (inflows):				
Use of money and property	11,426,122	11,426,122	11,823,610	397,488
Miscellaneous	-	-	5,366	5,366
Issuance of bonds, loans, and notes payable	-	-	8,375,000	8,375,000
Bond premium	-	-	57,600	57,600
Transfers in	460,000	460,000	10,102	(449,898)
Amount available for appropriation	244,414,525	244,414,525	252,800,081	8,385,556
Charges to appropriations (outflows):				
Current:				
General government	1,847	1,847	2,897	(1,050)
Debt service:				
Principal	3,595,000	3,595,000	4,175,000	(580,000)
Interest and fiscal charges	10,031,122	10,031,122	11,649,168	(1,618,046)
Debt issuance costs	-	-	-	-
Payment to refunded bonds escrow agent	-	-	-	-
Transfers out	-	-	-	-
Total charges to appropriations	13,627,969	13,627,969	15,827,065	(2,199,096)
Fund balance, June 30, 2008	\$ 230,786,556	\$ 230,786,556	\$ 236,973,016	\$ 6,186,460

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, 2008

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget Positive/(Negative)
Fund balance, July 1, 2007	\$ (143,258,575)	\$ (143,258,575)	\$ (143,258,575)	\$ -
Resources (inflows):				
Taxes	25,724,422	25,724,422	28,890,253	3,165,831
Intergovernmental	2,546,986	2,546,986	2,085,236	(461,750)
Use of money and property	492,571	492,571	801,230	308,659
Miscellaneous	230,848	230,848	169,574	(61,274)
Issuance of bonds, loans, and notes payable	422,466	422,466	430,595	8,129
Transfers in	2,712,203	2,712,203	2,501,936	(210,267)
Amount available for appropriation	(111,129,079)	(111,129,079)	(108,379,751)	2,749,328
Charges to appropriations (outflows):				
Current:				
Urban development	14,171,302	14,211,802	13,685,860	525,942
Debt service:				
Principal	300,000	300,000	215,000	85,000
Interest and fiscal charges	10,814,324	10,814,324	9,474,548	1,339,776
Transfers out	8,889,495	8,889,495	20,258,904	(11,369,409)
Total charges to appropriations	34,175,121	34,215,621	43,634,312	(9,418,691)
Fund balance, June 30, 2008	\$ (145,304,200)	\$ (145,344,700)	\$ (152,014,063)	\$ (6,669,363)

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, 2008

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive/(Negative)
Fund balance, July 1, 2007	\$ 54,759,460	\$ 54,759,460	\$ 54,759,460	\$ -
Resources (inflows):				
Use of money and property	144,067	144,067	2,239,882	2,095,815
Loan repaid	962,736	962,736	-	(962,736)
Contributions and donations	-	-	257,000	257,000
Miscellaneous	-	-	1,222,739	1,222,739
Proceeds on sale of land held for resale	1,200,000	1,200,000	520,418	(679,582)
Transfers in	3,566,352	3,606,852	14,479,732	10,872,880
Amount available for appropriation	60,632,615	60,673,115	73,479,231	12,806,116
Charges to appropriations (outflows):				
Current:				
Urban development	5,543,661	10,463,161	4,468,312	5,994,849
Transfers out	23,629,282	24,209,874	3,230,623	20,979,251
Total charges to appropriations	29,172,943	34,673,035	7,698,935	26,974,100
Fund balance, June 30, 2008	\$ 31,459,672	\$ 26,000,080	\$ 65,780,296	\$ 39,780,216

City of Pomona

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

Housing Assistance Program

For the year ended June 30, 2008

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive/(Negative)
Fund balance, July 1, 2007	\$ 5,307,177	\$ 5,307,177	\$ 5,307,177	\$ -
Resources (inflows):				
Intergovernmental	10,462,594	10,528,094	10,361,436	(166,658)
Use of money and property	39,000	39,000	234,235	195,235
Miscellaneous	16,000	16,000	41,861	25,861
Amount available for appropriation	15,824,771	15,890,271	15,944,709	54,438
Charges to appropriations (outflows):				
Current:				
Urban development	10,682,668	10,748,168	9,750,796	997,372
Capital outlay	-	-	-	-
Debt service:				
Interest and fiscal charges	-	-	6,648	(6,648)
Total charges to appropriations	10,682,668	10,748,168	9,757,444	990,724
Fund balance, June 30, 2008	\$ 5,142,103	\$ 5,142,103	\$ 6,187,265	\$ 1,045,162

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, 2008

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget Positive/(Negative)
Fund balance, July 1, 2007	\$ 3,124,227	\$ 3,124,227	\$ 3,124,227	\$ -
Resources (inflows):				
Intergovernmental	3,024,428	3,024,428	3,355,066	330,638
Use of money and property	-	-	127,738	127,738
Miscellaneous	125,000	125,000	120,939	(4,061)
Transfers in	-	-	40,149	40,149
Amount available for appropriation	6,273,655	6,273,655	6,768,119	494,464
Charges to appropriations (outflows):				
Current:				
General government	587,727	586,074	591,406	(5,332)
Public safety	949,369	861,850	888,704	(26,854)
Urban development	1,613,632	1,720,800	2,048,810	(328,010)
Capital outlay	-	-	-	-
Transfers out	-	-	472,292	(472,292)
Total charges to appropriations	3,150,728	3,168,724	4,001,212	(832,488)
Fund balance, June 30, 2008	\$ 3,122,927	\$ 3,104,931	\$ 2,766,907	\$ (338,024)

City of Pomona

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

Housing Authority

For the year ended June 30, 2008

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget Positive/(Negative)
Fund balance, July 1, 2007	\$ -	\$ -	\$ -	\$ -
Resources (inflows):				
Intergovernmental	-	-	-	-
Use of money and property	-	-	788	788
Miscellaneous	-	-	-	-
Transfers in	-	1,152,285	1,152,285	-
Amount available for appropriation	-	1,152,285	1,153,073	788
Charges to appropriations (outflows):				
Current:				
Urban development	-	-	-	-
Capital outlay	-	-	1,067,670	(1,067,670)
Debt service:				
Interest and fiscal charges	-	-	-	-
Total charges to appropriations	-	-	1,067,670	(1,067,670)
Fund balance, June 30, 2008	\$ -	\$ 1,152,285	\$ 85,403	\$ (1,066,882)

City of Pomona

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

Miscellaneous Grants

For the year ended June 30, 2008

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive/(Negative)
	Original	Final		
Fund balance, July 1, 2007	\$ 3,792,976	\$ 3,792,976	\$ 3,792,976	\$ -
Resources (inflows):				
Intergovernmental	6,118,007	8,452,338	5,266,649	(3,185,689)
Charges for services	51,950	51,950	40,859	(11,091)
Use of money and property	410,000	410,000	546,498	136,498
Miscellaneous	324,948	324,948	368,436	43,488
Transfers in	89,660	89,660	89,660	-
Amount available for appropriation	10,787,541	13,121,872	10,105,078	(3,016,794)
Charges to appropriations (outflows):				
Current:				
Public safety	1,148,913	1,910,239	1,185,625	724,614
Urban development	5,100,418	6,562,496	3,900,398	2,662,098
Community services	776,399	781,595	642,943	138,652
Capital outlay	40,000	178,877	164,084	14,793
Transfers out	-	1,152,285	1,152,285	-
Total charges to appropriations	7,065,730	10,585,492	7,045,335	3,540,157
Fund balance, June 30, 2008	\$ 3,721,811	\$ 2,536,380	\$ 3,059,743	\$ 523,363

City of Pomona

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

State Gas Tax

For the year ended June 30, 2008

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget Positive/(Negative)
Fund balance, July 1, 2007	\$ 81,933	\$ 81,933	\$ 81,933	\$ -
Resources (inflows):				
Taxes	2,932,000	2,932,000	2,809,237	(122,763)
Use of money and property	10,000	10,000	376	(9,624)
Transfers in	-	45,410	1,000,697	955,287
Amount available for appropriation	3,023,933	3,069,343	3,892,243	822,900
Charges to appropriations (outflows):				
Current:				
Urban development	36,822	36,822	945,149	(908,327)
Capital outlay	-	45,410	-	45,410
Transfers out	2,905,178	2,905,178	2,905,178	-
Total charges to appropriations	2,942,000	2,987,410	3,850,327	(862,917)
Fund balance, June 30, 2008	\$ 81,933	\$ 81,933	\$ 41,916	\$ (40,017)

City of Pomona

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

Proposition A

For the year ended June 30, 2008

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget Positive/(Negative)
Fund balance, July 1, 2007	\$ 4,270,715	\$ 4,270,715	\$ 4,270,715	\$ -
Resources (inflows):				
Taxes	2,600,000	2,600,000	2,585,241	(14,759)
Use of money and property	100,000	100,000	53,781	(46,219)
Miscellaneous	7,500	7,500	6,500	(1,000)
Amount available for appropriation	6,978,215	6,978,215	6,916,237	(61,978)
Charges to appropriations (outflows):				
Current:				
Urban development	1,654,446	5,687,064	5,593,795	93,269
Community services	80,000	80,000	54,439	25,561
Total charges to appropriations	1,734,446	5,767,064	5,648,234	118,830
Fund balance, June 30, 2008	\$ 5,243,769	\$ 1,211,151	\$ 1,268,003	\$ 56,852

City of Pomona

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual Proposition C

For the year ended June 30, 2008

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget Positive/(Negative)
Fund balance, July 1, 2007	\$ 6,627,061	\$ 6,627,061	\$ 6,627,061	\$ -
Resources (inflows):				
Taxes	2,200,000	2,200,000	2,140,959	(59,041)
Use of money and property	200,000	200,000	333,940	133,940
Use of money and property	-	-	128	128
Amount available for appropriation	9,027,061	9,027,061	9,102,088	75,027
Charges to appropriations (outflows):				
Current:				
Urban development	159,743	159,743	161,442	(1,699)
Transfers out	1,500,000	1,500,000	-	1,500,000
Total charges to appropriations	1,659,743	1,659,743	161,442	1,498,301
Fund balance, June 30, 2008	\$ 7,367,318	\$ 7,367,318	\$ 8,940,646	\$ 1,573,328

City of Pomona

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

Vehicle Parking District

For the year ended June 30, 2008

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive/(Negative)
	Original	Final		
Fund balance, July 1, 2007	\$ 1,912,185	\$ 1,912,185	\$ 1,912,185	\$ -
Resources (inflows):				
Special assessments	17,000	17,000	11,173	(5,827)
Charges for services	88,000	88,000	58,913	(29,087)
Fines and forfeitures	45,000	45,000	53,490	8,490
Use of money and property	273,000	273,000	301,111	28,111
Miscellaneous	-	-	33	33
Amount available for appropriation	2,335,185	2,335,185	2,336,905	1,720
Charges to appropriations (outflows):				
Current:				
Urban development	424,332	482,712	380,069	102,643
Capital outlay	-	-	11,200	(11,200)
Total charges to appropriations	424,332	482,712	391,269	91,443
Fund balance, June 30, 2008	\$ 1,910,853	\$ 1,852,473	\$ 1,945,636	\$ 93,163

City of Pomona

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

Air Quality Improvement

For the year ended June 30, 2008

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget Positive/(Negative)
Fund balance, July 1, 2007	\$ 685,021	\$ 685,021	\$ 685,021	\$ -
Resources (inflows):				
Intergovernmental	479,450	479,450	243,654	(235,796)
Use of money and property	15,000	15,000	24,467	9,467
Amount available for appropriation	1,179,471	1,179,471	953,142	(226,329)
Charges to appropriations (outflows):				
Current:				
Urban development	51,493	51,493	89,128	(37,635)
Capital outlay	-	680,823	107,923	572,900
Debt Service:				
Principal	77,143	77,143	77,143	-
Interest and fiscal charges	11,723	11,723	11,723	-
Total charges to appropriations	140,359	821,182	285,917	535,265
Fund balance, June 30, 2008	\$ 1,039,112	\$ 358,289	\$ 667,225	\$ 308,936

City of Pomona

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

Traffic Congestion Relief

For the year ended June 30, 2008

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget Positive/(Negative)
Fund balance, July 1, 2007	\$ 1,028,446	\$ 1,028,446	\$ 1,028,446	\$ -
Resources (inflows):				
Use of money and property	10,000	10,000	36,270	26,270
Transfers in	-	-	486,800	486,800
Amount available for appropriation	<u>1,038,446</u>	<u>1,038,446</u>	<u>1,551,516</u>	<u>513,070</u>
Charges to appropriations (outflows):				
Current:				
Urban development	587,550	687,842	828,668	(140,826)
Transfers out	<u>301,850</u>	<u>347,260</u>	<u>802,187</u>	<u>(454,927)</u>
Total charges to appropriations	<u>889,400</u>	<u>1,035,102</u>	<u>1,630,855</u>	<u>(595,753)</u>
Fund balance, June 30, 2008	<u>\$ 149,046</u>	<u>\$ 3,344</u>	<u>\$ (79,339)</u>	<u>\$ (82,683)</u>

City of Pomona

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

Landscape Maintenance District

For the year ended June 30, 2008

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget Positive/(Negative)
Fund balance, July 1, 2007	\$ 115,308	\$ 115,308	\$ 115,308	\$ -
Resources (inflows):				
Special assessments	1,240,000	1,240,000	1,161,653	(78,347)
Use of money and property	4,000	4,000	579	(3,421)
Amount available for appropriation	1,359,308	1,359,308	1,277,540	(81,768)
Charges to appropriations (outflows):				
Current:				
Community services	1,523,412	1,523,412	1,601,057	(77,645)
Transfers out	-	-	258	(258)
Total charges to appropriations	1,523,412	1,523,412	1,601,315	(77,903)
Fund balance, June 30, 2008	\$ (164,104)	\$ (164,104)	\$ (323,775)	\$ (159,671)

City of Pomona

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

Narcotics Forfeiture

For the year ended June 30, 2008

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive/(Negative)
	Original	Final		
Fund balance, July 1, 2007	\$ 786,277	\$ 786,277	\$ 786,277	\$ -
Resources (inflows):				
Intergovernmental	18,000	18,000	9,344	(8,656)
Fines and forfeiture	1,857,500	1,950,277	1,253,865	(696,412)
Use of money and property	30,000	30,000	34,542	4,542
Miscellaneous	4,500	4,500	3,814	(686)
Amount available for appropriation	2,696,277	2,789,054	2,087,842	(701,212)
Charges to appropriations (outflows):				
Current:				
Public safety	1,886,590	1,929,367	930,304	999,063
Capital outlay	-	50,000	48,323	1,677
Total charges to appropriations	1,886,590	1,979,367	978,627	1,000,740
Fund balance, June 30, 2008	\$ 809,687	\$ 809,687	\$ 1,109,215	\$ 299,528

City of Pomona

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

Traffic Offender

For the year ended June 30, 2008

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget Positive/(Negative)
Fund balance, July 1, 2007	\$ 298,698	\$ 298,698	\$ 298,698	\$ -
Resources (inflows):				
Charges for services	558,000	558,000	477,800	(80,200)
Use of money and property	8,000	8,000	8,022	22
Amount available for appropriation	864,698	864,698	784,520	(80,178)
Charges to appropriations (outflows):				
Current:				
Public safety	428,038	460,592	455,960	4,632
Capital Outlay	243,000	210,446	164,194	46,252
Total charges to appropriations	671,038	671,038	620,154	50,884
Fund balance, June 30, 2008	\$ 193,660	\$ 193,660	\$ 164,366	\$ (29,294)

City of Pomona

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

Proposition 1B

For the year ended June 30, 2008

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget Positive/(Negative)
Fund balance, July 1, 2007	\$ -	\$ -	\$ -	\$ -
Resources (inflows):				
Taxes	-	-	2,607,912	2,607,912
Use of money and property	-	-	12,729	12,729
Amount available for appropriation	-	-	2,620,641	2,620,641
Fund balance, June 30, 2008	\$ -	\$ -	\$ 2,620,641	\$ 2,620,641

City of Pomona

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

Capital Outlay Fund

For the year ended June 30, 2008

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget Positive/(Negative)
Fund balance, July 1, 2007	\$ 25,269,883	\$ 25,269,883	\$ 25,269,883	\$ -
Resources (inflows):				
Taxes	100,000	100,000	84,199	(15,801)
Intergovernmental	8,889,852	8,989,852	1,605,194	(7,384,658)
Licenses and permits	230,000	230,000	437,742	207,742
Use of money and property	270,000	270,000	928,719	658,719
Miscellaneous	-	-	124,816	124,816
Issuance of capital leases	-	-	304,646	304,646
Transfers in	29,033,726	29,573,818	3,392,367	(26,181,451)
Amount available for appropriation	63,793,461	64,433,553	32,147,566	(32,285,987)
Charges to appropriations (outflows):				
Current:				
General government	-	100,000	39,784	60,216
Public safety	23,414,376	23,425,036	410,825	23,014,211
Urban development	15,130,766	10,985,484	3,238,444	7,747,040
Community services	119,922	839,922	7,939,362	(7,099,440)
Capital outlay	-	-	533,360	(533,360)
Debt service:				
Principal	-	-	4,084	(4,084)
Interest	-	-	819	(819)
Transfers out	195,613	195,613	3,104,323	(2,908,710)
Total charges to appropriations	38,860,677	35,546,055	15,271,001	20,275,054
Fund balance, June 30, 2008	\$ 24,932,784	\$ 28,887,498	\$ 16,876,565	\$ (12,010,933)

City of Pomona

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

Assessment District Improvement

For the year ended June 30, 2008

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive/(Negative)
	Original	Final		
Fund balance, July 1, 2007	\$ 1,403,496	\$ 1,403,496	\$ 1,403,496	\$ -
Resources (inflows):				
Use of money and property	-	-	40,025	40,025
Amount available for appropriation	1,403,496	1,403,496	1,443,521	40,025
Charges to appropriations (outflows):				
Current:				
Urban development	-	500,000	219,999	280,001
Transfers out	-	-	609,501	(609,501)
Total charges to appropriations	-	500,000	829,500	(329,500)
Fund balance, June 30, 2008	\$ 1,403,496	\$ 903,496	\$ 614,021	\$ (289,475)

INTERNAL SERVICE FUNDS

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, 2008

	Self- Insurance	Equipment Maintenance	Total
ASSETS			
Current assets:			
Cash and investments	\$ -	\$ 414,868	\$ 414,868
Accounts receivable	-	2,622	2,622
Inventories	-	355,283	355,283
Total current assets	-	772,773	772,773
Noncurrent assets:			
Capital assets:			
Depreciable assets	-	542,596	542,596
Less accumulated depreciation	-	(292,044)	(292,044)
Capital assets, net	-	250,552	250,552
Total noncurrent assets	-	250,552	250,552
Total assets	-	1,023,325	1,023,325
LIABILITIES			
Current liabilities:			
Accounts payable	-	291,335	291,335
Accrued liabilities	-	71,799	71,799
Interest payable	-	124	124
Compensated absences	-	160,281	160,281
Obligations under capital leases	-	20,571	20,571
Total current liabilities	-	544,110	544,110
Noncurrent liabilities:			
Advances from other funds	-	-	-
Claims payable	-	-	-
Obligations under capital leases	-	-	-
Total noncurrent liabilities	-	-	-
Total liabilities	-	544,110	544,110
NET ASSETS			
Invested in capital assets, net of related debt	-	229,981	229,981
Restricted for debt service	-	-	-
Unrestricted	-	249,234	249,234
Total net assets	\$ -	\$ 479,215	\$ 479,215

City of Pomona
Combining Statement of Activities and Changes in Net Assets
All Internal Service Funds
For the year ended June 30, 2008

	Self- Insurance	Equipment Maintenance	Total
OPERATING REVENUES:			
Charges for services	\$ -	\$ 4,708,972	\$ 4,708,972
Miscellaneous	-	8,630	8,630
Total operating revenues	-	4,717,602	4,717,602
OPERATING EXPENSES:			
Personnel services	-	1,527,752	1,527,752
Operations	-	2,855,187	2,855,187
Claims expense	-	114,613	114,613
Depreciation	-	23,481	23,481
Insurance	-	64,401	64,401
Total operating expenses	-	4,585,434	4,585,434
OPERATING INCOME (LOSS)	-	132,168	132,168
NONOPERATING REVENUES (EXPENSES):			
Gain (loss) on disposal of capital assets	-	(5,600)	(5,600)
Interest expense and fees	-	(801)	(801)
Investment earnings	-	39	39
Transfers in	2,138,228	-	2,138,228
Residual equity transfer	8,443,771	-	8,443,771
Total nonoperating revenues (expenses)	10,581,999	(6,362)	10,575,637
Changes in net assets	10,581,999	125,806	10,707,805
NET ASSETS:			
Beginning of year	(10,581,999)	353,409	(10,228,590)
End of year	\$ -	\$ 479,215	\$ 479,215

City of Pomona
Combining Statement of Cash Flows
All Internal Service Funds
For the year ended June 30, 2008

	Self- Insurance	Equipment Maintenance	Total
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from customers/other funds	\$ 262,106	\$ 4,714,385	\$ 4,976,491
Cash payments to suppliers for goods and services	(8,778,195)	(3,001,210)	(11,779,405)
Cash payments for general and administrative expenses	(83,372)	(1,536,417)	(1,619,789)
Cash received from (paid for) other	-	8,630	8,630
Net cash provided (used) by operating activities	(8,599,461)	185,388	(8,414,073)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Transfers in	2,293,073	-	2,293,073
Advances to other funds	(2,293,073)	-	(2,293,073)
Residual transfer	8,288,926	-	8,288,926
Net cash provided (used) by noncapital financing activities	8,288,926	-	8,288,926
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Proceeds from sale of capital assets	-	(68,000)	(68,000)
Repayment of bonds payable and capital leases	-	(13,307)	(13,307)
Interest paid on capital-related debt	-	(838)	(838)
Net cash provided (used) by capital and related financing activities	-	(82,145)	(82,145)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest income received	-	39	39
Net cash provided (used) by investing activities	-	39	39
Net increase (decrease) in cash and cash equivalents	(310,535)	103,282	(207,253)
CASH AND CASH EQUIVALENTS:			
Beginning of year	310,535	311,586	622,121
End of year	\$ -	\$ 414,868	\$ 414,868
FINANCIAL STATEMENT PRESENTATION:			
Cash and investments	\$ -	\$ 414,868	\$ 414,868
Total cash, cash equivalents, and investments	\$ -	\$ 414,868	\$ 414,868
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:			
Operating income (loss)	\$ -	\$ 132,168	\$ 132,168
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	-	23,481	23,481
Changes in operating assets and liabilities:			
Accounts receivable	262,106	5,413	267,519
Inventories	-	(54,903)	(54,903)
Accounts payable	(389,218)	87,894	(301,324)
Accrued liabilities	(28,579)	3,325	(25,254)
Due to other funds	-	-	-
Compensated absences	(54,793)	(11,990)	(66,783)
Claims payable	(8,388,977)	-	(8,388,977)
Total adjustments	(8,599,461)	29,739	(8,569,722)
Net cash provided (used) by operating activities	\$ (8,599,461)	\$ 185,388	\$ (8,414,073)

FIDUCIARY FUNDS

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, 2008

	Assessment Districts	Engineers' Revolving	Construction Guarantee	Municipal Revolving	Employee Benefits/ Deductions	Total Agency Funds
ASSETS						
Cash and investments	\$ 358,265	\$ 584,058	\$ 771,016	\$ 472,691	\$ 2,278,927	\$ 4,464,957
Accounts receivable	-	-	-	9,761	-	9,761
Interest receivable	2,358	2,399	-	-	-	4,757
Due from other governments	15,926	-	-	2,170	-	18,096
Prepaid items and deposits	-	-	-	-	-	-
Total assets	\$ 376,549	\$ 586,457	\$ 771,016	\$ 484,622	\$ 2,278,927	\$ 4,497,571
LIABILITIES						
Accounts payable	\$ -	\$ -	\$ 13,966	\$ 18,272	\$ 2,278,927	\$ 2,311,165
Deposits payable	15,926	586,457	757,050	466,350	-	1,825,783
Due to bondholders	360,623	-	-	-	-	360,623
Total liabilities	\$ 376,549	\$ 586,457	\$ 771,016	\$ 484,622	\$ 2,278,927	\$ 4,497,571

City of Pomona
Combining Statement of Changes in Assets and Liabilities
All Agency Funds
For the year ended June 30, 2008

	Balance July 1, 2007	Additions	Deletions	Balance June 30, 2008
<u>Assessment Districts</u>				
Assets:				
Cash and investments	\$ 189,834	\$ 987,138	\$ (818,707)	\$ 358,265
Accounts receivable	-	-	-	-
Due from other governments	10,039	15,926	(10,039)	15,926
Interest receivable	2,151	2,358	(2,151)	2,358
Total assets	\$ 202,024	\$ 1,005,422	\$ (830,897)	\$ 376,549
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Deposits payable	1,144	15,926	(1,144)	15,926
Due to bondholders	200,880	159,743	-	360,623
Total liabilities	\$ 202,024	\$ 175,669	\$ (1,144)	\$ 376,549
<u>Engineers' Revolving</u>				
Assets:				
Cash and investments	\$ 568,298	\$ 15,760	\$ -	\$ 584,058
Interest receivable	4,203	2,399	(4,203)	2,399
Total assets	\$ 572,501	\$ 18,159	\$ (4,203)	\$ 586,457
Liabilities:				
Deposits payable	\$ 572,501	\$ 13,956	\$ -	\$ 586,457
Total liabilities	\$ 572,501	\$ 13,956	\$ -	\$ 586,457
<u>Construction Guarantee</u>				
Assets:				
Cash and investments	\$ 628,294	\$ 262,294	\$ (119,572)	\$ 771,016
Total assets	\$ 628,294	\$ 262,294	\$ (119,572)	\$ 771,016
Liabilities:				
Accounts payable	\$ 3,150	\$ 130,388	\$ (119,572)	\$ 13,966
Deposits payable	625,144	262,294	(130,388)	757,050
Total liabilities	\$ 628,294	\$ 392,682	\$ (249,960)	\$ 771,016
<u>Municipal Revolving</u>				
Assets:				
Cash and investments	\$ 435,160	\$ 675,145	\$ (637,614)	\$ 472,691
Accounts receivable	33,952	9,761	(33,952)	9,761
Due from other governments	740	2,170	(740)	2,170
Total assets	\$ 469,852	\$ 687,076	\$ (672,306)	\$ 484,622
Liabilities:				
Accounts payable	\$ 16,272	\$ 573,806	\$ (571,806)	\$ 18,272
Deposits payable	453,580	12,770	-	466,350
Total liabilities	\$ 469,852	\$ 586,576	\$ (571,806)	\$ 484,622

City of Pomona
Combining Statement of Changes in Assets and Liabilities, Continued
All Agency Funds
For the year ended June 30, 2008

	Balance July 1, 2007	Additions	Deletions	Balance June 30, 2008
<u>Employee Benefits/Deductions</u>				
Assets:				
Cash and investments	\$ 1,553,720	\$ 725,207	\$ -	\$ 2,278,927
Accounts receivable	513	-	(513)	-
Prepaid items and deposits	4,572	-	(4,572)	-
Total assets	\$ 1,558,805	\$ 725,207	\$ (5,085)	\$ 2,278,927
Liabilities:				
Accounts payable	\$ 1,558,805	\$ 1,111,807	\$ (391,685)	\$ 2,278,927
Total liabilities	\$ 1,558,805	\$ 1,111,807	\$ (391,685)	\$ 2,278,927
<u>Total All Agency Funds</u>				
Assets:				
Cash and investments	\$ 3,375,306	\$ 2,665,544	\$ (1,575,893)	\$ 4,464,957
Accounts receivable	34,465	9,761	(34,465)	9,761
Interest receivable	6,354	4,757	(6,354)	4,757
Due from other governments	10,779	18,096	(10,779)	18,096
Prepaid items and deposits	4,572	-	(4,572)	-
Total assets	\$ 3,431,476	\$ 2,698,158	\$ (1,632,063)	\$ 4,497,571
Liabilities:				
Accounts payable	\$ 1,578,227	\$ 1,816,001	\$ (1,083,063)	\$ 2,311,165
Deposits payable	1,652,369	304,946	(131,532)	1,825,783
Due to bondholders	200,880	159,743	-	360,623
Total liabilities	\$ 3,431,476	\$ 2,280,690	\$ (1,214,595)	\$ 4,497,571

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 Six Fiscal Years

Schedule 1

	Fiscal Year					
	2003	2004	2005	2006	2007	2008
Governmental activities:						
Invested in capital assets, net of related debt	\$ 50,247,574	\$ (4,298,872)	\$ 95,062,872	\$ 271,540,388	\$ 283,153,069	\$ 266,292,700
Restricted	69,634,633	24,233,671	162,563,670	113,101,903	121,330,491	126,440,546
Unrestricted	(64,303,903)	29,368,859	(198,364,012)	(179,150,706)	(182,279,410)	(188,834,296)
Total governmental activities net assets	\$ 55,578,304	\$ 49,303,658	\$ 59,262,530	\$ 205,491,585	\$ 222,204,150	\$ 203,898,950
Business-type activities:						
Invested in capital assets, net of related debt	\$ 51,170,354	\$ 49,330,263	\$ 55,380,677	\$ 54,100,219	\$ 52,018,893	\$ 58,437,024
Restricted	-	-	19,373,600	2,986,079	4,049,389	3,015,084
Unrestricted	24,182,750	33,940,619	10,349,393	27,474,990	28,867,217	32,851,495
Total business-type activities net assets	\$ 75,353,104	\$ 83,270,882	\$ 85,103,670	\$ 84,561,288	\$ 84,935,499	\$ 94,303,603
Primary government:						
Invested in capital assets, net of related debt	\$ 101,417,928	\$ 45,031,391	\$ 150,443,549	\$ 325,640,607	\$ 335,171,962	\$ 324,729,724
Restricted	69,634,633	24,233,671	181,937,270	116,087,982	125,379,880	129,455,630
Unrestricted	(40,121,153)	63,309,478	(188,014,619)	(151,675,716)	(153,412,193)	(155,982,801)
Total primary government net assets	\$ 130,931,408	\$ 132,574,540	\$ 144,366,200	\$ 290,052,873	\$ 307,139,649	\$ 298,202,553

Ten years of data is not available.

City of Pomona
Changes in Net Assets
Last Six Fiscal Years

Schedule 2

	Fiscal Year					
	2003	2004	2005	2006	2007	2008
Expenses						
Governmental activities:						
General government	\$ 20,586,309	\$ 16,877,268	\$ 8,502,072	\$ 4,566,737	\$ 5,374,997	\$ 7,799,411
Public safety	30,080,994	54,409,038	61,493,317	62,314,546	66,368,961	71,782,018
Urban development	54,029,511	43,458,432	39,149,792	68,802,603	70,071,752	58,907,290
Community services	11,253,597	11,752,699	13,511,242	14,817,177	12,761,215	21,517,903
Interest and fiscal charges	17,218,724	20,640,447	24,678,827	25,274,237	25,372,308	30,865,822
Total governmental activities	133,169,135	147,137,884	147,335,250	175,775,300	179,949,233	190,872,444
Business-type activities:						
Water	21,770,977	21,939,428	19,210,002	19,172,107	23,845,899	22,807,789
Sewer	1,649,229	2,789,001	2,542,545	2,458,616	3,915,545	2,920,219
Refuse	6,280,528	6,842,583	7,967,320	8,488,309	8,921,093	8,837,471
Canon Water Company	-	-	48,563	52,345	17,472	96,255
Total business-type activities	29,700,734	31,571,012	29,768,430	30,171,377	36,700,009	34,661,734
Total primary government expenses	\$ 162,869,869	\$ 178,708,896	\$ 177,103,680	\$ 205,946,677	\$ 216,649,242	\$ 225,534,178
Program Revenues						
Governmental activities:						
Charges for services:						
Police revenues	\$ 954,471	\$ 1,229,331	\$ 1,345,633	\$ 2,171,299	\$ 2,574,435	\$ 2,126,363
Plan check fees	1,241,023	886,327	939,836	988,874	543,317	924,010
Building permits	1,191,428	1,380,789	1,330,168	1,336,527	927,771	1,287,216
Graffiti abatement	565,438	566,686	617,619	609,228	530,399	560,006
Street sweeping fee	475,943	477,135	520,018	512,819	423,356	471,387
Maintenance assessment fee	1,156,023	1,180,820	1,178,638	1,227,281	1,208,338	1,172,825
All other	14,290,128	16,604,268	10,252,195	10,101,633	8,507,020	6,331,014
Operating grants and contributions	15,564,685	18,844,817	22,516,819	22,656,450	27,319,477	24,171,583
Capital grants and contributions	9,013,220	6,421,422	10,040,740	6,718,223	7,154,035	12,395,251
Total governmental activities program revenues	44,452,359	47,591,595	48,741,666	46,322,334	49,188,148	49,439,655
Business-type activities:						
Charges for services:						
Water	20,350,752	21,080,917	22,454,752	22,689,164	26,210,565	27,155,086
Sewer	2,519,070	2,525,048	2,601,847	2,853,610	3,384,966	4,008,291
Refuse	6,935,134	7,224,218	7,234,940	7,395,141	7,326,324	7,733,411
Operating grants and contributions	140,853	122,197	156,781	68,966	145,820	126,471
Capital grants and contributions	217,129	-	264,506	23,100	97,420	4,004,312
Total business-type activities program revenues	30,162,938	30,952,380	32,712,826	33,029,981	37,165,095	43,027,571
Total primary government program revenues	\$ 74,615,297	\$ 78,543,975	\$ 81,454,492	\$ 79,352,315	\$ 86,353,243	\$ 92,467,226

City of Pomona
Changes in Net Assets, Continued
Last Six Fiscal Years

Schedule 2

	Fiscal Year					
	2003	2004	2005	2006	2007	2008
Net (Expense)/Revenue						
Governmental activities	\$ (88,716,776)	\$ (99,546,289)	\$ (98,593,584)	\$ (129,452,966)	\$ (130,761,085)	\$ (141,432,789)
Business-type activities	462,204	(618,632)	2,944,396	2,858,604	465,086	8,365,837
Total primary government net expense	\$ (88,254,572)	\$ (100,164,921)	\$ (95,649,188)	\$ (126,594,362)	\$ (130,295,999)	\$ (133,066,952)
General Revenues and Other Changes in Net Assets						
Governmental activities:						
Taxes:						
Property taxes	\$ 29,915,221	\$ 32,674,483	\$ 46,538,436	\$ 53,239,617	\$ 51,952,231	\$ 56,246,496
Sales taxes	15,647,492	14,483,633	11,683,923	14,710,345	19,072,975	17,200,015
Motor vehicle license	8,866,986	7,204,184	1,025,393	1,109,390	874,237	718,936
Transient occupancy taxes	1,348,863	1,482,972	1,473,711	1,865,001	1,727,097	1,718,607
Property transfer taxes	-	-	-	-	2,152,388	1,189,405
Franchise	1,980,304	4,078,354	4,360,394	5,397,384	5,871,860	5,776,052
Utility users taxes	16,492,851	16,375,211	16,774,747	17,576,969	18,290,416	18,154,259
Business licenses	-	-	-	-	2,844,503	2,977,865
Other	1,624,406	936,114	786,421	678,897	2,459,714	1,973,674
Investment earnings/(expenses)	11,130,241	12,309,966	16,833,110	17,819,663	19,509,780	19,956,964
Miscellaneous	3,523,822	-	7,748,110	5,832,425	2,240,671	2,568,179
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	(1,753,920)
Total governmental activities	90,569,114	93,271,643	108,182,203	119,973,108	127,711,897	126,726,532
Business-type activities:						
Investment earnings/(expenses)	2,206,094	3,087,898	(1,816,793)	(1,991,603)	108,433	(1,696,056)
Miscellaneous	140,860	257,334	289,625	334,034	516,717	944,403
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)	1,753,920
Total business-type activities	2,445,592	2,593,580	(2,500,113)	(3,400,986)	(90,875)	1,002,267
Total primary government	\$ 93,014,706	\$ 95,865,223	\$ 105,682,090	\$ 116,572,122	\$ 127,621,022	\$ 127,728,799
Changes in Net Assets						
Governmental activities	\$ 1,852,338	\$ (6,274,646)	\$ 9,588,619	\$ (9,479,858)	\$ (3,049,188)	\$ (14,706,257)
Business-type activities	2,907,796	1,974,948	444,283	(542,382)	374,211	9,368,104
Total primary government	\$ 4,760,134	\$ (4,299,698)	\$ 10,032,902	\$ (10,022,240)	\$ (2,674,977)	\$ (5,338,153)

Ten years of data is not available.

City of Pomona
Fund Balances, Governmental Funds
Last Six Years

Schedule 3

	Fiscal Year					
	2003	2004	2005	2006	2007	2008
General Fund:						
Reserved	\$ 6,650,885	\$ 6,198,142	\$ 8,976,671	\$ 7,907,817	\$ 6,888,120	\$ 4,459,873
Unreserved	2,605,887	4,065,766	7,843,760	10,914,430	13,903,948	10,809,579
Total General Fund	\$ 9,256,772	\$ 10,263,908	\$ 16,820,431	\$ 18,822,247	\$ 20,792,068	\$ 15,269,452
All Other Governmental Funds:						
Reserved	\$ 199,962,812	\$ 275,867,951	\$ 281,404,289	\$ 279,513,977	\$ 329,767,481	\$ 293,334,925
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	12,653,645
Debt service funds	(135,498,637)	(177,203,920)	(173,774,677)	(182,032,654)	(182,023,917)	(198,469,799)
Capital projects funds	25,621,657	37,561,953	29,471,016	54,561,328	1,421,840	60,383,675
Total All Other Governmental Funds	\$ 101,172,464	\$ 158,156,310	\$ 168,620,572	\$ 176,968,111	\$ 173,254,865	\$ 167,902,446

Ten years of data is not available.

City of Pomona
Changes in Fund Balances, Governmental Funds
Last Six Fiscal Years

Schedule 4

	Fiscal Year					
	2003	2004	2005	2006	2007	2008
Revenues:						
Taxes	\$ 64,670,323	\$ 77,312,806	\$ 82,643,024	\$ 94,577,603	\$ 105,245,421	\$ 113,490,746
Special assessments	1,229,393	1,240,538	1,192,248	1,197,805	1,166,719	1,172,826
Intergovernmental	33,444,891	25,266,239	32,557,559	29,364,673	34,431,013	27,091,322
Charges for services	1,465,561	1,690,733	1,483,414	1,989,303	2,296,395	2,755,212
Fines and forfeitures	2,176,721	2,693,304	2,657,108	3,280,587	2,647,955	3,364,372
Licenses and permits	6,933,428	8,242,904	8,423,121	8,440,517	6,690,241	6,261,842
Use of money and property	11,718,494	11,662,827	16,833,110	17,815,895	19,509,672	19,954,480
Loans repaid	-	641,305	618,306	2,039,449	912,428	235,265
Contributions and donations	-	-	-	-	3,344,179	257,000
Miscellaneous	2,692,636	2,232,458	7,035,771	5,832,425	2,240,671	2,629,419
Total revenues	124,331,447	130,983,114	153,443,661	164,538,257	178,484,694	177,212,484
Expenditures:						
General government	2,728,622	3,685,285	5,379,898	4,323,332	5,000,827	5,054,617
Public safety	49,431,301	54,409,038	59,866,150	61,675,869	64,735,812	70,637,275
Urban development	35,748,102	38,076,742	50,026,817	59,638,945	58,373,543	59,624,349
Community services	11,207,490	11,752,699	13,001,693	13,122,353	12,120,611	20,816,615
Capital outlay	3,565,620	2,510,205	2,182,578	1,055,369	19,944,715	2,246,951
Debt service:						
Principal	9,734,208	4,668,488	13,749,122	3,357,630	9,251,232	8,078,448
Interest and fiscal charges	24,343,779	25,363,935	21,459,762	22,819,282	27,328,302	27,092,737
Debt issuance costs	-	3,758,841	1,551,787	2,447,589	1,253,413	241,350
Total expenditures	136,759,122	144,225,233	167,217,807	168,440,369	198,008,455	193,792,342
Excess of revenues over (under) expenditures	(12,427,675)	(13,242,119)	(13,774,146)	(3,902,112)	(19,523,761)	(16,579,858)
Other Financing Sources (Uses):						
Issuance of bonds, loans and notes	7,922,718	117,269,606	28,233,416	76,825,100	74,207,460	8,805,595
Bond premium	-	2,726,007	980,972	-	1,087,257	57,600
Bond discount	(22,000)	(327,164)	-	-	-	-
Payments to escrow agent	-	(22,608,271)	-	(53,255,000)	(59,750,000)	-
Proceeds from capital lease	-	646,123	582,200	1,343,850	1,714,407	304,646
Sale of capital assets	166,486	5,578	40,385	36,037	(544,813)	879,130
Special item, pension contribution	-	(27,722,510)	-	-	-	-
Transfers in	18,188,104	92,621,209	29,039,524	47,308,301	71,510,464	35,568,008
Transfers out	(18,293,729)	(91,377,477)	(28,081,566)	(47,422,755)	(70,794,439)	(39,460,156)
Total other financing sources (uses)	7,961,579	71,233,101	30,794,931	24,835,533	17,430,336	6,154,823
Net change in fund balances	\$ (4,466,096)	\$ 57,990,982	\$ 17,020,785	\$ 20,933,421	\$ (2,093,425)	\$ (10,425,035)

Debt service as a percentage of noncapital expenditures	25.59%	23.84%	22.27%	17.10%	21.25%	18.49%
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Ten years of data is not available.

Governmental Activities Tax Revenue by Source

Last Six Years (in thousands of dollars)

Fiscal Year Ended June 30	Property Tax	Sales Tax	Motor Vehicle License	Transient Occupancy	Property Transfer Tax	Franchise	Utility Users Tax	Business Licenses	Other	Total
2003	\$ 29,915	\$ 15,647	\$ 16,493	\$ 1,349	\$ -	\$ 1,980	\$ 8,867	\$ 2,147	\$ 1,624	\$ 78,022
2004	32,674	14,484	7,204	1,483	-	4,078	16,375	2,256	936	79,490
2005	46,538	11,684	1,025	1,474	-	4,360	16,775	2,443	786	85,085
2006	53,240	14,710	1,109	1,865	-	5,397	17,577	2,625	679	97,202
2007	51,952	19,073	874	1,727	2,152	5,872	18,290	2,845	2,460	105,245
2008	56,246	17,200	719	1,719	1,189	5,776	18,154	2,978	1,974	105,955

Ten years of data is not available.

City of Pomona

**Assessed Value and Estimated Actual Value of Taxable Property
Last Six Fiscal Year (in thousands of dollars)**

Fiscal Year Ended June 30	Residential Property	Commercial Property	Industrial Property	Other	Less: Tax Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate
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
2008	6,130,493	940,749	1,022,518	749,619	74,723	8,768,656	1.13719

Source: Muni Services/ The HdL Companies

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 7

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
City Direct Rates:										
City basic rate	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
Overlapping Rates:										
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	0.00079	0.00066	0.00000
Schools	0.08391	0.10507	0.13493	0.12202	0.12342	0.12633	0.12910	0.12488	0.12401	0.11379
Community College	0.00000	0.00000	0.00000	0.00000	0.01946	0.01525	0.01473	0.02122	0.02184	0.01750
Flood Control	0.00195	0.00177	0.00155	0.00107	0.00088	0.00046	0.00025	0.00005	0.00005	0.00140
Metro Water District	0.00890	0.00890	0.00880	0.00770	0.00670	0.00610	0.00580	0.00520	0.00470	0.00450
Total Direct Rate	1.09476	1.11573	1.14528	1.13079	1.15046	1.14814	1.14988	1.15214	1.15126	1.13719

Source: Los Angeles County Auditor-Controller

City of Pomona
Principal Property Taxpayers
Current Year and Three Years Ago

Schedule 8

Taxpayer	2008			2005		
	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	\$ 63,335,237	1	0.73%	\$ -		0.00%
Realty Assoc Fund VII LP	41,791,440	2	0.48%	-		0.00%
Ripon Cogeneration Inc	30,936,840	3	0.36%	-		0.00%
Congregational Homes	29,206,588	4	0.34%	-		0.00%
Fairplex	26,957,041	5	0.31%	25,402,225	3	0.41%
Realty Assoc IOWA Corp	25,138,377	6	0.29%	23,688,472	5	0.38%
1675 Mission Assoc LLC	23,823,078	7	0.27%	-		0.00%
Topanga Owensmouth 7 LLC	23,577,129	8	0.27%	-		0.00%
Coca Cola Co	23,348,930	9	0.26%	22,589,566	6	0.36%
FDS Mfg. Co	21,141,207	10	0.24%	-		0.00%
Essex Crest LP	-		-	60,656,659	1	0.97%
Pomona Gateway Partners LLC	-		-	31,299,104	2	0.50%
Rockwell Collins Inc	-		-	24,865,537	4	0.40%
CH Realty III Pomona LP	-		-	21,000,000	7	0.34%
Smurfit Newsprint Corp	-		-	19,897,895	8	0.32%
Devry Inc	-		-	18,391,066	9	0.29%
F D S Mfg Co	-		-	18,005,478	10	0.29%

Source: MBIA MuniServices Company

City of Pomona
Property Tax Levies and Collections
Last Six Fiscal Years

Schedule 9

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	\$ 8,057,432	\$ 7,990,495	99.2%	\$ 250,142	\$ 8,240,637	102.3%
2004	9,214,750	8,455,522	91.8%	601,132	9,056,654	98.3%
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%
2008	12,337,207	12,278,199	99.5%	1,355,970	13,634,169	110.5%

Source: City of Pomona Finance Department

Ten years of data is not available.

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City of Pomona
Ratios of Outstanding Debt by Type
Last Six 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	32,120,626	325,465,655
2008	9,730,000	229,692,274	42,280,684	13,520,545	33,021,439	328,244,942

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.

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%	2,302
63,575,000	4,049,424	67,624,424	380,968,504	2.1%	2,369
62,285,000	3,581,475	65,866,475	392,085,272	2.3%	2,423
140,135,710	2,219,551	142,355,261	467,820,916	n/a	2,885
139,885,619	1,744,955	141,630,574	469,875,516	n/a	2,876

Ratios of General Bonded Debt Outstanding

Last Six 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	3.9%	1,809
2008	229,692	9,730	42,281	13,521		295,224	3.6%	1,795

(1) See Schedule 6 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
Current Year and Nine Years Ago

Schedule 12

OVERLAPPING DEBT 06/30/08:	Total Debt 6/30/2008	% Applicable (1)	City's Share of Debt 6/30/08
Metropolitan Water District	\$ 150,054,336	0.753	\$ 1,130,429
Citrus Community College District	56,325,000	1.315	740,477
Mount San Antonio Community College District	169,292,046	13.081	22,144,673
Bonita Unified School District	53,464,790	0.136	72,764
Claremont Unified School District	41,530,000	6.552	2,721,137
Pomona Unified School District	148,324,163	76.938	114,118,334
TOTAL OVERLAPPING DEBT			<u>\$ 140,927,814</u>
OVERLAPPING DEBT 06/30/99:	Total Debt 6/30/1999	% Applicable (1)	City's Share of Debt 6/30/99
Los Angeles County Flood Control District	\$ 38,735,000	0.744	\$ 288,324
Detention Facilities 1987 Deb S	53,005,000	0.756	400,883
Pomona Unified School District	85,345,000	79.07	67,482,120
TOTAL OVERLAPPING DEBT			<u>\$ 68,171,327</u>

Source: The HdL Companies

City of Pomona
Legal Debt Margin Information
Last Six Fiscal Years (in thousands of dollars)

Schedule 13

	2003	2004	2005	2006	2007	2008
Debt limit	\$ 832,676	\$ 893,751	\$ 954,851	\$ 1,061,285	\$ 1,209,039	\$ 1,315,298
Amount of debt applicable to debt limit	-	-	-	-	-	-
Legal debt margin	\$ 832,676	\$ 893,751	\$ 954,851	\$ 1,061,285	\$ 1,209,039	\$ 1,315,298
Total debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Legal Debt Margin Calculation for Fiscal Year 2007

Assessed Value	\$ 8,768,656
Debt Limit 15%	1,315,298
Debt applicable to debt limit	-
Legal Debt Margin	<u>\$ 1,315,298</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 14

Fiscal Year Ended June 30	Water Revenue Bonds							Coverage
	Water Revenue	Less Operating Expenses	Net Available Revenue	Debt Service				
				Principal	Interest	Total		
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	-	2,749,976	2,749,976	1.601	
2008	28,792,748	20,731,943	8,060,805	-	5,254,953	5,254,953	1.534	

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 Seven Fiscal Years

Schedule 15

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
2008	163,405 *	2,398,683 *	14,679 *	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

* Repeated info from 2007, as new data not available on websites

Ten years of data is not available.

City of Pomona
Principal Employers
Current Year and Nine Years Ago

Schedule 16

Employer - 2008	2008	
	Number of Employees	Percentage of Total City Employment
Pomona Unified School District	3406	5.1%
Pomona Valley Hospital	3080	4.6%
California State Polytechnic University	2640	3.9%
Lanterman Developmental Center	1780	2.6%
City of Pomona	927	1.4%
Casa Colina Rehabilitation Center	600	0.9%
Verizon	596	0.9%
Lloyd's Material Supply (CAI)	536	0.8%
County of Los Angeles Department of Social Services	378	0.6%
Hayward Industries Inc	377	0.6%
First Transit	311	0.5%
Inland Valley Care & Rehab	301	0.4%
Royal Cabinets	300	0.4%
Pioneer Electronics	280	0.4%
Walmart Stores Inc	240	0.4%
Vertis Inc	235	0.3%
Hamilton Sundstrand	210	0.3%
Anheuser Busch	197	0.3%
Sheraton Suites Fairplex	190	0.3%
Home Depot	184	0.3%

City of Pomona
Authorized Full-Time City Employees by Function
Last Six Fiscal Years

Schedule 17

Function	2003	2004	2005	2006	2007	2008
General Government	23	25	36	38	37	36
Support Services	46	49	47	45	46	52
Police	319	330	333	332	349	348
Public Works	82	82	77	87	88	87
Planning & Housing	66	68	56	40	40	40
Utility Services	133	132	132	126	127	128
Neighborhood Services	79	79	79	76	78	80
Total	748	765	760	744	765	771

Source: City of Pomona Finance Department

Ten years of data is not available.

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City of Pomona
Taxable Sales by Category
Last Ten Calendar Years
(in thousands of dollars)

	1998	1999	2000	2001	2002
Apparel Stores	\$ 7,742	\$ 6,744	\$ 10,497	\$ 10,852	\$ 11,557
General Merchandise	28,255	41,788	46,537	52,207	47,816
Food Stores	33,681	51,895	55,729	55,527	57,918
Eating and Drinking Places	58,111	80,049	85,153	91,086	93,521
Building Materials	104,983	131,682	112,443	108,828	112,310
Auto Dealers and Supplies	120,082	158,800	178,899	228,894	285,311
Service Stations	63,917	91,442	116,059	115,807	106,814
Other Retail Stores	77,405	110,470	118,699	122,333	129,272
All Other Outlets	326,612	412,816	459,136	390,612	381,594
Total	\$ 820,788	\$ 1,085,686	\$ 1,183,152	\$ 1,176,146	\$ 1,226,113

Source: The HdL Companies

2003	2004	2005	2006	2007
\$ 11,122	\$ 10,676	\$ 6,056	\$ 6,277	\$ 7,929
44,978	46,666	48,039	50,144	49,839
55,596	58,574	63,619	69,894	71,838
96,178	106,413	115,373	117,108	121,796
121,341	139,659	220,011	306,092	283,287
297,048	311,431	322,086	251,894	217,924
124,788	151,061	181,428	185,542	194,850
140,622	136,515	130,299	136,855	130,933
372,210	388,639	703,916	509,377	544,522
<u>\$ 1,263,883</u>	<u>\$ 1,349,634</u>	<u>\$ 1,790,827</u>	<u>\$ 1,633,183</u>	<u>\$ 1,622,918</u>

City of Pomona
Operating Indicators by Function
Last Four Fiscal Years

Schedule 19

	2005	2006	2007	2008
Police:				
Felony Arrests	4,592	3,987	3,990	3,491
Misdemeanor Arrests	9,318	8,888	8,319	7,068
Parking Citations	12,492	13,000	14,670	24,293
Moving Citations	11,151	9,113	15,861	19,546
Fire:				
Incidents	11,989	12,892	12,557	12,393
Urban development:				
Residential building permits issued	3,052	3,174	3,039	2,111
Inspections	12,907	14,585	20,877	23,235
Asphalt repaired (square feet)	18,000	19,500	16,600	31,862
Sidewalk repaired (square feet)	24,500	26,000	16,859	14,977
Community services:				
Community Center participants	528,255	556,000	919,153	899,611
Senior Program participants	108,250	110,240	185,285	244,000
Youth program participants	278,654	280,000	286,925	234,648
Other program participants	56,365	66,200	70,329	72,345
Sports Teams	250,350	450,300	376,614	348,618
Facility rentals	420	466	424	273
Library:				
Program attendance (all programs)	18,131	17,650	11,514	10,711
Literacy instruction (hours)	1,048	1,500	762	639
Water:				
New connections	121	166	47	152
Average daily consumption (thousands of gallons)	21,179	19,990	23,028	22,086
Refuse:				
Curbside Collection (in tons)	41,279	42,000	42,884	41,638
Recycle Collection (in tons)	9,448	9,500	9,380	8,871
Greenwaste Collection (in tons)	n/a	n/a	14,687	13,259

Source: Various City Departments

Ten years of data is not available.

City of Pomona
Capital Asset Statistics by Function
Last Four Fiscal Years

Schedule 20

	2005	2006	2007	2008
Police:				
Stations	1	1	1	1
Patrol Units	45	45	45	45
Fire:				
Fire stations	8	8	8	8
Public works:				
Streets (miles)	n/a	n/a	296	388
Streetlights	n/a	n/a	9,933	7645
Traffic signals	n/a	n/a	175	175
Community services:				
Parks	25	25	25	28
Park Acreage	210	210	210	210
Baseball fields	14	14	14	14
Soccer fields	11	11	11	13
Basketball courts	17	17	18	22
Tennis courts	9	9	9	9
Community centers	7	7	12	13
Libraries	1	1	1	1
Water:				
Water mains (miles)	435	435	436	439
Sewer:				
Sanitary sewers (miles)	293	293	313	313
Storm drains (miles)	120	120	120	120

Source: Various City Departments

Ten years of data is not available.