



City of
Pomona
CALIFORNIA

Comprehensive Annual Financial Report
For the Year Ended June 30, 2009



CITY OF POMONA, CALIFORNIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Year Ended June 30, 2009

Elliott Rothman

Mayor

Danielle Soto

Councilmember, District 1

Freddie Rodriguez

Councilmember, District 2

Cristina Carrizosa

Councilmember, District 3

Paula Lantz

Councilmember, District 4

Tim Saunders

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, 2009

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January 28, 2010



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, 2009 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, 2009. 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 (Redevelopment 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 163,408 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. Major employers in the private sector include California Acrylic Industries, First Transit, Hayward Industries, Lloyd's Material Supply Royal Cabinets, and Verizon. 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.

According to estimates published by the California Employment Development Department in the Labor Market Information Division, Pomona's employed civilian labor force was approximately 67,100 as of 2008, representing an increase of more than 4,000 jobs compared to 2000 census data.

Retail sales tax is a principal revenue source for the City. Following a period of sustained growth early in the decade, Pomona has clearly felt the effects of a nationwide recession, with annual taxable retail sales of approximately \$1.2 billion dollars in FY 2008-09. Pomona 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 \$9.2 billion dollars in Fiscal Year 2008-09. 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 (secured, unsecured, property transfer tax, in-lieu, etc.) constituted 31.9% of budgeted General Fund revenues during Fiscal Year 2008-09, while sales taxes (sales tax, one-half cent sales tax and in-lieu) represented 16.3% of the total.

LONG-TERM FINANCIAL PLANNING

The City's continued control over expenditure growth has been, and will continue to be, a key factor in maintaining the City's financial position. 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 2009-10 that includes the use of \$139,000 worth of reserves. 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, 2009 are published under separate cover.

Budgetary Controls. The City maintains budgetary controls to ensure compliance with legal provisions embodied in the annual adopted 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 department level in the General Fund and by fund total for all other funds. 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 per the City Charter.

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, 2008. The City of Pomona has received a Certificate of Achievement for the last sixteen consecutive years (1993-2008). The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of 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, 2009. Please read it in conjunction with the basic financial statements and the accompanying notes to the basic financial statements.

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

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

Respectfully submitted,

A handwritten signature in black ink that reads "Paula Chamberlain". The signature is written in a cursive, flowing style.

Paula Chamberlain
Finance Director

CITY OF POMONA
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, 2008

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.



A stylized handwritten signature in black ink.

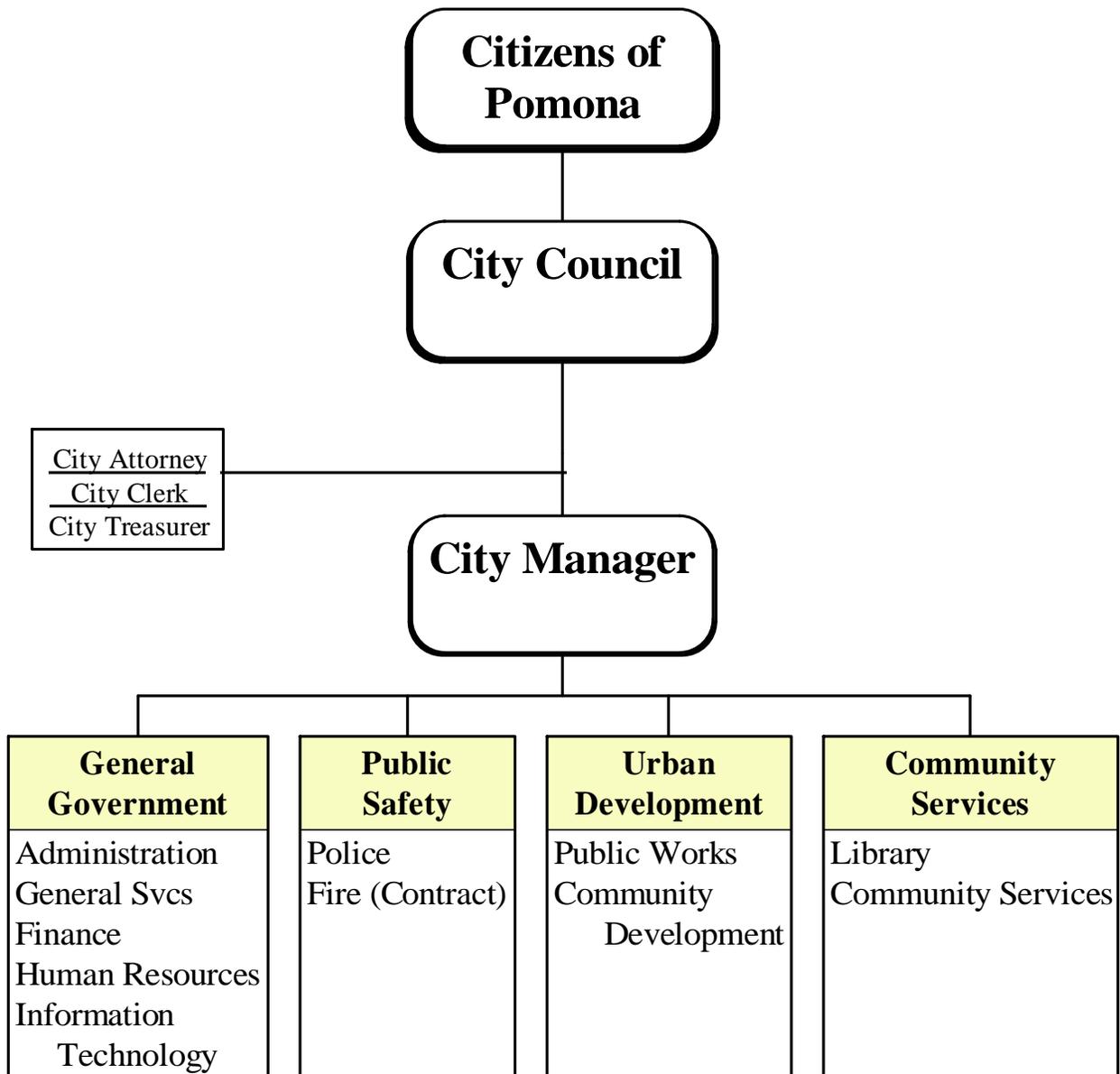
President

A handwritten signature in black ink that reads "Jeffrey R. Emer".

Executive Director

CITY OF POMONA

Organizational Chart



CITY OF POMONA
DIRECTORY OF CITY OFFICIALS
at June 30, 2009

CITY COUNCIL

Elliott Rothman
Mayor

Danielle Soto
Councilmember
District 1

Freddie Rodriguez
Councilmember
District 2

Cristina Carrizosa
Councilmember
District 3

Paula Lantz
Councilmember
District 4

Tim Saunders
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) Van Mack Madrigal
Human Resources William Johnson
Information Technology John Depolis
Library/Community Services Greg Shapton
Community Development Mark Lazzaretto
Police Chief Dave Keetle
Public Works (Interim) Neil Miller
Redevelopment Raymond Fong

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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Pomona, California (City), as of and for the year ended June 30, 2009, 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, 2009 of the Canon Water Company of Pomona, California, Inc. (Company), a component unit of the City, which represents \$251,479 of assets, \$5,324 of liabilities, \$246,155 of net assets, and \$4,750 of net income 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 statements date of June 30, 2009 and the year then ended, the State of California (State) has borrowed and proposed taking funds from local governments including the City. These actions by the State include:

- o 8% of Property Taxes borrowed -- to be repaid in 3 years
- o Gas tax payments deferred - to be paid after January 1, 2010
- o Redevelopment Agency funds -- prepared to be taken for fiscal year 2010

These amounts are significant to the City and may affect its ongoing operations. Certain lawsuits are in process to stop such State actions. For more detailed information, see Note 17 in the Notes to Basic Financial Statements.

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Oakland, California 94612

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Irvine, California 92606

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

San Diego
4858 Mercury, Suite 106
San Diego, California 92111

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

In 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, 2009, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with generally accepted accounting principles in the United States.

As described in Note 1 to the basic financial statements, the City adopted Statement of Governmental Accounting Standards Board No 49, *Accounting and Financial Reporting for Pollution Remediation Obligation*, No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments* and No. 56, *Codification of Accounting and Financial Reporting Guidance Contained in the AICPA Statement on Auditing Standards*.

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.

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 28, 2010



MANAGEMENT'S DISCUSSION AND ANALYSIS

Fiscal Year Ended June 30, 2009

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, 2009. 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 \$288.8 million.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$166.3 million.
- At the end of the current fiscal year, unreserved fund balance for the general fund was \$4.4 million, or approximately 4.7% 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, Community, Redevelopment, Community Services, 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 statements.

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 \$288.8 million at June 30, 2009. 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, 2008 and June 30, 2009 are as follows:

	Governmental Activities		Business-Type Activities		Total	
	2009	2008	2009	2008	2009	2008
Current and other assets	\$ 240.6	\$ 251.5	\$ 127.4	\$ 129.0	\$ 368.0	\$ 380.5
Capital assets	321.9	320.7	127.2	117.1	449.1	437.8
Total assets	<u>\$ 562.5</u>	<u>572.2</u>	<u>\$ 254.6</u>	<u>246.1</u>	<u>\$ 817.1</u>	<u>\$ 818.3</u>
Other liabilities	\$ 35.2	\$ 28.4	\$ 6.3	\$ 6.9	\$ 41.5	\$ 35.3
Long-term liabilities outstanding	343.3	339.9	143.5	144.9	486.8	484.8
Total liabilities	<u>\$ 378.5</u>	<u>\$ 368.3</u>	<u>\$ 149.8</u>	<u>\$ 151.8</u>	<u>\$ 528.3</u>	<u>\$ 520.1</u>
Net assets:						
Invested in capital assets, net of related debt	\$ 266.7	\$ 266.3	\$ 68.9	\$ 58.4	\$ 335.6	\$ 324.7
Restricted	130.7	126.4	2.9	3.0	133.6	129.4
Unrestricted	(213.4)	(188.8)	33.0	32.9	(180.4)	(155.9)
Total net assets	<u>\$ 184.0</u>	<u>\$ 203.9</u>	<u>\$ 104.8</u>	<u>\$ 94.3</u>	<u>\$ 288.8</u>	<u>\$ 298.2</u>

The City's net assets, including both the governmental activities and business-type activities, decreased \$9.4 million over the prior fiscal year. Total revenues decreased by 1.6% and total expenses increased 0.04%. General revenues reflect an overall increase of \$0.5 million, while program revenues decreased by \$4.0 million. Revenue from grants and contributions decreased 26.8% over the prior year for a total of \$10.9 million. Tax revenue increased less than 1.0% or \$0.8 million over prior year and charges for services increased by 11.8% or \$6.9 million.

GOVERNMENTAL ACTIVITIES

The City's net assets from governmental activities decreased \$20.0 million. The cost of all governmental activities this year was \$194.7 million. However, as shown in the Statement of Activities, the amount that the taxpayers ultimately financed for these activities was only \$146.9 million because some of the cost was paid by those who directly benefited from the programs (\$17.9 million), or by other governments and organizations that subsidized certain programs with operating grants and contributions (\$17.8 million), and capital grants and contributions (\$12.0 million). Overall, the City's governmental revenues were \$47.7 million. The City paid for the remaining "public benefit" portion of governmental activities with \$127.0 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, Community Services, and the 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.

	Governmental Activities		Business-Type Activities		Total	
	2009	2008	2009	2008	2009	2008
Revenues:						
Program Revenues:						
Charges for services	\$ 17.9	\$ 12.9			\$ 17.9	\$ 12.9
Water	-	-	\$ 27.9	\$ 27.2	27.9	27.2
Sewer	-	-	4.2	4.0	4.2	4.0
Refuse	-	-	8.7	7.7	8.7	7.7
Operating grants and contributions	17.8	24.2	-	0.1	17.8	24.3
Capital grants and contributions	12.0	12.4	-	4.0	12.0	16.4
General Revenues:						
Taxes:						
Property taxes	65.3	56.2	-	-	65.3	56.2
Sales and use taxes	10.6	17.2	-	-	10.6	17.2
Utility user tax	17.7	18.2	-	-	17.7	18.2
Transient occupancy	1.5	1.7	-	-	1.5	1.7
Property transfer tax	1.0	1.2	-	-	1.0	1.2
Franchises	6.9	5.8	-	-	6.9	5.8
Motor vehicle in-lieu	0.6	0.7	-	-	0.6	0.7
Business license	3.1	3.0	-	-	3.1	3.0
Other taxes	0.1	2.0	-	-	0.1	2.0
Income from property and investment	17.2	19.9	(0.6)	(1.7)	16.6	18.2
Miscellaneous	3.0	2.6	1.9	1.0	4.9	3.6
Total revenues	<u>\$ 174.7</u>	<u>\$ 178.0</u>	<u>\$ 42.1</u>	<u>\$ 42.3</u>	<u>\$ 216.8</u>	<u>\$ 220.3</u>
Expenses:						
General government	\$ 11.3	\$ 7.8	\$ -	\$ -	\$ 11.3	\$ 7.8
Public safety	76.9	71.8	-	-	76.9	71.8
Urban development	68.4	58.9	-	-	68.4	58.9
Community services	10.4	21.5	-	-	10.4	21.5
Interest on long-term debt	27.7	30.9	-	-	27.7	30.9
Water	-	-	18.9	22.8	18.9	22.8
Sewer	-	-	2.9	2.9	2.9	2.9
Refuse	-	-	9.8	8.8	9.8	8.8
Canon Water Company	-	-	-	0.1	-	0.1
Total expenses	<u>\$ 194.7</u>	<u>\$ 190.9</u>	<u>\$ 31.6</u>	<u>\$ 34.6</u>	<u>\$ 226.3</u>	<u>\$ 225.5</u>
Increase in net assets before transfers	\$ (20.0)	\$ (12.9)	\$ 10.5	\$ 7.7	\$ (9.5)	\$ (5.2)
Transfers	-	(1.7)	-	1.7	-	-
Increase (decrease) in net assets	\$ (20.0)	\$ (14.6)	\$ 10.5	\$ 9.4	\$ (9.5)	\$ (5.2)
Net assets at beginning of year	204.0	218.6	94.3	84.9	298.3	303.5
Net assets at 06/30/09	<u>\$ 184.0</u>	<u>\$ 204.0</u>	<u>\$ 104.8</u>	<u>\$ 94.3</u>	<u>\$ 288.8</u>	<u>\$ 298.3</u>

BUSINESS-TYPE ACTIVITIES

The cost of all business-type activities this year was \$32.2 million. As shown in the Statement of Activities and Changes in Net Assets, the amounts paid by users of the systems was \$40.8 million. Investment expense was \$0.6 million and miscellaneous revenue was \$1.9 million.

Total resources available during the year to finance business-type activities were \$135.1 million consisting of Net Assets at July 1, 2008 of \$94.3 million and program revenues of \$40.8 million. Total revenue of business-type activities during the year was \$42.7 million; thus net assets were increased by \$10.5 million to \$104.8 million.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

The fund balance at year-end for the City's General Fund of \$8.8 million is an overall decrease of \$6.5 million, primarily due to decreases in sales tax, utility tax and property transfer tax.

The Low and Moderate Income Housing Fund reflects a decrease of \$1.8 million due to reduced funds received from the use of property and an increase in the amount transferred to debt service.

The City Debt Service Funds reflect an increase of approximately \$300,000 primarily due to reduced interest and fiscal charges in FY 09.

The Public Financing Authority Funds show a decrease of \$2.2 million primarily due to a reduction in reserve requirements based on principal payments during the year.

The Redevelopment Agency Debt Service Funds show an increase of \$1.1 million primarily due to transfer of funds from the Low and Moderate Income Housing Fund representing an adjustment of 2007-08 maximum cap limits.

The Redevelopment Agency Capital Project Funds show a decrease of \$700,000 insofar as no land sales were completed as anticipated.

The Other Governmental Funds show a decrease of \$7.1 million primarily due to use of Prop C funds for Mission/71 Interchange and Prop 1B funds for various 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, City of Pomona Public Financing Authority, and Pomona Housing Authority) had total long-term debt outstanding of \$478.8 million.

The City also entered into new lease agreements totaling \$2.0 million for the purchase of a police helicopter and other city equipment. The terms of the new leases range from five to ten years.

	Governmental Activities	Business-Type Activities	Total
Bonds	\$ 279,316,054	\$ 139,635,527	\$ 418,951,581
Certificates of participation	13,234,923	-	13,234,923
Notes payable	1,960,000	-	1,960,000
LA County deferred tax loan	30,081,078	-	30,081,078
Compensated absences	8,128,449	1,172,191	9,300,640
Obligations under capital lease	3,959,606	1,286,361	5,245,967
Total	<u>\$ 336,680,110</u>	<u>\$ 142,094,079</u>	<u>\$ 478,774,189</u>

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, 2009, net capital assets of the governmental activities totaled \$321.9 million and the net capital assets of the business-type activities totaled \$127.2 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	\$ 79,949,602	\$ -	\$ 79,949,602
Buildings and improvements	14,887,815	9,136,745	5,751,070
Improvements other than buildings	50,827,656	15,028,361	35,799,295
Machinery and equipment	18,116,545	9,190,525	8,926,020
Autos and trucks	8,218,728	6,533,388	1,685,340
Equipment under capital leases	4,169,669	793,239	3,376,430
Infrastructure	374,475,533	213,993,549	160,481,984
Construction in progress	25,967,641	-	25,967,641
Total	<u>\$ 576,613,189</u>	<u>\$ 254,675,807</u>	<u>\$ 321,937,382</u>
Capital Assets - Business -Type Activities			
Land and water rights	\$ 4,298,097	\$ -	\$ 4,298,097
Construction in progress	24,269,497	-	24,269,497
Buildings and improvements	148,084	23,068	125,016
Improvements other than buildings	286,638	55,194	231,444
Machinery and equipment	161,773,845	64,744,705	97,029,140
Autos and trucks	6,179,445	5,392,771	786,674
Equipment under capital leases	690,724	276,289	414,435
Total	<u>\$ 197,646,330</u>	<u>\$ 70,492,027</u>	<u>\$ 127,154,303</u>

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 2008-09 original adopted budget of the General Fund of \$98.2 million to the final budget of \$100.5 million shows a net increase of \$2.3 million. The increase in the budget was primarily due to increased legal costs, various contract services, and personnel costs.

ECONOMIC FACTORS

The City of Pomona's General Fund finished Fiscal Year 2008-09 with expenses exceeding revenues by nearly \$6.5 million. Although there was continued growth in overall Property Tax receipts, weakness in certain key line items (redemptions, transfer tax), combined with pending "decline in value" reassessments, makes for serious concern with respect to the coming fiscal year. Moreover, the increased and ongoing dependency upon property tax related revenue (VLF in-lieu and "triple-flipped" sales taxes) has adversely impacted the City's cashflow, and will amplify the impact of any protracted weakness in this area. Of more immediate concern, however, is a substantial decline in Sales and Use Tax revenue, which fell by 22.6% (excluding triple-flipped moneys), versus prior fiscal year levels. This was due to the closure of several of the City's largest Sales Tax generators, and an unprecedented drop in receipts within both the new vehicle and building/construction sectors – the two largest sources of local Sales and Use Tax revenue. And while local government was again free of significant new State revenue shifts in 2008-09, the impact of early 1990s ERAF reallocations has now grown to approach \$5.8 million per year. When all of these occurrences are coupled with an adopted FY 2009-10 budget that relies heavily upon the use prospective (non-recurring) revenues, a budgetary shortfall for the coming year may materialize.

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, 2009

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
ASSETS			
Current assets:			
Cash and investments	\$ 40,051,955	\$ 29,796,380	\$ 69,848,335
Receivables:			
Accounts, net	2,844,111	11,224,963	14,069,074
Interest	156,288	96,255	252,543
Due from other governments	14,837,837	-	14,837,837
Inventories	486,854	214,083	700,937
Prepaid items and deposits	5,233,948	10,400	5,244,348
Internal balances	536,153	(536,153)	-
Total current assets	<u>64,147,146</u>	<u>40,805,928</u>	<u>104,953,074</u>
Noncurrent assets:			
Restricted cash and investments	88,788,619	83,579,423	172,368,042
Loans receivable, net	27,903,640	-	27,903,640
Deferred charges	5,849,723	3,041,617	8,891,340
Pension asset, net	25,754,100	-	25,754,100
Land held for resale	28,098,386	-	28,098,386
Capital assets:			
Nondepreciable assets	105,917,243	28,567,594	134,484,837
Depreciable assets, net	216,020,139	98,586,709	314,606,848
Total noncurrent assets	<u>498,331,850</u>	<u>213,775,343</u>	<u>712,107,193</u>
Total assets	<u>562,478,996</u>	<u>254,581,271</u>	<u>817,060,267</u>
LIABILITIES			
Current liabilities:			
Accounts payable	4,365,786	3,360,774	7,726,560
Accrued liabilities	3,290,084	484,803	3,774,887
Interest payable	5,752,630	993,639	6,746,269
Notes payable	6,196,140	-	6,196,140
Unearned revenue	2,613,041	-	2,613,041
Compensated absences	4,500,000	500,000	5,000,000
Claims payable	4,200,000	-	4,200,000
Long term debt - due within one year	4,250,182	936,620	5,186,802
Total current liabilities	<u>35,167,863</u>	<u>6,275,836</u>	<u>41,443,699</u>
Noncurrent liabilities:			
Deposits payable	389,623	2,888,531	3,278,154
OPEB Obligations	6,086,450	-	6,086,450
Compensated absences	3,628,449	672,191	4,300,640
Claims payable	8,904,158	-	8,904,158
Long-term debt - due in more than one year	324,301,479	139,985,268	464,286,747
Total noncurrent liabilities	<u>343,310,159</u>	<u>143,545,990</u>	<u>486,856,149</u>
Total liabilities	<u>378,478,022</u>	<u>149,821,826</u>	<u>528,299,848</u>
NET ASSETS			
Invested in capital assets, net of related debt	266,710,638	68,860,850	335,571,488
Restricted for:			
Special projects	36,162,560	-	36,162,560
Debt services	13,232,640	2,940,659	16,173,299
Capital projects	81,351,503	-	81,351,503
Total restricted	<u>130,746,703</u>	<u>2,940,659</u>	<u>133,687,362</u>
Unrestricted	(213,456,367)	32,957,936	(180,498,431)
Total net assets	<u>\$ 184,000,974</u>	<u>\$ 104,759,445</u>	<u>\$ 288,760,419</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, 2009

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	\$ 11,325,897	\$ 901,240	\$ -	\$ -	\$ 901,240
Public safety	76,866,332	8,414,089	1,041,069	-	9,455,158
Urban development	68,405,205	7,831,882	16,409,475	12,020,471	36,261,828
Community services	10,418,491	768,218	387,830	-	1,156,048
Interest and fiscal charges	27,731,312	-	-	-	-
Total governmental activities	194,747,237	17,915,429	17,838,374	12,020,471	47,774,274
Business-type activities:					
Water	18,980,506	27,857,381	-	850	27,858,231
Sewer	2,963,196	4,189,672	-	-	4,189,672
Refuse	9,805,894	8,661,142	43,434	-	8,704,576
Canon Water Company	16,681	-	21,407	-	21,407
Total business-type activities	31,766,277	40,708,195	64,841	850	40,773,886
Total primary government	\$ 226,513,514	\$ 58,623,624	\$ 17,903,215	\$ 12,021,321	\$ 88,548,160

Functions/Programs	Net (Expense) Revenue and Changes in Net Assets		
	Primary Government		
	Governmental Activities	Business-type Activities	Total
Primary government:			
Governmental activities:			
General government	\$ (10,424,657)	\$ -	\$ (10,424,657)
Public safety	(67,411,174)	-	(67,411,174)
Urban development	(32,143,377)	-	(32,143,377)
Community services	(9,262,443)	-	(9,262,443)
Interest and fiscal charges	(27,731,312)	-	(27,731,312)
Total governmental activities	(146,972,963)	-	(146,972,963)
Business-type activities:			
Water	-	8,877,725	8,877,725
Sewer	-	1,226,476	1,226,476
Refuse	-	(1,101,318)	(1,101,318)
Canon Water Company	-	4,726	4,726
Total business-type activities	-	9,007,609	9,007,609
Total primary government	(146,972,963)	9,007,609	(137,965,354)
General revenues:			
Taxes:			
Property taxes	65,303,064	-	65,303,064
Sales taxes	10,628,900	-	10,628,900
Motor vehicle license	555,277	-	555,277
Transient occupancy taxes	1,450,270	-	1,450,270
Property transfer taxes	1,020,258	-	1,020,258
Franchise	6,861,266	-	6,861,266
Utility users taxes	17,732,063	-	17,732,063
Business licenses (nonregulatory)	3,051,371	-	3,051,371
Other	17,579	-	17,579
Total taxes	106,620,048	-	106,620,048
Investment earnings/(expense)	17,219,062	(563,393)	16,655,669
Miscellaneous	3,246,127	2,001,376	5,247,503
Transfers	(10,250)	10,250	-
Total general revenues and transfers	127,074,987	1,448,233	128,523,220
Change in net assets	(19,897,976)	10,455,842	(9,442,134)
Net assets - beginning of year	203,898,950	94,303,603	298,202,553
Net assets - end of year	\$ 184,000,974	\$ 104,759,445	\$ 288,760,419

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, 2009

	Major Funds			
	General	Low & Moderate Income Housing Fund	General Debt Service	Public Financing Authority Debt Service
	General	Fund	Service	Service
ASSETS				
Cash and investments	\$ 1,970,957	\$ 3,837,707	\$ 651,474	\$ 75,373
Receivables:				
Accounts, net	2,016,199	10,031	-	-
Interest	22,781	23,923	2,654	336
Due from other funds	1,965,406	-	-	-
Due from other governments	4,900,517	-	28,906	-
Inventories	117,404	-	-	-
Prepaid items and deposits	29,704	600,000	-	-
Restricted cash and investments	-	8,161,781	4,067,727	6,536,981
Loans receivable, net	-	13,299,067	-	-
Advances to other funds	4,223,091	-	-	228,145,000
Land held for resale	-	10,205,759	-	-
Total assets	\$ 15,246,059	\$ 36,138,268	\$ 4,750,761	\$ 234,757,690
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 1,249,117	\$ 14,427	\$ 7,457	\$ -
Accrued liabilities	2,512,346	58,869	-	2,592
Interest payable	-	-	1,063,318	-
Due to other funds	-	-	1,133,545	-
Deferred revenue	2,087,982	9,465,077	-	-
Deposits payable	-	136,440	-	-
Notes payable	600,000	1,052,448	-	-
Advances from other funds	-	9,545,000	48,690,000	-
Total liabilities	6,449,445	20,272,261	50,894,320	2,592
Fund Balances:				
Reserved for:				
Inventories	117,404	-	-	-
Prepaid items and deposits	25,325	600,000	-	-
Loans receivable	-	3,833,990	-	-
Advances to other funds	4,223,091	-	-	228,145,000
Land held for resale	-	10,205,759	-	-
Low and moderate income housing	-	1,226,258	-	-
Capital and special projects	-	-	-	-
Debt service and capital lease obligations	-	-	-	6,610,098
Unreserved, designated for:				
Contingencies	3,000,000	-	-	-
Unreserved, undesignated for:				
General fund	1,430,794	-	-	-
Special revenue funds	-	-	-	-
Debt service funds	-	-	(46,143,559)	-
Capital projects funds	-	-	-	-
Total fund balances	8,796,614	15,866,007	(46,143,559)	234,755,098
Total liabilities and fund balances	\$ 15,246,059	\$ 36,138,268	\$ 4,750,761	\$ 234,757,690

See accompanying Notes to Basic Financial Statements.

	Major Funds			
	Redevelopment	Redevelopment	Non-Major Governmental Funds	Total Governmental Funds
	Agency Debt Service	Agency Capital Project		
ASSETS				
Cash and investments	\$ 4,474,120	\$ 7,989,876	\$ 20,351,668	\$ 39,351,175
Receivables:				
Accounts, net	-	785,931	31,950	2,844,111
Interest	17,423	12,469	76,702	156,288
Due from other funds	-	-	-	1,965,406
Due from other governments	4,378,656	-	5,529,758	14,837,837
Inventories	-	-	-	117,404
Prepaid items and deposits	-	3,812,522	791,722	5,233,948
Restricted cash and investments	13,809,108	39,402,494	16,810,528	88,788,619
Loans receivable, net	956,000	2,221,134	11,427,439	27,903,640
Advances to other funds	-	-	-	232,368,091
Land held for resale	-	17,892,627	-	28,098,386
Total assets	\$ 23,635,307	\$ 72,117,053	\$ 55,019,767	\$ 441,664,905
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 32,463	\$ 168,762	\$ 2,745,526	\$ 4,217,752
Accrued liabilities	-	52,400	591,658	3,217,865
Interest payable	-	-	-	1,063,318
Due to other funds	-	-	295,708	1,429,253
Deferred revenue	3,481,770	1,082,647	10,373,959	26,491,435
Deposits payable	-	253,183	-	389,623
Notes payable	-	2,413,692	2,130,000	6,196,140
Advances from other funds	171,040,244	3,092,847	-	232,368,091
Total liabilities	174,554,477	7,063,531	16,136,851	275,373,477
Fund Balances:				
Reserved for:				
Inventories	-	-	-	117,404
Prepaid items and deposits	-	3,812,522	791,722	5,229,569
Loans receivable	-	2,221,134	11,427,439	17,482,563
Advances to other funds	-	-	-	232,368,091
Land held for resale	-	17,892,627	-	28,098,386
Low and moderate income housing	-	-	-	1,226,258
Capital and special projects	-	-	18,645,396	18,645,396
Debt service and capital lease obligations	-	-	-	6,610,098
Unreserved, designated for:				
Contingencies	-	-	-	3,000,000
Unreserved, undesignated for:				
General fund	-	-	-	1,430,794
Special revenue funds	-	-	5,729,977	5,729,977
Debt service funds	(150,919,170)	41,127,239	-	(155,935,490)
Capital projects funds	-	-	2,288,382	2,288,382
Total fund balances	(150,919,170)	65,053,522	38,882,916	166,291,428
Total liabilities and fund balances	\$ 23,635,307	\$ 72,117,053	\$ 55,019,767	\$ 441,664,905

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, 2009

Total Fund Balances - Total Governmental Funds \$ 166,291,428

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	\$ 105,917,243	\$ -	105,917,243
Depreciable, net of accumulated depreciation	216,020,139	227,071	215,793,068
Total capital assets	\$ 321,937,382	\$ 227,071	321,710,311

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 5,849,723

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 25,754,100

	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.			
	\$ (5,752,630)	\$ 1,063,360	(4,689,270)

Long-term liabilities were not due and payable in the current period. Therefore, they were not reported in the governmental funds.

	Government-Wide Statement of Net Assets	Internal Service Funds	
Compensated absences - current	\$ (4,500,000)	\$ 100,000	(4,400,000)
Compensated absences - noncurrent	(3,628,449)	69,345	(3,559,104)
OPEB obligations	(6,086,450)	-	(6,086,450)
Claims liability - current	(4,200,000)	-	(4,200,000)
Claims liability - noncurrent	(8,904,158)	-	(8,904,158)
Long-term debt - due within one year	(4,250,182)	6,961	(4,243,221)
Long-term debt - due in more than one year	(324,301,479)	-	(324,301,479)
	\$ (355,870,718)	\$ 176,306	(355,694,412)

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.

23,878,394

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 Net Assets 900,700

Net Assets of Governmental Activities \$ 184,000,974

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, 2009

	Major Funds			
	General	Low & Moderate Income Housing Fund	General Debt Service	Public Financing Authority Debt Service
REVENUES:				
Taxes	\$ 70,458,841	\$ -	\$ 516,898	\$ -
Special assessments	-	-	-	-
Intergovernmental	2,610,679	-	-	-
Charges for services	1,475,509	-	-	-
Fines and forfeitures	2,131,591	-	-	-
Licenses and permits	7,282,328	-	-	-
Use of money and property	1,017,062	447,186	77,371	11,844,489
Loan repaid	-	84,855	-	-
Miscellaneous	3,160,144	76,220	-	3,581
Total revenues	88,136,154	608,261	594,269	11,848,070
EXPENDITURES:				
Current:				
General government	3,502,103	-	15,942	20,026
Public safety	68,521,079	-	-	-
Urban development	13,570,948	2,562,535	-	-
Community services	6,790,126	-	-	-
Capital outlay	127,290	926,052	-	-
Debt service:				
Principal	1,128,305	-	234,000	2,340,000
Interest and fiscal charges	61,200	642,409	4,986,828	11,705,962
Total expenditures	93,701,051	4,130,996	5,236,770	14,065,988
REVENUES OVER (UNDER) EXPENDITURES	(5,564,897)	(3,522,735)	(4,642,501)	(2,217,918)
OTHER FINANCING SOURCES (USES):				
Issuance of bonds, loans, and notes payable	-	-	-	-
Payment to refunded bonds escrow agent	-	-	-	-
Bond premium	-	-	-	-
Issuance of capital leases	-	-	-	-
Sale of capital assets	34,894	-	-	-
Transfers in	2,538,011	5,248,661	4,954,678	-
Transfers out	(3,480,846)	(3,534,414)	-	-
Total other financing sources (uses)	(907,941)	1,714,247	4,954,678	-
Net change in fund balances	(6,472,838)	(1,808,488)	312,177	(2,217,918)
FUND BALANCES:				
Beginning of year	15,269,452	17,674,495	(46,455,736)	236,973,016
End of year	\$ 8,796,614	\$ 15,866,007	\$ (46,143,559)	\$ 234,755,098

See accompanying Notes to Basic Financial Statements.

	Major Funds			
	Redevelopment	Redevelopment	Non-Major Governmental Funds	Total Governmental Funds
	Agency Debt Service	Agency Capital Project		
REVENUES:				
Taxes	\$ 31,386,570	\$ -	\$ 6,681,783	\$ 109,044,092
Special assessments	-	-	1,220,222	1,220,222
Intergovernmental	1,531,861	-	21,531,267	25,673,807
Charges for services	-	-	605,142	2,080,651
Fines and forfeitures	-	-	1,977,259	4,108,850
Licenses and permits	-	-	67,936	7,350,264
Use of money and property	583,018	1,764,155	1,381,748	17,115,029
Loan repaid	-	-	168,209	253,064
Miscellaneous	102,202	180,282	1,365,605	4,888,034
Total revenues	33,603,651	1,944,437	34,999,171	171,734,013
EXPENDITURES:				
Current:				
General government	-	-	566,089	4,104,160
Public safety	-	-	4,208,865	72,729,944
Urban development	18,243,503	4,041,137	30,701,496	69,119,619
Community services	-	-	2,033,168	8,823,294
Capital outlay	-	-	4,408,812	5,462,154
Debt service:				
Principal	220,000	-	204,920	4,127,225
Interest and fiscal charges	9,367,349	-	91,704	26,855,452
Total expenditures	27,830,852	4,041,137	42,215,054	191,221,848
REVENUES OVER (UNDER) EXPENDITURES	5,772,799	(2,096,700)	(7,215,883)	(19,487,835)
OTHER FINANCING SOURCES (USES):				
Issuance of bonds, loans, and notes payable	533,765	-	-	533,765
Payment to refunded bonds escrow agent	-	-	-	-
Bond premium	-	-	-	-
Issuance of capital leases	-	-	2,048,956	2,048,956
Sale of capital assets	-	-	-	34,894
Transfers in	3,534,414	3,525,979	9,790,341	29,592,084
Transfers out	(8,746,085)	(2,156,053)	(11,684,936)	(29,602,334)
Total other financing sources (uses)	(4,677,906)	1,369,926	154,361	2,607,365
Net change in fund balances	1,094,893	(726,774)	(7,061,522)	(16,880,470)
FUND BALANCES:				
Beginning of year, as restated	(152,014,063)	65,780,296	45,944,438	183,171,898
End of year	\$ (150,919,170)	\$ 65,053,522	\$ 38,882,916	\$ 166,291,428

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, 2009

Net Change in Fund Balances - Total Governmental Funds \$ (16,880,470)

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	5,462,154
Urban development	13,007,817

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 \$15,171,131 and the depreciation expense of the internal service funds in the amount of \$23,481. (15,147,650)

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	140,321
Amortization of premium/discount	180,549
Amortization of deferred loss on refunding	(167,023)
Amortization of pension asset	344,643

Loss 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. (2,040,172)

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. 3,125,487

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. 98,417

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	(430,594)
Proceeds from capital leases	(2,048,955)
Principal payment	4,113,614

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. (1,967,921)

OPEB obligation costs did not require current resources, so it was not reported in the governmental funds. (3,092,328)

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. 952,280

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. (5,969,630)

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. 421,485

Change in Net Assets of Governmental Activities \$ (19,897,976)

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, 2009

	Major Funds			
	Water Utility	Sewer	Refuse	Canon Water Company February 28, 2009
ASSETS				
Current assets:				
Cash and investments	\$ 22,999,009	\$ 6,654,174	\$ 155	\$ 143,042
Receivables:				
Accounts, net	7,768,224	1,074,451	2,275,251	107,037
Interest	74,301	21,954	-	-
Inventories	214,083	-	-	-
Prepaid items and deposits	9,000	-	-	1,400
Total current assets	31,064,617	7,750,579	2,275,406	251,479
Noncurrent assets:				
Restricted cash and investments	63,543,154	20,036,269	-	-
Deferred charges	1,685,810	1,355,807	-	-
Capital assets:				
Nondepreciable assets	26,761,152	1,806,442	-	-
Depreciable assets, net	73,991,190	24,052,586	542,933	-
Total net capital assets	100,752,342	25,859,028	542,933	-
Total noncurrent assets	165,981,306	47,251,104	542,933	-
Total assets	197,045,923	55,001,683	2,818,339	251,479
LIABILITIES				
Current liabilities:				
Accounts payable	2,594,468	362,530	398,452	5,324
Accrued liabilities	354,997	39,505	90,301	-
Interest payable	882,656	109,606	1,377	-
Due to other funds	-	-	536,153	-
Compensated absences	350,000	50,000	100,000	-
Obligations under capital leases	317,765	-	123,855	-
Long-term debt - due within one year	200,000	295,000	-	-
Total current liabilities	4,699,886	856,641	1,250,138	5,324
Noncurrent liabilities:				
Deposits payable	2,888,531	-	-	-
Compensated absences	540,156	49,046	82,989	-
Obligations under capital leases	844,741	-	-	-
Long-term debt - due in more than one year	110,105,527	29,035,000	-	-
Total noncurrent liabilities	114,378,955	29,084,046	82,989	-
Total liabilities	119,078,841	29,940,687	1,333,127	5,324
NET ASSETS				
Invested in capital assets, net of related debt	55,179,664	13,262,108	419,078	-
Restricted for debt service	-	2,940,659	-	-
Unrestricted	22,787,418	8,858,229	1,066,134	246,155
Total net assets	\$ 77,967,082	\$ 25,060,996	\$ 1,485,212	\$ 246,155

See accompanying Notes to Basic Financial Statements.

	Total	Governmental Activities Internal Service Funds
ASSETS		
Current assets:		
Cash and investments	\$ 29,796,380	\$ 700,780
Receivables:		
Accounts, net	11,224,963	-
Interest	96,255	-
Inventories	214,083	369,450
Prepaid items and deposits	10,400	-
Total current assets	<u>41,342,081</u>	<u>1,070,230</u>
Noncurrent assets:		
Restricted cash and investments	83,579,423	-
Deferred charges	3,041,617	-
Capital assets:		
Nondepreciable assets	28,567,594	-
Depreciable assets, net	98,586,709	227,071
Total net capital assets	<u>127,154,303</u>	<u>227,071</u>
Total noncurrent assets	<u>213,775,343</u>	<u>227,071</u>
Total assets	<u>255,117,424</u>	<u>1,297,301</u>
LIABILITIES		
Current liabilities:		
Accounts payable	3,360,774	148,034
Accrued liabilities	484,803	72,219
Interest payable	993,639	42
Due to other funds	536,153	-
Compensated absences	500,000	100,000
Obligations under capital leases	441,620	6,961
Long-term debt - due within one year	495,000	-
Total current liabilities	<u>6,811,989</u>	<u>327,256</u>
Noncurrent liabilities:		
Deposits payable	2,888,531	-
Compensated absences	672,191	69,345
Obligations under capital leases	844,741	-
Long-term debt - due in more than one year	139,140,527	-
Total noncurrent liabilities	<u>143,545,990</u>	<u>69,345</u>
Total liabilities	<u>150,357,979</u>	<u>396,601</u>
NET ASSETS		
Invested in capital assets, net of related debt	68,860,850	220,110
Restricted for debt service	2,940,659	-
Unrestricted	32,957,936	680,590
Total net assets	<u>\$ 104,759,445</u>	<u>\$ 900,700</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, 2009

	Major Funds			Canon Water Company February 28, 2009
	Water Utility	Sewer	Refuse	
OPERATING REVENUES:				
Charges for services	\$ 26,048,356	\$ 4,189,672	\$ 8,661,142	\$ -
Miscellaneous	156,137	15,629	1,829,610	-
Total operating revenues	26,204,493	4,205,301	10,490,752	-
OPERATING EXPENSES:				
Personnel services	7,541,086	809,985	1,884,318	-
Operations	8,680,482	1,306,712	6,802,905	16,681
Claims expense	83,959	2,064	987,824	-
Depreciation	2,486,712	753,043	92,838	-
Amortization of issuance costs	-	72,158	-	-
Insurance	189,767	19,234	46,422	-
Total operating expenses	18,982,006	2,963,196	9,814,307	16,681
OPERATING INCOME (LOSS)	7,222,487	1,242,105	676,445	(16,681)
NONOPERATING REVENUES (EXPENSES):				
Gain (loss) on disposal of capital assets	1,500	-	8,413	-
Interest expense and fees	(5,106,170)	(1,302,305)	(5,127)	-
Investment earnings	4,920,511	929,674	-	24
Intergovernmental	850	-	43,434	21,407
Sale of reclaimed water	931,400	-	-	-
Sale of surplus water	877,625	-	-	-
Total nonoperating revenues (expenses)	1,625,716	(372,631)	46,720	21,431
INCOME (LOSS) BEFORE TRANSFERS	8,848,203	869,474	723,165	4,750
Transfers in	1,475,001	9,056	-	-
Transfers out	(900,000)	(573,807)	-	-
Total transfers	575,001	(564,751)	-	-
Change in net assets	9,423,204	304,723	723,165	4,750
NET ASSETS:				
Beginning of year	68,543,878	24,756,273	762,047	241,405
End of year	\$ 77,967,082	\$ 25,060,996	\$ 1,485,212	\$ 246,155

See accompanying Notes to Basic Financial Statements.

	Total	Governmental Activities Internal Service Funds
OPERATING REVENUES:		
Charges for services	\$ 38,899,170	\$ 4,838,351
Miscellaneous	2,001,376	12,215
Total operating revenues	40,900,546	4,850,566
OPERATING EXPENSES:		
Personnel services	10,235,389	1,575,257
Operations	16,806,780	2,589,125
Claims expense	1,073,847	199,968
Depreciation	3,332,593	23,481
Amortization of issuance costs	72,158	-
Insurance	255,423	40,806
Total operating expenses	31,776,190	4,428,637
OPERATING INCOME (LOSS)	9,124,356	421,929
NONOPERATING REVENUES (EXPENSES):		
Gain (loss) on disposal of capital assets	9,913	-
Interest expense and fees	(6,413,602)	(455)
Investment earnings	5,850,209	11
Intergovernmental	65,691	-
Sale of reclaimed water	931,400	-
Sale of surplus water	877,625	-
Total nonoperating revenues (expenses)	1,321,236	(444)
INCOME (LOSS) BEFORE TRANSFERS	10,445,592	421,485
Transfers in	1,484,057	-
Transfers out	(1,473,807)	-
Total transfers	10,250	-
Change in net assets	10,455,842	421,485
NET ASSETS:		
Beginning of year	94,303,603	479,215
End of year	\$ 104,759,445	\$ 900,700

See accompanying Notes to Basic Financial Statements.

City of Pomona
Statement of Cash Flows
Proprietary Funds
For the year ended June 30, 2009

	Major Funds			
	Water Utility	Sewer	Refuse	Canon Water Company February 28, 2009
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash received from customers/other funds	\$ 28,478,856	\$ 4,170,971	\$ 8,414,458	\$ (21,407)
Cash payments to suppliers for goods and services	(10,072,262)	(1,250,295)	(7,815,205)	(72,413)
Cash payments for general and administrative expenses	(7,664,736)	(853,221)	(1,933,744)	-
Cash received from (paid for) other	156,137	15,629	1,409,457	-
Net cash provided (used) by operating activities	10,897,995	2,083,084	74,966	(93,820)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Cash received from other governments	-	-	43,434	21,407
Transfers in	1,475,001	9,056	-	-
Transfers out	(900,000)	(573,807)	-	-
Net cash provided (used) by noncapital financing activities	575,001	(564,751)	43,434	21,407
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Purchase, acquisition and construction of capital assets	(12,569,672)	(725,803)	-	-
Proceeds from sale of capital assets	-	-	8,413	-
Repayment of bonds payable and capital leases	(342,693)	(200,828)	(120,209)	-
Interest paid on capital-related debt	(5,107,889)	(1,302,178)	(6,449)	-
Net cash provided (used) by capital and related financing activities	(18,020,254)	(2,228,809)	(118,245)	-
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest income received	4,960,652	948,551	-	24
Net cash provided (used) by investing activities	4,960,652	948,551	-	24
Net increase (decrease) in cash and cash equivalents	(1,586,606)	238,075	155	(72,389)
CASH AND CASH EQUIVALENTS:				
Beginning of year	88,128,769	26,452,368	-	215,431
End of year	<u>\$ 86,542,163</u>	<u>\$ 26,690,443</u>	<u>\$ 155</u>	<u>\$ 143,042</u>
FINANCIAL STATEMENT PRESENTATION:				
Cash and investments	\$ 22,999,009	\$ 6,654,174	\$ 155	\$ 143,042
Restricted cash and investments	63,543,154	20,036,269	-	-
Total cash, cash equivalents, and investments	<u>\$ 86,542,163</u>	<u>\$ 26,690,443</u>	<u>\$ 155</u>	<u>\$ 143,042</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:				
Operating income (loss)	\$ 7,222,487	\$ 1,242,105	\$ 676,445	\$ (16,681)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	2,486,712	753,043	92,838	-
Amortization	-	72,158	-	-
Other nonoperating revenue	1,809,025	-	-	-
Changes in operating assets and liabilities:				
Accounts receivable	621,475	(18,701)	(246,684)	(21,407)
Inventories	10,826	-	-	-
Prepaid items	(9,000)	-	-	(1,400)
Accounts payable	(1,353,500)	58,481	(24,476)	(54,332)
Accrued liabilities	25,708	56	969	-
Due to other funds	-	-	(420,153)	-
Unearned revenue	-	-	-	-
Deposit payable	43,853	-	-	-
Compensated absences	40,409	(24,058)	(3,973)	-
Claims payable	-	-	-	-
Total adjustments	(620,229)	15,778	(694,317)	(77,139)
Net cash provided (used) by operating activities	<u>\$ 10,897,995</u>	<u>\$ 2,083,084</u>	<u>\$ 74,966</u>	<u>\$ (93,820)</u>

See accompanying Notes to Basic Financial Statements.

	Total	Governmental Activities Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from customers/ other funds	\$ 41,042,878	\$ 4,840,973
Cash payments to suppliers for goods and services	(19,210,175)	(2,987,367)
Cash payments for general and administrative expenses	(10,451,701)	(1,565,773)
Cash received from (paid for) other	1,581,223	12,215
Net cash provided (used) by operating activities	12,962,225	300,048
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Cash received from other governments	64,841	-
Transfers in	1,484,057	-
Transfers out	(1,473,807)	-
Net cash provided (used) by noncapital financing activities	75,091	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Purchase, acquisition and construction of capital assets	(13,295,475)	-
Proceeds from sale of capital assets	8,413	-
Repayment of bonds payable and capital leases	(663,730)	(13,610)
Interest paid on capital-related debt	(6,416,516)	(537)
Net cash provided (used) by capital and related financing activities	(20,367,308)	(14,147)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest income received	5,909,227	11
Net cash provided (used) by investing activities	5,909,227	11
Net increase (decrease) in cash and cash equivalents	(1,420,765)	285,912
CASH AND CASH EQUIVALENTS:		
Beginning of year	114,796,568	414,868
End of year	<u>\$ 113,375,803</u>	<u>\$ 700,780</u>
FINANCIAL STATEMENT PRESENTATION:		
Cash and investments	\$ 29,796,380	\$ 700,780
Restricted cash and investments	83,579,423	-
Total cash, cash equivalents, and investments	<u>\$ 113,375,803</u>	<u>\$ 700,780</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
Operating income (loss)	\$ 9,124,356	\$ 421,929
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation	3,332,593	23,481
Amortization	72,158	-
Other nonoperating revenue	1,809,025	-
Changes in operating assets and liabilities:		
Accounts receivable	334,683	2,622
Inventories	10,826	(14,167)
Prepaid items	(10,400)	-
Accounts payable	(1,373,827)	(143,301)
Accrued liabilities	26,733	420
Due to other funds	(420,153)	-
Unearned revenue	-	-
Deposit payable	43,853	-
Compensated absences	12,378	9,064
Claims payable	-	-
Total adjustments	<u>(1,375,907)</u>	<u>(145,362)</u>
Net cash provided (used) by operating activities	<u>\$ 12,962,225</u>	<u>\$ 300,048</u>

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, 2009

	Agency Funds
ASSETS	
Cash and investments	\$ 3,543,281
Interest receivable	3,121
Due from other governments	8,603
Total assets	\$ 3,555,005
 LIABILITIES	
Accounts payable	\$ 1,374,875
Deposits payable	1,812,149
Due to bondholders	367,981
Total liabilities	\$ 3,555,005

See accompanying Notes to Basic Financial Statements.

City of Pomona
Index to Notes to Basic Financial Statements
For the year ended June 30, 2009

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For the year ended June 30, 2009

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NOTES TO BASIC FINANCIAL STATEMENTS

City of Pomona
Notes to Basic Financial Statements
For the year ended June 30, 2009

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:

- ◆ The City appoints the voting majority of the board of the entity and:
 - is able to impose its will on the entity and/or
 - is in a relationship of financial benefit or burden with the entity.
- ◆ The entity is fiscally dependent upon the City.
- ◆ The financial statements of the City would be misleading if data from the entity 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.

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.

City of Pomona
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

A. Financial Reporting Entity, Continued

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, 2009 except for Canon Water Company which had a fiscal year ended February 28, 2009.

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.

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.

City of Pomona
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

B. Basis of Accounting and Measurement Focus, Continued

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, 2009

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, 2009

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, 2009

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, 2009

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, 2009

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

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 leases 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, 2009

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, 2009

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, 2009

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 2009, the City adopted new accounting standards in order to conform to the following GASB Statements:

- GASB Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations* - This Statement addresses accounting and financial reporting standards for pollution (including contamination) remediation obligations, which are obligations to address the current or potential detrimental effects of existing pollution by participating in pollution remediation activities such as site assessments and cleanups.
- GASB Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments* - This Statement incorporates the hierarchy of generally accepted accounting principles (GAAP) for state and local governments into the GASB's authoritative literature.
- GASB Statement No. 56, *Codification of Accounting and Financial Reporting Guidance Contained in the AICPA Statements on Auditing Standards* - This Statement incorporates accounting and financial reporting guidance previously only contained in the American Institute of Certified Public Accountants (AICPA) auditing literature into the GASB's accounting and financial reporting literature for state and local governments.

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.

City of Pomona
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2009

2. CASH AND INVESTMENTS, Continued

A. Summary of Cash and Investments

The following is a summary of cash and investments at June 30, 2009:

	Government-Wide Statement of Net Assets			Fiduciary Funds	
	Governmental	Business-Type	Total	Statement of	
	Activities	Activities		Net Assets	Total
Cash and Investments	\$ 40,051,955	\$ 29,796,380	\$ 69,848,335	\$ 3,543,281	\$ 73,391,616
Restricted Cash and Investments:					
Held by trustees	\$ 2,083,106	\$ 186,746	\$ 2,269,852	\$ -	2,269,852
Held by fiscal agents	86,705,513	83,392,677	170,098,190	-	170,098,190
Total restricted cash and investments	\$ 88,788,619	\$ 83,579,423	\$ 172,368,042	\$ -	172,368,042
				Total	\$ 245,759,658

Cash and investments were comprised of the following at June 30, 2009:

Cash and cash equivalents:	
Petty Cash	\$ 11,928
Demand Deposit	1,892,147
Total Cash and cash equivalents	1,904,075
Investments:	
Local Agency Investment Fund	68,475,351
U.S. Government Securities:	
Federal Home Loan Bank (FHLB)	3,012,190
Total Investments	71,487,541
Total Cash and Investments	\$ 73,391,616

B. Cash Deposits

The carrying amounts of the City's cash deposits were \$1,892,147 at June 30, 2009. Bank balances at June 30, 2009, were \$4,681,748 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.

City of Pomona
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2009

2. CASH AND INVESTMENTS, Continued

B. Cash Deposits, Continued

The market value of pledged securities must equal at least 110% of the City's cash deposits. California law also allows institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the City's total cash deposits. The City may waive collateral requirements for cash deposits, which are fully insured up to \$250,000 by the Federal Deposit Insurance Corporation. The City, however, has not waived the collateralization requirements.

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

C. Investments

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

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

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

D. Investment in Local Agency Investment Funds

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, 2009, 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.

City of Pomona
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2009

2. CASH AND INVESTMENTS, Continued

D. Investment in Local Agency Investment Funds, Continued

As of June 30, 2009, the City had \$68,475,351 invested in LAIF, which had invested 14.71% of the pool investment funds in Structured Notes and Asset-Backed Securities as compared to 14.72% in the previous year. The LAIF fair value factor of 1.001364207 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, 2009, the City had the following investment maturities:

<u>Investment Type</u>	Fair Value	Investment Maturities (In Years)				
		Less than 1	1 to 2	2 to 3	3 to 4	4 to 5
Local Agency Investment Fund	\$ 68,475,351	\$ 68,475,351	\$ -	\$ -	\$ -	\$ -
Federal Home Loan Bank	3,012,190	-	-	3,012,190	-	-
Total	\$ 71,487,541	\$ 68,475,351	\$ -	\$ 3,012,190	\$ -	\$ -

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:

<u>Investment Pool</u>	<u>Moody's</u>	<u>Standard & Poor's</u>
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

City of Pomona
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2009

2. CASH AND INVESTMENTS, Continued

E. Risk Disclosures, Continued

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:

<u>Investments</u>	<u>Amount Invested</u>	<u>Percentage of Investments</u>
Local Agency Investment Fund	\$ 68,475,351	95.79%
Federal Home Loan Bank (FHLB)	3,012,190	4.21%
Total	<u>\$ 71,487,541</u>	<u>100.00%</u>

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. \$4,431,748 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, \$172,368,042 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, 2009.

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 \$5,226,000 as an investment at June 30, 2009. The investment is held by the fiscal agent.

City of Pomona
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2009

3. DUE FROM OTHER GOVERNMENTS

At June 30, 2009, the City's due from other governments consisted of the following:

<u>Agency</u>	
State of California	\$ 3,822,018
County of Los Angeles	9,321,157
Department of Motor Vehicles	200,429
Department of Housing and Urban Development	687,391
Department of Justice	91,036
Department of Education	44,471
Office of Emergency Management	52,723
Metropolitan Transit Authority (TDA Article 3)	581,530
Miscellaneous	37,082
Total	<u>\$ 14,837,837</u>

4. LOANS RECEIVABLE

At June 30, 2009, the City's loans receivable consisted of the following:

	<u>Balance</u> <u>July 1, 2008</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2009</u>
Casa Herrera	\$ 1,125,000	\$ -	\$ (125,000)	\$ 1,000,000
Deferred Home Improvement Loans	6,157,112	669,184	(119,154)	6,707,142
Prototype Loans	660,000	-	-	660,000
ADDI Loans	16,418	34,061	-	50,479
Rental Rehabilitation Loans	441,527	7,040	-	448,567
Greater Pomona Housing Loans	779,000	-	-	779,000
CHDO	253,046	-	-	253,046
HOPE 3 Loans	486,564	18,429	(52,238)	452,755
Shield of Faith	3,856,266	111,450	-	3,967,716
Manufactured Housing Rehabilitation Loans	1,760,244	100,796	(44,756)	1,816,284
Occupied Rehabilitation Loans	103,009	449	(39,780)	63,678
MAP Loans, net	1,476,823	857,586	(87,287)	2,247,122
NIP Loans	2,876,557	351,379	(83,219)	3,144,717
Olsen Covenants	451,000	2,000,000	-	2,451,000
Southern California Resources & Development	85,000	-	-	85,000
Business Assistance Loans	710,000	246,000	-	956,000
Postal Extra (El Centro)	2,534	-	-	2,534
Cardenas Market	37,500	-	(37,500)	-
Guadalajara Market	210,600	-	-	210,600
Community Builder Group	672,000	36,000	-	708,000
Pomona Fox Theater	1,300,000	-	-	1,300,000
Vehicle Parking District	-	600,000	-	600,000
Total	<u>\$ 23,460,200</u>	<u>\$ 5,032,374</u>	<u>\$ (588,934)</u>	<u>\$ 27,903,640</u>

City of Pomona
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2009

5. INTERFUND TRANSACTIONS

A. Government-Wide Financial Statements

Internal Balance - At June 30, 2009, the City had the following internal receivable and payable. The purpose of the internal balance was to cover cash deficits.

Internal Receivable	Internal Payable
	Business-Type
	Activities
Governmental Activities	\$ 536,153
	536,153

Transfers - At June 30, 2009, the City had the following transfers. The purpose of the transfers was for the in lieu franchise fee and debt service payments.

Transfers In	Transfers Out
	Business-Type
	Activities
Governmental Activities	\$ 10,250
	10,250

B. Fund Financial Statements

Due To/Due From - At June 30, 2009, the City had the following short-term interfund receivables and payables.

Due To Other Funds	Due From Other Funds
	General
General debt service	\$ 1,133,545
Nonmajor Governmental Funds	295,708
Refuse Enterprise Fund	536,153
Total	\$ 1,965,406
	1,965,406

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

City of Pomona
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2009

5. INTERFUND TRANSACTIONS, Continued

B. Fund Financial Statements, Continued

Long-Term Advances - At June 30, 2009, the City had the following interfund long-term advances:

		Advances To Other Funds		
		Public Financing Authority		
		General	Debt Service	Total
Advances From Other Funds	Governmental Funds:			
	Low & Moderate Income Housing	\$ -	\$ 9,545,000	\$ 9,545,000
	General Debt Service	-	48,690,000	48,690,000
	Redevelopment Agency Debt Service	1,130,244	169,910,000	171,040,244
	Redevelopment Agency Capital Project	3,092,847	-	3,092,847
Total	\$ 4,223,091	\$ 228,145,000	\$ 232,368,091	

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, 2009, the City had the following transfers:

		Transfers Out							
		Governmental Funds				Enterprise Funds			
		General	Low & Moderate Income Housing	Redevelopment Agency Debt Service	Redevelopment Agency Capital Project	Non-Major Governmental Funds	Water Utility	Sewer	Total
Transfers In	Governmental Funds:								
	General Fund	\$ -	\$ -	\$ -	\$ -	\$ 2,538,011	\$ -	\$ -	\$ 2,538,011
	Low & Moderate Income Housing	-	-	5,248,661	-	-	-	-	5,248,661
	General Debt Service	3,285,112	-	-	303,656	348,910	600,000	417,000	4,954,678
	Redevelopment Agency Debt Service	-	3,534,414	-	-	-	-	-	3,534,414
	Redevelopment Agency Capital Project	-	-	3,497,424	-	28,555	-	-	3,525,979
	Non-Major Governmental Funds	195,734	-	-	1,748,879	7,545,603	300,000	125	9,790,341
	Total Governmental Funds	\$ 3,480,846	\$ 3,534,414	\$ 8,746,085	\$ 2,052,535	\$ 10,461,079	\$ 900,000	\$ 417,125	\$ 29,592,084
	Proprietary Funds:								
	Water Utility Enterprise Fund	-	-	-	103,518	1,214,801	-	156,682	1,475,001
Sewer Enterprise Fund	-	-	-	-	9,056	-	-	9,056	
Total Proprietary Funds	-	-	-	103,518	1,223,857	-	156,682	1,484,057	
Total	\$ 3,480,846	\$ 3,534,414	\$ 8,746,085	\$ 2,156,053	\$ 11,684,936	\$ 900,000	\$ 573,807	\$ 31,076,141	

City of Pomona
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2009

5. INTERFUND TRANSACTIONS, Continued

B. Fund Financial Statements, Continued

The transfer of \$3,285,112 between the General Fund and the General Debt Service Fund was for Series AG and AN debt service.

The transfer of \$3,534,414 from the Low and Moderate Income Housing to the Redevelopment Agency Debt Service was to cover Low and Moderate Income Housing 's share of principal and interest debt service payments and 20% of Redevelopment Agency Debt Service expenses.

The transfer of \$5,248,661 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 \$3,497,424 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 \$1,748,879 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 and street rehab.

The transfers of \$2,538,011 from the Non-Major Governmental Funds (State Gas Tax) included a transfer of \$2,509,457 to the General Fund for various street related programs.

Of the transfers in the amount of \$7,545,603 from the Non-Major Governmental Funds to the Non-Major Governmental Funds included:

- transfers of \$6,860,118 from the Proposition C Fund to the Capital Outlay Fund were for construction projects.

The transfer of \$1,214,801 from the Non-Major Governmental Funds (Capital Outlay) to the Water Utility Enterprise Fund was for various water construction projects.

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

6. LAND HELD FOR RESALE

Land held for resale is comprised of the following at June 30, 2009:

Low & Moderate Income Housing Fund	\$ 10,205,759
Redevelopment Agency Capital Project Fund	17,892,627
Total	<u>\$ 28,098,386</u>

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

City of Pomona
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2009

7. CAPITAL ASSETS

A. Government-Wide Financial Statements

At June 30, 2009, the City's capital assets consisted of the following:

	Governmental Activities	Business-Type Activities	Total
Non-depreciable Assets:			
Land	\$ 79,949,602	\$ 4,298,097	\$ 84,247,699
Construction in process	25,967,641	24,269,497	50,237,138
Total non-depreciable assets	105,917,243	28,567,594	134,484,837
Depreciable Assets:			
Buildings and improvements	14,887,815	148,084	15,035,899
Improvements other than building	50,827,656	286,638	51,114,294
Machinery and equipment	18,116,545	161,773,845	179,890,390
Autos and trucks	8,218,728	6,179,445	14,398,173
Equipment under capitalized lease	4,169,669	690,724	4,860,393
Infrastructure	374,475,533	-	374,475,533
Total depreciable assets, at cost	470,695,946	169,078,736	639,774,682
Less accumulated depreciation:			
Buildings and improvements	(9,136,745)	(23,068)	(9,159,813)
Improvements other than building	(15,028,361)	(55,194)	(15,083,555)
Machinery and equipment	(9,190,525)	(64,744,705)	(73,935,230)
Autos and trucks	(6,533,388)	(5,392,771)	(11,926,159)
Equipment under capitalized lease	(793,239)	(276,289)	(1,069,528)
Infrastructure	(213,993,549)	-	(213,993,549)
Total accumulated depreciation	(254,675,807)	(70,492,027)	(325,167,834)
Total depreciable assets, net	216,020,139	98,586,709	314,606,848
Total capital assets	\$ 321,937,382	\$ 127,154,303	\$ 449,091,685

City of Pomona
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2009

7. CAPITAL ASSETS, Continued

A. Government-Wide Financial Statements, Continued

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

	Balance July 1, 2008	Additions	Deletions	Reclassifications	Balance June 30, 2009
Non-depreciable Assets:					
Land	\$ 76,881,932	\$ 3,067,670	\$ -	\$ -	\$ 79,949,602
Construction in process	16,336,944	11,490,912	(1,860,215)	-	25,967,641
Total non-depreciable assets	93,218,876	14,558,582	(1,860,215)	-	105,917,243
Depreciable Assets:					
Buildings and improvements	14,560,662	327,153	-	-	14,887,815
Improvements other than building	50,827,656	-	-	-	50,827,656
Machinery and equipment	17,915,584	283,936	(89,871)	6,896	18,116,545
Autos and trucks	7,554,992	104,607	(564,743)	1,123,872	8,218,728
Equipment under capitalized lease	3,563,192	1,737,245	-	(1,130,768)	4,169,669
Infrastructure	373,528,480	1,458,448	(511,395)	-	374,475,533
Total depreciable assets, at cost	467,950,566	3,911,389	(1,166,009)	-	470,695,946
Less accumulated depreciation:					
Buildings and improvements	(8,698,565)	(438,180)	-	-	(9,136,745)
Improvements other than building	(13,494,734)	(1,533,627)	-	-	(15,028,361)
Machinery and equipment	(7,605,252)	(1,670,995)	87,791	(2,069)	(9,190,525)
Autos and trucks	(5,867,607)	(725,412)	552,978	(493,347)	(6,533,388)
Equipment under capitalized lease	(920,372)	(368,283)	-	495,416	(793,239)
Infrastructure	(203,904,198)	(10,434,634)	345,283	-	(213,993,549)
Total accumulated depreciation	(240,490,728)	(15,171,131)	986,052	-	(254,675,807)
Total depreciable assets, net	227,459,838	(11,259,742)	(179,957)	-	216,020,139
Total capital assets	\$ 320,678,714	\$ 3,298,840	\$ (2,040,172)	\$ -	\$ 321,937,382

Depreciation expense for capital assets of the governmental activities for the year ended June 30, 2009 was as follows:

General government	\$ 571,426
Public safety	2,155,277
Urban development	11,157,020
Community services	1,263,927
Internal service funds	23,481
Total depreciation expense	\$ 15,171,131

City of Pomona
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2009

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, 2008	Additions	Deletions	Reclassifications	Balance June 30, 2009
Non-depreciable Assets:					
Land	\$ 4,298,097	\$ -	\$ -	\$ -	\$ 4,298,097
Construction in process	15,543,516	8,757,374	(31,393)	-	24,269,497
Total non-depreciable assets	19,841,613	8,757,374	(31,393)	-	28,567,594
Depreciable Assets:					
Buildings and improvements	148,084	-	-	-	148,084
Improvements other than building	286,638	-	-	-	286,638
Machinery and equipment	157,217,283	4,697,125	(202,328)	61,765	161,773,845
Autos and trucks	6,283,549	63,601	(388,296)	220,591	6,179,445
Equipment under capitalized lease	973,080	-	-	(282,356)	690,724
Total depreciable assets, at cost	164,908,634	4,760,726	(590,624)	-	169,078,736
Less accumulated depreciation:					
Buildings and improvements	(19,599)	(3,469)	-	-	(23,068)
Improvements other than building	(44,484)	(10,710)	-	-	(55,194)
Machinery and equipment	(61,635,677)	(3,108,958)	19,941	(20,011)	(64,744,705)
Autos and trucks	(5,545,808)	(140,384)	381,801	(88,380)	(5,392,771)
Equipment under capitalized lease	(315,608)	(69,072)	-	108,391	(276,289)
Total accumulated depreciation	(67,561,176)	(3,332,593)	401,742	-	(70,492,027)
Total depreciable assets, net	97,347,458	1,428,133	(188,882)	-	98,586,709
Total capital assets	\$ 117,189,071	\$ 10,185,507	\$ (220,275)	\$ -	\$ 127,154,303

Depreciation expense for capital assets of the business-type activities for the year ended June 30, 2009 was as follows:

Water utility	\$ 2,486,712
Sewer	753,043
Refuse	92,838
Total depreciation expense	\$ 3,332,593

City of Pomona
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2009

8. LONG-TERM DEBT

The following is a summary of long-term debt for the year ended June 30, 2009:

	Balance		Accrued		Balance	Classification	
	July 1, 2008	Additions	Interest	Deletions		June 30, 2009	Due within One Year
Governmental Activities:							
County deferred tax loan	\$ 27,682,564	\$ 430,594	\$ 1,967,920	\$ -	\$ 30,081,078	\$ -	\$ 30,081,078
Obligation under capital lease	3,118,875	2,048,956	-	(1,208,225)	3,959,606	1,088,880	2,870,726
Notes payable	2,220,000	-	-	(260,000)	1,960,000	265,000	1,695,000
Revenue bonds	229,692,274	-	-	(2,301,904)	227,390,370	2,475,000	224,915,370
Tax allocation bonds	9,730,000	-	-	(85,000)	9,645,000	90,000	9,555,000
Pension obligation refunding bonds	42,280,684	-	-	-	42,280,684	71,302	42,209,382
Certificates of participation	13,520,545	-	-	(285,622)	13,234,923	260,000	12,974,923
Subtotal	328,244,942	2,479,550	1,967,920	(4,140,751)	328,551,661	4,250,182	324,301,479
Compensated absences	8,217,801	5,057,990	-	(5,147,342)	8,128,449	4,500,000	3,628,449
Total governmental activities	\$ 336,462,743	\$ 7,537,540	\$ 1,967,920	\$ (9,288,093)	\$ 336,680,110	\$ 8,750,182	\$ 327,929,928
Business-Type Activities:							
Obligations under capital lease	\$ 1,744,955	\$ -	\$ -	\$ (458,594)	\$ 1,286,361	\$ 441,620	\$ 844,741
Revenue bonds	139,885,619	-	-	(250,092)	139,635,527	495,000	139,140,527
Subtotal	141,630,574	-	-	(708,686)	140,921,888	936,620	139,985,268
Compensated absences	1,159,813	726,033	-	(713,655)	1,172,191	500,000	672,191
Total business-type activities	\$ 142,790,387	\$ 726,033	\$ -	\$ (1,422,341)	\$ 142,094,079	\$ 1,436,620	\$ 140,657,459

A. Governmental Activities Long-Term Debt

County Deferred Tax Loan

At June 30, 2009, the County deferred tax loan consisted of the following:

	Balance		Accrued		Balance	Due within one year	Due in more than one year
	June 30, 2008	Additions	Interest	Deletions			
Southwest Pomona Project Area	\$ 25,595,101	\$ -	\$ 1,791,656	\$ -	\$ 27,386,757	\$ -	\$ 27,386,757
South Garey / Freeway Corridor Project Area	2,087,463	430,594	176,264	-	2,694,321	-	2,694,321
Total	\$ 27,682,564	\$ 430,594	\$ 1,967,920	\$ -	\$ 30,081,078	\$ -	\$ 30,081,078

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, 2009

8. LONG-TERM DEBT, Continued

A. Governmental Activities Long-Term Debt, Continued

Obligations under Capital Lease

At June 30, 2009, obligations under capital lease consisted of the following:

	Balance July 1, 2008	Additions	Deletions	Balance June 30, 2009	Due within one year	Due in more than one year
SunTrust Lease #1	\$ 831,142	\$ -	\$ (181,345)	\$ 649,797	\$ 177,619	\$ 472,178
SunTrust Lease #6	47,398	-	(47,398)	-	-	-
SunTrust Lease #9	72,162	-	(47,736)	24,426	24,426	-
SunTrust Lease #10	362,153	-	(116,474)	245,679	120,667	125,012
SunTrust Lease #11	262,406	-	(262,406)	-	-	-
SunTrust Lease #12	-	423,385	-	423,385	77,701	345,684
BofA 5 Copiers	17,105	-	(17,105)	-	-	-
BofA #1	677,068	-	(332,352)	344,716	344,716	-
BofA #2	544,795	-	(128,823)	415,972	133,620	282,352
BofA #3	-	1,625,571	-	1,625,571	132,287	1,493,284
LaSalle #1	138,000	-	(44,051)	93,949	45,972	47,977
LaSalle #2	166,646	-	(30,535)	136,111	31,872	104,239
Total	\$ 3,118,875	\$ 2,048,956	\$ (1,208,225)	\$ 3,959,606	\$ 1,088,880	\$ 2,870,726

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:

	June 30, 2009
Machinery and equipment	\$ 543,196
Autos and trucks	3,626,473
Equipment under capitalized lease, at cost	4,169,669
Accumulated depreciation	(793,239)
Equipment under capitalized lease, net	<u>\$ 3,376,430</u>

The depreciation expense of the capital assets was \$368,283 for the year ended June 30, 2009.

City of Pomona
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2009

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, 2009 were as follows:

<u>Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$ 1,088,880	\$ 160,308	\$ 1,249,188
2011	748,070	109,772	857,842
2012	597,948	89,316	687,264
2013	373,134	65,532	438,666
2014	249,707	51,637	301,344
2015-2019	901,867	125,322	1,027,189
Total	\$ 3,959,606	\$ 601,887	\$ 4,561,493

Notes Payable

At June 30, 2009, notes payable consisted of the following:

	<u>Balance</u>			<u>Balance</u>	<u>Due within</u>	<u>Due in more</u>
	<u>June 30, 2008</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2009</u>	<u>one year</u>	<u>than one year</u>
HUD Section 108 loan	\$ 1,125,000	\$ -	\$ (125,000)	\$ 1,000,000	\$ 125,000	\$ 875,000
ERAF Loan	1,095,000	-	(135,000)	960,000	140,000	820,000
Total	\$ 2,220,000	\$ -	\$ (260,000)	\$ 1,960,000	\$ 265,000	\$ 1,695,000

HUD Section 108 Loan

The City received \$2,375,000 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 the amount of \$125,000, commencing August 1, 1998. The loan bears an interest rate from 5.87% to 7.08% and is payable semi-annually on August 1 and February 1.

The annual debt service requirements at June 30, 2009 were as follows:

<u>For the Years</u>			
<u>Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	125,000	35,025	160,025
2015-2017	375,000	52,850	427,850
Total	\$ 1,000,000	\$ 309,125	\$ 1,309,125

City of Pomona
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2009

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, 2009 were as follows:

For the Years Ending June 30,	Principal	Interest	Total
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	170,000	17,450	187,450
2015	180,000	9,018	189,018
Total	\$ 960,000	\$ 171,220	\$ 1,131,220

City of Pomona
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2009

8. LONG-TERM DEBT, Continued

A. Governmental Activities Long-Term Debt, Continued

Revenue Bonds

At June 30, 2009, revenue bonds consisted of the following:

	Balance			Balance		
	July 1, 2008	Additions	Deletions	June 30, 2009	Due within one year	Due in more than one year
1998 Revenue Refunding						
Bonds, Series W	\$ 37,835,000	\$ -	\$ (30,000)	\$ 37,805,000	\$ 90,000	\$ 37,715,000
2001 Revenue Refunding Bonds, Series AI	38,180,000	-	(100,000)	38,080,000	-	38,080,000
2003 Revenue Refunding Bonds, Series AI	25,935,000	-	(810,000)	25,125,000	930,000	24,195,000
2005 Local Agency Revenue						
Bonds, Series AL	6,790,000	-	(365,000)	6,425,000	380,000	6,045,000
2005 Reassessment and						
Refunding Bonds, Series AM	5,460,000	-	(234,000)	5,226,000	255,000	4,971,000
2005 Lease Revenue Bonds, Series AN	19,815,000	-	(50,000)	19,765,000	55,000	19,710,000
2005 Taxable Lease						
Revenue Bonds, Series AP	3,635,000	-	(390,000)	3,245,000	410,000	2,835,000
2005 Taxable Housing Tax						
Revenue Bonds, Series AQ	9,760,000	-	(215,000)	9,545,000	225,000	9,320,000
2006 Lease Revenue Bonds, Series AU	2,515,000	-	(30,000)	2,485,000	30,000	2,455,000
Unamortized Deferred Loss on Refunding	(175,777)	-	7,031	(168,746)	-	(168,746)
2006 Taxable Lease Revenue Bonds,						
Series AV	10,790,000	-	(95,000)	10,695,000	100,000	10,595,000
2006 Revenue Bonds, Series AS	26,305,000	-	-	26,305,000	-	26,305,000
Unamortized Deferred Loss on Refunding	(3,039,856)	-	159,992	(2,879,864)	-	(2,879,864)
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 A	25,865,000	-	-	25,865,000	-	25,865,000
Unamortized Bond Premiums and Discou	3,292,907	-	(149,927)	3,142,980	-	3,142,980
Total	\$ 229,692,274	\$ -	\$ (2,301,904)	\$ 227,390,370	\$ 2,475,000	\$ 224,915,370

City of Pomona
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2009

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, 2009, were as follows:

Year Ending June 30,	Principal	Interest	Total
2010	\$ 90,000	\$ 1,888,305	\$ 1,978,305
2011	350,000	1,884,120	2,234,120
2012	370,000	1,867,495	2,237,495
2013	385,000	1,849,365	2,234,365
2014	405,000	1,830,500	2,235,500
2015-2019	2,360,000	8,827,000	11,187,000
2020-2024	11,955,000	7,531,500	19,486,500
2025-2029	17,785,000	3,780,750	21,565,750
2030	4,105,000	205,250	4,310,250
Total	<u>\$ 37,805,000</u>	<u>\$ 29,664,285</u>	<u>\$ 67,469,285</u>

City of Pomona
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2009

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 3.25% to 5.39% 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, 2009, were as follows:

Year Ending June 30,	Principal	Interest	Total
2010	\$ -	\$ 1,888,506	\$ 1,888,506
2011	-	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	1,925,000	1,708,688	3,633,688
2015-2019	11,070,000	7,032,500	18,102,500
2020-2024	8,340,000	4,433,500	12,773,500
2025-2029	8,805,000	2,328,750	11,133,750
2030-2033	4,105,000	418,000	4,523,000
Total	\$ 38,080,000	\$ 22,388,744	\$ 61,468,744

City of Pomona
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2009

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, 2009, were as follows:

Year Ending June 30,	Principal	Interest	Total
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	1,275,000	999,666	2,274,666
2015-2019	7,205,000	4,189,084	11,394,084
2020-2024	3,370,000	2,647,236	6,017,236
2025-2029	2,545,000	2,071,484	4,616,484
2030-2034	6,750,000	778,390	7,528,390
Total	\$ 25,125,000	\$ 15,143,520	\$ 40,268,520

City of Pomona
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2009

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 \$955,000.

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, 2009, were as follows:

Year Ending June 30,	Principal	Interest	Total
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	445,000	222,428	667,428
2015-2019	2,530,000	779,427	3,309,427
2020-2022	1,845,000	142,990	1,987,990
Total	<u>\$ 6,425,000</u>	<u>\$ 2,208,307</u>	<u>\$ 8,633,307</u>

City of Pomona
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2009

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, 2009, were as follows:

Year Ending June 30,	Principal	Interest	Total
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	337,000	282,916	619,916
2015-2019	2,093,000	997,985	3,090,985
2020-2022	1,657,000	184,940	1,841,940
Total	<u>\$ 5,226,000</u>	<u>\$ 2,817,535</u>	<u>\$ 8,043,535</u>

City of Pomona
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2009

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.

The annual debt service requirements for the 2005 Lease Revenue Bonds, Series AN outstanding at June 30, 2009, were as follows:

Year Ending June 30,	Principal	Interest	Total
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	55,000	911,213	966,213
2015-2019	2,080,000	4,421,834	6,501,834
2020-2024	3,815,000	3,769,687	7,584,687
2025-2029	4,725,000	2,826,661	7,551,661
2030-2034	6,015,000	1,493,875	7,508,875
2035-2036	2,850,000	144,250	2,994,250
Total	\$ 19,765,000	\$ 17,230,742	\$ 36,995,742

City of Pomona
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2009

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.

The annual debt service requirements for the 2005 Taxable Lease Revenue Bonds, Series AP outstanding at June 30, 2009, were as follows:

Year Ending June 30,	Principal	Interest	Total
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	485,000	61,487	546,487
2015-2016	1,025,000	50,578	1,075,578
Total	\$ 3,245,000	\$ 571,569	\$ 3,816,569

City of Pomona
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2009

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.

The annual debt service requirements for the 2005 Taxable Housing Tax Revenue Bonds, Series AQ outstanding at June 30, 2009, were as follows:

Year Ending June 30,	Principal	Interest	Total
2010	\$ 225,000	\$ 569,152	\$ 794,152
2011	240,000	557,384	797,384
2012	250,000	544,832	794,832
2013	265,000	531,758	796,758
2014	280,000	517,898	797,898
2015-2019	1,640,000	2,343,730	3,983,730
2020-2024	2,205,000	1,775,250	3,980,250
2025-2029	2,980,000	1,000,112	3,980,112
2030-2031	1,460,000	132,600	1,592,600
Total	<u>\$ 9,545,000</u>	<u>\$ 7,972,716</u>	<u>\$ 17,517,716</u>

City of Pomona
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2009

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, 2009, were as follows:

Year Ending June 30,	Principal	Interest	Total
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	30,000	100,350	130,350
2015-2019	165,000	485,322	650,322
2020-2024	205,000	451,294	656,294
2025-2029	245,000	406,230	651,230
2030-2034	355,000	347,256	702,256
2035-2039	475,000	259,982	734,982
2040-2044	585,000	146,564	731,564
2045	310,000	13,562	323,562
Total	\$ 2,485,000	\$ 2,621,298	\$ 5,106,298

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, 2009:

Balance July 1, 2008	Additions	Deletions	Balance June 30, 2009
\$ (175,777)	\$ -	\$ 7,031	\$ (168,746)

Amortization expense was \$7,031 for June 30, 2009.

City of Pomona
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2009

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, 2009, were as follows:

Year Ending June 30,	Principal	Interest	Total
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	125,000	577,670	702,670
2015-2019	720,000	2,787,950	3,507,950
2020-2024	940,000	2,568,400	3,508,400
2025-2029	1,235,000	2,273,840	3,508,840
2030-2034	1,620,000	1,886,820	3,506,820
2035-2039	2,135,000	1,371,706	3,506,706
2040-2044	2,820,000	689,702	3,509,702
2045	665,000	37,906	702,906
Total	<u>\$ 10,695,000</u>	<u>\$ 14,560,674</u>	<u>\$ 25,255,674</u>

City of Pomona
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2009

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, 2009, were as follows:

Year Ending June 30,	Principal	Interest	Total
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	90,000	1,253,508	1,343,508
2015-2019	485,000	6,223,718	6,708,718
2020-2024	1,580,000	6,023,644	7,603,644
2025-2029	3,580,000	5,657,538	9,237,538
2030-2034	13,805,000	3,652,500	17,457,500
2035-2039	4,815,000	1,048,052	5,863,052
2040-2041	1,690,000	104,850	1,794,850
Total	<u>\$ 26,305,000</u>	<u>\$ 29,010,218</u>	<u>\$ 55,315,218</u>

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, 2009:

Balance July 1, 2008	Additions	Deletions	Balance June 30, 2009
\$ (3,039,856)	\$ -	\$ 159,992	\$ (2,879,864)

Amortization expense was \$159,992 for June 30, 2009.

City of Pomona
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2009

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, 2009, were as follows:

Year Ending June 30,	Principal	Interest	Total
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	380,000	430,678	810,678
2015-2019	2,215,000	1,828,502	4,043,502
2020-2024	2,900,000	1,133,022	4,033,022
2025-2027	2,160,000	251,590	2,411,590
Total	\$ 8,355,000	\$ 5,496,610	\$ 13,851,610

City of Pomona
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2009

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, 2009, were as follows:

Year Ending June 30,	Principal	Interest	Total
2010	\$ -	\$ 412,990	\$ 412,990
2011	-	412,990	412,990
2012	250,000	412,990	662,990
2013	230,000	402,366	632,366
2014	255,000	392,590	647,590
2015-2019	1,445,000	1,784,146	3,229,146
2020-2024	1,910,000	1,398,280	3,308,280
2025-2029	2,250,000	884,576	3,134,576
2030-2033	2,035,000	246,258	2,281,258
Total	\$ 8,375,000	\$ 6,347,186	\$ 14,722,186

City of Pomona
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2009

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, 2009, were as follows:

Year Ending June 30,	Principal	Interest	Total
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	840,000	1,151,740	1,991,740
2015-2019	4,600,000	5,213,648	9,813,648
2020-2024	5,200,000	4,156,660	9,356,660
2025-2029	6,350,000	2,791,500	9,141,500
2030-2034	5,770,000	1,100,250	6,870,250
2035-2039	1,085,000	258,250	1,343,250
2040-2041	380,000	26,250	406,250
Total	<u>\$ 25,865,000</u>	<u>\$ 19,535,658</u>	<u>\$ 45,400,658</u>

City of Pomona
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2009

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, 2009:

Balance July 1, 2008	Additions	Deletions	Balance June 30, 2009
\$ 3,292,907	\$ -	\$ (149,927)	\$ 3,142,980

Amortization expense was \$149,927 for June 30, 2009.

Tax Allocation Bonds

	Balance July 1, 2008	Additions	Deletions	Balance June 30, 2009	Due within one year	Due in more than one year
1998 Tax Allocation Bonds						
Series X	\$ 2,490,000	\$ -	\$ (50,000)	\$ 2,440,000	\$ 55,000	\$ 2,385,000
1998 Tax Allocation Bonds						
Series Y	7,240,000	-	(35,000)	7,205,000	35,000	7,170,000
Total	\$ 9,730,000	\$ -	\$ (85,000)	\$ 9,645,000	\$ 90,000	\$ 9,555,000

City of Pomona
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2009

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 annual debt service requirements outstanding at June 30, 2009 were as follows:

Year Ending June 30,	Principal	Interest	Total
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	300,000	85,990	385,990
2015-2019	1,095,000	201,329	1,296,329
2020-2024	295,000	60,885	355,885
2025	70,000	1,890	71,890
Total	\$ 2,440,000	\$ 815,657	\$ 3,255,657

City of Pomona
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2009

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.

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, 2009 were as follows:

Year Ending June 30,	Principal	Interest	Total
2010	\$ 35,000	\$ 394,686	\$ 429,686
2011	40,000	392,970	432,970
2012	190,000	390,970	580,970
2013	200,000	380,520	580,520
2014	210,000	369,520	579,520
2015-2019	1,235,000	1,663,122	2,898,122
2020-2024	1,615,000	1,287,170	2,902,170
2025-2029	2,115,000	791,726	2,906,726
2030-2032	1,565,000	175,176	1,740,176
Total	\$ 7,205,000	\$ 5,845,860	\$ 13,050,860

City of Pomona
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2009

8. LONG-TERM DEBT, Continued

A. Governmental Activities Long-Term Debt, Continued

Pension Obligation Refunding Bonds

	Balance July 1, 2008	Additions	Deletions	Balance June 30, 2009	Due within one year	Due in more than one year
2006 POB, Series AR	\$ 42,280,684	\$ -	\$ -	\$ 42,280,684	\$ 71,302	\$ 42,209,382

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, 2009

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, 2009 were as follows:

Year Ending June 30,	Principal	Interest	Accreted Interest	Total
2010	\$ 71,302	\$ 2,099,240	\$ 13,698	\$ 2,184,240
2011	131,320	2,099,240	33,680	2,264,240
2012	188,803	2,099,240	61,198	2,349,241
2013	243,151	2,099,240	96,849	2,439,240
2014	290,551	2,099,240	139,449	2,529,240
2015-2019	2,614,422	10,401,599	1,035,579	14,051,600
2020-2024	4,909,020	9,725,439	2,085,981	16,720,440
2025-2029	7,403,913	8,452,967	3,996,177	19,853,057
2030-2034	16,603,202	5,599,596	1,091,799	23,294,597
2035-2036	9,825,000	586,261	-	10,411,261
Total	\$ 42,280,684	\$ 45,262,060	\$ 8,554,410	\$ 96,097,154

Certificates of Participation

	Balance July 1, 2008	Additions	Deletions	Balance June 30, 2009	Due within one year	Due in more than one year
2003 Certificates of Participation						
Series AG	\$ 12,755,000	\$ -	\$ (255,000)	\$ 12,500,000	\$ 260,000	\$ 12,240,000
Unamortized Bond Premium	765,545	-	(30,622)	734,923	-	734,923
Total	\$ 13,520,545	\$ -	\$ (285,622)	\$ 13,234,923	\$ 260,000	\$ 12,974,923

City of Pomona
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2009

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 \$918,655 and incurred cost of issuance of approximately \$725,000.

The annual debt service requirements outstanding at June 30, 2009 were as follows:

Year Ending June 30,	Principal	Interest	Total
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	300,000	627,000	927,000
2015-2019	1,775,000	2,868,252	4,643,252
2020-2024	2,320,000	2,322,926	4,642,926
2025-2029	3,040,000	1,609,852	4,649,852
2030-2034	3,965,000	677,604	4,642,604
Total	\$ 12,500,000	\$ 10,715,384	\$ 23,215,384

The following is a summary of the 2003 Certificate of Participation, Series AG unamortized premium outstanding at June 30, 2009:

Balance July 1, 2008	Additions	Deletions	Balance June 30, 2009
\$ 765,545	\$ -	\$ (30,622)	\$ 734,923

Compensated Absences

At June 30, 2009, 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 \$8,128,449.

City of Pomona
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2009

8. LONG-TERM DEBT, Continued

B. Business-Type Activities Long-Term Debt

Obligations under Capital Leases

	Balance			Balance	Due within	Due in more
	July 1, 2008	Additions	Deletions	June 30, 2009	one year	than one year
SunTrust #1	\$ 1,469,356	\$ -	\$ (306,850)	\$ 1,162,506	\$ 317,765	\$ 844,741
SunTrust #6	31,534	-	(31,534)	-	-	-
SunTrust #7	244,065	-	(120,210)	123,855	123,855	-
Total	\$ 1,744,955	\$ -	\$ (458,594)	\$ 1,286,361	\$ 441,620	\$ 844,741

The City entered into multiple 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 leases mature between 2009 to 2013. 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, 2009
Autos and trucks	\$ 690,724
Equipment under capitalized lease, at cost	690,724
Accumulated depreciation	(276,289)
Equipment under capitalized lease, net	\$ 414,435

The depreciation expense of the capital assets was \$69,072 for the year ended June 30, 2009.

The annual debt service requirements outstanding at June 30, 2009 were as follows:

Year Ending	Principal	Interest	Total
June 30,			
2010	\$ 441,620	\$ 41,012	\$ 482,632
2011	329,067	26,909	355,976
2012	340,771	15,203	355,974
2013	174,903	3,083	177,986
Total	\$ 1,286,361	\$ 86,207	\$ 1,372,568

City of Pomona
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2009

8. LONG-TERM DEBT, Continued

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

Revenue Bonds

	Balance			Balance	Due within	Due in more
	July 1, 2008	Additions	Deletions	June 30, 2009	one year	than one year
2002 Sewer Refunding Revenue Bonds						
Series AF	\$ 13,935,000	\$ -	\$ (180,000)	\$ 13,755,000	\$ 185,000	\$ 13,570,000
2007 Revenue Bonds, Series AY	99,370,000	-	-	99,370,000	-	99,370,000
Unamortized Bond Premium	5,728,121	-	(148,783)	5,579,338	-	5,579,338
Unamortized Deferred Loss on Refunding	(1,652,502)	-	78,691	(1,573,811)	-	(1,573,811)
2007 Taxable Revenue Refunding						
Bonds, Series AZ	6,930,000	-	-	6,930,000	200,000	6,730,000
2007 Revenue Bonds, Series BA	15,575,000	-	-	15,575,000	110,000	15,465,000
Total	\$ 139,885,619	\$ -	\$ (250,092)	\$ 139,635,527	\$ 495,000	\$ 139,140,527

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

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

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

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

The annual debt service requirements outstanding at June 30, 2009 were as follows:

Year Ending	Principal	Interest	Total
June 30,			
2010	\$ 185,000	\$ 626,250	\$ 811,250
2011	190,000	620,972	810,972
2012	200,000	614,997	814,997
2013	205,000	608,541	813,541
2014	210,000	601,640	811,640
2015-2019	1,190,000	2,882,296	4,072,296
2020-2024	1,480,000	2,603,773	4,083,773
2025-2029	1,875,000	2,228,090	4,103,090
2030-2034	2,330,000	1,755,552	4,085,552
2035-2039	2,955,000	1,117,625	4,072,625
2040-2043	2,935,000	302,625	3,237,625
Total	\$ 13,755,000	\$ 13,962,361	\$ 27,717,361

City of Pomona
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2009

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, 2009 were as follows:

Year Ending June 30,	Principal	Interest	Total
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	995,000	4,760,400	5,755,400
2015-2019	5,650,000	23,127,000	28,777,000
2020-2024	6,990,000	21,783,750	28,773,750
2025-2029	8,870,000	19,900,000	28,770,000
2030-2034	14,560,000	17,141,500	31,701,500
2035-2039	18,575,000	13,118,750	31,693,750
2040-2044	23,705,000	7,987,500	31,692,500
2045-2047	17,265,000	1,754,750	19,019,750
Total	\$ 99,370,000	\$ 128,949,250	\$ 228,319,250

The following is a summary of the 2007 Revenue Bonds, Series AY unamortized premium outstanding at June 30, 2009:

Balance July 1, 2008	Additions	Deletions	Balance June 30, 2009
\$ 5,728,121	\$ -	\$ (148,783)	\$ 5,579,338

Amortization expense was \$148,783 for June 30, 2009.

City of Pomona
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2009

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, 2009:

Balance July 1, 2008	Additions	Deletions	Balance June 30, 2009
\$ (1,652,502)	\$ -	\$ 78,691	\$ (1,573,811)

Amortization expense was \$78,691 for June 30, 2009.

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, 2009 were as follows:

Year Ending June 30,	Principal	Interest	Total
2010	\$ 200,000	\$ 384,154	\$ 584,154
2011	210,000	373,620	583,620
2012	220,000	362,558	582,558
2013	235,000	350,972	585,972
2014	245,000	338,594	583,594
2015-2019	1,440,000	1,483,246	2,923,246
2020-2024	1,890,000	1,035,364	2,925,364
2025-2029	2,490,000	437,594	2,927,594
Total	\$ 6,930,000	\$ 4,766,102	\$ 11,696,102

City of Pomona
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2009

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, 2009 were as follows:

Year Ending June 30,	Principal	Interest	Total
2010	\$ 110,000	\$ 686,590	\$ 796,590
2011	135,000	681,690	816,690
2012	140,000	676,190	816,190
2013	150,000	669,640	819,640
2014	160,000	661,890	821,890
2015-2019	890,000	3,195,027	4,085,027
2020-2024	1,060,000	3,004,947	4,064,947
2025-2029	1,285,000	2,764,366	4,049,366
2030-2034	1,625,000	2,444,065	4,069,065
2035-2039	2,035,000	2,033,889	4,068,889
2040-2044	3,410,000	1,498,029	4,908,029
2045-2047	4,575,000	315,116	4,890,116
Total	\$ 15,575,000	\$ 18,631,439	\$ 34,206,439

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 \$1,172,191 at June 30, 2009.

City of Pomona
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2009

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 2009 was \$31,424,955 and total debt service paid was \$11,104,820. 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 \$360,006,399.

Debt Issue	Remaining Balance	Project Area	2009 Increment
County of LA Agreement	\$ 32,073,275	Project A1	\$ 598,065
ERAF Loan	951,227	Project A2	714,296
1998 Series X	3,074,582	Mountain Meadow	574,933
1998 Series Y	12,621,168	Reservoir Street	1,899,205
Fox Theater Loan	600,000	Holt Ave./Indian Hill	840,246
Financing ERAF	1,483,744	Southwest	13,764,166
Administrative Expense	2,492,848	Arrow Towne	999,011
1998 Series W	65,490,980	Mission Corona	291,928
2001 Series AD	59,580,238	West Holt	4,556,948
2003 Series AH	38,159,767	Downtown 3	1,714,087
2005 Series AQ	16,723,564	Fairgrounds Amend	225,067
2006 Series AS	54,052,609	South Garey	3,058,180
2006 Series AT	13,383,908	Merged Redevelopment Project	2,188,823
2006 Series AX	44,183,315		
2007 Series AW	15,135,174		
	Total	Total	\$ 31,424,955
Total	\$ 360,006,399		

City of Pomona
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2009

8. LONG-TERM DEBT, Continued

C. Pledged Revenue, Continued

The City has pledged certain tax revenue to the repayment of its Enterprise Fund Debts through the final maturity of the Bonds on May 1, 2047, or early retirement of the Bonds whichever occurs first. All net revenues are irrevocable pledged by the City to the repayment of the debt services, excluding operation and maintenance costs of the Enterprise. In 2009, the Enterprise has received \$48,613,954 and total debt service paid was \$6,754,559. The bond required 13% of net revenue. Due to the Water Conservation Program the City implemented in FY 09-10, future net revenue is expecting a slight decrease. Annual principal and interest payment on the Bonds are expected to require roughly 15% of net revenue. The total principal and interest remaining to be paid at June 30, 2009 on the Bonds is \$301,938,918.

Debt Issue	Remaining Balance	Revenue	2009 Total
2002 Series AF	\$ 27,717,352	Net revenues, excluding operations and maintenance costs.	\$ 48,613,954
2006 Series AY	228,319,250		
2006 Series AZ	11,696,096		
2007 Series BA	34,206,220		
Total	\$ 301,938,918	Total	\$ 48,613,954

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, 2009
Mortgage Revenue Bonds	\$ 62,125,000

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, 2009 is \$62,125,000. 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.

City of Pomona
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2009

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 \$2,133,610 for miscellaneous employees and \$1,512,568 for safety employees for the year ended June 30, 2009. The City employer is required to contribute for fiscal year 2008-2009 at an actuarially determined rate of 10.772% and 24.736% of annual covered payroll for miscellaneous and safety employees, respectively. Separately funded plans have been established for each employee group. Benefit provisions and all other requirements are established by State statute and City contracts with employee bargaining groups. The contribution requirements of plan members and the City are established by PERS.

Annual Pension Cost

For fiscal year 2008-2009, the City's annual required contribution was \$3,283,328 for miscellaneous employees and \$4,439,671 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 \$4,095,028. The required contribution was determined as part of the June 30, 2006, 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, 2006 was 20 years for miscellaneous employees and 30 years for safety employees for prior and current service unfunded liability.

MISCELLANEOUS EMPLOYEE'S RETIREMENT PLAN
SCHEDULE OF EMPLOYER CONTRIBUTIONS

<u>Ended</u>	<u>Cost (APC)</u>	<u>APC Contributed</u>	<u>Obligation</u>
6/30/2007	\$ 3,139,845	100%	\$ -
6/30/2008	3,400,378	100%	-
6/30/2009	3,283,328	100%	-

City of Pomona
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2009

10. RETIREMENT PLANS, Continued

Pension Plan, Continued

SAFETY EMPLOYEE'S RETIREMENT PLAN
SCHEDULE OF EMPLOYER CONTRIBUTIONS

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Asset
6/30/2007	\$ 3,300,759	114%	\$ 24,950,259
6/30/2008	3,696,078	112%	25,409,457
6/30/2009	4,095,028	108%	25,754,100

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, 2009, the unamortized portion of the pension asset was \$25,754,100. See Note 8 for more detail.

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 2009, interest earned and amortization of the NPA was \$1,969,233 and \$1,624,590 respectively.

A summary of the changes to the NPA for the year ended June 30, 2009 is as follows:

	Balance July 1, 2008	Additions	Deletions	Balance June 30, 2009
Governmental Activities	\$ 25,409,457	\$ 1,969,233	\$ (1,624,590)	\$ 25,754,100

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

City of Pomona
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2009

10. RETIREMENT PLANS, Continued

Pension Plan, Continued

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
06/30/2008	\$ 231,445,488	\$ 246,820,830	\$ (15,375,342)	93.77%	\$ 17,528,874	(87.71)%

Miscellaneous Employees

Actuarial Valuation Date	Actuarial Value of Assets (AVA)	Actuarial Accrued Liability	Actuarial Accrued Liability	Funded Ratio	Annual Covered Payroll	Percentage of Covered Payroll
6/30/2008	\$ 181,578,861	\$ 192,729,543	\$ (11,150,682)	94.21%	\$ 30,874,871	(36.12)%

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 \$2,469,500 during the year ended June 30, 2009. 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, 2009 was \$611,167.

City of Pomona
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2009

11. JOINT POWERS AGREEMENTS, Continued

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

As of June 30, 2009, the three participants had the following approximate ownership equity interest:

Member	Percentages	Agreement Balance
City of Pomona	28%	\$ 611,167
Walnut Valley Water	43%	938,577
Rowland Water District	28%	611,167
Unallocated	1%	21,827
Total	100%	\$ 2,182,738

The Commission's basic financial statements for the fiscal year ended June 30, 2009 reflect the implementation of GASB 34 and include the following:

Total assets	\$ 5,359,031
Total liabilities	3,176,293
Net assets	\$ 2,182,738

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 \$17,412,687 compared to total operating revenues of \$17,368,068 in fiscal year 2009. Complete financial statements can be obtained from the Pomona-Walnut-Rowland Joint Water Line Commission, P.O. Box 508, Walnut, CA 91789.

B. Gold Line Phase II Construction Authority

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

The City paid the joint venture \$0 during the year ended June 30, 2009. Assets are divided based on the proportionate equity share at the time the joint venture dissolves, which is currently not significant to the City.

City of Pomona
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2009

11. JOINT POWERS AGREEMENTS, Continued

C. Pomona Valley Transportation Authority

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

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

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

Below are the most currently available condensed audited financial statements of the Pomona Authority as of June 30, 2009. Separate financial statements of the Pomona Authority are available from its offices located in La Verne, California.

	<u>Total</u>
Assets	\$ 3,051,383
Liabilities	\$ 1,677,371
Contributed capital	487,312
Retained earnings	886,700
Total liabilities and fund equity	<u>\$ 3,051,383</u>
Operating revenues	\$ 178,475
Operating expenses	3,605,819
Operating (income)	(3,427,344)
Non-operating revenue	3,357,948
Net income	(69,396)
Retained earnings - July 1, 2008	833,468
Prior period adjustment	122,628
Retained earnings - June 30, 2009	<u><u>\$ 886,700</u></u>

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, 2009.

City of Pomona
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2009

11. JOINT POWERS AGREEMENTS, Continued

D. Tri City Mental Health Center, Continued

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, 2009. Separate financial statements of the Center are available from its offices located in Pomona, California.

	<u>Total</u>
Assets	\$ 13,781,940
Liabilities	22,035,998
Net Assets	<u>\$ (8,254,058)</u>
Revenues	\$ 2,075,340
Expenses	6,482,471
Operating income	<u>(4,407,131)</u>
Nonoperating revenue (expenses)	3,151,264
Net income	<u>(1,255,867)</u>
Net assets - July 1, 2008	<u>(6,998,191)</u>
Net assets - June 30, 2009	<u>\$ (8,254,058)</u>

12. RISK MANAGEMENT

The City is exposed to various risks of loss related to its operations, including losses associated with errors and omissions and injuries to employees and members of the public. The City maintains self-insurance programs for unemployment insurance, workers' compensation and general liability. The City uses the 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, 2009, claims payable amounted to \$13,104,158.

City of Pomona
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2009

12. RISK MANAGEMENT, Continued

The estimated claims payable reported at June 30, 2009 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 2007, 2008, and 2009 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
2006-2007	\$ 8,175,938	\$ 4,698,143	\$ (4,485,104)	\$ 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
2008-2009	7,134,528	10,046,713	(4,077,083)	13,104,158	4,200,000	8,904,158

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

13. POST EMPLOYMENT BENEFITS

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 \$800 per month for individual retiree benefits which are based on the bargaining groups listed below:

Bargaining Group	Benefit
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.

City of Pomona
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2009

13. POST EMPLOYMENT BENEFITS, Continued

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 390 employees are eligible to receive post-employment benefits at June 30, 2009. 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.

Funding Policy. The required contribution of the City is based on a pay-as-you-go financing requirement. For fiscal year 2009, the City contributed \$2,229,717 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	232,045
Adjustment to annual required contribution	-
Annual OPEB cost (expense)	5,322,045
Contributions made	(2,229,717)
Increase in net OPEB obligation	3,092,328
Net OPEB obligation - beginning of year	2,994,122
Net OPEB obligation - end of year	<u>\$ 6,086,450</u>

City of Pomona
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2009

13. POST EMPLOYMENT BENEFITS, Continued

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2009 is as follows:

<u>Year Ended</u>	<u>OPEB Cost</u>	<u>Annual Contribution</u>	<u>OPEB Cost Contributed</u>	<u>OPEB Obligation</u>
6/30/2008	\$ 5,090,000	\$ 2,095,878	41.2%	\$ 2,994,122
6/30/2009	5,322,045	2,229,717	41.9%	6,086,450

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, 2009.

<u>Actuarial Valuation Date</u>	<u>Actuarial Asset Value</u>	<u>Actuarial Accrued Liability Entry Age</u>	<u>(Unfunded) Actuarial Accrued Liability</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>Unfunded Actuarial Liability as Percentage of Covered Payroll</u>
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.

City of Pomona
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2009

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 2009, the Agency received a grant in the amount of \$1,491,905, 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.

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. Contractual Commitments

The following schedule summarizes the major contractual commitments of the City as of June 30, 2009:

Major Commitments and Contracts for Professional Services:

Riverside Construction	\$ 18,823,751
Commitments for all other services	<u>5,345,387</u>
Total contractual commitments	<u><u>\$ 24,169,138</u></u>

On April 20, 2009, the Agency approved an Owner Participation Agreement (OPA) with the Los Angeles County Fair Association (Fair Association) for the development of a Trade and Conference Center (TCC) in the amount of \$2,700,000. In addition, the Agency also approved an Affordable Housing Agreement with the Fair Association for the purchase of affordable rental convenents for \$3,300,000.

As of June 30, 2009, 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.

City of Pomona
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2009

14. COMMITMENTS AND CONTINGENCIES, Continued

E. 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, 2009, 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.

15. REDEVELOPMENT AGENCY'S FINANCIAL CONDITION

At June 30, 2009, the Agency had a deficit unrestricted net assets of (\$203,796,906), a decreased deficit of \$2,208,898 from the prior year, on the Government-Wide Financial Statements, and a deficit fund balance of (\$69,999,641), an increased deficit of \$1,440,370 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 \$
2006	\$ (89,608,625)		\$ (194,726,363)		\$ (4,812,021)	
2007	(102,564,832)	(12,956,207)	(196,660,709)	(1,934,346)	(11,699,107)	(6,887,086)
2008	(97,017,814)	5,547,018	(206,005,804)	(9,345,095)	1,522,018	13,221,125
2009	(98,880,699)	(1,862,885)	(203,796,906)	2,208,898	(1,862,884)	(3,384,902)

Fund Financial Statements

	Total Fund Balance (Deficit) (as restated)	
		Change \$
2006	\$ (62,204,820)	
2007	(75,211,599)	(13,006,779)
2008	(68,559,271)	6,652,328
2009	(69,999,641)	(1,440,370)

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 2008-09, the Agency continued 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.

City of Pomona
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2009

15. REDEVELOPMENT AGENCY'S FINANCIAL CONDITION, Continued

Looking forward to fiscal 2009-10, 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.

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, 2009:

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Capital assets, net of accumulated depreciation	\$ 321,937,382	\$ 127,154,303	\$ 449,091,685
Less: Obligations under capital leases	(3,959,606)	(1,286,361)	(5,245,967)
Less: Long-term debt	(51,267,138)	(57,007,092)	(108,274,230)
Invested in capital assets, net of related debt	\$ 266,710,638	\$ 68,860,850	\$ 335,571,488

Unrestricted Net Assets

The unrestricted net assets had a deficit balance of \$(213,456,367) for the governmental activities at June 30, 2009. Of this amount \$(203,796,906) 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, 2009:

	Enterprise Funds				Governmental Activities Internal Service Funds
	Water Utility	Sewer	Refuse	Total	
Capital assets, net of accumulated depreciation	\$ 100,752,342	\$ 25,859,028	\$ 542,933	\$ 127,154,303	\$ 227,071
Less: Obligations under capital leases	(1,162,506)	-	(123,855)	(1,286,361)	(6,961)
Less: Long-term debt	(44,410,172)	(12,596,920)	-	(57,007,092)	-
Invested in capital assets, net of related debt	\$ 55,179,664	\$ 13,262,108	\$ 419,078	\$ 68,860,850	\$ 220,110

City of Pomona
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2009

16. NET ASSETS AND FUND BALANCE, Continued

B. Fund Financial Statements, Continued

Deficit Fund Balance

At June 30, 2009, the following funds had net assets or fund balance deficits:

Fund	Fund Type	Deficit
General Debt Service	Major Governmental Fund	\$ (46,143,559)
Redevelopment Agency Debt Service	Major Governmental Fund	(150,919,170)
Housing Authority	Non-Major Governmental Fund	(1,865,702)
State Gas Tax	Non-Major Governmental Fund	(226,091)
Landscape Maintenance District	Non-Major Governmental Fund	(131,923)

General Debt Service Fund – The General Debt Service Fund had an accumulated deficit of \$(46,143,559), which resulted from issuance of bonds.

Redevelopment Agency Debt Service Fund – The Redevelopment Agency Debt Service Fund had an accumulated deficit of \$(150,919,170), which resulted from issuance of bonds.

Housing Authority Fund – The Housing Authority Fund had an accumulated deficit of \$(1,865,702), which resulted from the acquisition of property and the corresponding issuance of a note obligation as payment for the property.

State Gas Tax Fund – The State Gas Tax Fund had an accumulated deficit of \$(226,091), which represents an over obligation of funds that will be corrected over the next two fiscal years.

Landscape Maintenance District Fund – The Landscape Maintenance District Fund had an accumulated deficit of \$(131,923), 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, 2009 as follows:

Fund	Expenditures	Appropriations	Excess Expenditures over Appropriations
Pubic Financing Authority Debt Service	\$ 14,065,988	\$ 13,936,427	\$ 129,561
Redevelopment Agency Debt Service	36,576,937	33,166,049	3,410,888
Redevelopment Agency Capital Project	6,197,190	4,830,402	1,366,788
Housing Assistance Program	11,102,764	10,332,437	770,327
Housing Authority	2,003,781	10,800	1,992,981
Proposition C	6,997,688	4,566,831	2,430,857
Traffic Congestion Relief	392,188	10,720	381,468
Landscape Maintenance	1,328,730	1,184,971	143,759
Narcotics Forfeiture	1,792,743	1,426,072	366,671
Capital Outlay Fund	13,652,991	4,993,476	8,659,515
Assessment District Improvement	99,427	46,624	52,803

City of Pomona
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2009

17. SUBSEQUENT EVENTS

Subsequent to June 30, 2009, the State of California (State) has decided to borrow and take certain funds from local governments including the City. These amounts are significant to the City and are as follows:

8% of Property Taxes	\$2,435,000
Gas Tax	\$1,400,000
Redevelopment Agency	\$8,256,819

Property Taxes borrowed by the State for fiscal year 2009-2010 were nearly \$2 billion statewide to help the State's budget shortfall. Legislators and the Governor promised to allow local agencies to sell their eventual repayment from the State to investors to cover the property taxes, and to pay the full cost of the sale, or securitization.

Gas Tax revenues have had payments deterred to local governments with funds to be released after January 2, 2010

Redevelopment Agency funds have been estimated for a two year takeaway by the State. This decision is to be litigated by the California Redevelopment Association and other parties, with hope that this will be considered unconstitutional, as was last year's State proposed takeaway.

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**REQUIRED SUPPLEMENTARY
INFORMATION
(Unaudited)**

City of Pomona
Required Supplementary Information (Unaudited)
For the year ended June 30, 2009

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, 2009

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, 2008	\$ 15,269,452	\$ 15,269,452	\$ 15,269,452	\$ -
Resources (inflows):				
Taxes	76,091,281	76,091,281	70,458,841	(5,632,440)
Intergovernmental	595,218	404,200	2,610,679	2,206,479
Charges for services	1,651,417	1,651,417	1,475,509	(175,908)
Fine and forfeitures	2,098,500	2,098,500	2,131,591	33,091
License and permits	8,329,152	8,908,685	7,282,328	(1,626,357)
Use of money and property	1,036,893	1,036,893	1,017,062	(19,831)
Miscellaneous	1,941,950	1,477,081	3,160,144	1,683,063
Proceeds from sale of capital assets	160,000	160,000	34,894	(125,106)
Transfers in	2,958,356	2,958,356	2,538,011	(420,345)
Amount available for appropriation	<u>110,132,219</u>	<u>110,055,865</u>	<u>105,978,511</u>	<u>(4,077,354)</u>
Charges to appropriations (outflows):				
Current:				
General government	3,171,409	3,468,916	3,502,103	(33,187)
Public safety	68,437,443	69,529,419	68,521,079	1,008,340
Urban development	13,982,289	14,801,156	13,570,948	1,230,208
Community services	7,658,626	7,615,867	6,790,126	825,741
Capital outlay	-	126,337	127,290	(953)
Debt service:				
Principal	1,202,693	1,202,693	1,189,505	13,188
Transfers out	3,722,272	3,722,272	3,480,846	241,426
Total charges to appropriations	<u>98,174,732</u>	<u>100,466,660</u>	<u>97,181,897</u>	<u>3,284,763</u>
Fund balance, June 30, 2009	<u>\$ 11,957,487</u>	<u>\$ 9,589,205</u>	<u>\$ 8,796,614</u>	<u>\$ (792,591)</u>

City of Pomona
Required Supplementary Information (Unaudited), Continued
For the year ended June 30, 2009

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, 2008	\$ 17,674,495	\$ 17,674,495	\$ 17,674,495	\$ -
Resources (inflows):				
Use of money and property	994,602	994,602	447,186	(547,416)
Loan repaid	425,000	425,000	84,855	(340,145)
Miscellaneous	80,250	80,250	76,220	(4,030)
Transfers in	4,801,746	4,801,746	5,248,661	446,915
Amount available for appropriation	23,976,093	23,976,093	23,531,417	(444,676)
Charges to appropriations (outflows):				
Current:				
Urban development	3,214,694	4,843,413	2,562,535	2,280,878
Capital outlay	9,000	973,000	926,052	46,948
Debt service:				
Interest and fiscal charges	638,357	638,357	642,409	(4,052)
Transfers out	2,601,516	2,601,516	3,534,414	(932,898)
Total charges to appropriations	6,463,567	9,056,286	7,665,410	1,390,876
Fund balance, June 30, 2009	\$ 17,512,526	\$ 14,919,807	\$ 15,866,007	\$ 946,200

City of Pomona
Required Supplementary Information (Unaudited), Continued
For the year ended June 30, 2009

2. DEFINED PENSION PLAN

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

Safety Employees

Actuarial Valuation Date*	Actuarial Value of Assets (AVA)	Actuarial Accrued Liability	Actuarial Accrued Liability	Funded Ratio	Annual Covered Payroll	Percentage of Covered Payroll
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)%
6/30/2008	231,445,488	246,820,830	(15,375,342)	93.77%	17,528,874	(87.71)%

Miscellaneous Employees

Actuarial Valuation Date*	Actuarial Value of Assets (AVA)	Actuarial Accrued Liability	Actuarial Accrued Liability	Funded Ratio	Annual Covered Payroll	Percentage of Covered Payroll
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)%
6/30/2008	181,578,861	192,729,543	(11,150,682)	94.21%	30,874,871	(36.12)%

* Based on the latest actuarial valuation available.

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 10).

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, 2009

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.

City of Pomona
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2009

	Special Revenue					
	Housing Assistance Program	Community Development Block Grant	Housing Authority	Miscellaneous Grants	State Gas Tax	Proposition A
ASSETS						
Cash and investments	\$ 4,745,873	\$ 1,237,073	\$ 259,717	\$ 2,045,063	\$ -	\$ 773,451
Receivables:						
Accounts, net	-	-	3,710	-	-	-
Interest	15,458	3,601	871	8,103	-	2,627
Due from other governments	5,221	265,643	-	1,190,935	203,347	183,781
Prepaid items and deposits	789,558	2,164	-	-	-	-
Restricted cash and investments	-	87,334	-	294,136	-	-
Loans receivable	-	2,747,254	-	8,080,185	-	-
Land held for resale	-	-	-	-	-	-
Advances to other funds	-	-	-	-	-	-
Total assets	\$ 5,556,110	\$ 4,343,069	\$ 264,298	\$ 11,618,422	\$ 203,347	\$ 959,859
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 10,130	\$ 374,156	\$ -	\$ 215,905	\$ 1,853	\$ 66,730
Accrued liabilities	328,376	84,858	-	64,693	1,837	2,395
Deferred revenue	-	1,834,525	-	8,336,087	203,347	-
Due to other funds	-	-	-	-	222,401	-
Notes Payable	-	-	2,130,000	-	-	-
Total liabilities	338,506	2,293,539	2,130,000	8,616,685	429,438	69,125
Fund Balances:						
Reserved for:						
Prepaid items and deposits	789,558	2,164	-	-	-	-
Loans receivable	-	2,747,254	-	8,080,185	-	-
Land held for resale	-	-	-	-	-	-
Advances to other funds	-	-	-	-	-	-
Capital and special projects	-	87,334	-	294,136	-	-
Debt service and capital lease obligations	-	-	-	-	-	-
Unreserved, designated for:						
Contingencies	-	-	-	-	-	-
Unreserved, undesignated	4,428,046	(787,222)	(1,865,702)	(5,372,584)	(226,091)	890,734
Total fund balances	5,217,604	2,049,530	(1,865,702)	3,001,737	(226,091)	890,734
Total liabilities and fund balances	\$ 5,556,110	\$ 4,343,069	\$ 264,298	\$ 11,618,422	\$ 203,347	\$ 959,859

(Continued)

	Special Revenue					
	Proposition	Vehicle	Air Quality	Traffic	Landscape	Narcotics
	C	Parking District	Improvement	Congestion Relief	Maintenance District	Forfeiture
ASSETS						
Cash and investments	\$ 3,899,085	\$ 1,438,059	\$ 669,549	\$ 812,491	\$ 38,591	\$ 2,226,136
Receivables:						
Accounts, net	-	16,166	-	-	-	7,669
Interest	17,996	4,716	2,113	2,465	172	7,026
Due from other governments	147,662	1,757	51,085	329,298	37,617	-
Prepaid items and deposits	-	-	-	-	-	-
Restricted cash and investments	-	-	-	-	-	-
Loans receivable	-	600,000	-	-	-	-
Land held for resale	-	-	-	-	-	-
Advances to other funds	-	-	-	-	-	-
Total assets	\$ 4,064,743	\$ 2,060,698	\$ 722,747	\$ 1,144,254	\$ 76,380	\$ 2,240,831
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ -	\$ 52,824	\$ 3,355	\$ 37,614	\$ 127,135	\$ 31,484
Accrued liabilities	6,495	10,050	464	922	7,861	16,601
Deferred revenue	-	-	-	-	-	-
Due to other funds	-	-	-	-	73,307	-
Notes Payable	-	-	-	-	-	-
Total liabilities	6,495	62,874	3,819	38,536	208,303	48,085
Fund Balances:						
Reserved for:						
Prepaid items and deposits	-	-	-	-	-	-
Loans receivable	-	600,000	-	-	-	-
Land held for resale	-	-	-	-	-	-
Advances to other funds	-	-	-	-	-	-
Capital and special projects	1,834,868	-	-	-	-	-
Debt service and capital lease obligations	-	-	-	-	-	-
Unreserved, designated for:						
Contingencies	-	-	-	-	-	-
Unreserved, undesignated	2,223,380	1,397,824	718,928	1,105,718	(131,923)	2,192,746
Total fund balances	4,058,248	1,997,824	718,928	1,105,718	(131,923)	2,192,746
Total liabilities and fund balances	\$ 4,064,743	\$ 2,060,698	\$ 722,747	\$ 1,144,254	\$ 76,380	\$ 2,240,831

(Continued)

City of Pomona
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2009

	Special Revenue		Capital Projects		Total
	Traffic	Proposition	Capital	Assessment	Other
	Offender	1B	Outlay	District Improvement	Governmental Funds
ASSETS					
Cash and investments	\$ 119,130	\$ 1,206,072	\$ 696,376	\$ 185,002	\$ 20,351,668
Receivables:					
Accounts, net	-	-	4,405	-	31,950
Interest	419	6,889	3,757	489	76,702
Due from other governments	-	-	3,113,412	-	5,529,758
Prepaid items and deposits	-	-	-	-	791,722
Restricted cash and investments	-	131,077	15,958,136	339,845	16,810,528
Loans receivable	-	-	-	-	11,427,439
Land held for resale	-	-	-	-	-
Advances to other funds	-	-	-	-	-
Total assets	\$ 119,549	\$ 1,344,038	\$ 19,776,086	\$ 525,336	\$ 55,019,767
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 1,005	\$ 131,154	\$ 1,692,181	\$ -	\$ 2,745,526
Accrued liabilities	38,057	6,171	22,878	-	591,658
Deferred revenue	-	-	-	-	10,373,959
Due to other funds	-	-	-	-	295,708
Notes Payable	-	-	-	-	2,130,000
Total liabilities	39,062	137,325	1,715,059	-	16,136,851
Fund Balances:					
Reserved for:					
Prepaid items and deposits	-	-	-	-	791,722
Loans receivable	-	-	-	-	11,427,439
Land held for resale	-	-	-	-	-
Advances to other funds	-	-	-	-	-
Capital and special projects	-	131,077	15,958,136	339,845	18,645,396
Debt service and capital lease obligations	-	-	-	-	-
Unreserved, designated for:					
Contingencies	-	-	-	-	-
Unreserved, undesignated	80,487	1,075,636	2,102,891	185,491	8,018,359
Total fund balances	80,487	1,206,713	18,061,027	525,336	38,882,916
Total liabilities and fund balances	\$ 119,549	\$ 1,344,038	\$ 19,776,086	\$ 525,336	\$ 55,019,767

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City of Pomona

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Non-Major Governmental Funds

For the year ended June 30, 2009

	Special Revenue					
	Housing Assistance Programs	Community Development Block Grant	Housing Authority	Miscellaneous Grants	State Gas Tax	Proposition A
REVENUES:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 2,363,735	\$ 2,338,743
Special assessments	-	-	-	-	-	-
Intergovernmental	9,981,298	2,807,392	-	3,838,005	-	-
Charges for services	-	-	-	50,924	-	-
Fines and forfeitures	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Use of money and property	106,512	62,047	52,676	66,927	388	15,379
Loan repaid	-	73,147	-	95,062	-	-
Miscellaneous	45,293	63,187	-	386,099	-	8,500
Total revenues	10,133,103	3,005,773	52,676	4,437,017	2,364,123	2,362,622
EXPENDITURES:						
Current:						
General government	-	551,787	-	-	-	-
Public safety	-	885,619	-	966,225	-	-
Urban development	11,097,576	2,207,163	3,781	2,895,524	79,140	2,707,895
Community services	-	-	-	670,762	-	31,996
Capital outlay	-	-	2,000,000	52,172	-	-
Debt service:						
Principal	-	125,000	-	-	-	-
Interest and fiscal charges	5,188	73,144	-	-	-	-
Total expenditures	11,102,764	3,842,713	2,003,781	4,584,683	79,140	2,739,891
REVENUES OVER (UNDER) EXPENDITURES	(969,661)	(836,940)	(1,951,105)	(147,666)	2,284,983	(377,269)
OTHER FINANCING SOURCES (USES):						
Issuance of capital leases	-	-	-	-	-	-
Transfers in	-	273,758	-	89,660	-	-
Transfers out	-	(154,195)	-	-	(2,552,990)	-
Total other financing sources (uses)	-	119,563	-	89,660	(2,552,990)	-
Net change in fund balances	(969,661)	(717,377)	(1,951,105)	(58,006)	(268,007)	(377,269)
FUND BALANCES:						
Beginning of year	6,187,265	2,766,907	85,403	3,059,743	41,916	1,268,003
End of year	\$ 5,217,604	\$ 2,049,530	\$ (1,865,702)	\$ 3,001,737	\$ (226,091)	\$ 890,734

(Continued)

City of Pomona

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Non-Major Governmental Funds

For the year ended June 30, 2009

	Special Revenue					
	Proposition C	Vehicle Parking District	Air Quality Improvement	Traffic Congestion Relief	Landscape Maintenance District	Narcotics Forfeiture
REVENUES:						
Taxes	\$ 1,939,908	\$ 22,018	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	1,220,222	-
Intergovernmental	-	3,719	190,764	1,382,611	-	94,747
Charges for services	-	67,918	-	-	-	-
Fines and forfeitures	-	51,971	-	-	-	1,925,288
Licenses and permits	-	-	-	-	-	-
Use of money and property	175,382	305,426	12,512	8,307	360	31,265
Loan repaid	-	-	-	-	-	-
Miscellaneous	-	3,757	-	-	-	824,974
Total revenues	2,115,290	454,809	203,276	1,390,918	1,220,582	2,876,274
EXPENDITURES:						
Current:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	1,720,693
Urban development	137,570	402,621	58,281	49,293	-	-
Community services	-	-	-	-	1,328,730	-
Capital outlay	-	-	-	342,895	-	72,050
Debt service:						
Principal	-	-	79,920	-	-	-
Interest and fiscal charges	-	-	13,372	-	-	-
Total expenditures	137,570	402,621	151,573	392,188	1,328,730	1,792,743
REVENUES OVER (UNDER) EXPENDITURES	1,977,720	52,188	51,703	998,730	(108,148)	1,083,531
OTHER FINANCING SOURCES (USES):						
Issuance of capital leases	-	-	-	-	-	-
Transfers in	-	-	-	186,327	300,000	-
Transfers out	(6,860,118)	-	-	-	-	-
Total other financing sources (uses)	(6,860,118)	-	-	186,327	300,000	-
Net change in fund balances	(4,882,398)	52,188	51,703	1,185,057	191,852	1,083,531
FUND BALANCES:						
Beginning of year	8,940,646	1,945,636	667,225	(79,339)	(323,775)	1,109,215
End of year	\$ 4,058,248	\$ 1,997,824	\$ 718,928	\$ 1,105,718	\$ (131,923)	\$ 2,192,746

(Continued)

City of Pomona

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Non-Major Governmental Funds

For the year ended June 30, 2009

	Special Revenue		Capital Projects		Total Other Governmental Funds
	Traffic Offender	Proposition 1B	Capital Outlay	Assessment District Improvement	
REVENUES:					
Taxes	\$ -	\$ -	\$ 17,379	\$ -	\$ 6,681,783
Special assessments	-	-	-	-	1,220,222
Intergovernmental	-	-	3,232,731	-	21,531,267
Charges for services	486,300	-	-	-	605,142
Fines and forfeitures	-	-	-	-	1,977,259
Licenses and permits	-	-	67,936	-	67,936
Use of money and property	3,246	34,519	500,673	6,129	1,381,748
Loan repaid	-	-	-	-	168,209
Miscellaneous	-	-	29,182	4,613	1,365,605
Total revenues	489,546	34,519	3,847,901	10,742	34,999,171
EXPENDITURES:					
Current:					
General government	-	-	14,302	-	566,089
Public safety	517,004	-	119,324	-	4,208,865
Urban development	-	1,446,852	9,566,373	49,427	30,701,496
Community services	-	-	1,680	-	2,033,168
Capital outlay	56,421	-	1,885,274	-	4,408,812
Debt service:					-
Principal	-	-	-	-	204,920
Interest and fiscal charges	-	-	-	-	91,704
Total expenditures	573,425	1,446,852	11,586,953	49,427	42,215,054
REVENUES OVER (UNDER) EXPENDITURES	(83,879)	(1,412,333)	(7,739,052)	(38,685)	(7,215,883)
OTHER FINANCING SOURCES (USES):					
Issuance of capital leases	-	-	2,048,956	-	2,048,956
Transfers in	-	-	8,940,596	-	9,790,341
Transfers out	-	(1,595)	(2,066,038)	(50,000)	(11,684,936)
Total other financing sources (uses)	-	(1,595)	8,923,514	(50,000)	154,361
Net change in fund balances	(83,879)	(1,413,928)	1,184,462	(88,685)	(7,061,522)
FUND BALANCES:					
Beginning of year	164,366	2,620,641	16,876,565	614,021	45,944,438
End of year	\$ 80,487	\$ 1,206,713	\$ 18,061,027	\$ 525,336	\$ 38,882,916

(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, 2009

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget Positive/(Negative)
Fund balance, July 1, 2008	\$ (46,455,736)	\$ (46,455,736)	\$ (46,455,736)	\$ -
Resources (inflows):				
Taxes	838,887	838,887	516,898	(321,989)
Use of money and property	107,100	107,100	77,371	(29,729)
Miscellaneous	504,450	504,450	-	(504,450)
Transfers in	4,816,442	4,816,442	4,954,678	138,236
Amount available for appropriation	(40,188,857)	(40,188,857)	(40,906,789)	(717,932)
Charges to appropriations (outflows):				
Current:				
General government	16,917	16,917	15,942	975
Debt service:				
Principal	319,000	319,000	234,000	85,000
Interest and fiscal charges	5,105,715	5,105,715	4,986,828	118,887
Total charges to appropriations	5,441,632	5,441,632	5,236,770	204,862
Fund balance, June 30, 2009	\$ (45,630,489)	\$ (45,630,489)	\$ (46,143,559)	\$ (513,070)

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, 2009

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget Positive/(Negative)
Fund balance, July 1, 2008	\$ 236,973,016	\$ 236,973,016	\$ 236,973,016	\$ -
Resources (inflows):				
Use of money and property	11,961,477	19,191,430	11,844,489	(7,346,941)
Miscellaneous	-	-	3,581	3,581
Amount available for appropriation	248,934,493	256,164,446	248,821,086	(7,343,360)
Charges to appropriations (outflows):				
Current:				
General government	6,100	6,100	20,026	(13,926)
Debt service:				
Principal	2,445,000	2,445,000	2,340,000	105,000
Interest and fiscal charges	11,485,327	11,485,327	11,705,962	(220,635)
Total charges to appropriations	13,936,427	13,936,427	14,065,988	(129,561)
Fund balance, June 30, 2009	\$ 234,998,066	\$ 242,228,019	\$ 234,755,098	\$ (7,472,921)

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, 2009

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget Positive/(Negative)
Fund balance, July 1, 2008	\$ (152,014,063)	\$ (152,014,063)	\$ (152,014,063)	\$ -
Resources (inflows):				
Taxes	28,074,111	28,074,111	31,386,570	3,312,459
Intergovernmental	2,230,341	2,230,341	1,531,861	(698,480)
Use of money and property	605,086	605,086	583,018	(22,068)
Miscellaneous	163,839	163,839	102,202	(61,637)
Issuance of bonds, loans, and notes payable	423,653	423,653	533,765	110,112
Transfers in	2,622,285	2,622,285	3,534,414	912,129
Amount available for appropriation	(117,894,748)	(117,894,748)	(114,342,233)	3,552,515
Charges to appropriations (outflows):				
Current:				
Urban development	14,199,274	14,199,274	18,243,503	(4,044,229)
Debt service:				
Principal	220,000	220,000	220,000	-
Interest and fiscal charges	9,367,347	9,367,347	9,367,349	(2)
Transfers out	9,379,428	9,379,428	8,746,085	633,343
Total charges to appropriations	33,166,049	33,166,049	36,576,937	(3,410,888)
Fund balance, June 30, 2009	\$ (151,060,797)	\$ (151,060,797)	\$ (150,919,170)	\$ 141,627

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, 2009

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget Positive/(Negative)
Fund balance, July 1, 2008	\$ 65,780,296	\$ 65,780,296	\$ 65,780,296	\$ -
Resources (inflows):				
Use of money and property	246,091	246,091	1,764,155	1,518,064
Loan repaid	600,000	600,000	-	(600,000)
Miscellaneous	-	-	180,282	180,282
Sale of capital assets	3,193,328	3,193,328	-	(3,193,328)
Transfers in	4,556,913	4,556,913	3,525,979	(1,030,934)
Amount available for appropriation	74,376,628	74,376,628	71,250,712	(3,125,916)
Charges to appropriations (outflows):				
Current:				
Urban development	4,526,577	4,232,346	4,041,137	191,209
Capital outlay	-	294,400	-	294,400
Transfers out	303,656	303,656	2,156,053	(1,852,397)
Total charges to appropriations	4,830,233	4,830,402	6,197,190	(1,366,788)
Fund balance, June 30, 2009	\$ 69,546,395	\$ 69,546,226	\$ 65,053,522	\$ (4,492,704)

City of Pomona

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

Housing Assistance Program

For the year ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget Positive/(Negative)
Fund balance, July 1, 2008	\$ 6,187,265	\$ 6,187,265	\$ 6,187,265	\$ -
Resources (inflows):				
Intergovernmental	10,375,430	10,375,430	9,981,298	(394,132)
Use of money and property	125,000	125,000	106,512	(18,488)
Miscellaneous	25,000	25,000	45,293	20,293
Amount available for appropriation	16,712,695	16,712,695	16,320,368	(392,327)
Charges to appropriations (outflows):				
Current:				
Urban development	10,304,429	10,306,429	11,097,576	(791,147)
Capital outlay	21,008	19,008	-	19,008
Debt service:				
Interest and fiscal charges	7,000	7,000	5,188	1,812
Total charges to appropriations	10,332,437	10,332,437	11,102,764	(770,327)
Fund balance, June 30, 2009	\$ 6,380,258	\$ 6,380,258	\$ 5,217,604	\$ (1,162,654)

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, 2009

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget Positive/(Negative)
Fund balance, July 1, 2008	\$ 2,766,907	\$ 2,766,907	\$ 2,766,907	\$ -
Resources (inflows):				
Intergovernmental	2,826,369	4,138,056	2,807,392	(1,330,664)
Use of money and property	-	-	62,047	62,047
Loan repaid	-	-	73,147	73,147
Miscellaneous	125,000	125,000	63,187	(61,813)
Transfers in	-	-	273,758	273,758
Amount available for appropriation	5,718,276	7,029,963	6,046,438	(983,525)
Charges to appropriations (outflows):				
Current:				
General government	565,274	565,274	551,787	13,487
Public safety	819,941	917,871	885,619	32,252
Urban development	537,489	795,988	2,207,163	(1,411,175)
Capital outlay	830,520	1,763,047	-	1,763,047
Debt service:				
Principal	125,000	125,000	125,000	-
Interest and fiscal charges	73,144	73,144	73,144	-
Transfers out	-	-	154,195	(154,195)
Total charges to appropriations	2,951,368	4,240,324	3,996,908	243,416
Fund balance, June 30, 2009	\$ 2,766,908	\$ 2,789,639	\$ 2,049,530	\$ (740,109)

City of Pomona

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

Housing Authority

For the year ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget Positive/(Negative)
Fund balance, July 1, 2008	\$ 85,403	\$ 85,403	\$ 85,403	\$ -
Resources (inflows):				
Use of money and property	57,114	57,114	52,676	(4,438)
Amount available for appropriation	142,517	142,517	138,079	(4,438)
Charges to appropriations (outflows):				
Current:				
Urban development	10,800	10,800	3,781	7,019
Capital outlay	-	-	2,000,000	(2,000,000)
Total charges to appropriations	10,800	10,800	2,003,781	(1,992,981)
Fund balance, June 30, 2009	\$ 131,717	\$ 131,717	\$ (1,865,702)	\$ (1,997,419)

City of Pomona

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

Miscellaneous Grants

For the year ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive/(Negative)
	Original	Final		
Fund balance, July 1, 2008	\$ 3,059,743	\$ 3,059,743	\$ 3,059,743	\$ -
Resources (inflows):				
Intergovernmental	5,004,457	14,870,390	3,838,005	(11,032,385)
Charges for services	51,950	51,950	50,924	(1,026)
Use of money and property	129,500	129,500	66,927	(62,573)
Loan repaid	250,000	250,000	95,062	(154,938)
Miscellaneous	393,433	417,433	386,099	(31,334)
Transfers in	89,660	89,660	89,660	-
Amount available for appropriation	8,978,743	18,868,676	7,586,420	(11,282,256)
Charges to appropriations (outflows):				
Current:				
Public safety	1,085,508	1,673,786	966,225	707,561
Urban development	5,482,199	12,598,377	2,895,524	9,702,853
Community services	693,388	745,815	670,762	75,053
Capital outlay	-	2,330,100	52,172	2,277,928
Total charges to appropriations	7,261,095	17,348,078	4,584,683	12,763,395
Fund balance, June 30, 2009	\$ 1,717,648	\$ 1,520,598	\$ 3,001,737	\$ 1,481,139

City of Pomona

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

State Gas Tax

For the year ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget Positive/(Negative)
Fund balance, July 1, 2008	\$ 41,916	\$ 41,916	\$ 41,916	\$ -
Resources (inflows):				
Taxes	2,890,000	2,890,000	2,363,735	(526,265)
Use of money and property	750	750	388	(362)
Amount available for appropriation	<u>2,932,666</u>	<u>2,932,666</u>	<u>2,406,039</u>	<u>(526,627)</u>
Charges to appropriations (outflows):				
Current:				
Urban development	32,394	32,394	79,140	(46,746)
Capital outlay	-	1,313,404	-	1,313,404
Transfers out	2,858,356	2,858,356	2,552,990	305,366
Total charges to appropriations	<u>2,890,750</u>	<u>4,204,154</u>	<u>2,632,130</u>	<u>1,572,024</u>
Fund balance, June 30, 2009	<u>\$ 41,916</u>	<u>\$ (1,271,488)</u>	<u>\$ (226,091)</u>	<u>\$ 1,045,397</u>

City of Pomona

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

Proposition A

For the year ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive/(Negative)
	Original	Final		
Fund balance, July 1, 2008	\$ 1,268,003	\$ 1,268,003	\$ 1,268,003	\$ -
Resources (inflows):				
Taxes	2,600,000	2,600,000	2,338,743	(261,257)
Use of money and property	35,000	35,000	15,379	(19,621)
Miscellaneous	7,500	7,500	8,500	1,000
Amount available for appropriation	3,910,503	3,910,503	3,630,625	(279,878)
Charges to appropriations (outflows):				
Current:				
Urban development	2,792,523	2,792,523	2,707,895	84,628
Community services	80,000	80,000	31,996	48,004
Total charges to appropriations	2,872,523	2,872,523	2,739,891	132,632
Fund balance, June 30, 2009	\$ 1,037,980	\$ 1,037,980	\$ 890,734	\$ (147,246)

City of Pomona

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

For the year ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive/(Negative)
	Original	Final		
Fund balance, July 1, 2008	\$ 8,940,646	\$ 8,940,646	\$ 8,940,646	\$ -
Resources (inflows):				
Taxes	2,150,000	2,150,000	1,939,908	(210,092)
Use of money and property	250,000	250,000	175,382	(74,618)
Amount available for appropriation	11,340,646	11,340,646	11,055,936	(284,710)
Charges to appropriations (outflows):				
Current:				
Urban development	166,831	166,831	137,570	29,261
Transfers out	4,400,000	4,400,000	6,860,118	(2,460,118)
Total charges to appropriations	4,566,831	4,566,831	6,997,688	(2,430,857)
Fund balance, June 30, 2009	\$ 6,773,815	\$ 6,773,815	\$ 4,058,248	\$ (2,715,567)

City of Pomona

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

Vehicle Parking District

For the year ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive/(Negative)
	Original	Final		
Fund balance, July 1, 2008	\$ 1,945,636	\$ 1,945,636	\$ 1,945,636	\$ -
Resources (inflows):				
Taxes	10,000	10,000	22,018	12,018
Intergovernmental	-	-	3,719	3,719
Charges for services	55,000	55,000	67,918	12,918
Fines and forfeitures	62,000	62,000	51,971	(10,029)
Use of money and property	274,500	274,500	305,426	30,926
Miscellaneous	-	-	3,757	3,757
Amount available for appropriation	<u>2,347,136</u>	<u>2,347,136</u>	<u>2,400,445</u>	<u>53,309</u>
Charges to appropriations (outflows):				
Current:				
Urban development	<u>443,561</u>	<u>443,561</u>	<u>402,621</u>	<u>40,940</u>
Total charges to appropriations	<u>443,561</u>	<u>443,561</u>	<u>402,621</u>	<u>40,940</u>
Fund balance, June 30, 2009	<u>\$ 1,903,575</u>	<u>\$ 1,903,575</u>	<u>\$ 1,997,824</u>	<u>\$ 94,249</u>

City of Pomona

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

Air Quality Improvement

For the year ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive/(Negative)
	Original	Final		
Fund balance, July 1, 2008	\$ 667,225	\$ 667,225	\$ 667,225	\$ -
Resources (inflows):				
Intergovernmental	194,000	194,000	190,764	(3,236)
Use of money and property	15,000	15,000	12,512	(2,488)
Amount available for appropriation	876,225	876,225	870,501	(5,724)
Charges to appropriations (outflows):				
Current:				
Urban development	51,867	209,867	58,281	151,586
Debt Service:				
Principal	79,920	79,920	79,920	-
Interest and fiscal charges	8,946	8,946	13,372	(4,426)
Total charges to appropriations	140,733	298,733	151,573	147,160
Fund balance, June 30, 2009	\$ 735,492	\$ 577,492	\$ 718,928	\$ 141,436

City of Pomona

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

Traffic Congestion Relief

For the year ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget Positive/(Negative)
Fund balance, July 1, 2008	\$ (79,339)	\$ (79,339)	\$ (79,339)	\$ -
Resources (inflows):				
Intergovernmental	-	-	1,382,611	1,382,611
Use of money and property	-	-	8,307	8,307
Transfers in	-	-	186,327	186,327
Amount available for appropriation	(79,339)	(79,339)	1,497,906	1,577,245
Charges to appropriations (outflows):				
Current:				
Urban development	-	-	49,293	(49,293)
Capital Outlay	-	10,720	342,895	(332,175)
Total charges to appropriations	-	10,720	392,188	(381,468)
Fund balance, June 30, 2009	\$ (79,339)	\$ (90,059)	\$ 1,105,718	\$ 1,195,777

City of Pomona

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

Landscape Maintenance District

For the year ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive/(Negative)
Fund balance, July 1, 2008	\$ (323,775)	\$ (323,775)	\$ (323,775)	\$ -
Resources (inflows):				
Special assessments	1,179,003	1,179,003	1,220,222	41,219
Use of money and property	-	-	360	360
Transfers in	-	-	300,000	300,000
Amount available for appropriation	855,228	855,228	1,196,807	341,579
Charges to appropriations (outflows):				
Current:				
Community services	1,184,971	1,184,971	1,328,730	(143,759)
Total charges to appropriations	1,184,971	1,184,971	1,328,730	(143,759)
Fund balance, June 30, 2009	\$ (329,743)	\$ (329,743)	\$ (131,923)	\$ 197,820

City of Pomona

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

Narcotics Forfeiture

For the year ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive/(Negative)
	Original	Final		
Fund balance, July 1, 2008	\$ 1,109,215	\$ 1,109,215	\$ 1,109,215	\$ -
Resources (inflows):				
Intergovernmental	10,000	10,000	94,747	84,747
Fines and forfeitures	1,588,017	1,588,017	1,925,288	337,271
Use of money and property	20,000	20,000	31,265	11,265
Miscellaneous	-	-	824,974	824,974
Amount available for appropriation	<u>2,727,232</u>	<u>2,727,232</u>	<u>3,985,489</u>	<u>1,258,257</u>
Charges to appropriations (outflows):				
Current:				
Public safety	1,426,072	1,353,472	1,720,693	(367,221)
Capital outlay	-	72,600	72,050	550
Total charges to appropriations	<u>1,426,072</u>	<u>1,426,072</u>	<u>1,792,743</u>	<u>(366,671)</u>
Fund balance, June 30, 2009	<u>\$ 1,301,160</u>	<u>\$ 1,301,160</u>	<u>\$ 2,192,746</u>	<u>\$ 891,586</u>

City of Pomona

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

Traffic Offender

For the year ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive/(Negative)
Fund balance, July 1, 2008	\$ 164,366	\$ 164,366	\$ 164,366	\$ -
Resources (inflows):				
Charges for services	496,000	496,000	486,300	(9,700)
Use of money and property	4,000	4,000	3,246	(754)
Amount available for appropriation	664,366	664,366	653,912	(10,454)
Charges to appropriations (outflows):				
Current:				
Public safety	465,987	465,987	517,004	(51,017)
Capital Outlay	171,600	171,600	56,421	115,179
Total charges to appropriations	637,587	637,587	573,425	64,162
Fund balance, June 30, 2009	\$ 26,779	\$ 26,779	\$ 80,487	\$ 53,708

City of Pomona

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

Proposition 1B

For the year ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive/(Negative)
	Original	Final		
Fund balance, July 1, 2008	\$ 2,620,641	\$ 2,620,641	\$ 2,620,641	\$ -
Resources (inflows):				
Use of money and property	-	-	34,519	34,519
Amount available for appropriation	2,620,641	2,620,641	2,655,160	34,519
Charges to appropriations (outflows):				
Current:				
Urban development	-	-	1,446,852	(1,446,852)
Capital Outlay	2,607,912	2,607,912	-	2,607,912
Transfers out	-	-	1,595	(1,595)
Total charges to appropriations	2,607,912	2,607,912	1,448,447	1,159,465
Fund balance, June 30, 2009	\$ 12,729	\$ 12,729	\$ 1,206,713	\$ 1,193,984

City of Pomona

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

Capital Outlay Fund

For the year ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget Positive/(Negative)
Fund balance, July 1, 2008	\$ 16,876,565	\$ 16,876,565	\$ 16,876,565	\$ -
Resources (inflows):				
Taxes	100,000	100,000	17,379	(82,621)
Intergovernmental	500,000	516,945	3,232,731	2,715,786
Licenses and permits	310,000	310,000	67,936	(242,064)
Use of money and property	250,000	250,000	500,673	250,673
Miscellaneous	-	-	29,182	29,182
Issuance of capital leases	-	-	2,048,956	2,048,956
Transfers in	4,747,500	4,747,500	8,940,596	4,193,096
Amount available for appropriation	22,784,065	22,801,010	31,714,018	8,913,008
Charges to appropriations (outflows):				
Current:				
General government	-	-	14,302	(14,302)
Public safety	-	-	119,324	(119,324)
Urban development	-	-	9,566,373	(9,566,373)
Community services	-	-	1,680	(1,680)
Capital outlay	5,552,106	4,597,483	1,885,274	2,712,209
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Transfers out	395,993	395,993	2,066,038	(1,670,045)
Total charges to appropriations	5,948,099	4,993,476	13,652,991	(8,659,515)
Fund balance, June 30, 2009	\$ 16,835,966	\$ 17,807,534	\$ 18,061,027	\$ 253,493

City of Pomona

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

Assessment District Improvement

For the year ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget Positive/(Negative)
Fund balance, July 1, 2008	\$ 614,021	\$ 614,021	\$ 614,021	\$ -
Resources (inflows):				
Use of money and property	28,500	28,500	6,129	(22,371)
Miscellaneous	-	-	4,613	4,613
Amount available for appropriation	642,521	642,521	624,763	(17,758)
Charges to appropriations (outflows):				
Current:				
Urban development	-	-	49,427	(49,427)
Capital outlay	46,624	46,624	-	46,624
Transfers out	-	-	50,000	(50,000)
Total charges to appropriations	46,624	46,624	99,427	(52,803)
Fund balance, June 30, 2009	\$ 595,897	\$ 595,897	\$ 525,336	\$ (70,561)

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, 2009

	Equipment Maintenance	Total
ASSETS		
Current assets:		
Cash and investments	\$ 700,780	\$ 700,780
Inventories	369,450	369,450
Total current assets	<u>1,070,230</u>	<u>1,070,230</u>
Noncurrent assets:		
Capital assets:		
Depreciable assets	542,596	542,596
Less accumulated depreciation	<u>(315,525)</u>	<u>(315,525)</u>
Capital assets, net	<u>227,071</u>	<u>227,071</u>
Total noncurrent assets	<u>227,071</u>	<u>227,071</u>
Total assets	<u><u>1,297,301</u></u>	<u><u>1,297,301</u></u>
LIABILITIES		
Current liabilities:		
Accounts payable	148,034	148,034
Accrued liabilities	72,219	72,219
Interest payable	42	42
Compensated absences	100,000	100,000
Obligations under capital leases	<u>6,961</u>	<u>6,961</u>
Total current liabilities	<u>327,256</u>	<u>327,256</u>
Noncurrent liabilities:		
Compensated absences	<u>69,345</u>	<u>69,345</u>
Total noncurrent liabilities	<u>69,345</u>	<u>69,345</u>
Total liabilities	<u><u>396,601</u></u>	<u><u>396,601</u></u>
NET ASSETS		
Invested in capital assets, net of related debt	220,110	220,110
Unrestricted	<u>680,590</u>	<u>680,590</u>
Total net assets	<u><u>\$ 900,700</u></u>	<u><u>\$ 900,700</u></u>

City of Pomona
Combining Statement of Activities and Changes in Net Assets
All Internal Service Funds
For the year ended June 30, 2009

	Equipment Maintenance	Total
OPERATING REVENUES:		
Charges for services	\$ 4,838,351	\$ 4,838,351
Miscellaneous	12,215	12,215
Total operating revenues	4,850,566	4,850,566
OPERATING EXPENSES:		
Personnel services	1,575,257	1,575,257
Operations	2,589,125	2,589,125
Claims expense	199,968	199,968
Depreciation	23,481	23,481
Insurance	40,806	40,806
Total operating expenses	4,428,637	4,428,637
OPERATING INCOME (LOSS)	421,929	421,929
NONOPERATING REVENUES (EXPENSES):		
Interest expense and fees	(455)	(455)
Investment earnings	11	11
Total nonoperating revenues (expenses)	(444)	(444)
Changes in net assets	421,485	421,485
NET ASSETS:		
Beginning of year	479,215	479,215
End of year	\$ 900,700	\$ 900,700

City of Pomona
Combining Statement of Cash Flows
All Internal Service Funds
For the year ended June 30, 2009

	Equipment Maintenance	Total
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from customers/other funds	\$ 4,840,973	\$ 4,840,973
Cash payments to suppliers for goods and services	(2,987,367)	(2,987,367)
Cash payments for general and administrative expenses	(1,565,773)	(1,565,773)
Cash received from (paid for) other	12,215	12,215
Net cash provided (used) by operating activities	300,048	300,048
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Proceeds from sale of capital assets	-	-
Repayment of bonds payable and capital leases	(13,610)	(13,610)
Interest paid on capital-related debt	(537)	(537)
Net cash provided (used) by capital and related financing activities	(14,147)	(14,147)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest income received	11	11
Net cash provided (used) by investing activities	11	11
Net increase (decrease) in cash and cash equivalents	285,912	285,912
CASH AND CASH EQUIVALENTS:		
Beginning of year	414,868	414,868
End of year	\$ 700,780	\$ 700,780
FINANCIAL STATEMENT PRESENTATION:		
Cash and investments	\$ 700,780	\$ 700,780
Total cash, cash equivalents, and investments	\$ 700,780	\$ 700,780
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
Operating income (loss)	\$ 421,929	\$ 421,929
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	2,622	2,622
Inventories	(14,167)	(14,167)
Accounts payable	(143,301)	(143,301)
Accrued liabilities	420	420
Compensated absences	9,064	9,064
Total adjustments	(145,362)	(145,362)
Net cash provided (used) by operating activities	\$ 300,048	\$ 300,048

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, 2009

	Assessment Districts	Engineers' Revolving	Construction Guarantee	Municipal Revolving	Employee Benefits/ Deductions	Total Agency Funds
ASSETS						
Cash and investments	\$ 366,760	\$ 596,019	\$ 656,824	\$ 608,748	\$ 1,314,930	\$ 3,543,281
Interest receivable	1,221	1,900	-	-	-	3,121
Due from other governments	7,318	-	-	1,285	-	8,603
Total assets	\$ 375,299	\$ 597,919	\$ 656,824	\$ 610,033	\$ 1,314,930	\$ 3,555,005
LIABILITIES						
Accounts payable	\$ -	\$ -	\$ -	\$ 59,945	\$ 1,314,930	\$ 1,374,875
Deposits payable	7,318	597,919	656,824	550,088	-	1,812,149
Due to bondholders	367,981	-	-	-	-	367,981
Total liabilities	\$ 375,299	\$ 597,919	\$ 656,824	\$ 610,033	\$ 1,314,930	\$ 3,555,005

City of Pomona
Combining Statement of Changes in Assets and Liabilities
All Agency Funds
For the year ended June 30, 2009

	Balance July 1, 2008	Additions	Deletions	Balance June 30, 2009
<u>Assessment Districts</u>				
Assets:				
Cash and investments	\$ 358,265	\$ 8,495	\$ -	\$ 366,760
Due from other governments	15,926	7,318	(15,926)	7,318
Interest receivable	2,358	1,221	(2,358)	1,221
Total assets	\$ 376,549	\$ 17,034	\$ (18,284)	\$ 375,299
Liabilities:				
Deposits payable	\$ 15,926	\$ 7,318	\$ (15,926)	\$ 7,318
Due to bondholders	360,623	7,358	-	367,981
Total liabilities	\$ 376,549	\$ 14,676	\$ (15,926)	\$ 375,299
<u>Engineers' Revolving</u>				
Assets:				
Cash and investments	\$ 584,058	\$ 11,961	\$ -	\$ 596,019
Interest receivable	2,399	1,900	(2,399)	1,900
Total assets	\$ 586,457	\$ 13,861	\$ (2,399)	\$ 597,919
Liabilities:				
Deposits payable	\$ 586,457	\$ 11,462	\$ -	\$ 597,919
Total liabilities	\$ 586,457	\$ 11,462	\$ -	\$ 597,919
<u>Construction Guarantee</u>				
Assets:				
Cash and investments	\$ 771,016	\$ 482,821	\$ (597,013)	\$ 656,824
Total assets	\$ 771,016	\$ 482,821	\$ (597,013)	\$ 656,824
Liabilities:				
Accounts payable	\$ 13,966	\$ 131,922	\$ (145,888)	\$ -
Deposits payable	757,050	-	(100,226)	656,824
Total liabilities	\$ 771,016	\$ 131,922	\$ (246,114)	\$ 656,824
<u>Municipal Revolving</u>				
Assets:				
Cash and investments	\$ 472,691	\$ 435,923	\$ (299,866)	\$ 608,748
Accounts receivable	9,761	28,119	(37,880)	-
Due from other governments	2,170	1,285	(2,170)	1,285
Total assets	\$ 484,622	\$ 465,327	\$ (339,916)	\$ 610,033
Liabilities:				
Accounts payable	\$ 18,272	\$ 159,212	\$ (117,539)	\$ 59,945
Deposits payable	466,350	83,738	-	550,088
Total liabilities	\$ 484,622	\$ 242,950	\$ (117,539)	\$ 610,033

City of Pomona
Combining Statement of Changes in Assets and Liabilities, Continued
All Agency Funds
For the year ended June 30, 2009

	Balance July 1, 2008	Additions	Deletions	Balance June 30, 2009
<u>Employee Benefits/Deductions</u>				
Assets:				
Cash and investments	\$ 2,278,927	\$ 3,952,505	\$ (4,916,502)	\$ 1,314,930
Total assets	\$ 2,278,927	\$ 3,952,505	\$ (4,916,502)	\$ 1,314,930
Liabilities:				
Accounts payable	\$ 2,278,927	\$ 5,771,570	\$ (6,735,567)	\$ 1,314,930
Total liabilities	\$ 2,278,927	\$ 5,771,570	\$ (6,735,567)	\$ 1,314,930
<u>Total All Agency Funds</u>				
Assets:				
Cash and investments	\$ 4,464,957	\$ 4,891,705	\$ (5,813,381)	\$ 3,543,281
Accounts receivable	9,761	28,119	(37,880)	-
Interest receivable	4,757	3,121	(4,757)	3,121
Due from other governments	18,096	8,603	(18,096)	8,603
Total assets	\$ 4,497,571	\$ 4,931,548	\$ (5,874,114)	\$ 3,555,005
Liabilities:				
Accounts payable	\$ 2,311,165	\$ 6,062,704	\$ (6,998,994)	\$ 1,374,875
Deposits payable	1,825,783	102,518	(116,152)	1,812,149
Due to bondholders	360,623	7,358	-	367,981
Total liabilities	\$ 4,497,571	\$ 6,172,580	\$ (7,115,146)	\$ 3,555,005

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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Financial Trends - *These schedules contain information to help the reader to understand how the City's financial performance and well-being have changed over time.*

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City of Pomona
Net Assets by Component
Last Seven Fiscal Years

Schedule 1

	Fiscal Year						
	2003	2004	2005	2006	2007	2008	2009
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	\$ 266,710,638
Restricted	69,634,633	24,233,671	162,563,670	113,101,903	121,330,491	126,440,546	130,746,703
Unrestricted	(64,303,903)	29,368,859	(198,364,012)	(179,150,706)	(182,279,410)	(188,834,296)	(213,456,367)
Total governmental activities net assets	\$ 55,578,304	\$ 49,303,658	\$ 59,262,530	\$ 205,491,585	\$ 222,204,150	\$ 203,898,950	\$ 184,000,974
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	\$ 68,860,850
Restricted	-	-	19,373,600	2,986,079	4,049,389	3,015,084	2,940,659
Unrestricted	24,182,750	33,940,619	10,349,393	27,474,990	28,867,217	32,851,495	32,957,936
Total business-type activities net assets	\$ 75,353,104	\$ 83,270,882	\$ 85,103,670	\$ 84,561,288	\$ 84,935,499	\$ 94,303,603	\$ 104,759,445
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	\$ 335,571,488
Restricted	69,634,633	24,233,671	181,937,270	116,087,982	125,379,880	129,455,630	133,687,362
Unrestricted	(40,121,153)	63,309,478	(188,014,619)	(151,675,716)	(153,412,193)	(155,982,801)	(180,498,431)
Total primary government net assets	\$ 130,931,408	\$ 132,574,540	\$ 144,366,200	\$ 290,052,873	\$ 307,139,649	\$ 298,202,553	\$ 288,760,419

Ten years of data is not available.

City of Pomona
Changes in Net Assets
Last Seven Fiscal Years

Schedule 2

	Fiscal Year						
	2003	2004	2005	2006	2007	2008	2009
Expenses							
Governmental activities:							
General government	\$ 20,586,309	\$ 16,877,268	\$ 8,502,072	\$ 4,566,737	\$ 5,374,997	\$ 7,799,411	\$ 11,325,897
Public safety	30,080,994	54,409,038	61,493,317	62,314,546	66,368,961	71,782,018	76,866,332
Urban development	54,029,511	43,458,432	39,149,792	68,802,603	70,071,752	58,907,290	68,405,205
Community services	11,253,597	11,752,699	13,511,242	14,817,177	12,761,215	21,517,903	10,418,491
Interest and fiscal charges	17,218,724	20,640,447	24,678,827	25,274,237	25,372,308	30,865,822	27,731,312
Total governmental activities	133,169,135	147,137,884	147,335,250	175,775,300	179,949,233	190,872,444	194,747,237
Business-type activities:							
Water	21,770,977	21,939,428	19,210,002	19,172,107	23,845,899	22,807,789	18,980,506
Sewer	1,649,229	2,789,001	2,542,545	2,458,616	3,915,545	2,920,219	2,963,196
Refuse	6,280,528	6,842,583	7,967,320	8,488,309	8,921,093	8,837,471	9,805,894
Canon Water Company	-	-	48,563	52,345	17,472	96,255	16,681
Total business-type activities	29,700,734	31,571,012	29,768,430	30,171,377	36,700,009	34,661,734	31,766,277
Total primary government expenses	\$ 162,869,869	\$ 178,708,896	\$ 177,103,680	\$ 205,946,677	\$ 216,649,242	\$ 225,534,178	\$ 226,513,514
Program Revenues							
Governmental activities:							
Charges for services:							
Police revenues	\$ 1,567,014	\$ 1,896,386	\$ 2,141,662	\$ 2,423,540	\$ 2,698,089	\$ 2,894,510	\$ 3,046,908
Plan check fees	1,241,023	886,327	939,836	988,874	543,317	924,010	410,451
Building permits	1,191,428	1,380,789	1,330,168	1,336,527	927,771	1,287,216	730,510
Graffiti abatement	565,438	566,686	617,619	609,228	530,399	560,006	566,197
Street sweeping fee	475,943	477,135	520,018	512,819	423,356	471,387	476,351
Maintenance assessment fee	1,156,023	1,180,820	1,178,638	1,227,281	1,208,338	1,172,825	1,242,240
All other	13,677,585	15,937,213	9,456,166	9,849,392	8,383,366	5,562,867	11,442,772
Operating grants and contributions	15,564,685	18,844,817	22,516,819	22,656,450	27,319,477	24,171,583	17,838,374
Capital grants and contributions	9,013,220	6,421,422	10,040,740	6,718,223	7,154,035	12,395,251	12,020,471
Total governmental activities program revenues	44,452,359	47,591,595	48,741,666	46,322,334	49,188,148	49,439,655	47,774,274
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	27,857,381
Sewer	2,519,070	2,525,048	2,601,847	2,853,610	3,384,966	4,008,291	4,189,672
Refuse	6,935,134	7,224,218	7,234,940	7,395,141	7,326,324	7,733,411	8,661,142
Operating grants and contributions	140,853	122,197	156,781	68,966	145,820	126,471	64,841
Capital grants and contributions	217,129	-	264,506	23,100	97,420	4,004,312	850
Total business-type activities program revenues	30,162,938	30,952,380	32,712,826	33,029,981	37,165,095	43,027,571	40,773,886
Total primary government program revenues	\$ 74,615,297	\$ 78,543,975	\$ 81,454,492	\$ 79,352,315	\$ 86,353,243	\$ 92,467,226	\$ 88,548,160

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

Schedule 2

	Fiscal Year						
	2003	2004	2005	2006	2007	2008	2009
Net (Expense)/Revenue							
Governmental activities	\$ (88,716,776)	\$ (99,546,289)	\$ (98,593,584)	\$ (129,452,966)	\$ (130,761,085)	\$ (141,432,789)	\$ (146,972,963)
Business-type activities	462,204	(618,632)	2,944,396	2,858,604	465,086	8,365,837	9,007,609
Total primary government net expense	<u>\$ (88,254,572)</u>	<u>\$ (100,164,921)</u>	<u>\$ (95,649,188)</u>	<u>\$ (126,594,362)</u>	<u>\$ (130,295,999)</u>	<u>\$ (133,066,952)</u>	<u>\$ (137,965,354)</u>
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	\$ 65,303,064
Sales taxes	15,647,492	14,483,633	11,683,923	14,710,345	19,072,975	17,200,015	10,628,900
Motor vehicle license	8,866,986	7,204,184	1,025,393	1,109,390	874,237	718,936	555,277
Transient occupancy taxes	1,348,863	1,482,972	1,473,711	1,865,001	1,727,097	1,718,607	1,450,270
Property transfer taxes	-	-	-	-	2,152,388	1,189,405	1,020,258
Franchise	1,980,304	4,078,354	4,360,394	5,397,384	5,871,860	5,776,052	6,861,266
Utility users taxes	16,492,851	16,375,211	16,774,747	17,576,969	18,290,416	18,154,259	17,732,063
Business licenses	-	-	-	-	2,844,503	2,977,865	3,051,371
Other	1,624,406	936,114	786,421	678,897	2,459,714	1,973,674	17,579
Investment earnings/(expenses)	11,130,241	12,309,966	16,833,110	17,819,663	19,509,780	19,956,964	17,219,062
Miscellaneous	3,523,822	-	7,748,110	5,832,425	2,240,671	2,568,179	3,246,127
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)	(1,327,375)
Total governmental activities	<u>90,569,114</u>	<u>93,271,643</u>	<u>108,182,203</u>	<u>119,973,108</u>	<u>127,711,897</u>	<u>126,726,532</u>	<u>125,757,862</u>
Business-type activities:							
Investment earnings/(expenses)	2,206,094	3,087,898	(1,816,793)	(1,991,603)	108,433	(1,696,056)	(563,393)
Miscellaneous	140,860	257,334	289,625	334,034	516,717	944,403	2,001,376
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	1,327,375
Total business-type activities	<u>2,445,592</u>	<u>2,593,580</u>	<u>(2,500,113)</u>	<u>(3,400,986)</u>	<u>(90,875)</u>	<u>1,002,267</u>	<u>2,765,358</u>
Total primary government	<u>\$ 93,014,706</u>	<u>\$ 95,865,223</u>	<u>\$ 105,682,090</u>	<u>\$ 116,572,122</u>	<u>\$ 127,621,022</u>	<u>\$ 127,728,799</u>	<u>\$ 128,523,220</u>
Changes in Net Assets							
Governmental activities	\$ 1,852,338	\$ (6,274,646)	\$ 9,588,619	\$ (9,479,858)	\$ (3,049,188)	\$ (14,706,257)	\$ (21,215,101)
Business-type activities	2,907,796	1,974,948	444,283	(542,382)	374,211	9,368,104	11,772,967
Total primary government	<u>\$ 4,760,134</u>	<u>\$ (4,299,698)</u>	<u>\$ 10,032,902</u>	<u>\$ (10,022,240)</u>	<u>\$ (2,674,977)</u>	<u>\$ (5,338,153)</u>	<u>\$ (9,442,134)</u>

Ten years of data is not available.

City of Pomona
Fund Balances, Governmental Funds
Last Seven Years

Schedule 3

	Fiscal Year						
	2003	2004	2005	2006	2007	2008	2009
General Fund:							
Reserved	\$ 6,650,885	\$ 6,198,142	\$ 8,976,671	\$ 7,907,817	\$ 6,888,120	\$ 4,459,873	\$ 4,365,820
Unreserved	2,605,887	4,065,766	7,843,760	10,914,430	13,903,948	10,809,579	4,430,794
Total General Fund	\$ 9,256,772	\$ 10,263,908	\$ 16,820,431	\$ 18,822,247	\$ 20,792,068	\$ 15,269,452	\$ 8,796,614
All Other Governmental Funds:							
Reserved	\$ 199,962,812	\$ 275,867,951	\$ 281,404,289	\$ 279,513,977	\$ 329,767,481	\$ 293,334,925	\$ 305,411,945
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	5,729,977
Debt service funds	(135,498,637)	(177,203,920)	(173,774,677)	(182,032,654)	(182,023,917)	(198,469,799)	(155,935,490)
Capital projects funds	25,621,657	37,561,953	29,471,016	54,561,328	1,421,840	60,383,675	2,288,382
Total All Other Governmental Funds	\$ 101,172,464	\$ 158,156,310	\$ 168,620,572	\$ 176,968,111	\$ 173,254,865	\$ 167,902,446	\$ 157,494,814

Ten years of data is not available.

City of Pomona
Governmental Activities Tax Revenue by Source
Last Seven Years (in thousands of dollars)

Schedule 5

Fiscal Year	Property	Sales	Motor	Transient	Property	Utility	Business			Total
Ended	Tax	Tax	Vehicle	Occupancy	Transfer	Users	Licenses	Other		
June 30			License		Tax	Tax				
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
2009	65,303	10,629	555	1,450	1,020	6,861	17,732	3,051	19	106,620

Ten years of data is not available.

City of Pomona

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

Fiscal Year Ended June 30	Residential Property	Commercial Property	Industrial Property	Other	Unsecured Property	Less: Tax Exempt Property *	Total Taxable Assessed Value	Total Direct Tax Rate (1)
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
2009	6,486,480	1,019,941	1,104,778	754,631	384,081	546,779	9,203,132	1.14340

Source: Los Angeles County Assessor data, MuniServices, LLC, 2007-08 and prior: prior year CAFR reports.

(1) Total direct tax rate is the city share of the 1% Proposition 13 tax only for TRA 007-790.

* Some prior years exemptions show only HOX.

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

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
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	0.00079	0.00066	0.00000	0.00000
Schools	0.10507	0.13493	0.12202	0.12342	0.12633	0.12910	0.12488	0.12401	0.11379	0.11577
Community College	0.00000	0.00000	0.00000	0.01946	0.01525	0.01473	0.02122	0.02184	0.01750	0.02333
Flood Control	0.00177	0.00155	0.00107	0.00088	0.00046	0.00025	0.00005	0.00005	0.00140	0.00000
Metro Water District	0.00890	0.00880	0.00770	0.00670	0.00610	0.00580	0.00520	0.00470	0.00450	0.00430
Total Direct Rate	1.11573	1.14528	1.13079	1.15046	1.14814	1.14988	1.15214	1.15126	1.13719	1.14340

Source: Los Angeles County Auditor/Controller data, MuniServices, LLC
2008-09: TRA 007-790 is represented in this table and has the largest assessed value in Pomona.
2007-08 and prior: prior year CAFR reports

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

Schedule 8

Taxpayer	2009			2006		
	Taxable Assessed Valuation	Rank	Percent of Total City Taxable Assessed Value	Taxable Assessed Valuation	Rank	Percent of Total City Taxable Assessed Value
Realty Associates	\$ 77,703,404	1	0.84%	\$ 24,162,254	4	0.36%
UDR Crest LP	64,371,645	2	0.70%	60,656,659	1	0.91%
Merco Group 2001 2021	39,897,648	3	0.43%	-		0.00%
Ripon Cogeneration LLC	28,926,804	4	0.31%	27,611,833	3	0.41%
Shilo Inn	28,447,832	5	0.31%	-		0.00%
Fairplex	27,496,181	6	0.30%	-		0.00%
Western University of Health	25,626,866	7	0.28%	-		0.00%
1675 Mission Assoc LLC	24,299,538	8	0.26%	31,365,000	2	0.47%
Topanga Owensmouth 7 LLC	24,048,517	9	0.26%	22,661,900	5	0.34%
Coca Cola Co.	22,452,172	10	0.24%	-		0.00%
CH Realty III Pomona LP	-		-	21,420,000	6	0.32%
F D S Mfg Co	-		-	18,842,013	7	0.28%
Devry Inc	-		-	18,758,886	8	0.28%
Familian Corp	-		-	17,722,558	9	0.26%
Weiss Family Limited Partnership	-		-	16,601,920	10	0.25%

Source: 2008-09 Los Angeles County Assessor data, MuniServices, LLC

City of Pomona
Property Tax Levies and Collections
Last Seven 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%
2009	12,050,182	12,976,085	107.7%	977,302	13,953,387	115.8%

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 Seven 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
2009	9,645,000	227,390,370	42,280,684	13,234,923	36,000,684	328,551,661

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
139,635,527	1,286,361	140,921,888	469,473,549	n/a	2,873

Ratios of General Bonded Debt Outstanding

Last Seven 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
2009	227,390	9,645	42,281	13,235		292,551	3.2%	1,790

(1) See Schedule 6 for property value data.

(2) Population data can be found in Schedule 15.

Ten years of data is not available.

City of Pomona
Direct and Overlapping Debt
Current Year and Nine Years Ago

Schedule 12

OVERLAPPING DEBT 06/30/2009:	Total Debt 6/30/2009	% Applicable (1)	City's Share of Debt 06/30/2009
Los Angeles County Flood Control District	\$ 84,705,000	0.684%	\$ 579,382
Metropolitan Water District	293,425,000	0.337%	988,842
Citrus Community College District	84,030,302	1.498%	1,258,774
Mount San Antonio Community College District	187,650,522	11.372%	21,339,617
Bonita Unified School District	53,164,790	0.180%	95,697
Claremont Unified School District	40,345,000	6.548%	2,641,791
Pomona Unified School District	177,831,238	72.429%	128,801,387
City of Pomona 1915 Act Bonds	5,226,000	100.000%	5,226,000
Pomona Unified School District	246,875,000	0.666%	1,644,188
TOTAL OVERLAPPING DEBT			<u>\$ 162,575,678</u>

OVERLAPPING DEBT 06/30/2000:	Total Debt 6/30/2000	% Applicable (1)	City's Share of Debt 06/30/2000
Los Angeles County	\$ 47,864,965	0.705%	\$ 337,448
Los Angeles County Flood Control District	31,160,027	0.728%	226,845
Metropolitan Water District	549,615,000	0.380%	2,088,537
Pomona Unified School District	95,805,000	72.593%	69,547,724
City of Pomona 1915 Act Bonds	14,440,000	100.000%	14,440,000
Los Angeles County Regional Park & Open Space Assessment District	462,520,000	0.705%	3,260,766
TOTAL OVERLAPPING DEBT			<u>\$ 89,901,320</u>

Source: MuniServices, LLC

1) Percentage of overlapping agency's assessed valuation located within the boundaries of the city.

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

Schedule 13

	2003	2004	2005	2006	2007	2008	2009
Debt limit	\$ 832,676	\$ 893,751	\$ 954,851	\$ 1,061,285	\$ 1,209,039	\$ 1,315,928	\$ 1,380,470
Amount of debt applicable to debt limit	-	-	-	-	-	-	-
Legal debt margin	\$ 832,676	\$ 893,751	\$ 954,851	\$ 1,061,285	\$ 1,209,039	\$ 1,315,928	\$ 1,380,470
Total debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Legal Debt Margin Calculation for Fiscal Year 2009

Assessed Value	\$ 9,203,132
Debt Limit 15%	1,380,470
Debt applicable to debt limit	-
Legal Debt Margin	<u>\$ 1,380,470</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		
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	623,134	2,749,976	3,373,110	1.306	
2008	28,792,748	20,731,943	8,060,805	654,596	5,254,953	5,909,549	1.364	
2009	31,125,004	16,495,294	14,629,710	638,594	6,630,626	7,269,220	2.013	

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 Eight Fiscal Years

Schedule 15

Calendar Year	Population (1)	Personal Income (2) (in thousands)	Per Capita Personal Income	Unemployment Rate (3)	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
2009	163,408	2,747,869	16,816	8.4%	30,032	28.7

Source: MuniServices, LLC, 2007-08 and prior: prior year CAFR reports.

(1) Source: California Department of Finance Projections

(2) Source: United States Census Data and is adjusted for inflation

(3) Source: EDD's Bureau of Labor Statistics Department

** School enrollment reflects the total number of students enrolled in Pomona Unified School District. Any other school districts within the City are not accounted for in this statistic.

Ten years of data is not available.

City of Pomona
Principal Employers
Current Year and Nine Years Ago

Schedule 16

Employer - 2009	2009	
	Number of Employees	Percentage of Total City Employment
Pomona Unified School District	3,424	5.9%
Pomona Valley Hospital	3,230	5.6%
California State Polytechnic University	2316	4.0%
Lanterman Developmental Center	1283	2.2%
City of Pomona	810	1.4%
Casa Colina Rehabilitation Center	688	1.2%
Verizon	596	1.0%
County of Los Angeles Department of Social Services	383	0.7%
First Transit	320	0.6%
Lloyd's Material Supply (CAI)	315	0.5%
Pioneer Electronics	280	0.5%
Inland Valley Care & Rehab	271	0.5%
Hayward Industries Inc	258	0.4%
Royal Cabinets	229	0.4%
Vertis Inc	215	0.4%
Hamilton Sundstrand	210	0.4%
Walmart Stores Inc	209	0.4%
Anheuser Busch	194	0.3%
Adams Rite Manufacturing Co	171	0.3%
Consolidated Foundries	170	0.3%

Nine years of data is not available

Source: Finance Department and Business

Total Employment Source: www.labormarketinfo.edd.ca.gov

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

Schedule 17

Function	2003	2004	2005	2006	2007	2008	2009
General Government	23	25	36	38	37	36	29
Support Services	46	49	47	45	46	52	44
Police	319	330	333	332	349	348	342
Public Works	82	82	77	87	88	87	81
Planning & Housing	66	68	56	40	40	40	40
Utility Services	133	132	132	126	127	128	127
Neighborhood Services	79	79	79	76	78	80	78
Total	748	765	760	744	765	771	741

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)

	2000	2001	2002	2003	2004
Apparel Stores	\$ 10,497	\$ 10,852	\$ 11,557	\$ 11,122	\$ 10,676
General Merchandise	46,537	52,207	47,816	44,978	46,666
Food Stores	55,729	55,527	57,918	55,596	58,574
Eating and Drinking Places	85,153	91,086	93,521	96,178	106,413
Building Materials	112,443	108,828	112,310	121,341	139,659
Auto Dealers and Supplies	178,899	228,894	285,311	297,048	311,431
Service Stations	116,059	115,807	106,814	124,788	151,061
Other Retail Stores	118,699	122,333	129,272	140,622	136,515
All Other Outlets	459,136	390,612	381,594	372,210	388,639
Total	\$ 1,183,152	\$ 1,176,146	\$ 1,226,113	\$ 1,263,883	\$ 1,349,634

Source: MuniService, LLC

2005	2006	2007	2008	2009
\$ 6,056	\$ 6,277	\$ 7,929	\$ 9,884	\$ 8,210
48,039	50,144	49,839	49,203	48,733
63,619	69,894	71,838	72,852	70,991
115,373	117,108	121,796	124,146	119,631
220,011	306,092	283,287	234,707	189,624
322,086	251,894	217,924	178,694	91,100
181,428	185,542	194,850	207,178	161,684
130,299	136,855	130,933	148,426	125,747
703,916	509,377	544,522	343,162	284,376
<u>\$ 1,790,827</u>	<u>\$ 1,633,183</u>	<u>\$ 1,622,918</u>	<u>\$ 1,368,252</u>	<u>\$ 1,100,096</u>

City of Pomona
Operating Indicators by Function
Last Five Fiscal Years

Schedule 19

	2005	2006	2007	2008	2009
Police:					
Felony Arrests	4,592	3,987	3,990	3,491	3,605
Misdemeanor Arrests	9,318	8,888	8,319	7,068	7,827
Parking Citations	12,492	13,000	14,670	24,293	29,594
Moving Citations	11,151	9,113	15,861	19,546	25,231
Fire:					
Incidents	11,989	12,892	12,557	12,393	12,171
Urban development:					
Residential building permits issued	3,052	3,174	3,039	2,111	1,372
Inspections	12,907	14,585	20,877	23,235	17,278
Asphalt repaired (square feet)	18,000	19,500	16,600	31,862	23,911
Sidewalk repaired (square feet)	24,500	26,000	16,859	14,977	6,328
Community services:					
Community Center participants	528,255	556,000	919,153	899,611	409,595
Senior Program participants	108,250	110,240	185,285	244,000	145,851
Youth program participants	278,654	280,000	286,925	234,648	263,744
Other program participants	56,365	66,200	70,329	72,345	47,043
Sports Teams	250,350	450,300	376,614	348,618	206,853
Facility rentals	420	466	424	273	220
Library:					
Program attendance (all programs)	18,131	17,650	11,514	10,711	12,350
Literacy instruction (hours)	1,048	1,500	762	639	871
Water:					
New connections	121	166	47	152	23
Average daily consumption (thousands of gallons)	21,179	19,990	23,028	22,086	20,693
Refuse:					
Curbside Collection (in tons)	41,279	42,000	42,884	41,638	39,407
Recycle Collection (in tons)	9,448	9,500	9,380	8,871	8,003
Greenwaste Collection (in tons)	n/a	n/a	14,687	13,259	13,267

Source: Various City Departments

Ten years of data is not available.

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

Schedule 20

	2005	2006	2007	2008	2009
Police:					
Stations	1	1	1	1	1
Patrol Units	45	45	45	45	44
Fire:					
Fire stations	8	8	8	8	8
Public works:					
Streets (miles)	n/a	n/a	296	388	388
Streetlights	n/a	n/a	9,933	7,645	7,645
Traffic signals	n/a	n/a	175	175	176
Community services:					
Parks	25	25	25	26	26
Park Acreage	210	210	210	210	221
Baseball fields	14	14	14	14	14
Soccer fields	11	11	11	13	17
Basketball courts	17	17	18	22	22
Tennis courts	9	9	9	9	9
Community centers	7	7	12	13	13
Libraries	1	1	1	1	1
Water:					
Water mains (miles)	435	435	436	439	439
Sewer:					
Sanitary sewers (miles)	293	293	313	313	313
Storm drains (miles)	120	120	120	120	120

Source: Various City Departments

Ten years of data is not available.