

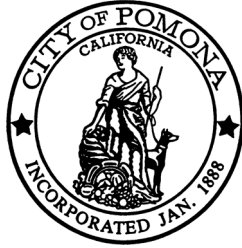


CITY OF POMONA, CALIFORNIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2011

Lance Soll & Lunghard, LLP

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Brea, CA 92821

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Murrieta, CA 92562



CITY OF POMONA, CALIFORNIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Year Ended June 30, 2011

Elliott Rothman

Mayor

Danielle Soto

Councilmember, District 1

Freddie Rodriguez

Councilmember, District 2

Cristina Carrizosa

Councilmember, District 3

Paula Lantz

Councilmember, District 4

GINNA E. ESCOBAR

Councilmember, District 5

Stephen Atchley

Councilmember, District 6

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

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JUNE 30, 2011

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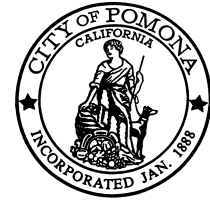
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December 29, 2011



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, 2011 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. Lance, Soll & Lunghard, LLP, Certified Public Accountants, have issued an unqualified opinion of the City of Pomona's financial statements for the year ended June 30, 2011. 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 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. Separate audited statements are also issued for the Housing Authority and are available for review in the Pomona Public Library.

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 149,243 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 Verizon, First Transit, Hayward Industries, Lloyd's Material Supply, and Walmart. 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 66,300 as of 2011, representing an increase of more than 3,500 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 \$1.0 billion dollars in FY 2010-11. 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 decreased \$328 million compared to the prior year. Similar to 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 33.2% of General Fund revenues during Fiscal Year 2010-11, while sales taxes (sales tax, one-half cent sales tax and in-lieu) represented 16.4% of the total.

LONG-TERM FINANCIAL PLANNING

The City's continued control over expenditure growth has been, and will continue to be, a key factor in maintaining the City's financial position. The dramatic reversal in global economic fortunes 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

Although the so-called “great recession” officially ended in the latter half of calendar year 2009, there is still little indication of a broad, sustainable recovery on either the State or local levels. Faced with these uncertainties, the City reduced Fiscal Year 2011-2012 expenses significantly by negotiating employee wage and salary concessions. It is anticipated the budget for the coming Fiscal Year 2012-2013 will also be balanced. As budget discussions begin, it is additionally anticipated that various operations will be re-examined and continued discussions with employee groups for possible ongoing concessions and furloughs are expected.

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, 2011 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 Lance, Soll & Lunghard, LLP 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, 2010. The City of Pomona has received a Certificate of Achievement for the last eighteen consecutive years (1993-2010). 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, 2011. Please read it in conjunction with the basic financial statements and the accompanying notes to the basic financial statements.

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

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

Respectfully submitted,



Paula Chamberlain
Finance Director

Certificate of Achievement

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Certificate of Achievement for Excellence in Financial Reporting

Presented to

**City of Pomona
California**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2010

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.



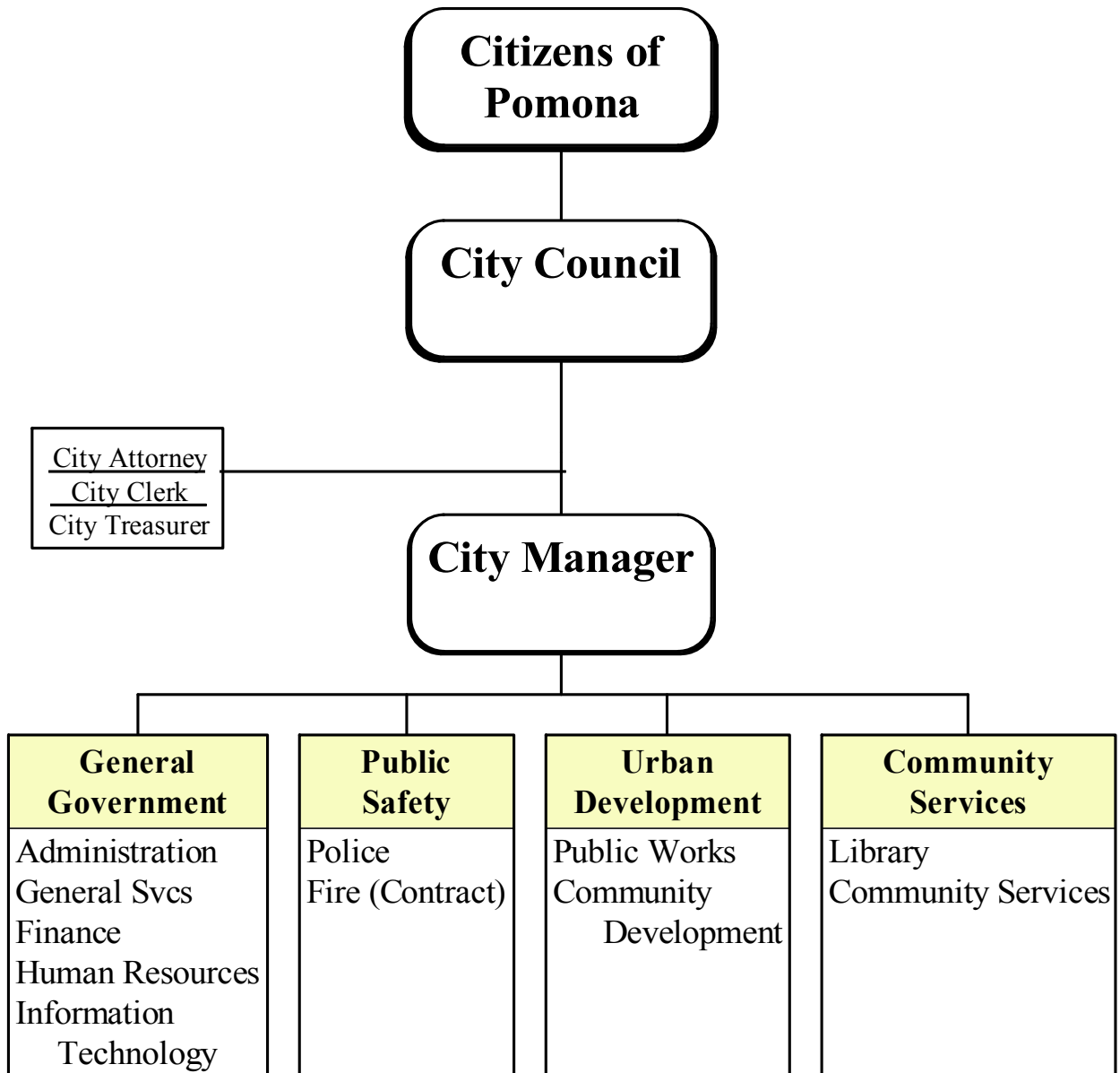
Linda C. Danson

President

Jeffrey R. Egan

Executive Director

Organizational Chart



CITY OF POMONA
DIRECTORY OF CITY OFFICIALS

at June 30, 2011

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

GINNA E. ESCOBAR
Councilmember
District 5

Stephen Atchley
Councilmember
District 6

APPOINTED ADMINISTRATIVE OFFICIALS

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

DEPARTMENT DIRECTORS

Finance Paula Chamberlain
Fire Chief (Los Angeles County)..... Angel Montoya
Human Resources Susan Paul
Information Technology John Depolis
Library Bruce Guter
Community Development/Community Services Mark Lazzaretto
Police Chief..... Dave Keetle
Public Works..... Daryl Grigsby
Redevelopment Raymond Fong



CERTIFIED PUBLIC ACCOUNTANTS

- Brandon W. Burrows, CPA
- David E. Hale, CPA, CFP
A Professional Corporation
- Donald G. Slater, CPA
- Richard K. Kikuchi, CPA
- Susan F. Matz, CPA
- Shelly K. Jackley, CPA
- Bryan S. Gruber, CPA

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Members of the City Council
City of 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, 2011, 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, 2011 of the Canon Water Company of Pomona, California, Inc. (Company), a component unit of the City, which represents \$263,281 of assets, \$263,281 of net assets, and \$7,493 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, 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 auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective 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, 2011, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

We would like to draw the reader's attention to Note 19 – "California Redevelopment Agency Dissolution". The note provides information on two bills passed, AB1X26 and AB1X27 which dissolve redevelopment agencies and provide an option to avoid dissolution by making certain defined payments. The Note also provides further information on the California Supreme Court ruling dated December 29, 2011 in regards to these two bills.

As discussed in Note 17 to the basic financial statements, the City continues to suffer significant reductions in assets from operations, which raises uncertainties regarding future operations. Management's plan regarding those matters are also described in Note 17.



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

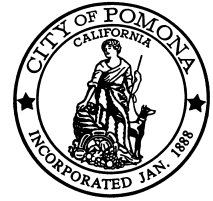
In accordance with *Government Auditing Standards*, we have also issued our report dated December 29, 2011, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's financial statements as a whole. The introductory section, combining and individual non-major fund financial statements, and statistical section, are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual non-major fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements 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 do not express an opinion or provide any assurance on them.

Lance, Soll & Lughard, LLP

Brea, California
December 29, 2011



MANAGEMENT'S DISCUSSION AND ANALYSIS

Fiscal Year Ended June 30, 2011

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, 2011. 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 \$260.7 million.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$144.3 million.
- At the end of the current fiscal year, committed fund balance for fiscal stability in the general fund was \$5.6 million, or approximately 7.3% 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. 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 and self-insurance funds. 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 are 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 \$260.7 million at June 30, 2011. 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, 2010 and June 30, 2011 are as follows:

	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Current and other assets	\$ 228.0	\$ 234.8	\$ 98.1	\$ 117.9	\$ 326.1	\$ 352.7
Capital assets	325.0	323.7	147.8	135.8	472.8	459.5
Total assets	<u>553.0</u>	<u>558.5</u>	<u>245.9</u>	<u>253.7</u>	<u>798.9</u>	<u>812.2</u>
Other liabilities	21.7	43.8	9.8	12.9	31.5	56.7
Long-term liabilities outstanding	<u>367.4</u>	<u>347.9</u>	<u>139.3</u>	<u>141.9</u>	<u>506.7</u>	<u>489.8</u>
Total liabilities	<u>389.1</u>	<u>391.7</u>	<u>149.1</u>	<u>154.8</u>	<u>538.2</u>	<u>546.5</u>
Net assets:						
Invested in capital assets, net of related debt	257.2	259.5	53.0	62.3	310.2	321.8
Restricted	138.8	134.7	7.7	2.2	146.5	136.9
Unrestricted	(232.1)	(227.4)	36.1	34.4	(196.0)	(193.0)
Total net assets	<u>\$ 163.9</u>	<u>\$ 166.8</u>	<u>\$ 96.8</u>	<u>\$ 98.9</u>	<u>\$ 260.7</u>	<u>\$ 265.7</u>

The City's net assets, including the governmental activities and business-type activities, decreased \$5 million over the prior fiscal year primarily due to a net assets restatement of \$3 million in the governmental activities and a \$2 million deficit in the business-type activities.

GOVERNMENTAL ACTIVITIES

The City's net assets from governmental activities decreased \$2.9 million. The cost of all governmental activities this year was \$183.1 million. However, as shown in the Statement of Activities, the amount that the taxpayers ultimately financed for these activities was only \$135.8 million because some of the cost was paid by those who directly benefited from the programs (\$12.4 million), or by other governments and organizations that subsidized certain programs with operating grants and contributions (\$23.1 million), and capital grants and contributions (\$24.9 million). Overall, the City's governmental program revenues were \$60.4 million. The City paid for the remaining "public benefit" portion of governmental activities with \$123.4 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	
	2011	2010	2011	2010	2011	2010
Revenues:						
Program Revenues:						
Charges for services	\$ 12.4	\$ 20.7			\$ 12.4	\$ 20.7
Water	-	-	\$ 27.9	\$ 27.1	27.9	27.1
Sewer	-	-	4.3	4.3	4.3	4.3
Refuse	-	-	9.1	9.8	9.1	9.8
Operating grants and contributions	23.1	30.0	0.1	-	23.2	30.0
Capital grants and contributions	24.9	16.4	-	-	24.9	16.4
General Revenues:						
Taxes:						
Property taxes	58.1	60.8	-	-	58.1	60.8
Sales and use taxes	9.5	11.2	-	-	9.5	11.2
Utility user tax	17.7	17.2	-	-	17.7	17.2
Transient occupancy	1.3	1.3	-	-	1.3	1.3
Property transfer tax	1.0	1.1	-	-	1.0	1.1
Franchises	5.9	6.1	-	-	5.9	6.1
Motor vehicle in-lieu	0.8	0.5	-	-	0.8	0.5
Business license	2.7	2.9	-	-	2.7	2.9
Other taxes	-	-	-	-	-	-
Income from property and investment	23.8	14.5	0.1	(6.2)	23.9	8.3
Miscellaneous	2.6	2.1	-	-	2.6	2.1
Total revenues	183.8	184.8	41.5	35.0	225.3	219.8
Expenses:						
General government	6.1	6.5	-	-	6.1	6.5
Public safety	63.1	71.2	-	-	63.1	71.2
Urban development	77.5	87.7	-	-	77.5	87.7
Community services	7.1	8.2	-	-	7.1	8.2
Interest on long-term debt	29.4	29.5	-	-	29.4	29.5
Water	-	-	29.4	27.4	29.4	27.4
Sewer	-	-	5.7	3.8	5.7	3.8
Refuse	-	-	8.7	8.6	8.7	8.6
Canon Water Company	-	-	-	-	-	-
Total expenses	183.2	203.1	43.8	39.8	227.0	242.9
Increase in net assets before transfers	0.6	(18.3)	(2.3)	(4.8)	(1.7)	(23.1)
Transfers	(0.2)	1.1	0.2	(1.1)	-	-
Increase (decrease) in net assets	0.4	(17.2)	(2.1)	(5.9)	(1.7)	(23.1)
Net assets at beginning of year	166.8	184.0	98.9	104.8	265.7	288.8
Restatement of Net Assets	(3.3)	-	-	-	(3.3)	-
Net assets at 06/30/11	\$ 163.9	\$ 166.8	\$ 96.8	\$ 98.9	\$ 260.7	\$ 265.7

BUSINESS-TYPE ACTIVITIES

The cost of all business-type activities this year was \$43.8 million. As shown in the Statement of Activities and Changes in Net Assets, the amounts paid by users of the systems was \$41.3 million.

Total resources available during the year to finance business-type activities were \$140.6 million consisting of Net Assets at July 1, 2010 of \$98.9 million, program revenues of \$41.5 million and transfers of \$0.2 million; thus net assets were decreased by \$2.1 million to \$96.8 million.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

The fund balance at year-end for the City's General Fund of \$5.7 million is an overall decrease of \$0.8 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 \$5.5 million due to housing covenants pertaining to various Disposition Developer Agreements (DDA).

The Redevelopment Agency Capital Project Funds show a decrease of \$4.1 million primarily due to the repayment of advances to the General Fund for administrative costs and bond issuance costs.

The General Debt Service Funds show an increase of \$0.8 million primarily due to the reduction in amounts advanced from the Financing Authority.

The Public Financing Authority Funds show a decrease of \$2.5 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 \$0.5 million primarily due to cap-limits of certain project areas.

The Other Governmental Funds show a decrease of \$2.5 million primarily due to use of Prop 1B and Traffic Congestion Relief 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 \$506.7 million.

	Governmental Activities	Business-Type Activities	Total
LA County deferred tax loan	\$ 35,745,818	\$ -	\$ 35,745,818
Obligations under capital lease	767,611	515,674	1,283,285
Notes payable	6,984,064	-	6,984,064
Bonds	275,887,680	137,580,343	413,468,023
Certificates of participation	12,643,679	-	12,643,679
Compensated absences	7,441,894	1,184,366	8,626,260
Claims payable	16,895,344	-	16,895,344
OPEB obligations	11,020,027	-	11,020,027
Total	<u>\$ 367,386,117</u>	<u>\$ 139,280,383</u>	<u>\$ 506,666,500</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, 2011, net capital assets of the governmental activities totaled \$325.0 million and the net capital assets of the business-type activities totaled \$147.8 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	\$ 87,097,995	\$ -	\$ 87,097,995
Construction in progress	41,102,430	-	41,102,430
Buildings and improvements	14,883,238	10,802,279	4,080,959
Improvements other than buildings	57,665,078	18,852,618	38,812,460
Machinery and equipment	18,446,172	11,793,370	6,652,802
Furniture and fixtures	834,672	659,100	175,572
Autos and trucks	11,999,803	8,612,340	3,387,463
Equipment under capital leases	339,762	133,980	205,782
Infrastructure	378,718,741	235,267,654	143,451,087
Total	\$ 611,087,891	\$ 286,121,341	\$ 324,966,550
Capital Assets - Business -Type Activities			
Land and water rights	\$ 9,089,782	\$ -	\$ 9,089,782
Construction in progress	34,619,207	-	34,619,207
Buildings and improvements	3,418,603	2,958,377	460,226
Improvements other than buildings	286,638	76,613	210,025
Machinery and equipment	170,619,244	68,001,633	102,617,611
Furniture and fixtures	5,105	5,105	-
Autos and trucks	6,962,223	6,128,904	833,319
Total	\$ 225,000,802	\$ 77,170,632	\$ 147,830,170

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 2010-11 original adopted expenditure budget of the General Fund of \$79.3 million to the final budget of \$80.8 million shows a net increase of \$1.5 million. The increase in the budget was primarily due to increases in Police retirement costs and Fire related expenses.

ECONOMIC FACTORS

The City of Pomona's total Fiscal Year 2010-11 General Fund revenues declined by nearly \$7.2 million when compared to the prior year actuals. Although a substantial portion (almost \$5.36 million of the drop) is attributable to a non-recurring land sale from the previous year, there are a number of other trends – both positive and negative – worth noting. Combined, the City's property tax-related receipts fell again this year ... this time by almost \$723,000 compared to the previous twelve months. The decline was centered in Secured Tax receipts (and concurrently, Property Tax In-Lieu of VLF) along with Property Transfer Tax, which fell below \$1,000,000 for the first time in ten years. This was, however, reasonably consistent with economic trends on both the state and national levels, as the real estate market has been among the slowest segments to demonstrate recovery from the so-called "Great Recession." While Pomona's 0.75% share of Sales and Use Tax collections rose marginally from a year ago, Business License revenues – a lagging indicator – were down by over \$160,000. Although the timing of payments received was one factor, the combination of closed businesses and still-weak gross receipts, upon which many licenses are based, led to markedly depressed totals. Finally, while local government was once again held harmless of any significant new State revenue shifts in Fiscal Year 2010-11 (though the same does not appear to hold true for FY 2011-12), the ongoing impact of early 1990s ERAF reallocations continues to be felt, with Pomona's cumulative net ERAF loss estimated to be in excess of \$75,000,000 at the end of FY 2009-10.

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, 2011

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets:			
Cash and investments	\$ 39,412,925	\$ 27,068,299	\$ 66,481,224
Receivables (net):			
Accounts	5,422,388	10,001,623	15,424,011
Notes and loans	33,303,572	-	33,303,572
Accrued interest	71,572	43,323	114,895
Internal balances	(5,000,000)	5,000,000	-
Prepaid costs	1,468,192	9,120	1,477,312
Deposits	3,769	-	3,769
Due from other governments	17,336,018	-	17,336,018
Inventories	484,451	336,262	820,713
Deferred charges	5,360,341	2,807,393	8,167,734
Land held for resale	28,340,730	-	28,340,730
Pension asset, net	25,480,029	-	25,480,029
Restricted assets:			
Cash and investments	76,376,710	52,806,630	129,183,340
Capital assets not being depreciated	128,200,425	43,708,989	171,909,414
Capital assets, net of depreciation	196,766,125	104,121,181	300,887,306
Total Assets	553,027,247	245,902,820	798,930,067
Liabilities:			
Accounts payable	11,912,900	5,399,583	17,312,483
Accrued liabilities	1,868,602	334,995	2,203,597
Accrued interest	5,415,601	970,953	6,386,554
Unearned revenue	2,312,325	-	2,312,325
Deposits payable	227,795	3,147,589	3,375,384
Noncurrent liabilities:			
Due within one year	16,867,064	2,574,770	19,441,834
Due in more than one year	350,519,053	136,705,613	487,224,666
Total Liabilities	389,123,340	149,133,503	538,256,843
Net Assets:			
Invested in capital assets, net of related debt	257,218,882	53,012,960	310,231,842
Restricted for:			
Community development projects	1,420,745	-	1,420,745
Special projects	25,984,694	-	25,984,694
Capital projects	82,290,011	-	82,290,011
Debt service	29,114,747	7,660,879	36,775,626
Unrestricted	(232,125,172)	36,095,478	(196,029,694)
Total Net Assets	\$ 163,903,907	\$ 96,769,317	\$ 260,673,224

CITY OF POMONA

STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2011

	Program Revenues			
	Expenses	Charges for Services	Operating Contributions and Grants	
Functions/Programs				
Primary Government:				
Governmental Activities:				
General government	\$ 6,064,138	\$ 633,729	\$ 322,513	\$ -
Public safety	63,110,539	6,901,941	811,252	-
Urban development	77,538,633	4,320,262	21,823,592	24,908,628
Community services	7,082,135	520,712	157,914	-
Interest on long-term debt	29,390,035	-	-	-
Total Governmental Activities	183,185,480	12,376,644	23,115,271	24,908,628
Business-Type Activities:				
Water Utility	29,408,125	27,898,709	-	-
Sewer	5,733,464	4,342,682	-	-
Refuse	8,762,936	9,046,619	87,758	-
Canon Water Company, February 28, 2011	13,927	-	21,407	-
Total Business-Type Activities	43,918,452	41,288,010	109,165	-
Total Primary Government	\$ 227,103,932	\$ 53,664,654	\$ 23,224,436	\$ 24,908,628

General Revenues:

Taxes:

Property taxes
Sales taxes
Motor vehicle license
Transient occupancy taxes
Property transfer taxes
Franchise taxes
Utility users tax
Business licenses (nonregulatory)
Other taxes
Interest and rentals
Miscellaneous

Transfers

Total General Revenues and Transfers

Change in Net Assets

Net Assets at Beginning of Year

Restatement of Net Assets

Net Assets at End of Year

Net (Expenses) Revenues and Changes in Net Assets
Primary Government

<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
\$ (5,107,896)	\$ -	\$ (5,107,896)
(55,397,346)	-	(55,397,346)
(26,486,151)	-	(26,486,151)
(6,403,509)	-	(6,403,509)
<u>(29,390,035)</u>	<u>-</u>	<u>(29,390,035)</u>
<u>(122,784,937)</u>	<u>-</u>	<u>(122,784,937)</u>
-	(1,509,416)	(1,509,416)
-	(1,390,782)	(1,390,782)
-	371,441	371,441
-	7,480	7,480
<u>-</u>	<u>(2,521,277)</u>	<u>(2,521,277)</u>
<u>(122,784,937)</u>	<u>(2,521,277)</u>	<u>(125,306,214)</u>
58,116,765	-	58,116,765
9,507,105	-	9,507,105
829,147	-	829,147
1,266,721	-	1,266,721
987,363	-	987,363
5,910,791	-	5,910,791
17,718,623	-	17,718,623
2,730,397	-	2,730,397
4,008	-	4,008
23,775,050	133,255	23,908,305
2,547,071	3,733	2,550,804
<u>(220,346)</u>	<u>220,346</u>	<u>-</u>
<u>123,172,695</u>	<u>357,334</u>	<u>123,530,029</u>
387,758	(2,163,943)	(1,776,185)
166,768,620	98,933,260	265,701,880
<u>(3,252,471)</u>	<u>-</u>	<u>(3,252,471)</u>
<u>\$ 163,903,907</u>	<u>\$ 96,769,317</u>	<u>\$ 260,673,224</u>

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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, 2011**

		Special Revenue Fund	Capital Projects Fund	Debt Service Fund
	General	Low & Moderate Income Housing Fund	Redevelopment Agency Capital Project	General Debt Service
Assets:				
Cash and investments	\$ 1,937,108	\$ 1,557,919	\$ 668,971	\$ 757,632
Receivables (net):				
Accounts	2,658,208	1,252,809	606,287	-
Notes	-	11,667,230	1,510,600	-
Interest	5,458	7,144	11,767	1,354
Prepaid costs	25,000	600,000	-	-
Deposits	1,005	-	600	-
Due from other governments	5,300,469	-	-	5,145
Due from other funds	1,811,888	307,272	4,510,001	-
Advances to other funds	-	4,500,000	-	-
Inventories	100,084	-	-	-
Land held for resale	-	7,911,299	20,429,431	-
Restricted assets:				
Cash and investments	-	4,723,786	37,470,315	4,181,584
Total Assets	\$ 11,839,220	\$ 32,527,459	\$ 65,207,972	\$ 4,945,715
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	\$ 2,902,798	\$ 66,197	\$ 357,793	\$ 7,575
Accrued liabilities	1,420,406	41,933	29,554	-
Deferred revenues	1,522,481	11,667,230	1,640,086	-
Unearned revenues	-	-	-	-
Deposits payable	-	24,755	203,040	-
Due to other funds	-	-	-	1,299,611
Interest payable	-	-	-	1,110,817
Advances from other funds	304,435	9,080,000	-	46,950,000
Total Liabilities	6,150,120	20,880,115	2,230,473	49,368,003
Fund Balances:				
Nonspendable				
Inventories	100,084	-	-	-
Prepaid costs	25,000	600,000	-	-
Deposits	1,005	-	600	-
Land held for resale	-	7,911,299	20,429,431	-
Notes and loans	-	-	-	-
Advances to other funds	-	4,500,000	-	-
Restricted				
Urban development	-	-	42,547,468	-
Public safety	-	-	-	-
Community services	-	-	-	-
Capital projects	-	-	-	-
Assessment district improvement	-	-	-	-
Debt service	-	-	-	-
Committed				
Fiscal stability	5,563,011	-	-	-
Unassigned	-	(1,363,955)	-	(44,422,288)
Total Fund Balances	5,689,100	11,647,344	62,977,499	(44,422,288)
Total Liabilities and Fund Balances	\$ 11,839,220	\$ 32,527,459	\$ 65,207,972	\$ 4,945,715

CITY OF POMONA

**BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2011**

	<u>Debt Service Fund</u>	<u>Debt Service Fund</u>		
	<u>Public Financing Authority Debt Service</u>	<u>Redevelopment Agency Debt Service</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets:				
Cash and investments	\$ 121,647	\$ 5,153,633	\$ 22,762,802	\$ 32,959,712
Receivables (net):				
Accounts	-	-	904,151	5,421,455
Notes	-	2,523,412	17,602,330	33,303,572
Interest	145	6,649	39,055	71,572
Prepaid costs	-	-	843,192	1,468,192
Deposits	-	-	2,164	3,769
Due from other governments	-	4,800,123	7,230,281	17,336,018
Due from other funds	-	-	-	6,629,161
Advances to other funds	223,810,000	-	304,435	228,614,435
Inventories	-	-	-	100,084
Land held for resale	-	-	-	28,340,730
Restricted assets:				
Cash and investments	6,020,519	13,703,203	10,277,303	76,376,710
Total Assets	\$ 229,952,311	\$ 26,187,020	\$ 59,965,713	\$ 430,625,410
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	\$ 22,357	\$ 644,074	\$ 7,384,577	\$ 11,385,371
Accrued liabilities	2,855	-	316,600	1,811,348
Deferred revenues	-	2,523,412	16,836,718	34,189,927
Unearned revenues	-	2,312,325	-	2,312,325
Deposits payable	-	-	-	227,795
Due to other funds	-	4,817,273	512,277	6,629,161
Interest payable	-	-	-	1,110,817
Advances from other funds	-	172,280,000	-	228,614,435
Total Liabilities	25,212	182,577,084	25,050,172	286,281,179
Fund Balances:				
Nonspendable				
Inventories	-	-	-	100,084
Prepaid costs	-	-	843,192	1,468,192
Deposits	-	-	2,164	3,769
Land held for resale	-	-	-	28,340,730
Notes and loans	-	-	1,176,596	1,176,596
Advances to other funds	223,810,000	-	304,435	228,614,435
Restricted				
Urban development	-	-	16,797,699	59,345,167
Public safety	-	-	5,776,818	5,776,818
Community services	-	-	260,787	260,787
Capital projects	-	-	9,314,341	9,314,341
Assessment district improvement	-	-	525,063	525,063
Debt service	6,117,099	-	-	6,117,099
Committed				
Fiscal stability	-	-	-	5,563,011
Unassigned	-	(156,390,064)	(85,554)	(202,261,861)
Total Fund Balances	229,927,099	(156,390,064)	34,915,541	144,344,231
Total Liabilities and Fund Balances	\$ 229,952,311	\$ 26,187,020	\$ 59,965,713	\$ 430,625,410

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CITY OF POMONA

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET ASSETS
JUNE 30, 2011

Fund balances of governmental funds	\$ 144,344,231
Amounts reported for governmental activities in the Statement of Net Assets are different because:	
Capital assets used in governmental activities are not current financial resources. Therefore, they are not reported in governmental funds.	324,787,787
Bond issuance cost is an expenditure in the governmental funds, but it is a deferred charge in the Statement of Net Assets.	5,360,341
Pension asset is a contribution deferred and subject to capitalization and amortization on the Statement of Net assets. However, pension contribution is an expenditure in the fund statement in the year of contribution.	25,480,029
Long-term debt and compensated absences are not due and payable in the current period. Therefore, they are not reported in the governmental funds.	
Long-term liabilities	(332,028,852)
Compensated absences	(7,292,696)
Governmental funds report all OPEB contributions as expenditures. However, in the Statement of Net Assets, any excess or deficit of contributions over the Annual Required Contribution (ARC) is reported as an asset or liability.	(11,020,027)
Accrued interest payable for the current portion of interest due on bonds has not been reported in the governmental funds.	(4,304,784)
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.	34,189,927
Internal service funds are used by management to charge the costs of certain activities, such as equipment maintenance and self-insurance, to individual funds. The assets and liabilities of the internal service funds must be added to the Statements of Net Assets.	<u>(15,612,049)</u>
Net assets of governmental activities	<u>\$ 163,903,907</u>

CITY OF POMONA

**STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2011**

		Special Revenue Fund	Capital Projects Fund	Debt Service Fund
	General	Low & Moderate Income Housing Fund	Redevelopment Agency Capital Project	General Debt Service
Revenues:				
Taxes	\$ 66,828,127	\$ -	\$ -	\$ 603,653
Special assessments	-	-	-	-
Licenses and permits	1,943,755	-	-	-
Intergovernmental	1,964,528	-	-	-
Charges for services	1,708,113	114,283	372,500	-
Interest and rentals	2,043,015	238,196	775,787	9,661
Fines and forfeitures	1,713,961	-	-	-
Miscellaneous	395,907	38,771	-	-
Total Revenues	76,597,406	391,250	1,148,287	613,314
Expenditures:				
Current:				
General government	2,967,205	-	-	76,102
Public safety	59,401,364	-	-	-
Urban development	8,427,463	8,294,698	6,186,200	-
Community services	4,476,761	-	-	-
Capital outlay	49,768	-	-	-
Debt service:				
Principal retirement	561,743	17,863	-	407,320
Interest and fiscal charges	936	611,348	-	4,906,845
Total Expenditures	75,885,240	8,923,909	6,186,200	5,390,267
Excess (Deficiency) of Revenues Over (Under) Expenditures	712,166	(8,532,659)	(5,037,913)	(4,776,953)
Other Financing Sources (Uses):				
Transfers in	2,497,258	4,841,997	2,889,404	5,563,063
Transfers out	(4,080,065)	(2,818,443)	(1,906,762)	-
Notes and loans issued	-	-	-	-
Proceeds from sale of capital asset	24,100	1,035,000	-	-
Total Other Financing Sources (Uses)	(1,558,707)	3,058,554	982,642	5,563,063
Net Change in Fund Balances	\$ (846,541)	\$ (5,474,105)	\$ (4,055,271)	\$ 786,110
Fund Balances:				
Beginning of Year, as originally reported	\$ 6,535,641	\$ 16,083,214	\$ 64,619,078	\$ (45,208,398)
Restatements	-	1,038,235	2,413,692	-
Beginning of Year, as restated	6,535,641	17,121,449	67,032,770	(45,208,398)
Net Change in Fund Balances	(846,541)	(5,474,105)	(4,055,271)	786,110
End of Year	\$ 5,689,100	\$ 11,647,344	\$ 62,977,499	\$ (44,422,288)

CITY OF POMONA

**STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2011**

	<u>Debt Service Fund</u>	<u>Debt Service Fund</u>		
	<u>Public Financing Authority Debt Service</u>	<u>Redevelopment Agency Debt Service</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:				
Taxes	\$ -	\$ 28,246,713	\$ 12,698	\$ 95,691,191
Special assessments	-	-	1,214,829	1,214,829
Licenses and permits	-	-	1,389,662	3,333,417
Intergovernmental	-	2,125,873	46,564,109	50,654,510
Charges for services	-	38	1,431,058	3,625,992
Interest and rentals	11,626,458	231,498	807,972	15,732,587
Fines and forfeitures	-	-	70,162	1,784,123
Miscellaneous	40,531	-	4,188,573	4,663,782
Total Revenues	11,666,989	30,604,122	55,679,063	176,700,431
Expenditures:				
Current:				
General government	6,066	-	23,950	3,073,323
Public safety	-	-	2,172,854	61,574,218
Urban development	-	17,167,527	43,849,362	83,925,250
Community services	-	-	1,412,446	5,889,207
Capital outlay	-	-	2,594,615	2,644,383
Debt service:				
Principal retirement	2,630,000	245,000	1,618,284	5,480,210
Interest and fiscal charges	11,499,599	9,334,929	169,184	26,522,841
Total Expenditures	14,135,665	26,747,456	51,840,695	189,109,432
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,468,676)	3,856,666	3,838,368	(12,409,001)
Other Financing Sources (Uses):				
Transfers in	-	3,756,293	5,939,269	25,487,284
Transfers out	-	(7,726,560)	(12,992,918)	(29,524,748)
Notes and loans issued	-	649,425	-	649,425
Proceeds from sale of capital asset	-	-	705,096	1,764,196
Total Other Financing Sources (Uses)	-	(3,320,842)	(6,348,553)	(1,623,843)
Net Change in Fund Balances	\$ (2,468,676)	\$ 535,824	\$ (2,510,185)	\$ (14,032,844)
Fund Balances:				
Beginning of Year, as originally reported	\$ 232,395,775	\$ (156,925,888)	\$ 35,058,474	\$ 152,557,896
Restatements	-	-	2,367,252	5,819,179
Beginning of Year, as restated	232,395,775	(156,925,888)	37,425,726	158,377,075
Net Change in Fund Balances	(2,468,676)	535,824	(2,510,185)	(14,032,844)
End of Year	\$ 229,927,099	\$ (156,390,064)	\$ 34,915,541	\$ 144,344,231

CITY OF POMONA

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2011**

Net change in fund balances - total governmental funds \$ (14,032,844)

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

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the costs of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period. 3,168,017

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas the amounts are deferred and amortized in the Statements of Activities. 1,823,207

Governmental funds report pension contributions as expenditures, however excess of contributions over the actuarial required contributions (ARC) are capitalized and amortized in the government-wide financial statement. (605,675)

Accrued interest for long-term liabilities. This is the net change in accrued interest for the current period. 140,384

Compensated absences expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. 186,677

OPEB obligations that did not require the use of current financial resources were not reported as expenditures in the governmental funds. (2,444,403)

Revenues reported as deferred revenue in the governmental funds and recognized in the Statement of Activities. These are included in the intergovernmental revenues in the governmental fund activity. 7,093,153

Internal service funds are used by management to charge the costs of certain activities, such as equipment maintenance and self-insurance, to individual funds. The net revenues (expenses) of the internal service funds is reported with governmental activities. 5,059,242

Change in net assets of governmental activities \$ 387,758

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, 2011

	Business-Type Activities - Enterprise Funds		
	Water Utility	Sewer	Refuse
Assets:			
Current:			
Cash and investments	\$ 18,577,141	\$ 7,218,106	\$ 1,068,028
Receivables (net):			
Accounts	6,520,442	1,104,966	2,354,808
Interest	32,053	9,665	1,605
Prepaid costs	9,000	-	-
Inventories	336,262	-	-
Restricted:			
Cash and investments	38,748,738	14,057,892	-
Total Current Assets	64,223,636	22,390,629	3,424,441
Noncurrent:			
Advances to other funds	5,000,000	-	-
Deferred charges	1,595,900	1,211,493	-
Capital assets - net of accumulated depreciation	117,305,242	30,127,320	360,878
Total Noncurrent Assets	123,901,142	31,338,813	360,878
Total Assets	\$ 188,124,778	\$ 53,729,442	\$ 3,785,319
Liabilities and Net Assets:			
Liabilities:			
Current:			
Accounts payable	\$ 3,412,048	\$ 1,673,150	\$ 314,385
Accrued liabilities	237,039	37,965	59,991
Accrued interest	864,632	106,321	-
Deposits payable	3,147,589	-	-
Compensated absences	563,000	77,000	114,000
Claims and judgments	-	-	-
Bonds, notes, and capital leases	1,480,770	340,000	-
Total Current Liabilities	9,705,078	2,234,436	488,376
Noncurrent:			
Advances from other funds	-	-	-
Compensated absences	274,353	49,731	106,282
Claims and judgments	-	-	-
Bonds, notes, and capital leases	107,905,247	28,370,000	-
Total Noncurrent Liabilities	108,179,600	28,419,731	106,282
Total Liabilities	117,884,678	30,654,167	594,658
Net Assets:			
Invested in capital assets, net of related debt	35,595,037	17,020,315	360,878
Restricted for debt service	7,660,879	-	-
Unrestricted	26,984,184	6,054,960	2,829,783
Total Net Assets	70,240,100	23,075,275	3,190,661
Total Liabilities and Net Assets	\$ 188,124,778	\$ 53,729,442	\$ 3,785,319

CITY OF POMONA

STATEMENT OF NET ASSETS
 PROPRIETARY FUNDS
 JUNE 30, 2011

	Business-Type Activities - Enterprise Funds		Governmental Activities - Internal Service Funds
	Canon Water Company - February 28, 2011	Total	
Assets:			
Current:			
Cash and investments	\$ 205,024	\$ 27,068,299	\$ 6,453,213
Receivables (net):			
Accounts	21,407	10,001,623	933
Interest	-	43,323	-
Prepaid costs	120	9,120	-
Inventories	-	336,262	384,367
Restricted:			
Cash and investments	-	52,806,630	-
Total Current Assets	226,551	90,265,257	6,838,513
Noncurrent:			
Advances to other funds	-	5,000,000	-
Deferred charges	-	2,807,393	-
Capital assets - net of accumulated depreciation	36,730	147,830,170	178,763
Total Noncurrent Assets	36,730	155,637,563	178,763
Total Assets	\$ 263,281	\$ 245,902,820	\$ 7,017,276
Liabilities and Net Assets:			
Liabilities:			
Current:			
Accounts payable	\$ -	\$ 5,399,583	\$ 527,529
Accrued liabilities	-	334,995	57,254
Accrued interest	-	970,953	-
Deposits payable	-	3,147,589	-
Compensated absences	-	754,000	71,000
Claims and judgments	-	-	4,160,000
Bonds, notes, and capital leases	-	1,820,770	-
Total Current Liabilities	-	12,427,890	4,815,783
Noncurrent:			
Advances from other funds	-	-	5,000,000
Compensated absences	-	430,366	78,198
Claims and judgments	-	-	12,735,344
Bonds, notes, and capital leases	-	136,275,247	-
Total Noncurrent Liabilities	-	136,705,613	17,813,542
Total Liabilities	-	149,133,503	22,629,325
Net Assets:			
Invested in capital assets, net of related debt	36,730	53,012,960	178,763
Restricted for debt service	-	7,660,879	-
Unrestricted	226,551	36,095,478	(15,790,812)
Total Net Assets	263,281	96,769,317	(15,612,049)
Total Liabilities and Net Assets	\$ 263,281	\$ 245,902,820	\$ 7,017,276

CITY OF POMONA

STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET ASSETS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2011

	Business-Type Activities - Enterprise Funds		
	Water Utility	Sewer	Refuse
Operating Revenues:			
Charges for services	\$ 27,058,054	\$ 4,342,683	\$ 9,046,619
Miscellaneous	-	3,016	716
Total Operating Revenues	27,058,054	4,345,699	9,047,335
Operating Expenses:			
Personnel services	6,796,443	893,908	1,842,086
Operations	14,710,947	2,594,906	6,102,727
Claims expense	130,659	150,942	691,650
Insurance	171,045	21,530	43,493
Amortization of issuance costs	123,646	72,158	-
Depreciation	2,387,450	698,267	82,980
Total Operating Expenses	24,320,190	4,431,711	8,762,936
Operating Income (Loss)	2,737,864	(86,012)	284,399
Nonoperating Revenues (Expenses):			
Intergovernmental	-	-	87,758
Interest revenue	72,058	57,854	3,330
Interest expense	(5,087,935)	(1,301,753)	-
Sale of reclaimed water	840,655	-	-
Total Nonoperating Revenues (Expenses)	(4,175,222)	(1,243,899)	91,088
Income (Loss) Before Transfers	(1,437,358)	(1,329,911)	375,487
Transfers in	229,395	1,047,987	-
Transfers out	(620,431)	(436,605)	-
Changes in Net Assets	\$ (1,828,394)	\$ (718,529)	\$ 375,487
Net Assets:			
Beginning of year, as originally reported	\$ 72,068,494	\$ 23,793,804	\$ 2,815,174
Restatements	-	-	-
Beginning of year, as restated	72,068,494	23,793,804	2,815,174
Changes in Net Assets	(1,828,394)	(718,529)	375,487
End of Fiscal Year	\$ 70,240,100	\$ 23,075,275	\$ 3,190,661

CITY OF POMONA

STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET ASSETS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2011

	Business-Type Activities - Enterprise Funds		Governmental Activities - Internal Service Funds
	Canon Water Company - February 28, 2011	Total	
Operating Revenues:			
Charges for services	\$ -	\$ 40,447,356	\$ 8,313,984
Miscellaneous	-	3,732	1,771,241
Total Operating Revenues	-	40,451,088	10,085,225
Operating Expenses:			
Personnel services	-	9,532,437	1,227,915
Operations	10,811	23,419,391	2,296,314
Claims expense	-	973,251	5,257,262
Insurance	-	236,068	36,783
Amortization of issuance costs	-	195,804	-
Depreciation	3,116	3,171,813	24,827
Total Operating Expenses	13,927	37,528,764	8,843,101
Operating Income (Loss)	(13,927)	2,922,324	1,242,124
Nonoperating Revenues (Expenses):			
Intergovernmental	21,407	109,165	-
Interest revenue	13	133,255	-
Interest expense	-	(6,389,688)	-
Sale of reclaimed water	-	840,655	-
Total Nonoperating Revenues (Expenses)	21,420	(5,306,613)	-
Income (Loss) Before Transfers	7,493	(2,384,289)	1,242,124
Transfers in	-	1,277,382	3,870,518
Transfers out	-	(1,057,036)	(53,400)
Changes in Net Assets	\$ 7,493	\$ (2,163,943)	\$ 5,059,242
Net Assets:			
Beginning of year, as originally reported	\$ 255,788	\$ 98,933,260	\$ (3,491,444)
Restatements	-	-	(17,179,847)
Beginning of year, as restated	255,788	98,933,260	(20,671,291)
Changes in Net Assets	7,493	(2,163,943)	5,059,242
End of Fiscal Year	\$ 263,281	\$ 96,769,317	\$ (15,612,049)

CITY OF POMONA

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 YEAR ENDED JUNE 30, 2011

Business-Type Activities -
 Enterprise Funds

	<u>Water Utility</u>	<u>Sewer</u>	<u>Refuse</u>
Cash Flows from Operating Activities:			
Cash received from customers and users	\$ 27,017,507	\$ 4,298,774	\$ 9,009,591
Cash received from/(paid for) other	-	3,016	716
Cash paid to suppliers for goods and services	(19,817,257)	(1,380,376)	(6,809,062)
Cash paid for general and administrative expenses	(7,227,292)	(910,454)	(1,918,119)
Net Cash Provided (Used) by Operating Activities	(27,042)	2,010,960	283,126
Cash Flows from Non-Capital			
Financing Activities:			
Cash transfers in	229,395	1,047,987	-
Cash transfers out	(620,431)	(436,605)	-
Amounts received from other funds	296,661	-	-
Sale of reclaimed water	840,655	-	-
Intergovernmental	-	-	87,758
Net Cash Provided (Used) by Non-Capital Financing Activities	746,280	611,382	87,758
Cash Flows from Capital and Related Financing Activities:			
Acquisition and construction of capital assets	(9,872,282)	(5,352,720)	-
Principal paid on capital debt	(1,572,850)	(325,000)	-
Interest paid on capital debt	(5,097,559)	(1,302,663)	-
Net Cash Provided (Used) by Capital and Related Financing Activities	(16,542,691)	(6,980,383)	-
Cash Flows from Investing Activities:			
Interest received	65,042	55,881	2,532
Net Cash Provided (Used) by Investing Activities	65,042	55,881	2,532
Net Increase (Decrease) in Cash and Cash Equivalents	(15,758,411)	(4,302,160)	373,416
Cash and Cash Equivalents at Beginning of Year	73,084,290	25,578,158	694,612
Cash and Cash Equivalents at End of Year	\$ 57,325,879	\$ 21,275,998	\$ 1,068,028

CITY OF POMONA

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 YEAR ENDED JUNE 30, 2011

	Business-Type Activities - Enterprise Funds		Governmental Activities - Internal Service Funds
	Canon Water Company - February 28, 2011	Total	
Cash Flows from Operating Activities:			
Cash received from customers and users	\$ -	\$ 40,325,872	\$ 8,314,754
Cash received from/(paid for) other	-	3,732	1,771,241
Cash paid to suppliers for goods and services	(10,331)	(28,017,026)	(11,230,678)
Cash paid for general and administrative expenses	-	(10,055,865)	(1,271,456)
Net Cash Provided (Used) by Operating Activities	(10,331)	2,256,713	(2,416,139)
Cash Flows from Non-Capital Financing Activities:			
Cash transfers in	-	1,277,382	3,870,518
Cash transfers out	-	(1,057,036)	(53,400)
Amounts received from other funds	-	296,661	-
Sale of reclaimed water	-	840,655	-
Intergovernmental	21,407	109,165	-
Net Cash Provided (Used) by Non-Capital Financing Activities	21,407	1,466,827	3,817,118
Cash Flows from Capital and Related Financing Activities:			
Acquisition and construction of capital assets	-	(15,225,002)	-
Principal paid on capital debt	-	(1,897,850)	-
Interest paid on capital debt	-	(6,400,222)	-
Net Cash Provided (Used) by Capital and Related Financing Activities	-	(23,523,074)	-
Cash Flows from Investing Activities:			
Interest received	13	123,468	-
Net Cash Provided (Used) by Investing Activities	13	123,468	-
Net Increase (Decrease) in Cash and Cash Equivalents	11,089	(19,676,066)	1,400,979
Cash and Cash Equivalents at Beginning of Year	193,935	99,550,995	5,052,234
Cash and Cash Equivalents at End of Year	\$ 205,024	\$ 79,874,929	\$ 6,453,213

CITY OF POMONA

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 YEAR ENDED JUNE 30, 2011

Business-Type Activities -
 Enterprise Funds

	<u>Water Utility</u>	<u>Sewer</u>	<u>Refuse</u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:			
Operating income (loss)	\$ 2,737,864	\$ (86,012)	\$ 284,399
Adjustments to reconcile operating income (loss) net cash provided (used) by operating activities:			
Depreciation	2,387,450	698,267	82,980
Amortization	123,646	72,158	-
(Increase) decrease in accounts receivable	(40,547)	(43,909)	(37,028)
(Increase) decrease in prepaid expense	-	-	-
(Increase) decrease in inventory	(120,864)	-	-
Increase (decrease) in accounts payable	(4,980,308)	1,365,472	(14,685)
Increase (decrease) in accrued liabilities	(228,434)	(7,904)	(42,520)
Increase (decrease) in deposits payable	125,521	-	-
Increase (decrease) in claims and judgments	-	-	-
Increase (decrease) in compensated absences	(31,370)	12,888	9,980
Total Adjustments	<u>(2,764,906)</u>	<u>2,096,972</u>	<u>(1,273)</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (27,042)</u>	<u>\$ 2,010,960</u>	<u>\$ 283,126</u>

Non-Cash Investing, Capital, and Financing Activities:

During fiscal year 2010-2011, there was no non-cash investing, capital or financing activities.

CITY OF POMONA

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 YEAR ENDED JUNE 30, 2011

	Business-Type Activities - Enterprise Funds		Governmental Activities - Internal Service Funds
	Canon Water Company - February 28, 2011	Total	
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:			
Operating income (loss)	\$ (13,927)	\$ 2,922,324	\$ 1,242,124
Adjustments to reconcile operating income (loss) net cash provided (used) by operating activities:			
Depreciation	3,116	3,171,813	24,827
Amortization	-	195,804	-
(Increase) decrease in accounts receivable	-	(121,484)	770
(Increase) decrease in prepaid expense	480	480	-
(Increase) decrease in inventory	-	(120,864)	(28,435)
Increase (decrease) in accounts payable	-	(3,629,521)	(3,327,381)
Increase (decrease) in accrued liabilities	-	(278,858)	(67,127)
Increase (decrease) in deposits payable	-	125,521	-
Increase (decrease) in claims and judgments	-	-	(284,503)
Increase (decrease) in compensated absences	-	(8,502)	23,586
Total Adjustments	3,596	(665,611)	(3,658,263)
Net Cash Provided (Used) by Operating Activities	\$ (10,331)	\$ 2,256,713	\$ (2,416,139)

Non-Cash Investing, Capital, and Financing Activities:

During fiscal year 2010-2011, there was no non-cash investing, capital or financing activities.

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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, 2011

	<u>Agency Funds</u>
Assets:	
Cash and investments	\$ 3,749,877
Receivables:	
Accounts	8,964
Interest	1,184
Due from other governments	<u>35,553</u>
Total Assets	<u>\$ 3,795,578</u>
Liabilities:	
Accounts payable	\$ 1,432,484
Deposits payable	1,992,481
Due to external parties/other agencies	<u>370,613</u>
Total Liabilities	<u>\$ 3,795,578</u>

CITY OF POMONA

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 JUNE 30, 2011

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NOTES TO BASIC FINANCIAL STATEMENTS

Note 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.

Financial Reporting Entity

The City was incorporated in 1888 and became a "Charter Law" City in 1911 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. The City 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
- City of Pomona Housing Authority
- 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 in 1966 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.

Note 1: Summary of Significant Accounting Policies (Continued)

City of Pomona Housing Authority

The City of Pomona Housing Authority (Housing Authority) was organized in 1993 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 it provides services almost entirely to the City and its governing body is composed of City employees.

All component units had a fiscal year ended June 30, 2011 except for Canon Water Company, which had a fiscal year ended February 28, 2011.

Since the governing boards for these entities were composed of either 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. The component units listed above issue separate financial statements which can be obtained at City Hall.

Basis of Accounting and Measurement Focus

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

Government – Wide and Fund Financial Statements

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2011

Note 1: Summary of Significant Accounting Policies (Continued)

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 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 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.

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.

Note 1: Summary of Significant Accounting Policies (Continued)

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 Redevelopment Agency Capital Project Fund accounts for financial resources used for the development and redevelopment of the redevelopment project areas, including acquisition of properties, cost of site improvements, other costs benefiting the project area, and administrative expenses incurred in sustaining the Agency.
- 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 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.

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.

Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period except for grant revenue where the government considers revenue to be available if collected within 120 days of the end of current fiscal year. 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. Unearned revenue arises when the government receives resources before it has a legal claim to them, as when grant

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2011

Note 1: Summary of Significant Accounting Policies (Continued)

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 and unearned revenue are 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, risk management, general liability and workers' compensation 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.

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2011

Note 1: Summary of Significant Accounting Policies (Continued)

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.

Assets, Liabilities and Net Assets or Equity

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.

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 which approximated fair value for which market quotations are readily available.

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 changes 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

For purposes of the statement of cash flows of the proprietary fund types, cash and cash equivalents include all investments, as the City operates an internal cash management pool which maintains the general characteristics of a demand deposit account.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2011

Note 1: Summary of Significant Accounting Policies (Continued)

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.”

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.

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.

Capital Assets

Capital assets, which include land, construction in progress, buildings and improvements, improvements other than buildings, machinery and equipment, autos and trucks, equipment under capitalized lease and infrastructure assets (e.g. roads, bridges, traffic signals, and similar items), are reported in the applicable governmental or business-type activities in the Government-Wide Financial Statements. City policy has set the capitalization threshold for reporting capital assets at \$5,000 and capital projects at \$250,000.

Capital assets are valued at historical cost or estimated historical cost if actual historical cost was not available. Donated assets are valued at their estimated fair market value on the date donated.

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

Assets	Years
Buildings and improvements	10-50
Improvements other than buildings	10-75
Machinery and equipment	5-100
Furniture and Fixtures	5-10
Autos and trucks	5-10
Equipment under capitalized lease	5-15
Infrastructure	25-75

For infrastructure systems, the City elected to use the “Basic Approach” as defined by GASB Statement No. 34 for infrastructure reporting.

Note 1: Summary of Significant Accounting Policies (Continued)

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.

Land Held for Resale

Land purchased for resale is capitalized as inventory at acquisition costs or net realizable value.

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).

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.

Long-Term Debt

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.

Note 1: Summary of Significant Accounting Policies (Continued)

Compensated Absences

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

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.

Unearned and Deferred Revenue

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.

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.

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.

Net Assets and Fund Balances

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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2011

Note 1: Summary of Significant Accounting Policies (Continued)

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.”

In the fund financial statements, government funds report the following fund balance classification:

Non-spendable Fund Balance – This includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted Fund Balance – This includes amounts that are constrained on the use of resources by either (a) external creditors, grantors, contributors, or laws or regulations of other governments or (b) by law through constitutional provisions or enabling legislation.

Committed Fund Balance – This includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government’s highest authority.

Assigned Fund Balance – This includes amounts that are constrained by the government’s intent to be used for specific purposes, but are neither restricted nor committed. The governing board by Resolution No. 2011-63A gave the authority to assign amounts for specific purposes to the Finance Director.

Unassigned Fund Balance – This is the residual amounts that have not been restricted, committed, or assigned to specific purposes.

An individual governmental fund could include non-spendable resources and amounts that are restricted or unrestricted (committed, assigned, or unassigned) or any combination of those classifications. Restricted amounts are to be considered spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available and committed, assigned, then unassigned amounts are considered to have been spent when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications can be used.

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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2011

Note 1: Summary of Significant Accounting Policies (Continued)**Reconciliation of Government-Wide and Fund Financial Statements**

Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets:

The governmental fund balance sheet includes reconciliation between fund balance of governmental funds and net assets of governmental activities as reported in the government-wide statement of net assets. One element of that reconciliation explains that "long-term debts and compensated absences are not due and payable in the current period. Therefore, they are not reported in the governmental funds." The detail of the \$(332,028,852) long-term debt difference is as follows:

Long-term debt:	
County deferred tax loans	\$ (35,745,818)
Obligation under capital lease	(767,611)
Notes payable	(6,984,064)
Revenue bonds	(222,313,562)
Tax allocation bonds	(9,460,000)
Pension obligation refunding bonds	(44,114,118)
Certificates of participation	<u>(12,643,679)</u>
Net adjustment to reduce fund balance of governmental funds to arrive at net assets of governmental activities	<u>\$ (332,028,852)</u>

Explanation of certain differences between the governmental fund statement of revenues, expenditures and changes in fund balances and the government-wide statement of activities:

The governmental fund statement of revenues, expenditures and changes in fund balances includes a reconciliation between net changes in fund balances - total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that "Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense." The detail of this \$3,168,017 difference is as follows:

Capital outlay	\$ 2,644,383
Urban development	15,017,714
Depreciation expense	<u>(14,494,080)</u>
Net adjustment to increase net changes in fund balances of total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ 3,168,017</u>

Another element of that reconciliation states that "the issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2011

Note 1: Summary of Significant Accounting Policies (Continued)

Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities." The detail of this \$1,823,207 difference is as follows:

Debt issued or incurred:	
County deferred tax loans additions	\$ (649,425)
County deferred tax loans accrued interest	(2,338,511)
Principal repayments:	
Obligation under capital lease	2,007,820
Notes payable	292,863
Revenue bonds	2,618,905
Tax allocation bonds	95,000
Pension obligation refunding bonds	165,000
Certificates of participation	300,622
Deferred charges amortization	(244,691)
Accreted interest on pension obligation bonds	<u>(424,376)</u>
Net adjustment to decrease net changes in fund balance to total governmental funds to arrive at changes in net assets of governmental activities	<u><u>\$ 1,823,207</u></u>

Note 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.

Summary of Cash and Investments

The following is a summary of cash and investments at June 30, 2011:

	Governmental Activities	Business-Type Activities	Fiduciary Funds	Total
Cash and investments	\$ 39,412,925	\$ 27,068,299	\$ 3,749,877	\$ 70,231,101
Restricted cash and investments	76,376,710	52,806,630	-	129,183,340
Total	<u>\$ 115,789,635</u>	<u>\$ 79,874,929</u>	<u>\$ 3,749,877</u>	<u>\$ 199,414,441</u>

Cash and investments were comprised of the following at June 30, 2011:

Cash and cash equivalents:	
Petty cash	\$ 12,128
Demand deposit	<u>802,537</u>
Total cash and cash equivalents	<u>814,665</u>
Investments:	
Local Agency Investment Fund	55,387,696
US Government Securities	<u>14,028,740</u>
Total investments	<u>69,416,436</u>
	<u><u>\$ 70,231,101</u></u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2011

Note 2: Cash and Investments (Continued)

Deposits

The carrying amounts of the City's cash deposits were \$814,665 at June 30, 2011. Bank balances at June 30, 2011, were \$3,695,662 which were fully insured or collateralized with securities held by the pledging financial institutions in the City's name as discussed below. The \$2,880,997 difference represents outstanding checks and other reconciling items.

The California Government Code requires California banks and savings and loan associations to secure the City's cash deposits by pledging securities as collateral. This Code states that collateral pledged in this manner shall have the effect of perfecting a security interest in such collateral superior to those of a general creditor. Thus, collateral for cash deposits is considered to be held in the City's name. The market value of pledged securities must equal at least 110% of the City's cash deposits. California law also allows institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the City's total cash deposits. The City may waive collateral requirements for cash deposits, which are fully insured up to \$250,000 by the Federal Deposit Insurance Corporation (FDIC). 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.

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
- Certificates of deposits with national and state licensed or chartered banks, federal or state savings and loans associations.
- 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 are stated at fair value at the year end.

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

CITY OF POMONA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2011

Note 2: Cash and Investments (Continued)

investments with LAIF at June 30, 2011, included a portion of the pool funds invested in Structured Notes and Asset-Backed Securities:

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

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

As of June 30, 2011, the City had \$55,387,696 invested in LAIF, which had invested 5.01% of the pool investment funds in Structured Notes and Asset-Backed Securities. The LAIF fair value factor of 1.001576470 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.

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, 2011, the City had the following investment maturities:

	1 year or less	2 to 3 years	4 to 5 years	Total
Investments				
Local Agency Investment Fund	\$ 55,387,696	\$ -	\$ -	\$ 55,387,696
Federal Home Loan Bank	-	4,001,660	-	4,001,660
Federal Home Loan Mortgage Corp.	-	6,017,460	-	6,017,460
Federal National Mortgage Assoc.	-	4,009,620	-	4,009,620
	<u>\$ 55,387,696</u>	<u>\$ 14,028,740</u>	<u>\$ -</u>	<u>\$ 69,416,436</u>

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.

All securities were investment grade and were legal under State and City law. Investments in U.S. Treasury securities are not considered to have credit risk; therefore, their credit quality is not disclosed. As of June 30, 2011, the City's investments in external investment pools and money market mutual funds are unrated.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2011

Note 2: Cash and Investments (Continued)

On August 5, 2011, Standard & Poor's Ratings Services lowered its long-term sovereign credit rating on the United States of America to AA+ from AAA. As a result, on August 8, 2011, Standard & Poor's Ratings Services lowered its issuer credit ratings and related issue ratings on various Federal Home Loan Bank, Federal Farm Credit Bank, Fannie Mae and Freddie Mac to AA+ from AAA. In addition, the ratings on 126 Federal Deposit Insurance Corp.–guaranteed debt issues from 30 financial institutions under the Temporary Liquidity Guarantee Program (TLGP), and four National Credit Union Association-guaranteed debt issues from two corporate credit unions under the Temporary Corporate Credit Union Guarantee Program (TCCUGP) have also been downgraded to AA+ from AAA. The City also invests in LAIF which invests in various underlying securities, including the federal agency securities listed above. While LAIF is not rated, the federal agency securities are, and these have been affected by this rating change as well.

	<u>Moody's</u>	<u>Standard & Poor's</u>
Local Agency Investment Fund	Not Rated	Not Rated
Federal Home Loan Bank	Aaa	AA+
Federal Home Loan Mortgage Corp.	Aaa	AA+
Federal National Mortgage Assoc.	Aaa	AA+

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 the California Government Code. Bank balances of \$3,445,662 net of FDIC insurance, which was in excess of federal depository insurance limits, was held in collateralized accounts. Of the City's investments held by trustees and fiscal agents, \$129,183,340 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, 2011.

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. In accordance with GASB Statement No. 40, if the City has invested more than 5% of its investments in any one issuer, then they are exposed to credit risk. As of June 30, 2011, none of the City's deposits or investments was exposed to credit risk.

Investments guaranteed by the U.S. government and investments in mutual funds and external investment pools are excluded from this requirement.

CITY OF POMONA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2011

Note 2: Cash and Investments (Continued)

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 \$4,695,000 as an investment at June 30, 2011. The investment is held by the fiscal agent.

Note 3: Due from Other Governments

At June 30, 2011, the City's due from other governments consisted of the following:

<u>Governments</u>	
Federal government	\$ 2,450,416
State of California	6,654,364
County of Los Angeles	6,917,581
Local government entities	<u>1,313,657</u>
Total	<u>\$ 17,336,018</u>

Note 4: Loans Receivable (Net)

At June 30, 2011, the City's net loans receivable consisted of the following:

	Balance July 1, 2010	Additions	Deletions	Balance June 30, 2011
Casa Herrera	\$ 875,000	\$ -	\$ 250,000	\$ 625,000
Deferred Home Improvement Loans	7,799,280	330,598	62,504	8,067,374
Prototype Loans	660,000	458,625	-	1,118,625
ADDI Loans	52,902	2,431	-	55,333
Rental Rehabilitation Loans	455,785	7,042	-	462,827
CHDO	619,633	148,820	-	768,453
HOPE 3 Loans	448,765	15,632	20,793	443,604
Shield of Faith	4,048,852	111,450	38,771	4,121,531
Manufactured Housing Rehabilitation Loans	2,249,807	281,487	534,398	1,996,896
Occupied Rehabilitation Loans	48,142	68,942	-	117,084
MAP Loans, net	3,238,122	766,163	-	4,004,285
NIP Loans	3,327,790	58,065	88,725	3,297,130
Olsen Covenants	661,000	-	661,000	-
Southern California Resources & Development	85,000	-	-	85,000
Business Assistance Loans	1,102,000	100,000	-	1,202,000
Postal Extra (El Centro)	2,534	-	2,534	-
Guadalajara Market	210,600	-	-	210,600
Pomona Fox Theater	1,300,000	-	-	1,300,000
Vehicle Parking District	600,000	1,150,000	600,000	1,150,000
Humane Society	206,290	-	206,290	-
Allstate KIA	240,171	7,300	76,059	171,412
Multi-Family	570,000	150,000	-	720,000
Housing Authority	2,130,000	-	-	2,130,000
Mayans Development	-	127,700	-	127,700
ANR Industries	-	310,800	-	310,800
Inland Valero	-	113,096	-	113,096
Telacu	-	704,822	-	704,822
Total	<u>\$ 30,931,673</u>	<u>\$ 4,912,973</u>	<u>\$ 2,541,074</u>	<u>\$ 33,303,572</u>

CITY OF POMONA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2011

Note 5: Interfund Transactions

Government-Wide Financial Statements

Internal Balances - At June 30, 2011, the City had the following internal receivable and payable. The purpose of the internal balance was to cover cash deficits.

Internal Payable	<u>Internal Receivable</u>
	Business-Type Activities
Governmental Activities	<u>\$ 5,000,000</u>

Transfers - At June 30, 2011, the City had the following transfers. The purpose of the transfers was for the in lieu franchise fee and debt service payments.

Transfers In	<u>Transfers Out</u>
	Business-Type Activities
Governmental Activities	<u>\$ 220,346</u>

Fund Financial Statements

Due To/Due From - At June 30, 2011, the City had the following short-term interfund receivables and payables.

	<u>Due from Other Funds</u>			<u>Total</u>
	<u>Governmental Funds</u>			
<u>Due to Other Funds</u>	<u>General</u>	<u>Low/Moderate Income Housing</u>	<u>RDA Capital Projects</u>	
Governmental Funds:				
General Debt Service	\$ 1,299,611	\$ -	\$ -	\$ 1,299,611
Redevelopment Agency Debt Service	-	307,272	4,510,001	4,817,273
Non-Major Governmental Funds	512,277	-	-	512,277
Total	<u>\$ 1,811,888</u>	<u>\$ 307,272</u>	<u>\$ 4,510,001</u>	<u>\$ 6,629,161</u>

The General Fund amounts were made to cover negative cash situations. The Low/Moderate Income Housing and RDA Capital Projects Funds amounts were made for tax increments.

CITY OF POMONA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2011

Note 5: Interfund Transactions (Continued)

Long-Term Advances - At June 30, 2011, the City had the following interfund long-term advances:

Advances from Other Funds	Advances to Other Funds				
	Governmental Funds			Proprietary Funds	
	Low/Moderate Income Housing	Public Financing Authority Debt Service	Non-Major Governmental Funds	Water Utility	Total
Governmental Funds:					
General Fund	\$ -	\$ -	\$ 304,435	\$ -	\$ 304,435
Low & Moderate Income Housing	-	9,080,000	-	-	9,080,000
General Debt Service	-	46,950,000	-	-	46,950,000
Redevelopment Agency Debt Service	4,500,000	167,780,000	-	-	172,280,000
Proprietary Funds:					
Internal Service Funds	-	-	-	5,000,000	5,000,000
Total	\$ 4,500,000	\$ 223,810,000	\$ 304,435	\$ 5,000,000	\$ 233,614,435

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

Transfers - At June 30, 2011, the City had the following transfers:

Transfers Out	Transfers In									
	Governmental Funds						Proprietary Funds			Total
General	Low/Moderate Income Housing	Redevelopment Agency Capital Project	General Debt Service	Redevelopment Agency Debt Service	Non Major Governmental Funds	Water Utility	Sewer	Internal Service Fund		
Governmental Funds:										
General Fund	\$ -	\$ -	\$ -	\$ 4,005,055	\$ -	\$ 75,010	\$ -	\$ -	\$ -	\$ 4,080,065
Low & Moderate Income Housing	-	-	-	-	2,606,293	212,150	-	-	-	2,818,443
Redevelopment Agency Capital Project	-	-	-	311,731	1,150,000	445,031	-	-	-	1,906,762
Redevelopment Agency Debt Service	-	4,841,997	2,884,563	-	-	-	-	-	-	7,726,560
Non-Major Governmental Funds	2,497,258	-	4,841	229,277	-	5,113,642	229,395	1,047,987	3,870,518	12,992,918
Total Government Funds	2,497,258	4,841,997	2,889,404	4,546,063	3,756,293	5,845,833	229,395	1,047,987	3,870,518	29,524,748
Proprietary Funds:										
Water Utility Enterprise Fund	-	-	-	600,000	-	20,431	-	-	-	620,431
Sewer Enterprise Fund	-	-	-	417,000	-	19,605	-	-	-	436,605
Internal Service Fund	-	-	-	-	-	53,400	-	-	-	53,400
Total Proprietary Funds	-	-	-	1,017,000	-	93,436	-	-	-	1,110,436
Total	\$ 2,497,258	\$ 4,841,997	\$ 2,889,404	\$ 5,563,063	\$ 3,756,293	\$ 5,939,269	\$ 229,395	\$ 1,047,987	\$ 3,870,518	\$ 30,635,184

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2011

Note 5: Interfund Transactions (Continued)

The transfer of \$4,005,055 between the General Fund and the General Debt Service Fund was for Series AG, AN / AP, AU / AV, and AR debt service payments.

The transfer of \$2,606,293 from the Low and Moderate Income Housing Fund to the Redevelopment Agency Debt Service Fund was to cover Low and Moderate Income Housing's share of principal and interest service payments.

The transfer of \$4,841,997 from the Redevelopment Agency Debt Service Fund to the Low and Moderate Income Housing Fund represents the 20% set aside tax increment revenue for low and moderate income housing.

The transfer of \$2,884,563 from the Redevelopment Agency Debt Service Fund to the Redevelopment Agency Capital Project Fund represents excess debt service fund revenues available for use in the Capital Project Fund.

The transfers of \$2,497,258 from the Non-Major Governmental Funds (State Gas Tax Fund) to the General Fund were for various street related programs.

The transfers of \$5,113,642 between the Non-Major Governmental Funds to the Non-Major Governmental Funds include:

- Transfer of \$2,534,256 from the Proposition C Fund to the Capital Outlay Fund for various construction projects.
- Transfer of \$1,018,123 from the Proposition 1B Fund to the Traffic Congestion Relief Fund for various construction projects.

The transfer of \$3,870,518 from the Capital Outlay Fund to the Internal Service Fund represents a legal settlement.

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

Note 6: Land Held for Resale

Land held for resale is comprised of the following at June 30, 2011:

Low & Moderate Income Housing Fund	\$ 7,911,299
Redevelopment Agency Capital Project Fund	<u>20,429,431</u>
Total	<u><u>\$ 28,340,730</u></u>

Land held for resale is recorded at cost.

CITY OF POMONA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2011

Note 7: Capital Assets

Government-Wide Financial Statements

At June 30, 2011, the City's capital assets consisted of the following

	Governmental Activities	Business-Type Activities	Total
Non-depreciable Assets			
Land	\$ 87,097,995	\$ 9,089,782	\$ 96,187,777
Construction in process	41,102,430	34,619,207	75,721,637
Total non-depreciable assets	<u>128,200,425</u>	<u>43,708,989</u>	<u>171,909,414</u>
Depreciable Assets:			
Buildings and improvements	14,883,238	3,418,603	18,301,841
Improvements other than building	57,665,078	286,638	57,951,716
Machinery and equipment	18,446,172	170,619,244	189,065,416
Furniture and fixtures	834,672	5,105	839,777
Autos and trucks	11,999,803	6,962,223	18,962,026
Equipment under capitalized leases	339,762	-	339,762
Infrastructure	378,718,741	-	378,718,741
Total depreciable assets, at cost	<u>482,887,466</u>	<u>181,291,813</u>	<u>664,179,279</u>
Less accumulated depreciation:			
Buildings and improvements	(10,802,279)	(2,958,377)	(13,760,656)
Improvements other than building	(18,852,618)	(76,613)	(18,929,231)
Machinery and equipment	(11,793,370)	(68,001,633)	(79,795,003)
Furniture and fixtures	(659,100)	(5,105)	(664,205)
Autos and trucks	(8,612,340)	(6,128,904)	(14,741,244)
Equipment under capitalized leases	(133,980)	-	(133,980)
Infrastructure	(235,267,654)	-	(235,267,654)
Total accumulated depreciation	<u>(286,121,341)</u>	<u>(77,170,632)</u>	<u>(363,291,973)</u>
Total depreciable assets, net	<u>196,766,125</u>	<u>104,121,181</u>	<u>300,887,306</u>
Total capital assets	<u>\$ 324,966,550</u>	<u>\$ 147,830,170</u>	<u>\$ 472,796,720</u>

CITY OF POMONA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2011

Note 7: Capital Assets (Continued)

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

	Balance July 1, 2010	Adjustments *	Additions	Deletions	Transfers	Balance June 30, 2011
Non-depreciable Assets:						
Land	\$ 82,231,312	\$ -	\$ 5,576,423	\$ (709,740)	\$ -	\$ 87,097,995
Construction in process	29,562,654	-	17,986,224	(6,088,185)	(358,263)	41,102,430
Total non-depreciable assets	<u>111,793,966</u>	<u>-</u>	<u>23,562,647</u>	<u>(6,797,925)</u>	<u>(358,263)</u>	<u>128,200,425</u>
Depreciable Assets:						
Buildings and improvements	14,887,815	-	6,057	(10,634)	-	14,883,238
Improvements other than building	57,665,078	-	-	-	-	57,665,078
Machinery and equipment	17,819,536	-	601,106	(22,877)	48,407	18,446,172
Furniture and fixtures	776,382	-	58,290	-	-	834,672
Autos and trucks	9,005,806	-	299,687	(331,095)	3,025,405	11,999,803
Equipment under capitalized lease	3,450,385	-	-	(36,811)	(3,073,812)	339,762
Infrastructure	378,362,831	-	102	(2,455)	358,263	378,718,741
Total depreciable assets, at cost	<u>481,967,833</u>	<u>-</u>	<u>965,242</u>	<u>(403,872)</u>	<u>358,263</u>	<u>482,887,466</u>
Less accumulated depreciation:						
Buildings and improvements	(9,573,804)	(783,087)	(449,642)	4,254	-	(10,802,279)
Improvements other than building	(16,386,384)	(980,344)	(1,485,890)	-	-	(18,852,618)
Machinery and equipment	(10,246,882)	(75,590)	(1,473,109)	21,574	(19,363)	(11,793,370)
Furniture and fixtures	(618,769)	-	(40,331)	-	-	(659,100)
Autos and trucks	(7,208,478)	(133,972)	(839,317)	306,857	(737,430)	(8,612,340)
Equipment under capitalized lease	(852,180)	7,241	(46,699)	865	756,793	(133,980)
Infrastructure	(225,207,579)	121,389	(10,183,919)	2,455	-	(235,267,654)
Total accumulated depreciation	<u>(270,094,076)</u>	<u>(1,844,363)</u>	<u>(14,518,907)</u>	<u>336,005</u>	<u>-</u>	<u>(286,121,341)</u>
Total depreciable assets, net	<u>211,873,757</u>	<u>(1,844,363)</u>	<u>(13,553,665)</u>	<u>(67,867)</u>	<u>358,263</u>	<u>196,766,125</u>
Total capital assets	<u>\$ 323,667,723</u>	<u>\$ (1,844,363)</u>	<u>\$ 10,008,982</u>	<u>\$ (6,865,792)</u>	<u>\$ -</u>	<u>\$ 324,966,550</u>

* Adjustments were made to correct prior year accumulated depreciation

Depreciation expense for capital assets of the governmental activities for the year ended June 30, 2011 was as follows:

General government	\$ 493,081
Public safety	1,991,179
Urban development	10,809,107
Community services	1,200,713
Internal service funds	<u>24,827</u>
Total depreciation expense	<u>\$ 14,518,907</u>

CITY OF POMONA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2011

Note 7: Capital Assets (Continued)

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

	Balance July 1, 2010	Additions	Deletions	Transfers	Balance June 30, 2011
Non-depreciable Assets:					
Land	\$ 9,075,136	\$ 14,646	\$ -	\$ -	\$ 9,089,782
Construction in process	31,451,543	19,487,640	(4,419,435)	(11,900,541)	34,619,207
Total non-depreciable assets	<u>40,526,679</u>	<u>19,502,286</u>	<u>(4,419,435)</u>	<u>(11,900,541)</u>	<u>43,708,989</u>
Depreciable Assets:					
Buildings and improvements	3,418,603	-	-	-	3,418,603
Improvements other than building	286,638	-	-	-	286,638
Machinery and equipment	158,669,123	49,580	-	11,900,541	170,619,244
Furniture and fixtures	5,105	-	-	-	5,105
Autos and trucks	6,870,169	92,054	-	-	6,962,223
Total depreciable assets, at cost	<u>169,249,638</u>	<u>141,634</u>	<u>-</u>	<u>11,900,541</u>	<u>181,291,813</u>
Less accumulated depreciation:					
Buildings and improvements	(2,650,248)	(308,129)	-	-	(2,958,377)
Improvements other than building	(65,903)	(10,710)	-	-	(76,613)
Machinery and equipment	(65,366,539)	(2,635,094)	-	-	(68,001,633)
Furniture and fixtures	(5,105)	-	-	-	(5,105)
Autos and trucks	(5,911,024)	(217,880)	-	-	(6,128,904)
Total accumulated depreciation	<u>(73,998,819)</u>	<u>(3,171,813)</u>	<u>-</u>	<u>-</u>	<u>(77,170,632)</u>
Total depreciable assets, net	<u>95,250,819</u>	<u>(3,030,179)</u>	<u>-</u>	<u>11,900,541</u>	<u>104,121,181</u>
Total capital assets	<u>\$ 135,777,498</u>	<u>\$ 16,472,107</u>	<u>\$ (4,419,435)</u>	<u>\$ -</u>	<u>\$ 147,830,170</u>

Depreciation expense for capital assets of the business-type activities for the year ended June 30, 2011 was as follows:

Water utility	\$ 2,387,450
Sewer	698,267
Refuse	82,980
Canon Water Company	<u>3,116</u>
Total depreciation expense	<u>\$ 3,171,813</u>

CITY OF POMONA

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2011**

Note 8: Long-Term Debt

The following is a summary of long-term debt for the year ended June 30, 2011:

	Balance July 1, 2010	Adjustments	Accreted / Accrued Interest	Additions	Deletions	Balance June 30, 2011	Due Within One Year
Governmental Activities:							
County deferred tax loans	\$ 32,757,882	\$ -	\$ 2,338,511	\$ 649,425	\$ -	\$ 35,745,818	\$ -
Obligation under capital lease	2,775,431	-	-	-	2,007,820	767,611	453,487
Notes payable	1,695,000	5,581,927	-	-	292,863	6,984,064	297,577
Revenue bonds	224,932,467	-	-	-	2,618,905	222,313,562	6,456,000
Tax allocation bonds	9,555,000	-	-	-	95,000	9,460,000	470,000
Pension obligation refunding	42,209,382	1,645,360	424,376	-	165,000	44,114,118	250,000
Certificates of participation	12,944,301	-	-	-	300,622	12,643,679	280,000
Subtotal	326,869,463	7,227,287	2,762,887	649,425	5,480,210	332,028,852	8,207,064
Compensated absences	7,604,985	-	-	3,933,910	4,097,001	7,441,894	4,500,000
Claims payable	17,179,847	-	-	7,686,268	7,970,771	16,895,344	4,160,000
OPEB obligations	8,575,624	-	-	5,560,063	3,115,660	11,020,027	-
Total governmental activities	\$ 360,229,919	\$ 7,227,287	\$ 2,762,887	\$ 17,829,666	\$ 20,663,642	\$ 367,386,117	\$ 16,867,064
Business-Type Activities:							
Obligations under capital lease	\$ 844,741	\$ -	\$ -	\$ -	\$ 329,067	\$ 515,674	\$ 340,770
Revenue bonds	139,070,435	-	-	-	1,490,092	137,580,343	1,480,000
Subtotal	139,915,176	-	-	-	1,819,159	138,096,017	1,820,770
Compensated absences	1,192,890	-	-	753,467	761,991	1,184,366	754,000
Total business-type activities	\$ 141,108,066	\$ -	\$ -	\$ 753,467	\$ 2,581,150	\$ 139,280,383	\$ 2,574,770

Governmental Activities Long-Term Debt

County Deferred Tax Loan

At June 30, 2011, the County deferred tax loans consisted of the following:

	Balance June 30, 2010	Accrued Interest	Additions	Deletions	Balance June 30, 2011	Due with One Year
Southwest Pomona Project Area	\$ 29,303,830	\$ 2,051,268	\$ -	\$ -	\$ 31,355,098	\$ -
South Garey/Freeway Corridor Project Area	3,454,052	287,243	649,425	-	4,390,720	-
Total	\$ 32,757,882	\$ 2,338,511	\$ 649,425	\$ -	\$ 35,745,818	\$ -

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 FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2011

Note 8: Long-Term Debt (Continued)

Obligations under Capital Lease

At June 30, 2011, obligations under capital lease consisted of the following:

	Balance July 1, 2010	Additions	Deletions	Balance June 30, 2011	Due with One Year
SunTrust Lease #1	\$ 472,178	\$ -	\$ 183,935	\$ 288,243	\$ 190,477
SunTrust Lease #10	29,717	-	29,717	-	-
SunTrust Lease #12	345,684	-	81,042	264,642	84,528
BofA #2	282,352	-	138,596	143,756	143,756
BofA #3	1,493,284	-	1,493,284	-	-
LaSalle #1	47,977	-	47,977	-	-
LaSalle #2	104,239	-	33,269	70,970	34,726
Total	<u>\$ 2,775,431</u>	<u>\$ -</u>	<u>\$ 2,007,820</u>	<u>\$ 767,611</u>	<u>\$ 453,487</u>

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, 2011
Machinery and equipment	\$ 186,475
Autos and trucks	153,287
Equipment under capitalized lease, at cost	339,762
Accumulated depreciation	(133,980)
Equipment under capitalized lease, net	<u>\$ 205,782</u>

The depreciation expense for equipment under capitalized leases was \$46,699 for the year ended June 30, 2011.

The rates of interest range from 4.00% to 4.50% per annum. The annual debt service requirements outstanding at June 30, 2011 were as follows:

	Principal	Interest	Total
2011 - 2012	\$ 453,487	\$ 28,339	\$ 481,826
2012 - 2013	222,172	11,056	233,228
2013 - 2014	91,952	3,954	95,906
Total	<u>\$ 767,611</u>	<u>\$ 43,349</u>	<u>\$ 810,960</u>

CITY OF POMONA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2011

Note 8: Long-Term Debt (Continued)

Notes Payable

At June 30, 2011, notes payable consisted of the following:

	Balance July 1, 2010	Adjustments *	Additions	Deletions	Balance June 30, 2011	Due with One Year
HUD Section 108 Loan	\$ 875,000	\$ -	\$ -	\$ 125,000	\$ 750,000	\$ 125,000
ERAF Loan	820,000	-	-	150,000	670,000	155,000
MP, LLC Note	-	2,378,080	-	-	2,378,080	-
PVEF Note	-	167,129	-	-	167,129	-
US Bank Loans	-	906,718	-	17,863	888,855	17,577
Low/Mod Notes	-	2,130,000	-	-	2,130,000	-
Total	\$ 1,695,000	\$ 5,581,927	\$ -	\$ 292,863	\$ 6,984,064	\$ 297,577

*Adjustments were made to reclassify liabilities not payable with current available financial resources as long-term liabilities.

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. On June 30, 2010, the City defeased the existing loan to refinance the loan at a lower interest rate. The new loan terms began on February 1, 2011, interest rate ranges from 4.96% to 5.77% and matures August 1, 2016.

The annual debt service requirements at June 30, 2011 were as follows:

	Principal	Interest	Total
2011-2012	\$ 125,000	\$ 11,425	\$ 136,425
2012-2013	125,000	10,538	135,538
2013-2014	125,000	9,163	134,163
2014-2015	125,000	7,200	132,200
2015-2016	125,000	4,700	129,700
2016-2017	125,000	1,663	126,663
Total	\$ 750,000	\$ 44,689	\$ 794,689

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.

CITY OF POMONA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2011

Note 8: Long-Term Debt (Continued)

The annual debt service requirements at June 30, 2011 were as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011-2012	\$ 155,000	\$ 32,912	\$ 187,912
2012-2013	165,000	25,518	190,518
2013-2014	170,000	17,450	187,450
2014-2015	<u>180,000</u>	<u>9,018</u>	<u>189,018</u>
Total	<u>\$ 670,000</u>	<u>\$ 84,898</u>	<u>\$ 754,898</u>

MP, LLC Note

In December 2008, the Agency partially financed the purchase of the Mission Promenade project (MP 1) with a promissory note and a brokerage obligation of \$150,000. The Promissory Note is an unsecured five-year note bearing 0% interest for the first 5 years. The Agency has the option to extend the Note for one year. After the maturity date of 5 years, the Note is to bear interest at the LIBOR rate +1% or 6%, whichever is greater. The note may be prepaid at any time. The Agency may sell the retail and office condominium project at any time in whole or in part. Once the \$9 million threshold is received by the Agency, the excess cash flow from the property operations (rental income minus operating expenses) is to be paid to MP LLC to reduce the Note amount. The outstanding balance on the note, which includes the brokerage obligation, at June 30, 2011 is \$2,378,080.

Pomona Valley Education Foundation Note (PVEF Note)

In March 2008, the Agency partially financed the purchase of properties from the Pomona Valley Education Foundation (PVEF) with a promissory note of \$167,129. The note is secured by a Second Trust Deed on the properties. In five years after closing, the Note is to accrue interest at a rate of 5% with the unpaid balance all due and payable in ten years.

The annual debt service requirements outstanding at June 30, 2011, were as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011 - 2012	\$ -	\$ -	\$ -
2012 - 2013	8,357	2,090	10,447
2013 - 2014	33,426	8,357	41,783
2014 - 2015	33,426	8,357	41,783
2015 - 2016	33,426	8,357	41,783
2016 - 2018	<u>58,494</u>	<u>14,621</u>	<u>73,115</u>
Totals	<u>\$ 167,129</u>	<u>\$ 41,782</u>	<u>\$ 208,911</u>

US Bank Loans

In March 2008, the Agency partially financed the purchase of properties from the Pomona Valley Education Foundation by assuming existing loans on the properties

CITY OF POMONA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2011

Note 8: Long-Term Debt (Continued)

totaling \$988,730 bearing an adjustable interest rate not to exceed 12.250% from U.S. Bank.

The annual debt service requirements at June 30, 2011, were as follows:

	<u>Principal</u>	<u>* Interest</u>	<u>Total</u>
2011-2012	\$ 17,577	\$ 49,769	\$ 67,346
2012-2013	18,691	54,414	73,105
2013-2014	19,875	50,868	70,743
2014-2015	21,134	50,799	71,933
2015-2016	22,472	49,467	71,939
2016-2021	135,605	224,210	359,815
2021-2026	184,353	175,712	360,065
2026-2031	250,626	109,777	360,403
2031-2035	<u>218,522</u>	<u>25,238</u>	<u>243,760</u>
Totals	<u>\$ 888,855</u>	<u>\$ 790,254</u>	<u>\$ 1,679,109</u>

* Interest rate is adjustable and was calculated using 6.125%.

Low/Mod Notes

On July 31, 2008, the Agency sold two properties on E 4th Street to the Pomona Housing Authority (PHA) for \$580,454. These properties are subject to a Disposition and Development Agreements (DDA) with University City Center Partners, LLC (Shelter Development). A Promissory Note for the principal balance without interest were executed between the Agency and the PHA stating the Note shall be deemed paid in full when and if the Agency receives the purchase price or other consideration for the properties from the Development and the PHA transfers the property to the Developer pursuant to the DDA. Otherwise, the entire remaining principal balance shall be due and payable February 25, 2013.

On July 31, 2008, the Agency sold five properties on E 4th Street and E Mission Boulevard to the Pomona Housing Authority (PHA) for \$1,419,546. These properties are subject to a Disposition and Development Agreements (DDA) with Mission and Linden, LLC (Pacific Development). A Promissory Note for the principal balance without interest were executed between the Agency and the PHA stating the Note shall be deemed paid in full when and if the Agency receives the purchase price or other consideration for the properties from the Development and the PHA transfers the property to the Developer pursuant to the DDA. Otherwise, the entire remaining principal balance shall be due and payable February 25, 2013.

On February 4, 2008, the Agency sold a property on E 4th Street to the Pomona Housing Authority (PHA) for \$130,000. A Promissory Note for the principal balance without interest were executed between the Agency and the PHA stating the Note shall be forgiven upon the cost of rehabilitation improvements made to the property reaches \$130,000. Otherwise, the entire remaining principal balance shall be due and payable February 25, 2013.

CITY OF POMONA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2011

Note 8: Long-Term Debt (Continued)

Revenue Bonds

At June 30, 2011, revenue bonds consisted of the following:

	Balance July 1, 2010	Additions	Deletions	Balance June 30, 2011	Due with One Year
1998 Revenue Refunding Bonds, Series W	\$ 37,715,000	\$ -	\$ 350,000	\$ 37,365,000	\$ 370,000
2001 Revenue Refunding Bonds, Series AD	38,080,000	-	-	38,080,000	1,875,000
2003 Revenue Refunding Bonds, Series AH	24,195,000	-	760,000	23,435,000	1,115,000
2005 Subordinate Revenue Bonds, Series AL	6,045,000	-	395,000	5,650,000	410,000
2005 Reassessment and Refunding Bonds, Series AM	4,971,000	-	276,000	4,695,000	296,000
2005 Lease Revenue Bonds, Series AN	19,710,000	-	55,000	19,655,000	55,000
2005 Taxable Lease Revenue Bonds, Series AP	2,835,000	-	425,000	2,410,000	440,000
2005 Taxable Housing Tax Revenue Bonds, Series AQ	9,320,000	-	240,000	9,080,000	250,000
2006 Lease Revenue Bonds, Series AU	2,455,000	-	30,000	2,425,000	30,000
Unamortized Deferred Loss on Refunding	(161,715)	-	(7,031)	(154,684)	-
2006 Taxable Lease Revenue Bonds, Series AV	10,595,000	-	105,000	10,490,000	110,000
2006 Revenue Bonds, Series AS	26,305,000	-	-	26,305,000	115,000
Unamortized Deferred Loss on Refunding	(2,719,870)	-	(159,992)	(2,559,878)	-
2006 Taxable Revenue Bonds, Series AT	8,355,000	-	-	8,355,000	340,000
2007 Revenue Bonds, Series AW	8,375,000	-	-	8,375,000	250,000
2006 Subordinate Revenue Bonds, Series AX	25,865,000	-	-	25,865,000	800,000
Unamortized Bond Premiums and Discounts	2,993,052	-	149,928	2,843,124	-
Total	\$ 224,932,467	\$ -	\$ 2,618,905	\$ 222,313,562	\$ 6,456,000

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 the 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, now retired, were issued to finance or 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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2011
Note 8: Long-Term Debt (Continued)

The annual debt service requirements for the 1998 Revenue Bonds, Refunding Series W outstanding at June 30, 2011, were as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011-2012	\$ 370,000	\$ 1,867,495	\$ 2,237,495
2012-2013	385,000	1,849,365	2,234,365
2013-2014	405,000	1,830,500	2,235,500
2014-2015	425,000	1,810,250	2,235,250
2015-2016	450,000	1,789,000	2,239,000
2017-2021	4,675,000	8,585,000	13,260,000
2022-2026	15,365,000	6,202,250	21,567,250
2027-2030	15,290,000	1,958,000	17,248,000
Total	<u>\$ 37,365,000</u>	<u>\$ 25,891,860</u>	<u>\$ 63,256,860</u>

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, the 1997 Refunding Series T, the 1998 Refunding Series U, the 1998 Refunding Subordinate Series V and the 1998 Refunding Series Z; the 1993 Refunding Series L Revenue Bonds were partially defeased.

Interest on the bonds is payable semiannually on each August 1 and February 1. The rates of interest range from 3.50% to 5.39% 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, 2011, were as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011-2012	\$ 1,875,000	\$ 1,888,506	\$ 3,763,506
2012-2013	1,960,000	1,801,788	3,761,788
2013-2014	1,925,000	1,708,688	3,633,688
2014-2015	2,020,000	1,617,250	3,637,250
2015-2016	2,110,000	1,516,250	3,626,250
2016-2021	10,550,000	5,915,250	16,465,250
2021-2026	8,345,000	3,621,500	11,966,500
2026-2031	7,945,000	1,452,750	9,397,750
2031-2033	1,350,000	89,750	1,439,750
Total	<u>\$ 38,080,000</u>	<u>\$ 19,611,732</u>	<u>\$ 57,691,732</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2011

Note 8: Long-Term Debt (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, 2011, were as follows:

	Principal	Interest	Total
2011-2012	\$ 1,115,000	\$ 1,098,890	\$ 2,213,890
2012-2013	1,175,000	1,043,140	2,218,140
2013-2014	1,275,000	999,665	2,274,665
2014-2015	1,325,000	951,853	2,276,853
2015-2016	1,380,000	900,178	2,280,178
2016-2021	6,675,000	3,492,865	10,167,865
2021-2026	2,070,000	2,388,465	4,458,465
2026-2031	6,990,000	1,820,410	8,810,410
2031-2034	1,430,000	132,413	1,562,413
Total	<u>\$ 23,435,000</u>	<u>\$ 12,827,879</u>	<u>\$ 36,262,879</u>

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

On February 1, 2005, the Authority issued \$11,370,000 2005 Subordinate Revenue Bonds, Series AL to purchase the 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 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.

CITY OF POMONA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2011

Note 8: Long-Term Debt (Continued)

The annual debt service requirements for the 2005 Subordinate Revenue Bonds, Series AL outstanding at June 30, 2011, were as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011-2012	\$ 410,000	\$ 258,684	\$ 668,684
2012-2013	420,000	241,249	661,249
2013-2014	445,000	222,429	667,429
2014-2015	460,000	202,289	662,289
2015-2016	480,000	180,659	660,659
2016-2021	2,790,000	523,019	3,313,019
2021-2022	645,000	16,448	661,448
Total	<u>\$ 5,650,000</u>	<u>\$ 1,644,777</u>	<u>\$ 7,294,777</u>

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, 2011, were as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011-2012	\$ 296,000	\$ 328,293	\$ 624,293
2012-2013	312,000	306,345	618,345
2013-2014	337,000	282,916	619,916
2014-2015	361,000	257,718	618,718
2015-2016	386,000	230,751	616,751
2016-2021	2,411,000	673,085	3,084,085
2021-2022	592,000	21,371	613,371
Total	<u>\$ 4,695,000</u>	<u>\$ 2,100,479</u>	<u>\$ 6,795,479</u>

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 (now retired) and finance certain public improvements of the City.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2011
Note 8: Long-Term Debt (Continued)

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, 2011, were as follows:

	Principal	Interest	Total
2011-2012	\$ 55,000	\$ 915,008	\$ 970,008
2012-2013	60,000	913,138	973,138
2013-2014	55,000	911,213	966,213
2014-2015	65,000	909,140	974,140
2015-2016	65,000	906,800	971,800
2016-2021	3,380,000	4,206,063	7,586,063
2021-2026	4,150,000	3,439,676	7,589,676
2026-2031	5,190,000	2,332,750	7,522,750
2031-2036	6,635,000	861,875	7,496,875
Total	<u>\$ 19,655,000</u>	<u>\$ 15,395,663</u>	<u>\$ 35,050,663</u>

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 (now retired) 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, 2011, were as follows:

	Principal	Interest	Total
2011-2012	\$ 440,000	\$ 105,306	\$ 545,306
2012-2013	460,000	83,931	543,931
2013-2014	485,000	61,488	546,488
2014-2015	500,000	37,781	537,781
2015-2016	525,000	12,797	537,797
Total	<u>\$ 2,410,000</u>	<u>\$ 301,303</u>	<u>\$ 2,711,303</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2011

Note 8: Long-Term Debt (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, 2011, were as follows:

	Principal	Interest	Total
2011 - 2012	\$ 250,000	\$ 544,833	\$ 794,833
2012 - 2013	265,000	531,758	796,758
2013 - 2014	280,000	517,898	797,898
2014 - 2015	295,000	503,254	798,254
2015 - 2016	310,000	487,826	797,826
2016 - 2021	1,840,000	2,142,125	3,982,125
2021 - 2026	2,485,000	1,491,188	3,976,188
2026 - 2031	3,355,000	627,300	3,982,300
Total	<u>\$ 9,080,000</u>	<u>\$ 6,846,182</u>	<u>\$ 15,926,182</u>

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 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.

CITY OF POMONA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2011

Note 8: Long-Term Debt (Continued)

The annual debt service requirements for the 2006 Lease Revenue Bonds, Series AU outstanding at June 30, 2011, were as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011-2012	\$ 30,000	\$ 102,206	\$ 132,206
2012-2013	25,000	101,194	126,194
2013-2014	30,000	100,350	130,350
2014-2015	30,000	99,330	129,330
2015-2016	35,000	98,280	133,280
2016-2021	175,000	473,048	648,048
2021-2026	220,000	434,382	654,382
2026-2031	270,000	385,080	655,080
2031-2036	415,000	315,806	730,806
2036-2041	520,000	217,876	737,876
2041-2045	675,000	86,408	761,408
Total	<u>\$ 2,425,000</u>	<u>\$ 2,413,960</u>	<u>\$ 4,838,960</u>

The following is a summary of unamortized deferred loss on refunding outstanding at June 30, 2011:

<u>Balance</u> <u>July 1, 2010</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2011</u>
<u>\$ (161,715)</u>	<u>\$ -</u>	<u>\$ (7,031)</u>	<u>\$ (154,684)</u>

Amortization expense was \$7,031 for June 30, 2011.

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.

CITY OF POMONA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2011

Note 8: Long-Term Debt (Continued)

The annual debt service requirements for the 2006 Taxable Lease Revenue Bonds, Series AV outstanding at June 30, 2011, were as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011-2012	\$ 110,000	\$ 589,170	\$ 699,170
2012-2013	120,000	583,670	703,670
2013-2014	125,000	577,670	702,670
2014-2015	130,000	571,420	701,420
2015-2016	135,000	564,920	699,920
2016-2021	800,000	2,709,210	3,509,210
2021-2026	1,050,000	2,460,320	3,510,320
2026-2031	1,375,000	2,131,600	3,506,600
2031-2036	1,810,000	1,698,560	3,508,560
2036-2041	2,385,000	1,121,190	3,506,190
2041-2045	<u>2,450,000</u>	<u>359,100</u>	<u>2,809,100</u>
Total	<u>\$ 10,490,000</u>	<u>\$ 13,366,830</u>	<u>\$ 23,856,830</u>

The advance refunding resulted in a difference between the reacquisition price (Series 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.

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 (now retired).

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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2011
Note 8: Long-Term Debt (Continued)

The annual debt service requirements for the 2006 Revenue Bonds, Series AS outstanding at June 30, 2011, were as follows:

	Principal	Interest	Total
2011-2012	\$ 115,000	\$ 1,262,608	\$ 1,377,608
2012-2013	145,000	1,258,584	1,403,584
2013-2014	90,000	1,253,508	1,343,508
2014-2015	80,000	1,250,358	1,330,358
2015-2016	70,000	1,247,478	1,317,478
2016-2021	1,020,000	6,180,482	7,200,482
2021-2026	1,440,000	5,891,532	7,331,532
2026-2031	6,730,000	5,242,500	11,972,500
2031-2036	12,035,000	2,301,250	14,336,250
2036-2041	4,580,000	596,702	5,176,702
Total	<u>\$ 26,305,000</u>	<u>\$ 26,485,002</u>	<u>\$ 52,790,002</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, 2011:

Balance July 1, 2010	Additions	Deletions	Balance June 30, 2011
<u>\$ (2,719,870)</u>	<u>\$ -</u>	<u>\$ (159,992)</u>	<u>\$ (2,559,878)</u>

Amortization expense was \$159,992 for June 30, 2011.

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 (now retired), and 1998 Tax Allocation Refunding Bonds, Series Y (now retired).

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.

CITY OF POMONA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2011

Note 8: Long-Term Debt (Continued)

The annual debt service requirements for the 2006 Taxable Revenue Bonds, Series AT outstanding at June 30, 2011, were as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011-2012	\$ 340,000	\$ 467,700	\$ 807,700
2012-2013	360,000	449,718	809,718
2013-2014	380,000	430,678	810,678
2014-2015	400,000	410,580	810,580
2015-2016	420,000	389,424	809,424
2016-2021	2,460,000	1,577,426	4,037,426
2021-2026	3,235,000	792,228	4,027,228
2026-2027	<u>760,000</u>	<u>43,456</u>	<u>803,456</u>
Total	<u>\$ 8,355,000</u>	<u>\$ 4,561,210</u>	<u>\$ 12,916,210</u>

The calculation of deferred loss on refunding of the Series W, AH, AI, X & Y bonds for the 2006 Taxable Revenue Bonds, Series AT was combined with the 2006 Revenue Bonds, Series AS and 2006 Subordinate Revenue Bonds, Series AX. See the 2006 Revenue Bonds, Series AS for more detail.

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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2011

Note 8: Long-Term Debt (Continued)

The annual debt service requirements for the 2007 Subordinate Revenue Bonds, Series AW outstanding at June 30, 2011, were as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011-2012	\$ 250,000	\$ 412,990	\$ 662,990
2012-2013	230,000	402,366	632,366
2013-2014	255,000	392,590	647,590
2014-2015	260,000	381,434	641,434
2015-2016	275,000	369,994	644,994
2016-2021	1,590,000	1,646,180	3,236,180
2021-2026	2,030,000	1,205,324	3,235,324
2026-2031	2,540,000	645,496	3,185,496
2031-2033	945,000	64,832	1,009,832
Total	<u>\$ 8,375,000</u>	<u>\$ 5,521,206</u>	<u>\$ 13,896,206</u>

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.

CITY OF POMONA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2011

Note 8: Long-Term Debt (Continued)

The annual debt service requirements for the 2006 Subordinate Revenue Bonds, Series AX outstanding at June 30, 2011, were as follows:

	Principal	Interest	Total
2011-2012	\$ 800,000	\$ 1,217,340	\$ 2,017,340
2012-2013	840,000	1,185,340	2,025,340
2013-2014	840,000	1,151,740	1,991,740
2014-2015	875,000	1,118,140	1,993,140
2015-2016	910,000	1,082,266	1,992,266
2016-2021	4,810,000	4,814,402	9,624,402
2021-2026	5,565,000	3,656,250	9,221,250
2026-2031	6,955,000	2,141,750	9,096,750
2031-2036	3,240,000	584,750	3,824,750
2036-2041	1,030,000	149,000	1,179,000
Total	<u>\$ 25,865,000</u>	<u>\$ 17,100,978</u>	<u>\$ 42,965,978</u>

The calculation of deferred loss on refunding of the Series W, AH, AI, X & Y bonds for the 2006 Subordinate Revenue Bonds, Series AX was combined with the 2006 Revenue Bonds, Series AS and 2006 Taxable Revenue Bonds, Series AT. See the 2006 Revenue Bonds, Series AS for more detail.

Unamortized Bond Premiums and Discounts

The following is a summary of the unamortized premiums and discounts outstanding at June 30, 2011:

Balance July 1, 2010	Additions	Deletions	Balance June 30, 2011
<u>\$ 2,993,052</u>	<u>\$ -</u>	<u>\$ 149,928</u>	<u>\$ 2,843,124</u>

Amortization expense was \$149,928 for June 30, 2011.

Tax Allocation Bonds

	Balance July 1, 2010	Additions	Deletions	Balance June 30, 2011	Due within One Year
1998 Tax Allocation Bonds Series X	\$ 2,385,000	\$ -	\$ 55,000	\$ 2,330,000	\$ 280,000
1998 Tax Allocation Bonds Series Y	7,170,000	-	40,000	7,130,000	190,000
Total	<u>\$ 9,555,000</u>	<u>\$ -</u>	<u>\$ 95,000</u>	<u>\$ 9,460,000</u>	<u>\$ 470,000</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2011

Note 8: Long-Term Debt (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. \$3,595,000 of bond 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. During 2007, the bonds in the amount of \$790,000 were refunded by the 2006 Taxable Revenue Bonds, series AT.

The annual debt service requirements outstanding at June 30, 2011 were as follows:

	Principal	Interest	Total
2011-2012	\$ 280,000	\$ 115,140	\$ 395,140
2012-2013	290,000	100,890	390,890
2013-2014	300,000	85,990	385,990
2014-2015	315,000	69,914	384,914
2015-2016	335,000	52,527	387,527
2016-2021	550,000	112,773	662,773
2021-2025	260,000	28,890	288,890
Total	<u>\$ 2,330,000</u>	<u>\$ 566,124</u>	<u>\$ 2,896,124</u>

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. \$1,770,000 of bond 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. A municipal bond

CITY OF POMONA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2011

Note 8: Long-Term Debt (Continued)

insurance policy has been issued that insures the payment of the principal and interest on the bonds when due. 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, 2011 were as follows:

	Principal	Interest	Total
2011-2012	\$ 190,000	\$ 390,970	\$ 580,970
2012-2013	200,000	380,520	580,520
2013-2014	210,000	369,520	579,520
2014-2015	220,000	358,075	578,075
2015-2016	235,000	346,085	581,085
2016-2021	1,375,000	1,524,688	2,899,688
2021-2026	1,800,000	1,105,340	2,905,340
2026-2031	2,350,000	552,750	2,902,750
2031-2032	550,000	30,250	580,250
Total	\$ 7,130,000	\$ 5,058,198	\$ 12,188,198

Pension Obligation Refunding Bonds

	Balance July 1, 2010	Adjustment *	Accreted Interest	Deletions	Balance June 30, 2011	Due within One Year
2006 Pension Obligation Bonds, Series AR	<u>\$ 42,209,382</u>	<u>\$ 1,645,360</u>	<u>\$ 424,376</u>	<u>\$ 165,000</u>	<u>\$ 44,114,118</u>	<u>\$ 250,000</u>

* Adjustment was made to correct the accreted interest to date.

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 and fund current years general fund contribution 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.

CITY OF POMONA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2011

Note 8: Long-Term Debt (Continued)

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.

The annual debt service requirements outstanding at June 30, 2011 were as follows:

	Principal	Interest	Accreted Interest	Total
2011-2012	\$ 250,000	\$ 2,099,240	\$ -	\$ 2,349,240
2012-2013	322,640	2,099,240	17,360	2,439,240
2013-2014	386,755	2,099,240	43,245	2,529,240
2014-2015	442,660	2,099,240	77,340	2,619,240
2015-2016	495,592	2,099,240	119,408	2,714,240
2016-2021	4,035,748	10,206,358	819,252	15,061,358
2021-2026	6,436,447	9,293,201	2,183,553	17,913,201
2026-2031	10,294,276	7,701,302	3,210,724	21,206,302
2031-2036	21,450,000	3,366,522	-	24,816,522
Total	<u>\$ 44,114,118</u>	<u>\$ 41,063,583</u>	<u>\$ 6,470,882</u>	<u>\$ 91,648,583</u>

Certificates of Participation

	Balance July 1, 2010	Additions	Deletions	Balance June 30, 2011	Due within One Year
2003 Certificate of Participation Series AG	\$ 12,240,000	\$ -	\$ 270,000	\$ 11,970,000	\$ 280,000
Unamortized Bond Premium	704,301	-	30,622	673,679	-
Total	<u>\$ 12,944,301</u>	<u>\$ -</u>	<u>\$ 300,622</u>	<u>\$ 12,643,679</u>	<u>\$ 280,000</u>

CITY OF POMONA

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2011**

Note 8: Long-Term Debt (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, 2011 were as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011-2012	\$ 280,000	\$ 648,170	\$ 928,170
2012-2013	290,000	638,020	928,020
2013-2014	300,000	627,000	927,000
2014-2015	315,000	610,500	925,500
2015-2016	335,000	593,175	928,175
2016-2021	1,980,000	2,667,500	4,647,500
2021-2026	2,585,000	2,060,575	4,645,575
2026-2031	3,380,000	1,266,375	4,646,375
2031-2034	2,505,000	280,500	2,785,500
Total	<u>\$ 11,970,000</u>	<u>\$ 9,391,815</u>	<u>\$ 21,361,815</u>

The following is a summary of the 2003 Certificate of Participation, Series AG unamortized premium outstanding at June 30, 2011:

<u>Balance July 1, 2010</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2011</u>
<u>\$ 704,301</u>	<u>\$ -</u>	<u>\$ 30,622</u>	<u>\$ 673,679</u>

Compensated Absences

The following is a summary of compensated absences outstanding as of June 30, 2011:

<u>Balance July 1, 2010</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2011</u>	<u>Due within One Year</u>
<u>\$ 7,604,985</u>	<u>\$ 3,933,910</u>	<u>\$ 4,097,001</u>	<u>\$ 7,441,894</u>	<u>\$ 4,500,000</u>

CITY OF POMONA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2011

Note 8: Long-Term Debt (Continued)

Claims Payable

The following is a summary of the claims payable outstanding as of June 30, 2011:

Balance July 1, 2010	Additions	Deletions	Balance June 30, 2011	Due within One Year
<u>\$ 17,179,847</u>	<u>\$ 7,686,268</u>	<u>\$ 7,970,771</u>	<u>\$ 16,895,344</u>	<u>\$ 4,160,000</u>

Other Post Employment Benefit Obligations

The following is a summary of other post employment benefit obligations outstanding as of June 30, 2011:

Balance July 1, 2010	Additions	Deletions	Balance June 30, 2011	Due Within One Year
<u>\$ 8,575,624</u>	<u>\$ 5,560,063</u>	<u>\$ 3,115,660</u>	<u>\$ 11,020,027</u>	<u>\$ -</u>

Business-Type Activities

Obligations under Capital Leases

	Balance July 1, 2010	Additions	Deletions	Balance June 30, 2011	Due within One Year
Sun Trust #1	<u>\$ 844,741</u>	<u>\$ -</u>	<u>\$ 329,067</u>	<u>\$ 515,674</u>	<u>\$ 340,770</u>

The annual debt service requirements outstanding at June 30, 2011 were as follows:

	Principal	Interest	Total
2011 - 2012	<u>\$ 340,770</u>	<u>\$ 15,203</u>	<u>\$ 355,973</u>
2012 - 2013	<u>174,904</u>	<u>3,083</u>	<u>177,987</u>
Total	<u>\$ 515,674</u>	<u>\$ 18,286</u>	<u>\$ 533,960</u>

CITY OF POMONA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2011

Note 8: Long-Term Debt (Continued)

Revenue Bonds

	Balance July 1, 2010	Additions	Deletions	Balance June 30, 2011	Due within One Year
2002 Sewer Refunding Revenue Bonds, Series AF	\$ 13,570,000	\$ -	\$ 190,000	\$ 13,380,000	\$ 200,000
2007 Revenue Bonds, Series AY	99,370,000	-	885,000	98,485,000	920,000
Unamortized Bond Premium	5,430,556	-	148,782	5,281,774	-
Unamortized Deferred Loss on Refunding	(1,495,121)	-	(78,690)	(1,416,431)	-
2007 Taxable Revenue Refunding Bonds, Series AZ	6,730,000	-	210,000	6,520,000	220,000
2007 Revenue Bonds, Series BA	15,465,000	-	135,000	15,330,000	140,000
Total	\$ 139,070,435	\$ -	\$ 1,490,092	\$ 137,580,343	\$ 1,480,000

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, 2011 were as follows:

	Principal	Interest	Total
2011-2012	\$ 200,000	\$ 614,998	\$ 814,998
2012-2013	205,000	608,541	813,541
2013-2014	210,000	601,640	811,640
2014-2015	220,000	594,110	814,110
2015-2016	225,000	585,988	810,988
2016-2021	1,295,000	2,783,015	4,078,015
2021-2026	1,630,000	2,464,450	4,094,450
2026-2031	2,045,000	2,051,688	4,096,688
2031-2036	2,555,000	1,525,325	4,080,325
2036-2041	3,255,000	807,375	4,062,375
2041-2043	1,540,000	78,000	1,618,000
Total	\$ 13,380,000	\$ 12,715,130	\$ 26,095,130

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2011
Note 8: Long-Term Debt (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 the 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, 2011 were as follows:

	Principal	Interest	Total
2011-2012	\$ 920,000	\$ 4,835,400	\$ 5,755,400
2012-2013	955,000	4,798,600	5,753,600
2013-2014	995,000	4,760,400	5,755,400
2014-2015	1,035,000	4,720,600	5,755,600
2015-2016	1,075,000	4,679,200	5,754,200
2016-2021	6,155,000	22,620,200	28,775,200
2021-2026	7,665,000	21,108,000	28,773,000
2026-2031	10,980,000	18,961,500	29,941,500
2031-2036	16,055,000	15,649,000	31,704,000
2036-2041	20,475,000	11,215,000	31,690,000
2041-2046	26,135,000	5,557,750	31,692,750
2046-2047	6,040,000	302,000	6,342,000
Total	<u>\$ 98,485,000</u>	<u>\$ 119,207,650</u>	<u>\$ 217,692,650</u>

The following is a summary of the 2007 Revenue Bonds, Series AY unamortized premium outstanding at June 30, 2011:

Balance July 1, 2010	Additions	Deletions	Balance June 30, 2011
<u>\$ 5,430,556</u>	<u>\$ -</u>	<u>\$ 148,782</u>	<u>\$ 5,281,774</u>

Amortization expense was \$148,782 for June 30, 2011.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2011
Note 8: Long-Term Debt (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, 2011:

<u>Balance</u> <u>July 1, 2010</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2011</u>
<u>\$ (1,495,121)</u>	<u>\$ -</u>	<u>\$ (78,690)</u>	<u>\$ (1,416,431)</u>

Amortization expense was \$78,690 for June 30, 2011.

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 (now retired) and 1999 Revenue Bonds (now retired), Series AC (now retired), 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, 2011 were as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011-2012	\$ 220,000	\$ 362,558	\$ 582,558
2012-2013	235,000	350,972	585,972
2013-2014	245,000	338,594	583,594
2014-2015	260,000	325,690	585,690
2015-2016	275,000	311,996	586,996
2016-2021	1,600,000	1,321,290	2,921,290
2021-2026	2,110,000	815,862	2,925,862
2026-2029	<u>1,575,000</u>	<u>181,366</u>	<u>1,756,366</u>
Total	<u>\$ 6,520,000</u>	<u>\$ 4,008,328</u>	<u>\$ 10,528,328</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2011
Note 8: Long-Term Debt (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.

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, 2011 were as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011-2012	\$ 140,000	\$ 676,190	\$ 816,190
2012-2013	150,000	669,640	819,640
2013-2014	160,000	661,890	821,890
2014-2015	165,000	653,765	818,765
2015-2016	175,000	645,703	820,703
2016-2021	950,000	3,122,765	4,072,765
2021-2026	1,140,000	2,915,899	4,055,899
2026-2031	1,410,000	2,647,371	4,057,371
2031-2036	1,780,000	2,290,952	4,070,952
2036-2041	2,240,000	1,841,628	4,081,628
2041-2046	5,425,000	1,101,267	6,526,267
2046-2047	1,595,000	35,889	1,630,889
Total	<u>\$ 15,330,000</u>	<u>\$ 17,262,959</u>	<u>\$ 32,592,959</u>

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 \$1,184,366 at June 30, 2011.

<u>Balance</u> <u>July 1, 2010</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2011</u>	<u>Due within</u> <u>One Year</u>
<u>\$ 1,192,890</u>	<u>\$ 753,467</u>	<u>\$ 761,991</u>	<u>\$ 1,184,366</u>	<u>\$ 754,000</u>

Pledged Revenue

The City has pledged certain tax revenues to the repayment of certain City debts (bonds, loans and advances) through final maturity of bonded debt on February 1, 2041, or earlier retirement, whichever occurs first.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2011
Note 8: Long-Term Debt (Continued)

Tax revenues consist of tax increment revenues allocated to the Agency to various project areas pursuant to Section 33670 of the Redevelopment Law. Such Law excludes a portion of 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 service on the Bonds. Tax increment received in 2011 was \$28,284,356 and total debt service paid was \$7,992,303. The Bonds required 28% of net revenues. In future years, annual principal and interest payment on the Bonds, and loans advances are expected to require roughly 44% of tax increment revenues. The total principal and interest remaining to be paid on the bonds is \$347,291,087.

<u>Debt Issue</u>	<u>Remaining Balance</u>
County of LA Agreement	\$ 35,745,818
ERAF Loan	754,898
1998 Series W	63,256,860
1998 Series X	2,896,124
1998 Series Y	12,188,198
2001 Series AD	57,691,732
2003 Series AH	36,262,879
2005 Series AQ	15,926,182
2006 Series AS	52,790,002
2006 Series AT	12,916,210
2007 Series AW	13,896,206
2006 Series AX	42,965,978
Total	<u>\$ 347,291,087</u>

<u>Project Area</u>	<u>2010 - 2011 Tax Increment Revenue</u>
Project A1	\$ 325,476
Project A2	925,844
Mountain Meadow	696,324
Reservoir Street	1,866,712
Holt Ave./Indian Hill	655,082
Southwest	12,600,711
Arrow Towne	911,815
Mission Corona	293,105
West Holt	4,070,885
Downtown 3	1,408,193
Fairgrounds Amend	103,676
South Garey	2,648,125
Merged Redevelopment Project	1,778,408
Total	<u>\$ 28,284,356</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2011
Note 8: Long-Term Debt (Continued)

The City has pledged certain tax revenue to the repayment of its Water Utility and Sewer Enterprise Fund bonds through final maturity on May 1, 2047, or earlier, whichever occurs first. All net revenues are irrevocably pledged by the City to the repayment of the bond's debt services, excluding operation and maintenance costs of these Enterprise Funds. In 2011, the Enterprise Funds have received \$11,841,334 while total debt service paid was \$7,967,082. The bonds required 67% of net revenue. Due to the success of the Water Conservation Program the City implemented in FY 09-10, net revenue reflects a slight decrease this year which will continue to carry on to future years. Annual principal and interest payments on the bonds are expected to require roughly 79% of net revenue. The total principal and interest remaining to be paid at June 30, 2011 on the Bonds is \$286,909,067.

<u>Debt Issue</u>	<u>Remaining Balance</u>
2002 Series AF Bonds	\$ 26,095,130
2007 Series AY Bonds	217,692,650
2007 Series AZ Bonds	10,528,328
2007 Series BA Bonds	32,592,959
Total	<u>\$ 286,909,067</u>

<u>Revenue</u>	<u>2010-2011 Revenue</u>
Net revenues, excluding operations and maintenance costs	\$ 11,841,334
Total	<u>\$ 11,841,334</u>

Outstanding Principal on Capital-Related Debt

The City has acquired capital assets through the issuance of bonds and capital lease obligations. Following is the outstanding balance at June 30, 2011 of capital assets related debt.

Governmental Activities:

	<u>Outstanding Principal of Capital Related Debt</u>
1998 Revenue Refunding Bonds, Series W	11,548,694
2001 Revenue Refunding Bonds, Series AD	22,938,587
2003 Revenue Refunding Bonds, Series AH	12,957,685
2005 Subordinate Revenue Bonds, Series AL	3,229,058
2005 Reassessment and Refunding Bonds, Series AM	928,052
2005 Lease Revenue Bonds, Series AN	8,676,999
2006 Lease Revenue Bonds, Series AU	2,038,532
2007 Revenue Bonds, Series AW	4,662,450
Capital Lease Obligations	767,611
	<u>\$ 67,747,668</u>

CITY OF POMONA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2011

Note 8: Long-Term Debt (Continued)

Business-Type Activities

	Outstanding Principal of Capital Related Debt
Water Utility	
2007 Revenue Bonds, Series AY and Series AZ	\$ 75,355,737
2007 Taxable Revenue Refunding Bonds, Series AZ	
2007 Revenue Bonds, Series BA	5,838,794
Capital Lease Obligations	515,674
	<u>81,710,205</u>
Sewer	
2002 Sewer Refunding Revenue Bonds, Series AF	13,107,005
Total	<u>\$ 94,817,210</u>

Note 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.

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. These bonds are secured by first trust deeds and private mortgage insurance. The bonds, together with interest thereon, are 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. The mortgage revenue bonds outstanding at June 30, 2011 were as follows:

Mortgage Revenue Bonds	Balance at June 30, 2011
Single Family, Series 1983 A (Southwest Project Bonds)	\$ 700,000
Single Family Mortgage Refunding Bonds (#94610490)	40,470,000
Single Family Mortgage Refunding Bonds (#94610500)	17,260,000
	<u>\$ 58,430,000</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2011

Note 10: Retirement 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. Combined, the City and employees contributed \$1,596,045 (miscellaneous employees) and \$1,196,505 (safety employees) for the year ended June 30, 2011.

The City employer is required to contribute for fiscal year 2010-2011 at an actuarially determined rate of 11.159% and 24.737% of annual covered payroll for miscellaneous and safety employees which amounted to \$2,468,853 and \$3,255,112 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 2010-2011, the City's annual pension cost of \$2,468,853 for miscellaneous plan employees was equal to the City's required and actual contribution. For the safety plan, the City's annual pension cost and change in net pension asset were as follows:

Annual required contribution	\$ 3,255,112
Interest on net PERS pension asset	(1,239,071)
Adjustment to annual required contribution	<u>1,844,746</u>
Annual PERS cost (expense)	3,860,787
Contributions made	<u>3,255,112</u>
Decrease in net PERS pension asset	(605,675)
Net PERS pension asset - beginning of year	<u>26,085,704</u>
Net PERS pension asset - end of year	<u><u>\$ 25,480,029</u></u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2011

Note 10: Retirement Plan (Continued)

The summary of principal assumptions and methods used to determine the annual required contribution is shown below:

Valuation Date	June 30, 2010
Actuarial Cost Method	Entry Age Normal Cost Method
Amortization Method	Level Percentage of Payroll
Average Remaining Period	Miscellaneous Plan: 20 years as of the valuation date Safety Plan: 28 years as of the valuation date
Asset Valuation Method	15 Year Smoothed Market
Actuarial Assumptions	
Investment Rate of Return	7.75% (net of administrative expenses)
Projected Salary Increases	Miscellaneous Plan: 3.25% to 14.45% depending on age, service, and type of employment Safety Plan: 3.25% to 13.15% depending on age, service, and type of employment
Inflation	3.00%
Payroll Growth	3.25%
Individual Salary Growth	A merit scale varying by duration of employment coupled with an assumed annual inflation growth of 3.00% and an annual production growth of 0.25%

Initial unfunded liabilities are amortized over a closed period that depends on the plan's date of entry into CalPERS. Subsequent plan amendments are amortized as a level percent of pay over a closed 20-year period. Gains and losses that occur in the operation of the plan are amortized over a 30 year rolling period, which results in an amortization of about 6% of unamortized gains and losses each year. If the plan's accrued liability exceeds the actuarial value of plan assets, the amortization payment on the total unfunded liability may not be lower than the payment calculated over a 30-year amortization period.

Miscellaneous Employee's Retirement Plan
 Schedule of Employer Contributions

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2009	\$ 3,283,328	100%	\$ -
6/30/2010	2,950,425	100%	-
6/30/2011	2,468,853	100%	-

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2011
Note 10: Retirement Plan (Continued)

Safety Employee's Retirement Plan Schedule of Employer Contributions			
Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2009	\$ 4,095,028	108%	\$ 25,754,100
6/30/2010	3,798,477	109%	26,085,704
6/30/2011	3,860,787	119%	25,480,029

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 PERS 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, 2011, the unamortized portion of the pension asset was \$25,480,029. See Note 8 for more detail.

A schedule of funding progress for the most current available year and the two preceding years can be found in the Required Supplementary Information section.

Note 11: Post Employment Benefits**Plan Description**

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

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

Bargaining Group	Benefit
Pomona City Employees Association	\$ 700.00
Pomona Mid Management/Confidential Employees Association	700.00
Pomona Police Managers Association	700.00
Pomona Police Officers Association	700.00
Firefighters *	465.00

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2011

Note 11: Post Employment Benefits (Continued)

The City also offers a 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 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 452 employees are eligible to receive or are receiving post-employment benefits at June 30, 2011. 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.

Funding Policy

The required contribution of the City is based on a pay-as-you-go financing requirement. For fiscal year 2011, the City contributed \$3,115,660 to the plan.

Annual OPEB Cost and Net OPEB Obligation

The City's annual Other Postemployment Benefit (OPEB) cost (expense) is calculated based 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	\$ 5,839,000
Interest on net OPEB obligation	106,921
Adjustment to annual required contribution	<u>(385,858)</u>
Annual OPEB cost (expense)	5,560,063
Contributions made	<u>3,115,660</u>
Increase in net OPEB obligation	2,444,403
Net OPEB obligation - beginning of year	<u>8,575,624</u>
Net OPEB obligation - end of year	<u><u>\$ 11,020,027</u></u>

CITY OF POMONA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2011

Note 11: 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 2011 is as follows:

Fiscal Year Ended	Annual OPEB Cost	Annual Contribution	% of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2009	\$ 5,322,045	\$ 2,229,717	41.9%	\$ 6,086,450
6/30/2010	5,217,000	2,727,826	52.3%	8,575,624
6/30/2011	5,560,063	3,115,660	56.0%	11,020,027

Funded Status and Funding Progress

As of January 1, 2010, the most recent actuarial valuation date, the plan was zero percent funded. The Actuarial Accrued Liability for benefits was \$73,291,000 and the actuarial value of assets was \$0 resulting in an UAAL of \$73,291,000. The covered payroll (annual payroll of active employees covered by the plan) was \$38,805,000 and the ratio of UAAL to the covered payroll was 188.87%.

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 an analysis of the actuarial value of assets as a percentage of the actuarial accrued liability and the unfunded actuarial accrued liability as a percentage of the annual covered payroll.

Actuarial Valuation Date	Actuarial Value of Assets (AVA)	Entry Age Actuarial Liability	(Unfunded) Actuarial Accrued Liability	Funded Ratio	Annual 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%
1/1/2010	-	73,291,000	(73,291,000)	0.0%	38,805,000	188.87%

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.

Note 11: Post Employment Benefits (Continued)

In the January 1, 2010, actuarial valuation, the entry age actuarial cost method was used. The actuarial assumptions include a 4.25% investment rate of return which is based on the expected return on funds invested by CalPERS, and an annual healthcare cost trend rate of 9.5% initially and reduced to an ultimate rate of 5.0% thereafter. The actuarial assumption for inflation was 3%, and the aggregate payroll increases was 3.25% used in the actuarial valuation. The UAAL is being amortized as level percentage of projected payroll over a 30 year fixed (closed) period. The remaining amortization period at June 30, 2011 was 26 years.

Note 12: Joint Powers Agreements

California Communities Housing and Finance Agency

The City joined the California Communities Housing and Finance Agency (CCHFA) in January 2001 as a voting member. By participating in CCHFA, each member city can establish its own Lease-Purchase Home Program for its jurisdiction. Under the Lease-Purchase Home Program, individuals interested in buying a home in Pomona, but have access to a limited down payment, will be able to lease a house of their choice for 38 months, and proceed to take ownership of the home at the end of the lease term

CSAC – Excess Insurance Authority

The City became a member of CSAC Excess Insurance Authority (Authority) in July 2008. The Authority is a risk sharing pool of California public agencies dedicated to controlling losses and providing effective risk management solutions. Membership is currently comprised of 54 member counties and 218 public entity organizations. The governing board consists of one representative from each member county and seven members elected by the public entity membership.

Disaster Management Area D

The City has participated in the Disaster Management Area D joint powers agreement (JPA) since 1958. The JPA is intended to promote the coordination of disaster management, training and preparedness of the Area D member cities under the direction of the Disaster Management Area Board. The governing board includes one representative from each of the 23 member cities. Annual dues at the rate of \$0.05 per capita are paid and totaled \$7,931 for the fiscal year ending June 30, 2011.

Foothill Air Support Team

The City joined the Foothill Air Support Team (FAST) in January 2011. FAST was developed in 1999 creating a joint helicopter patrol operation that could enhance member agencies ability to deter criminal activity and apprehend offenders. The governing board consists of one representative from each of the seven member agencies.

Foothill Transit

The City is a member of the Foothill Transit Joint Powers Agreement. The JPA is comprised of 20 cities and the County of Los Angeles. The purpose of the authority is to provide a more efficient and cost effective local transportation service for the area.

CITY OF POMONA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2011

Note 12: Joint Powers Agreements (Continued)

Each member city has one representative and three members are appointed by the Board of Supervisors.

Below are the most currently available condensed audited financial statements of the JPA as of June 30, 2011. Separate financial statements of Foothill Transit are available from its offices located in West Covina, CA.

	<u>Total</u>
Assets	\$ 218,185,872
Liabilities	40,867,789
Net Assets	<u>\$ 177,318,083</u>
Revenues	\$ 18,507,098
Expenses	77,336,333
Operating income	(58,829,235)
Nonoperating revenue (expenses)	<u>41,320,176</u>
Net income	(17,509,059)
Capital contributions	16,687,490
Net assets - July 1, 2010	<u>178,139,652</u>
Net assets - June 30, 2011	<u>\$ 177,318,083</u>

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. Member agencies will be paid for attending meetings, not to exceed \$1,800 per year, per member agency, plus direct expenses. Member agencies are not allowed to withdraw from the GLCA and each member agency 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, 2011. Assets are divided based on the proportionate equity share at the time the joint venture dissolves, which is currently not significant to the City.

Interagency Communications Interoperability System

The City participates in the Interagency Communications Interoperability System (ICIS) joint powers authority which became effective September 2003. The intent of ICIS is to provide public safety agencies with a formalized governance structure through which the participants may share resources to construct and manage a system for wide-area

Note 12: Joint Powers Agreements (Continued)

communications interoperability. The governing board is comprised of one member from each of the seven member agencies. The City paid \$40,000 in annual dues for the fiscal year ending June 30, 2011.

Los Angeles Interagency Metropolitan Police Apprehensive Crime Task Force

The City joined the Los Angeles Interagency Metropolitan Police Apprehensive Crime Task Force (LA Impact) in March 2011. It is a compilation of numerous federal, state, and local law enforcement agencies in Los Angeles County, whose primary purpose is to investigate major crimes, with an emphasis on dismantling mid-to-major level drug trafficking organizations. Since its inception, LA Impact has grown to 80 Officers from 35 different Los Angeles County law enforcement agencies. The City is solely responsible for the salary and benefits of one (1) Police Sergeant position, currently assigned to this program, which is fully funded within the Police Department's General Fund budget.

Los Angeles Regional Interoperable Communications System Authority

The City joined the Los Angeles Regional Interoperable Communications System Authority (LA-RICS) in February 2009. LA-RICS is an advanced, integrated wireless voice and data communications system that will support more than 34,000 first responders and local mission-critical personnel within the Los Angeles County region.

Pomona Valley Transportation Authority

The City is a member of the Pomona Valley Transportation Authority (PVTA). The PVTA is comprised of four cities and is organized under a Joint Powers Agreement pursuant to the California Government Code. The purpose of the PVTA 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 PVTA are elected annually by the Board of Directors.

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

Following are the most currently available condensed audited financial statements of the PVTA as of June 30, 2011. Separate financial statements of the PVTA are available from its offices located in La Verne, California.

CITY OF POMONA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2011

Note 12: Joint Powers Agreements (Continued)

	Total
Assets	<u>\$ 3,337,685</u>
Liabilities	\$ 1,511,180
Contributed capital	957,262
Retained earnings	<u>869,243</u>
Total liabilities and fund equity	<u>\$ 3,337,685</u>
Operating revenues	\$ 215,500
Operating expenses	<u>3,911,803</u>
Operating (income)	(3,696,303)
Non-operating revenue	<u>3,781,657</u>
Net income	85,354
Retained earnings - July 1, 2010	<u>783,889</u>
Retained earnings - June 30, 2011	<u>\$ 869,243</u>

Pomona-Walnut-Rowland (PWR) Joint Water Line Commission

The City participates in the Pomona-Walnut-Rowland (PWR) Joint Water Line Commission (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 District, 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 \$2,165,192 during the year ended June 30, 2011, which is comprised of \$1,917,780 for water use and \$247,412 for capacity charges and other charges. 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, 2011 was \$628,620.

As of June 30, 2011, the three participants had the following approximate ownership equity interest:

Member	Percentages	Agreement Balance
City of Pomona	28%	\$ 628,620
Walnut Valley Water District	43%	965,380
Rowland Water District	28%	628,620
Unallocated	1%	22,450
Total	<u>100%</u>	<u>\$ 2,245,070</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2011

Note 12: Joint Powers Agreements (Continued)

The Commission's basic financial statements for the fiscal year ended June 30, 2011 reflect the implementation of GASB 34 and include the following:

Total Assets	\$ 5,308,918
Total Liabilities	<u>3,063,848</u>
Net Assets	<u>\$ 2,245,070</u>

The Commission does not recognize income or loss. Net operating expenditures in excess of users' assessments are treated as accounts receivable on the Commission's books and charged to each user's account in the following year. Conversely, user's assessments in excess of net operating expenditures are treated as a liability and credited against each user's account, also in the following year. Under this basis, operating expenses for the Commission totaled \$17,507,926 compared to total operating revenues of \$17,494,388 in fiscal year 2011. Complete financial statements can be obtained from the Pomona-Walnut-Rowland Joint Water Line Commission, P.O. Box 508, Walnut, CA 91789.

San Gabriel Valley Council of Governments

The City is a member of the San Gabriel Valley Council of Governments (Council) which became effective March 1994. The Council provides member agencies a vehicle to voluntarily engage in regional and cooperative planning and coordination of government services and responsibilities to assist member agencies in the conduct of their affairs. The goal and intent of the Council is one of voluntary cooperation among members for the collective benefit of cities and unincorporated areas in the San Gabriel Valley. The governing board is comprised of one member from each of 31 member cities and the San Gabriel Valley Water Districts, except the County of Los Angeles. The County has three members who represent the unincorporated communities of Supervisor Districts 1, 4, and 5. All member agencies pay dues. The City paid \$30,000 in annual dues for the fiscal year ending June 30, 2011.

San Gabriel Valley Transportation Zone

The City joined the San Gabriel Valley Transportation Zone (Zone) in January 1987. The Zone consists of 29 San Gabriel Valley cities and the unincorporated areas of Los Angeles County. The Zone general assembly has 31 voting members, one for each city and two as County representatives. The primary purpose for the formation of the Zone is to maximize limited transit resources by reducing costs through utilization of private contractors.

Southern California Library Cooperative

The City became a member of the Southern California Library Cooperative (SCLC) in October 2003. SCLC includes 48 city, county and special district public libraries, which have agreed to cooperate in providing library service to the residents of all participating jurisdictions. SCLC members extend loan privileges to residents of other member libraries. The governing board consists of one member, generally the library director, from each of the 48 member agencies. The City paid \$5,667 in annual dues for the fiscal year ending June 30, 2011.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2011

Note 12: Joint Powers Agreements (Continued)**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, 2011.

The Board of Director is composed of seven members, two councilmembers from Pomona, one councilmember from each of Claremont and La Verne, and one non-elected member from each city.

Below are the most currently available condensed audited financial statements of the Center as of June 30, 2011. Separate financial statements of the Center are available from its offices located in Pomona, California.

	<u>Total</u>
Assets	\$ 28,561,687
Liabilities	<u>26,206,546</u>
Net Assets	<u>\$ 2,355,141</u>
Revenues	\$ 4,023,403
Expenses	<u>10,243,932</u>
Operating income	(6,220,529)
Nonoperating revenue (expenses)	<u>8,554,835</u>
Net income	2,334,306
Special item	(60,586)
Net assets - July 1, 2010	<u>81,421</u>
Net assets - June 30, 2011	<u>\$ 2,355,141</u>

Note 13: Risk Management

The Self-Insurance Internal Service Fund is part of the City's self-insurance program for unemployment insurance, workers' compensation and general liability. Additionally, the City is a member of the California State Association of Counties Excess Insurance Authority (CSAC-EIA). Through CSAC-EIA, the City has a program limit of \$50 million dollars with a self-insured retention of \$1 million for its excess liability program. The City purchases excess workers' compensation coverage through CSAC-EIA, with a self-insured retention of \$1 million dollars and coverage of \$50 million dollars.

CSAC-EIA is a governmental joint powers authority created by certain California counties and cities to provide a pooled approach to the members' liability and excess workers' compensation coverage as allowed under the California Government Code. The authority manages various types of pooled coverage programs for participating members.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2011

Note 13: Risk Management (Continued)

As of June 30, 2011, claims payable amounted to \$16,895,344.

The estimated claims payable reported at June 30, 2011 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.

The following is a summary of changes in claims liabilities over the past two fiscal years:

	Claims Payable			
	Beginning Balance	Expenses and Changes in Estimates	Claims Payments	Ending Balance
2008-2009	\$ 7,134,528	\$ 10,046,713	\$ 4,077,083	\$ 13,104,158
2009-2010	13,104,158	7,793,148	3,717,459	17,179,847
2010-2011	17,179,847	7,686,268	7,910,771	16,955,344

The City did incur a claims payment in excess of its insurance coverage during fiscal year 2010-2011 in the amount of \$3,870,519 for an inverse condemnation claim which was not covered by the City's excess pool coverage.

Note 14: Commitments and Contingencies**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 2010-11, the Agency received a grant in the amount of \$2,088,230, which was recorded as intergovernmental revenue in the Redevelopment Agency Debt Service Fund.

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.

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2011

Note 14: Commitments and Contingencies (Continued)

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.

Contractual Commitments

The following schedule summarizes the major contractual commitments of the City as of June 30, 2011:

Major Commitments and Contracts for Professional Services:

Riverside Construction	\$ 5,749,049
RJ Noble Company	1,539,418
J Fletcher & Creamer & Son	1,377,250
Commitments for all other services	<u>7,530,892</u>
Total contractual commitments	<u><u>\$ 16,196,609</u></u>

As of June 30, 2011, 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.

Lawsuits

The City is a defendant in certain other legal actions arising in the normal course of operations. As of June 30, 2011, 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.

Note 15: Net Assets and Fund Balance**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, 2011:

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
Capital assets, net of accumulated depreciation	\$ 324,966,550	\$ 147,830,170	\$ 472,796,720
Less: Obligations under capital leases	(767,611)	(515,674)	(1,283,285)
Less: Long-term debt	<u>(66,980,057)</u>	<u>(94,301,536)</u>	<u>(161,281,593)</u>
Invested in capital assets, net of related debt	<u><u>\$ 257,218,882</u></u>	<u><u>\$ 53,012,960</u></u>	<u><u>\$ 310,231,842</u></u>

CITY OF POMONA

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2011**

Note 15: Net Assets and Fund Balance (Continued)

Unrestricted Net Assets

The unrestricted net assets had a deficit balance of \$(232,053,738) for the governmental activities at June 30, 2011. Of this amount \$(115,016,741) resulted from the Agency. See Note 16 for more details. In addition, the amount of deficit unrestricted net assets was due to debt issuances by the City and Agency.

Net Assets Restatements

Governmental activities beginning net assets have been restated as follows:

To adjust beginning accumulated depreciation on capital assets for prior year depreciation incorrectly computed	\$ (1,844,363)
To adjust the pension obligation refunding bond liabilities for prior year accreted interest not recorded	(1,645,360)
To correct prior year Gas Tax revenue accrual	<u>237,252</u>
Total Net Assets Restatement	<u><u>\$ (3,252,471)</u></u>

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, 2011:

	Enterprise Funds				Total	Activities Internal Service Funds
	Water Utility	Sewer	Refuse	Cannon Water		
Capital assets, net of accumulated depreciation	\$ 117,305,242	\$ 30,127,320	\$ 360,878	\$ 36,730	\$ 147,830,170	\$ 178,763
Less: Obligations under capital leases	(515,674)	-	-	-	(515,674)	-
Less: Long-term debt	<u>(81,194,531)</u>	<u>(13,107,005)</u>	<u>-</u>	<u>-</u>	<u>(94,301,536)</u>	<u>-</u>
Invested in capital assets, net of related debt	<u><u>\$ 35,595,037</u></u>	<u><u>\$ 17,020,315</u></u>	<u><u>\$ 360,878</u></u>	<u><u>\$ 36,730</u></u>	<u><u>\$ 53,012,960</u></u>	<u><u>\$ 178,763</u></u>

Deficit Fund Balance

At June 30, 2011, the following funds had net assets or fund balance deficits:

General Debt service	Major Governmental Fund	\$ (44,422,288)
Redevelopment Agency Debt Service	Major Governmental Fund	(156,390,064)
Traffic Offender	Non-Major Governmental Fund	(70,755)
General Sanitation Fees Operations	Non-Major Governmental Fund	(13,477)
Self-Insurance Funds	Internal Service Fund	(16,204,257)

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2011

Note 15: Net Assets and Fund Balance (Continued)

General Debt Service Fund – The General Debt Service Fund had an accumulated deficit of \$(44,422,288), which resulted from issuance of bonds, see Note 16 for management’s plan.

Redevelopment Agency Debt Service Fund – The Redevelopment Agency Debt Service Fund had an accumulated deficit of \$(156,390,064), which resulted from issuance of bonds.

Traffic Offender Fund – The Traffic Offender Fund had a deficit of \$(70,755), which resulted from an unanticipated shortfall of revenue. The deficit is anticipated to be cleared in 2011-2012.

General Sanitation Fees Operation Fund – The General Sanitation Fees Operation Fund had a deficit of \$(13,477), which resulted from a shortfall of street sweeping services program revenues which will be cleared in 2011-2012.

Self-Insurance Fund – The Self-Insurance Fund had a deficit of \$(16,204,257) which resulted from outstanding liabilities/claims.

Fund Balance Restatements

Governmental Funds

Low & Moderate Income Housing

To reclassify liabilities not payable with current available financial resource as long-term liabilities. \$ 1,038,235

Redevelopment Agency Capital Project

To reclassify liabilities not payable with current available financial recourse as long-term liabilities. 2,413,692

Housing Authority

To reclassify liabilities not payable with current available financial resource as long-term liabilities. 2,130,000

State Gas Tax

To correct prior year Gas Tax revenue accrual. 237,252

Total Governmental Funds \$ 5,819,179

Proprietary Funds

Self-Insurance Funds

To reclassify claims and judgments liabilities in the fund under the full accrual basis of accounting. \$ (17,179,847)

CITY OF POMONA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2011

Note 16: Excess of Expenditures Over Appropriations

Excess of expenditures over appropriations occurred in individual funds during the year ended June 30, 2011 as follows:

Funds	Expenditures	Appropriations	Excess Expenditures over Appropriations
Low and Moderate Income Housing	\$ 11,742,352	\$ 5,479,745	\$ 6,262,607

Note 17: City's Financial Condition

City

At June 30, 2011, the City's Governmental Activities had a deficit unrestricted net assets of \$(232,053,738), an increase in the deficit of \$4,573,600 from the prior year, on the Government-Wide Financial Statements, and a General Fund balance of \$5,689,100, a reduction of \$846,541 from the prior year, in the fund financial statements.

The following is the five-year trend information of financial condition of the City:

Government-Wide Financial Statements

	Total Net Assets	Change \$	Unrestricted Net Assets (Deficit)	Change \$	Change in Net Assets	Change \$
2007	\$ 218,605,207	N/A	\$ (189,308,920)	N/A	\$ (13,113,622)	N/A
2008	203,898,950	\$ (14,706,257)	(188,834,296)	\$ 474,624	(14,706,257)	\$ (1,592,635)
2009	184,000,974	(19,897,976)	(213,456,367)	(24,622,071)	(19,897,976)	(5,191,719)
2010	166,768,620	(17,232,354)	(227,480,138)	(14,023,771)	(17,232,354)	2,665,622
2011	163,903,907	(2,864,713)	(232,053,738)	(4,573,600)	502,396	17,734,750

Fund Financial Statements- General Fund

	General Fund Balance	Change \$
2007	\$ 20,792,068	N/A
2008	15,269,452	\$ (5,522,616)
2009	8,796,614	(6,472,838)
2010	6,535,641	(2,260,973)
2011	5,689,100	(846,541)

To address the continued deficits in net assets, the City has eliminated 207 positions, 50 or so of which are sworn officers. The City Council is now fully aware of the financial condition of the City and Agency. The greatest challenge exists within the Redevelopment Agency however. Management believes there are sufficient resources to make the debt service payments for this year. The City is working with a specialist to restructure the debt of the Agency, however, no formal recommendations have been made and were on hold until the outcome of AB1X-26 and AB1X-27.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2011

Note 17: City's Financial Condition (Continued)

For fiscal year 2010-2011, the City reduced budgeted expenditures significantly by downsizing the workforce (including sworn personnel), outsourcing various operations and negotiating concessions from employees. For 2011-2012, cost cutting efforts continue. It is anticipated the budget for fiscal year 2012- 2013 will be also be balanced. As budget discussions begin, it is anticipated that various operations will be reviewed for possible reduction or outsourcing and continued discussions with employee groups for possible ongoing concessions and furloughs.

Redevelopment Agency

At June 30, 2011, the Agency had a deficit net assets of \$(115,016,741), an increase in the deficit of \$(6,102,958) from the prior year on the government-wide financial statements.

Following is a five-year trend information of the Agency's net assets:

	Total Net Assets (Deficits)	Change
2006	\$ (89,608,625)	N/A
2007	(102,564,832)	\$ (12,956,207)
2008	(97,017,814)	5,547,018
2009	(98,880,699)	(1,862,885)
2010	(108,913,783)	(10,033,084)
2011	(115,016,741)	(6,102,958)

On the fund financial statements, fiscal year 2010-11 activities of the Agency resulted in a deficit of revenues and other sources over expenditures and other uses of (\$10,343,552). Following is a five-year trend information of the Agency's excess (deficit) of revenues and other sources over expenditures and other uses:

	Excess (Deficit) of Revenue and Other Sources over Expenditures and Other Uses
2007	\$ (13,356,779)
2008	2,627,328
2009	(1,440,369)
2010	(6,223,955)
2011	(10,343,552)

Looking forward to fiscal year 2011-12, with a significant increase in debt service estimated at \$4 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 year 2011-12 with efforts directed to fiscal health.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2011

Note 18: SERAF Shift for Fiscal Year 2010-2011

On July 23, 2009, the State adopted legislation, requiring a shift of monies during fiscal years 2009-2010 and 2010-2011 to be deposited into the County "Supplemental" Educational Revenue Augmentation Fund (SERAF). These monies were to be distributed to meet the State's Prop 98 obligations to schools. The California Redevelopment Association (CRA) and its member agencies filed a legal action in an attempt to stop these amounts from having to be paid; however, in May 2010 the Sacramento Superior Court upheld the legislation.

The payment of the SERAF was due on May 10, 2011, for fiscal year 2010-2011 and made in the amount of \$1,701,527 using available resources.

Note 19: California Redevelopment Agency Dissolution

On July 18, 2011, the California Redevelopment Association ("CRA") and the League of California Cities ("League") filed a petition for writ of mandate with the California Supreme Court, requesting the Court to declare unconstitutional two bills that were passed as part of the 2011-12 State Budget, AB1X 26 and 27 (*California Redevelopment Association v. Matosantos*). AB1X 26 dissolves redevelopment agencies effective October 1, 2011. AB1X 27 gave redevelopment agencies an option to avoid dissolution if it commits to making defined payments for the benefit of the State, school districts and certain special districts. In 2011-12, these payments amounted to a state-wide total of \$1.7 billion. In 2012-13 and subsequent years, the payments totaled \$400 million, annually. Each city or county's share of these payments was determined based on its proportionate share of state-wide tax increment.

On August 17, 2011 the Supreme Court issued a stay of the implementation of AB1X 26 and 27 which allowed a redevelopment agency to continue if it adopted an AB1X 27 ordinance. However, because of the effect of the stay order, the authority for the Redevelopment Agency to engage in most activities was suspended.

The Supreme Court heard oral arguments on November 10, 2011 and on December 29, 2011 announced its decision in (*California Redevelopment Association v. Matosantos*). The court upheld AB1X 26 which eliminates redevelopment agencies, but invalidated in its entirety AB1X 27 which allowed redevelopment agencies to continue as long as they made the required payments. AB1X26 established deadlines for the process of Redevelopment Agency dissolution and the handling of existing obligations. The Court extended certain deadlines of AB1X 26 in its ruling by four months. The full text of AB1X 26 may be obtained from the California legislative information website maintained by the Legislative Counsel of the State of California at: <http://www.leginfo.ca.gov/bilinfo.html>.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF POMONA

BUDGETARY INFORMATION
JUNE 30, 2011

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. The City Council holds public hearings and a final budget must be adopted no later than June 30.

The appropriated budget is prepared by fund, function, and department. The City's department directors, 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. 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

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED JUNE 30, 2011**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 6,535,641	\$ 6,535,641	\$ 6,535,641	\$ -
Resources (Inflows):				
Taxes	66,735,740	67,403,420	66,828,127	(575,293)
Licenses and permits	2,975,760	2,975,760	1,943,755	(1,032,005)
Intergovernmental	1,956,000	1,956,000	1,964,528	8,528
Charges for services	2,112,070	1,643,542	1,708,113	64,571
Interest and rentals	780,848	1,947,380	2,043,015	95,635
Fines and forfeitures	2,006,300	2,006,300	1,713,961	(292,339)
Miscellaneous	338,500	338,500	395,907	57,407
Transfers in	2,498,595	2,498,595	2,497,258	(1,337)
Proceeds from sale of capital asset	-	-	24,100	24,100
Amounts Available for Appropriation	85,939,454	87,305,138	85,654,405	(1,650,733)
Charges to Appropriation (Outflow):				
General government	2,787,917	2,760,191	2,967,205	(207,014)
Public safety	58,588,946	59,362,039	59,401,364	(39,325)
Urban development	8,810,232	9,445,915	8,427,463	1,018,452
Community services	4,272,310	4,295,310	4,476,761	(181,451)
Capital outlay	-	51,272	49,768	1,504
Debt service:				
Principal retirement	603,538	603,538	561,743	41,795
Interest and fiscal charges	-	-	936	(936)
Transfers out	4,283,214	4,283,214	4,080,065	203,149
Total Charges to Appropriations	79,346,157	80,801,479	79,965,305	836,174
Budgetary Fund Balance, June 30	\$ 6,593,297	\$ 6,503,659	\$ 5,689,100	\$ (814,559)

CITY OF POMONA

**BUDGETARY COMPARISON SCHEDULE
LOW & MODERATE INCOME HOUSING FUND
YEAR ENDED JUNE 30, 2011**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1 as restated	\$ 17,121,449	\$ 17,121,449	\$ 17,121,449	\$ -
Resources (Inflows):				
Charges for services	80,250	225,250	114,283	(110,967)
Interest and rentals	306,417	306,417	238,196	(68,221)
Miscellaneous	5,000	5,000	38,771	33,771
Transfers in	4,878,252	4,878,252	4,841,997	(36,255)
Proceeds from sale of capital asset	-	-	1,035,000	1,035,000
Amounts Available for Appropriation	22,391,368	22,536,368	23,389,696	853,328
Charges to Appropriation (Outflow):				
Urban development	2,112,089	2,257,089	8,294,698	(6,037,609)
Debt service:				
Principal retirement	16,100	16,100	17,863	(1,763)
Interest and fiscal charges	613,285	613,285	611,348	1,937
Transfers out	2,593,271	2,593,271	2,818,443	(225,172)
Total Charges to Appropriations	5,334,745	5,479,745	11,742,352	(6,262,607)
Budgetary Fund Balance, June 30	\$ 17,056,623	\$ 17,056,623	\$ 11,647,344	\$ (5,409,279)

CITY OF POMONA

**DEFINED PENSION PLAN
JUNE 30, 2011**

**Public Employee Retirement Systems (PERS)
Schedule of Funding Progress**

Safety Employees

<u>Actuarial Valuation Date *</u>	<u>Actuarial Value of Assets (AVA)</u>	<u>Entry Age Actuarial Accrued Liability</u>	<u>(Unfunded) Actuarial Accrued Liability</u>	<u>Funded Ratio</u>	<u>Annual Covered Payroll</u>	<u>(Unfunded) Actuarial Liability as Percentage of Covered Payroll</u>
6/30/2008	\$ 231,445,488	\$ 246,820,830	\$ (15,375,342)	93.8%	\$ 17,528,874	87.7%
6/30/2009	237,157,899	266,712,188	(29,554,289)	88.9%	17,681,848	167.1%
6/30/2010	242,600,504	273,268,426	(30,667,922)	88.8%	16,452,595	186.4%

Miscellaneous Employees

<u>Actuarial Valuation Date *</u>	<u>Actuarial Value of Assets (AVA)</u>	<u>Entry Age Actuarial Accrued Liability</u>	<u>(Unfunded) Actuarial Accrued Liability</u>	<u>Funded Ratio</u>	<u>Annual Covered Payroll</u>	<u>(Unfunded) Actuarial Liability as Percentage of Covered Payroll</u>
6/30/2008	\$ 181,578,861	\$ 192,729,543	\$ (11,150,682)	94.2%	\$ 30,874,871	36.1%
6/30/2009	188,608,140	208,855,695	(20,247,555)	90.3%	29,964,633	67.6%
6/30/2010	194,771,579	213,632,193	(18,860,614)	91.2%	25,564,336	73.8%

* 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 retirement contributions to 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

OTHER POST EMPLOYMENT BENEFIT PLAN
 JUNE 30, 2011

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
1/1/2008	\$ -	\$ 64,974,000	\$ (64,974,000)	0.0%	\$ 44,227,000	146.9%
1/1/2010	-	73,291,000	(73,291,000)	0.0%	38,805,000	188.9%

SUPPLEMENTARY INFORMATION

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NON-MAJOR GOVERNMENTAL FUNDS

The **Housing Assistance Program** offers expended 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, 2107.5 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 and 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 **Measure R Fund** accounts for street maintenance, traffic signal, street light maintenance, traffic paint and sign services which are funded with 1/2-cent sales tax revenues.

The **General Sanitation Fees Operation Fund** accounts for street sweeping services, graffiti abatement, storm water compliance, landscape median maintenance, and right-of-way clean-ups.

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
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2011

	Special Revenue Funds			
	Housing Assistance Programs	Community Development Block Grant	Housing Authority	Miscellaneous Grants
Assets:				
Cash and investments	\$ 4,571,346	\$ 213,689	\$ 278,932	\$ 270,250
Receivables (net):				
Accounts	657	20,242	-	388,791
Notes and loans	-	2,405,146	-	15,197,184
Interest	6,952	370	423	2,134
Prepaid costs	842,107	-	-	-
Deposits	-	2,164	-	-
Due from other governments	-	507,858	-	1,752,860
Advances to other funds	-	-	-	-
Restricted assets:				
Cash and investments	-	-	-	-
Total Assets	\$ 5,421,062	\$ 3,149,469	\$ 279,355	\$ 17,611,219
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	\$ 36,915	\$ 206,473	\$ -	\$ 532,350
Accrued liabilities	120,016	44,594	-	59,665
Deferred revenues	-	1,780,146	-	14,820,906
Due to other funds	-	-	-	-
Total Liabilities	156,931	2,031,213	-	15,412,921
Fund Balances:				
Nonspendable:				
Prepaid costs	842,107	-	-	-
Deposits	-	2,164	-	-
Notes and loans	-	625,000	-	551,596
Advances to other funds	-	-	-	-
Restricted for:				
Urban development	4,422,024	491,092	279,355	1,141,390
Public safety	-	-	-	506,634
Community services	-	-	-	-
Capital projects	-	-	-	-
Assessment district improvement	-	-	-	-
Unassigned	-	-	-	(1,322)
Total Fund Balances	5,264,131	1,118,256	279,355	2,198,298
Total Liabilities and Fund Balances	\$ 5,421,062	\$ 3,149,469	\$ 279,355	\$ 17,611,219

CITY OF POMONA

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2011**

(Continued)

	Special Revenue Funds			
	State Gas Tax	Proposition A	Proposition C	Vehicle Parking District
Assets:				
Cash and investments	\$ 893,464	\$ 151,551	\$ 4,845,167	\$ 382,742
Receivables (net):				
Accounts	-	1,004	-	93,746
Notes and loans	-	-	-	-
Interest	945	299	8,606	602
Prepaid costs	-	-	-	-
Deposits	-	-	-	-
Due from other governments	772,492	240,030	-	1,674
Advances to other funds	-	-	-	304,435
Restricted assets:				
Cash and investments	-	-	-	-
Total Assets	\$ 1,666,901	\$ 392,884	\$ 4,853,773	\$ 783,199
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	\$ 1,924	\$ 76,380	\$ -	\$ 27,763
Accrued liabilities	519	1,402	4,033	7,377
Deferred revenues	-	235,666	-	-
Due to other funds	-	-	-	-
Total Liabilities	2,443	313,448	4,033	35,140
Fund Balances:				
Nonspendable:				
Prepaid costs	-	-	-	-
Deposits	-	-	-	-
Notes and loans	-	-	-	-
Advances to other funds	-	-	-	304,435
Restricted for:				
Urban development	1,664,458	79,436	4,849,740	443,624
Public safety	-	-	-	-
Community services	-	-	-	-
Capital projects	-	-	-	-
Assessment district improvement	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	1,664,458	79,436	4,849,740	748,059
Total Liabilities and Fund Balances	\$ 1,666,901	\$ 392,884	\$ 4,853,773	\$ 783,199

CITY OF POMONA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2011

	Special Revenue Funds			
	Air Quality Improvement	Traffic Congestion Relief	Landscape Maintenance District	Narcotics Forfeiture
Assets:				
Cash and investments	\$ 772,843	\$ 1,876,495	\$ 349,119	\$ 5,322,312
Receivables (net):				
Accounts	-	169,496	-	169
Notes and loans	-	-	-	-
Interest	1,139	2,252	581	7,638
Prepaid costs	-	-	-	1,085
Deposits	-	-	-	-
Due from other governments	39,341	-	41,957	-
Advances to other funds	-	-	-	-
Restricted assets:				
Cash and investments	-	217,636	-	-
Total Assets	\$ 813,323	\$ 2,265,879	\$ 391,657	\$ 5,331,204
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	\$ 4,216	\$ 2,250,243	\$ 126,850	\$ 51,706
Accrued liabilities	1,814	10,986	4,020	8,229
Deferred revenues	-	-	-	-
Due to other funds	-	-	-	-
Total Liabilities	6,030	2,261,229	130,870	59,935
Fund Balances:				
Nonspendable:				
Prepaid costs	-	-	-	1,085
Deposits	-	-	-	-
Notes and loans	-	-	-	-
Advances to other funds	-	-	-	-
Restricted for:				
Urban development	807,293	4,650	-	-
Public safety	-	-	-	5,270,184
Community services	-	-	260,787	-
Capital projects	-	-	-	-
Assessment district improvement	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	807,293	4,650	260,787	5,271,269
Total Liabilities and Fund Balances	\$ 813,323	\$ 2,265,879	\$ 391,657	\$ 5,331,204

CITY OF POMONA

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2011**

(Continued)

	Special Revenue Funds			
	Traffic Offender	Proposition 1B	Mearsure R	General Sanitation Fees Operations
Assets:				
Cash and investments	\$ -	\$ 1,593,396	\$ 1,053,453	\$ -
Receivables (net):				
Accounts	-	-	-	227,798
Notes and loans	-	-	-	-
Interest	-	3,973	1,420	43
Prepaid costs	-	-	-	-
Deposits	-	-	-	-
Due from other governments	-	-	-	-
Advances to other funds	-	-	-	-
Restricted assets:				
Cash and investments	-	-	-	-
Total Assets	\$ -	\$ 1,597,369	\$ 1,054,873	\$ 227,841
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	\$ 56	\$ -	\$ 18,840	\$ 175,503
Accrued liabilities	6,828	-	18,765	16,854
Deferred revenues	-	-	-	-
Due to other funds	63,871	-	-	48,961
Total Liabilities	70,755	-	37,605	241,318
Fund Balances:				
Nonspendable:				
Prepaid costs	-	-	-	-
Deposits	-	-	-	-
Notes and loans	-	-	-	-
Advances to other funds	-	-	-	-
Restricted for:				
Urban development	-	1,597,369	1,017,268	-
Public safety	-	-	-	-
Community services	-	-	-	-
Capital projects	-	-	-	-
Assessment district improvement	-	-	-	-
Unassigned	(70,755)	-	-	(13,477)
Total Fund Balances	(70,755)	1,597,369	1,017,268	(13,477)
Total Liabilities and Fund Balances	\$ -	\$ 1,597,369	\$ 1,054,873	\$ 227,841

CITY OF POMONA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2011

	<u>Capital Projects Funds</u>		
	<u>Capital Outlay</u>	<u>Assessment District Improvement</u>	<u>Total Governmental Funds</u>
Assets:			
Cash and investments	\$ 1,959	\$ 186,084	\$ 22,762,802
Receivables (net):			
Accounts	2,248	-	904,151
Notes and loans	-	-	17,602,330
Interest	1,334	344	39,055
Prepaid costs	-	-	843,192
Deposits	-	-	2,164
Due from other governments	3,874,069	-	7,230,281
Advances to other funds	-	-	304,435
Restricted assets:			
Cash and investments	9,721,032	338,635	10,277,303
Total Assets	<u>\$ 13,600,642</u>	<u>\$ 525,063</u>	<u>\$ 59,965,713</u>
Liabilities and Fund Balances:			
Liabilities:			
Accounts payable	\$ 3,875,358	\$ -	\$ 7,384,577
Accrued liabilities	11,498	-	316,600
Deferred revenues	-	-	16,836,718
Due to other funds	399,445	-	512,277
Total Liabilities	<u>4,286,301</u>	<u>-</u>	<u>25,050,172</u>
Fund Balances:			
Nonspendable:			
Prepaid costs	-	-	843,192
Deposits	-	-	2,164
Notes and loans	-	-	1,176,596
Advances to other funds	-	-	304,435
Restricted for:			
Urban development	-	-	16,797,699
Public safety	-	-	5,776,818
Community services	-	-	260,787
Capital projects	9,314,341	-	9,314,341
Assessment district improvement	-	525,063	525,063
Unassigned	<u>-</u>	<u>-</u>	<u>(85,554)</u>
Total Fund Balances	<u>9,314,341</u>	<u>525,063</u>	<u>34,915,541</u>
Total Liabilities and Fund Balances	<u>\$ 13,600,642</u>	<u>\$ 525,063</u>	<u>\$ 59,965,713</u>

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CITY OF POMONA

**COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2011**

	Special Revenue Funds			
	Housing Assistance Programs	Community Development Block Grant	Housing Authority	Miscellaneous Grants
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	11,894,310	2,501,365	-	8,671,407
Charges for services	59,173	99,718	-	831,030
Interest and rentals	13,481	4,835	25,275	89,800
Fines and forfeitures	-	-	-	-
Miscellaneous	16,262	-	-	80,432
Total Revenues	11,983,226	2,605,918	25,275	9,672,669
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	228,613	-	730,423
Urban development	11,865,305	2,204,681	19,754	7,702,854
Community services	-	-	-	409,907
Capital outlay	5,893	-	-	1,169,297
Debt service:				
Principal retirement	-	125,000	-	-
Interest and fiscal charges	457	36,533	-	-
Total Expenditures	11,871,655	2,594,827	19,754	10,012,481
Excess (Deficiency) of Revenues Over (Under) Expenditures	111,571	11,091	5,521	(339,812)
Other Financing Sources (Uses):				
Transfers in	-	197,791	-	75,022
Transfers out	-	(477,790)	-	(371,146)
Proceeds from sale of capital asset	-	-	-	705,096
Total Other Financing Sources (Uses)	-	(279,999)	-	408,972
Net Change in Fund Balances	\$ 111,571	\$ (268,908)	\$ 5,521	\$ 69,160
Fund Balances:				
Beginning of Year, as Originally Reported	\$ 5,152,560	\$ 1,387,164	\$ (1,856,166)	\$ 2,129,138
Restatements	-	-	2,130,000	-
Beginning of Year, as Restated	5,152,560	1,387,164	273,834	2,129,138
Net Change in Fund Balances	111,571	(268,908)	5,521	69,160
End of Year	\$ 5,264,131	\$ 1,118,256	\$ 279,355	\$ 2,198,298

CITY OF POMONA

**COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2011**

(Continued)

	Special Revenue Funds			
	State Gas Tax	Proposition A	Proposition C	Vehicle Parking District
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ 8,790
Special assessments	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	4,332,128	2,210,052	1,833,012	3,042
Charges for services	-	-	-	52,091
Interest and rentals	3,017	-	16,305	553,679
Fines and forfeitures	-	-	-	52,606
Miscellaneous	-	8,657	-	-
Total Revenues	4,335,145	2,218,709	1,849,317	670,208
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Urban development	276,031	1,802,926	89,225	578,201
Community services	-	18,885	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	276,031	1,821,811	89,225	578,201
Excess (Deficiency) of Revenues Over (Under) Expenditures	4,059,114	396,898	1,760,092	92,007
Other Financing Sources (Uses):				
Transfers in	51,650	-	-	-
Transfers out	(2,581,071)	-	(2,563,978)	-
Proceeds from sale of capital asset	-	-	-	-
Total Other Financing Sources (Uses)	(2,529,421)	-	(2,563,978)	-
Net Change in Fund Balances	\$ 1,529,693	\$ 396,898	\$ (803,886)	\$ 92,007
Fund Balances:				
Beginning of Year, as Originally Reported	\$ (102,487)	\$ (317,462)	\$ 5,653,626	\$ 656,052
Restatements	237,252	-	-	-
Beginning of Year, as Restated	134,765	(317,462)	5,653,626	656,052
Net Change in Fund Balances	1,529,693	396,898	(803,886)	92,007
End of Year	\$ 1,664,458	\$ 79,436	\$ 4,849,740	\$ 748,059

CITY OF POMONA

**COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2011**

	Special Revenue Funds			
	Air Quality Improvement	Traffic Congestion Relief	Landscape Maintenance District	Narcotics Forfeiture
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	1,214,829	-
Licenses and permits	-	-	-	-
Intergovernmental	179,792	-	-	-
Charges for services	-	-	-	76,734
Interest and rentals	2,327	5,312	1,068	18,256
Fines and forfeitures	-	-	-	-
Miscellaneous	-	-	-	3,995,135
Total Revenues	182,119	5,312	1,215,897	4,090,125
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	822,264
Urban development	48,112	2,558,510	-	-
Community services	-	-	983,654	-
Capital outlay	26,815	-	-	91,795
Debt service:				
Principal retirement	-	-	-	1,493,284
Interest and fiscal charges	-	-	-	128,174
Total Expenditures	74,927	2,558,510	983,654	2,535,517
Excess (Deficiency) of Revenues Over (Under) Expenditures	107,192	(2,553,198)	232,243	1,554,608
Other Financing Sources (Uses):				
Transfers in	24,086	1,195,407	-	-
Transfers out	(13,367)	(33,685)	(1,526)	(12)
Proceeds from sale of capital asset	-	-	-	-
Total Other Financing Sources (Uses)	10,719	1,161,722	(1,526)	(12)
Net Change in Fund Balances	\$ 117,911	\$ (1,391,476)	\$ 230,717	\$ 1,554,596
Fund Balances:				
Beginning of Year, as Originally Reported	\$ 689,382	\$ 1,396,126	\$ 30,070	\$ 3,716,673
Restatements	-	-	-	-
Beginning of Year, as Restated	689,382	1,396,126	30,070	3,716,673
Net Change in Fund Balances	117,911	(1,391,476)	230,717	1,554,596
End of Year	\$ 807,293	\$ 4,650	\$ 260,787	\$ 5,271,269

CITY OF POMONA

**COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2011**

(Continued)

	Special Revenue Funds			
	Traffic Offender	Proposition 1B	Mearsure R	General Sanitation Fees Operations
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-
Licenses and permits	-	-	-	1,386,122
Intergovernmental	-	-	1,370,250	-
Charges for services	272,321	-	35	484
Interest and rentals	-	5,925	4,514	107
Fines and forfeitures	-	-	-	17,556
Miscellaneous	-	-	-	6,105
Total Revenues	272,321	5,925	1,374,799	1,410,374
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	383,262	-	-	-
Urban development	-	4,398	546,824	1,810,033
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	4,020	-	-	-
Total Expenditures	387,282	4,398	546,824	1,810,033
Excess (Deficiency) of Revenues Over (Under) Expenditures	(114,961)	1,527	827,975	(399,659)
Other Financing Sources (Uses):				
Transfers in	-	28,510	-	421,191
Transfers out	-	(1,035,214)	-	(2,713)
Proceeds from sale of capital asset	-	-	-	-
Total Other Financing Sources (Uses)	-	(1,006,704)	-	418,478
Net Change in Fund Balances	\$ (114,961)	\$ (1,005,177)	\$ 827,975	\$ 18,819
Fund Balances:				
Beginning of Year, as Originally Reported	\$ 44,206	\$ 2,602,546	\$ 189,293	\$ (32,296)
Restatements	-	-	-	-
Beginning of Year, as Restated	44,206	2,602,546	189,293	(32,296)
Net Change in Fund Balances	(114,961)	(1,005,177)	827,975	18,819
End of Year	\$ (70,755)	\$ 1,597,369	\$ 1,017,268	\$ (13,477)

CITY OF POMONA

**COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2011**

	<u>Capital Projects Funds</u>		
	<u>Capital Outlay</u>	<u>Assessment District Improvement</u>	<u>Total Governmental Funds</u>
Revenues:			
Taxes	\$ 3,908	\$ -	\$ 12,698
Special assessments	-	-	1,214,829
Licenses and permits	3,540	-	1,389,662
Intergovernmental	13,568,751	-	46,564,109
Charges for services	39,472	-	1,431,058
Interest and rentals	63,403	668	807,972
Fines and forfeitures	-	-	70,162
Miscellaneous	81,982	-	4,188,573
Total Revenues	13,761,056	668	55,679,063
Expenditures:			
Current:			
General government	23,950	-	23,950
Public safety	8,292	-	2,172,854
Urban development	14,341,916	592	43,849,362
Community services	-	-	1,412,446
Capital outlay	1,300,815	-	2,594,615
Debt service:			
Principal retirement	-	-	1,618,284
Interest and fiscal charges	-	-	169,184
Total Expenditures	15,674,973	592	51,840,695
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,913,917)	76	3,838,368
Other Financing Sources (Uses):			
Transfers in	3,945,612	-	5,939,269
Transfers out	(5,912,416)	-	(12,992,918)
Proceeds from sale of capital asset	-	-	705,096
Total Other Financing Sources (Uses)	(1,966,804)	-	(6,348,553)
Net Change in Fund Balances	\$ (3,880,721)	\$ 76	\$ (2,510,185)
Fund Balances:			
Beginning of Year, as Originally Reported	\$ 13,195,062	\$ 524,987	\$ 35,058,474
Restatements	-	-	2,367,252
Beginning of Year, as Restated	13,195,062	524,987	37,425,726
Net Change in Fund Balances	(3,880,721)	76	(2,510,185)
End of Year	\$ 9,314,341	\$ 525,063	\$ 34,915,541

CITY OF POMONA

**BUDGETARY COMPARISON SCHEDULE
REDEVELOPMENT AGENCY CAPITAL PROJECT
YEAR ENDED JUNE 30, 2011**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1 as restated	\$ 67,032,770	\$ 67,032,770	\$ 67,032,770	\$ -
Resources (Inflows):				
Charges for services	-	-	372,500	372,500
Interest and rentals	115,445	115,445	775,787	660,342
Miscellaneous	180,000	180,000	-	(180,000)
Transfers in	3,733,392	8,163,507	2,889,404	(5,274,103)
Amounts Available for Appropriation	71,061,607	75,491,722	71,070,461	(4,421,261)
Charges to Appropriation (Outflow):				
Urban development	3,890,811	8,420,926	6,186,200	2,234,726
Capital outlay	1,200,000	9,499,000	-	9,499,000
Transfers out	311,731	311,731	1,906,762	(1,595,031)
Total Charges to Appropriations	5,402,542	18,231,657	8,092,962	10,138,695
Budgetary Fund Balance, June 30	\$ 65,659,065	\$ 57,260,065	\$ 62,977,499	\$ 5,717,434

CITY OF POMONA

**BUDGETARY COMPARISON SCHEDULE
GENERAL DEBT SERVICE
YEAR ENDED JUNE 30, 2011**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary Fund Balance, July 1	\$ (45,208,398)	\$ (45,208,398)	\$ (45,208,398)	\$ -
Resources (Inflows):				
Taxes	645,655	645,655	603,653	(42,002)
Interest and rentals	6,252	6,252	9,661	3,409
Transfers in	5,561,984	5,561,984	5,563,063	1,079
Amounts Available for Appropriation	(38,994,507)	(38,994,507)	(39,032,021)	(37,514)
Charges to Appropriation (Outflow):				
General government	21,791	21,791	76,102	(54,311)
Debt service:				
Principal retirement	407,320	407,320	407,320	-
Interest and fiscal charges	4,885,303	4,885,303	4,906,845	(21,542)
Transfers out	885,000	885,000	-	885,000
Total Charges to Appropriations	6,199,414	6,199,414	5,390,267	809,147
Budgetary Fund Balance, June 30	\$ (45,193,921)	\$ (45,193,921)	\$ (44,422,288)	\$ 771,633

CITY OF POMONA

**BUDGETARY COMPARISON SCHEDULE
PUBLIC FINANCING DEBT SERVICE
YEAR ENDED JUNE 30, 2011**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 232,395,775	\$ 232,395,775	\$ 232,395,775	\$ -
Resources (Inflows):				
Interest and rentals	11,623,915	11,623,915	11,626,458	2,543
Miscellaneous	8,243,947	8,243,947	40,531	(8,203,416)
Transfers in	2,235,000	2,235,000	-	(2,235,000)
Amounts Available for Appropriation	254,498,637	254,498,637	244,062,764	(10,435,873)
Charges to Appropriation (Outflow):				
General government	10,186	10,186	6,066	4,120
Debt service:				
Principal retirement	4,050,000	4,050,000	2,630,000	1,420,000
Interest and fiscal charges	18,046,681	18,046,681	11,499,599	6,547,082
Total Charges to Appropriations	22,106,867	22,106,867	14,135,665	7,971,202
Budgetary Fund Balance, June 30	\$ 232,391,770	\$ 232,391,770	\$ 229,927,099	\$ (2,464,671)

CITY OF POMONA

**BUDGETARY COMPARISON SCHEDULE
REDEVELOPMENT AGENCY DEBT SERVICE
YEAR ENDED JUNE 30, 2011**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ (156,925,888)	\$ (156,925,888)	\$ (156,925,888)	\$ -
Resources (Inflows):				
Taxes	28,403,034	28,403,034	28,246,713	(156,321)
Intergovernmental	1,672,894	1,672,894	2,125,873	452,979
Charges for services	819	819	38	(781)
Interest and rentals	148,286	148,286	231,498	83,212
Miscellaneous	73,133	73,133	-	(73,133)
Transfers in	2,593,271	2,593,271	3,756,293	1,163,022
Notes and loans issued	550,015	550,015	649,425	99,410
Amounts Available for Appropriation	(123,484,436)	(123,484,436)	(121,916,048)	1,568,388
Charges to Appropriation (Outflow):				
Urban development	15,190,990	15,190,990	17,167,527	(1,976,537)
Debt service:				
Principal retirement	355,000	355,000	245,000	110,000
Interest and fiscal charges	11,319,576	11,319,576	9,334,929	1,984,647
Transfers out	8,611,644	8,611,644	7,726,560	885,084
Total Charges to Appropriations	35,477,210	35,477,210	34,474,016	1,003,194
Budgetary Fund Balance, June 30	\$ (158,961,646)	\$ (158,961,646)	\$ (156,390,064)	\$ 2,571,582

CITY OF POMONA

**BUDGETARY COMPARISON SCHEDULE
HOUSING ASSISTANCE PROGRAMS
YEAR ENDED JUNE 30, 2011**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 5,152,560	\$ 5,152,560	\$ 5,152,560	\$ -
Resources (Inflows):				
Intergovernmental	11,251,350	11,251,350	11,894,310	642,960
Charges for services	-	-	59,173	59,173
Interest and rentals	50,000	50,000	13,481	(36,519)
Miscellaneous	11,000	11,000	16,262	5,262
Amounts Available for Appropriation	16,464,910	16,464,910	17,135,786	670,876
Charges to Appropriation (Outflow):				
Urban development	12,127,168	12,112,168	11,865,305	246,863
Capital outlay	-	15,000	5,893	9,107
Debt service:				
Interest and fiscal charges	1,200	1,200	457	743
Total Charges to Appropriations	12,128,368	12,128,368	11,871,655	256,713
Budgetary Fund Balance, June 30	\$ 4,336,542	\$ 4,336,542	\$ 5,264,131	\$ 927,589

CITY OF POMONA

**BUDGETARY COMPARISON SCHEDULE
COMMUNITY DEVELOPMENT BLOCK GRANT
YEAR ENDED JUNE 30, 2011**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 1,387,164	\$ 1,387,164	\$ 1,387,164	\$ -
Resources (Inflows):				
Intergovernmental	3,172,432	3,690,477	2,501,365	(1,189,112)
Charges for services	-	-	99,718	99,718
Interest and rentals	-	-	4,835	4,835
Miscellaneous	125,000	125,000	-	(125,000)
Transfers in	-	-	197,791	197,791
Amounts Available for Appropriation	4,684,596	5,202,641	4,190,873	(1,011,768)
Charges to Appropriation (Outflow):				
Public safety	817,170	482,725	228,613	254,112
Urban development	1,182,781	1,791,909	2,204,681	(412,772)
Community services	90,000	90,000	-	90,000
Capital outlay	854,976	795,285	-	795,285
Debt service:				
Principal retirement	125,000	125,000	125,000	-
Interest and fiscal charges	56,399	56,399	36,533	19,866
Transfers out	-	-	477,790	(477,790)
Total Charges to Appropriations	3,126,326	3,341,318	3,072,617	268,701
Budgetary Fund Balance, June 30	\$ 1,558,270	\$ 1,861,323	\$ 1,118,256	\$ (743,067)

CITY OF POMONA

**BUDGETARY COMPARISON SCHEDULE
HOUSING AUTHORITY
YEAR ENDED JUNE 30, 2011**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1 as restated	\$ 273,834	\$ 273,834	\$ 273,834	\$ -
Resources (Inflows):				
Interest and rentals	43,100	43,100	25,275	(17,825)
Amounts Available for Appropriation	316,934	316,934	299,109	(17,825)
Charges to Appropriation (Outflow):				
Urban development	43,100	257,715	19,754	237,961
Total Charges to Appropriations	43,100	257,715	19,754	237,961
Budgetary Fund Balance, June 30	\$ 273,834	\$ 59,219	\$ 279,355	\$ 220,136

CITY OF POMONA

**BUDGETARY COMPARISON SCHEDULE
MISCELLANEOUS GRANTS
YEAR ENDED JUNE 30, 2011**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 2,129,138	\$ 2,129,138	\$ 2,129,138	\$ -
Resources (Inflows):				
Intergovernmental	12,100,978	16,645,530	8,671,407	(7,974,123)
Charges for services	95,474	95,474	831,030	735,556
Interest and rentals	3,500	3,500	89,800	86,300
Miscellaneous	72,000	72,000	80,432	8,432
Transfers in	89,992	89,992	75,022	(14,970)
Proceeds from sale of capital asset	-	-	705,096	705,096
Amounts Available for Appropriation	14,491,082	19,035,634	12,581,925	(6,453,709)
Charges to Appropriation (Outflow):				
Public safety	792,069	2,056,448	730,423	1,326,025
Urban development	8,558,978	11,524,923	7,702,854	3,822,069
Community services	477,342	499,392	409,907	89,485
Capital outlay	2,451,562	2,740,911	1,169,297	1,571,614
Transfers out	-	-	371,146	(371,146)
Total Charges to Appropriations	12,279,951	16,821,674	10,383,627	6,438,047
Budgetary Fund Balance, June 30	\$ 2,211,131	\$ 2,213,960	\$ 2,198,298	\$ (15,662)

CITY OF POMONA

**BUDGETARY COMPARISON SCHEDULE
STATE GAS TAX
YEAR ENDED JUNE 30, 2011**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1 as restated	\$ 134,765	\$ 134,765	\$ 134,765	\$ -
Resources (Inflows):				
Intergovernmental	2,542,547	4,180,747	4,332,128	151,381
Interest and rentals	-	-	3,017	3,017
Transfers in	-	-	51,650	51,650
Amounts Available for Appropriation	2,677,312	4,315,512	4,521,560	206,048
Charges to Appropriation (Outflow):				
Urban development	23,123	23,123	276,031	(252,908)
Transfers out	2,578,837	2,439,425	2,581,071	(141,646)
Total Charges to Appropriations	2,601,960	2,462,548	2,857,102	(394,554)
Budgetary Fund Balance, June 30	\$ 75,352	\$ 1,852,964	\$ 1,664,458	\$ (188,506)

CITY OF POMONA

**BUDGETARY COMPARISON SCHEDULE
PROPOSITION A
YEAR ENDED JUNE 30, 2011**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ (317,462)	\$ (317,462)	\$ (317,462)	\$ -
Resources (Inflows):				
Intergovernmental	2,202,395	2,202,395	2,210,052	7,657
Interest and rentals	1,250	1,250	-	(1,250)
Miscellaneous	4,000	4,000	8,657	4,657
Amounts Available for Appropriation	1,890,183	1,890,183	1,901,247	11,064
Charges to Appropriation (Outflow):				
Urban development	1,844,560	1,844,560	1,802,926	41,634
Community services	40,000	40,000	18,885	21,115
Total Charges to Appropriations	1,884,560	1,884,560	1,821,811	62,749
Budgetary Fund Balance, June 30	\$ 5,623	\$ 5,623	\$ 79,436	\$ 73,813

CITY OF POMONA

**BUDGETARY COMPARISON SCHEDULE
PROPOSITION C
YEAR ENDED JUNE 30, 2011**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 5,653,626	\$ 5,653,626	\$ 5,653,626	\$ -
Resources (Inflows):				
Intergovernmental	1,826,829	1,826,829	1,833,012	6,183
Interest and rentals	50,000	50,000	16,305	(33,695)
Amounts Available for Appropriation	7,530,455	7,530,455	7,502,943	(27,512)
Charges to Appropriation (Outflow):				
Urban development	152,401	152,401	89,225	63,176
Transfers out	2,000,000	2,000,000	2,563,978	(563,978)
Total Charges to Appropriations	2,152,401	2,152,401	2,653,203	(500,802)
Budgetary Fund Balance, June 30	\$ 5,378,054	\$ 5,378,054	\$ 4,849,740	\$ (528,314)

CITY OF POMONA

**BUDGETARY COMPARISON SCHEDULE
VEHICLE PARKING DISTRICT
YEAR ENDED JUNE 30, 2011**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 656,052	\$ 656,052	\$ 656,052	\$ -
Resources (Inflows):				
Taxes	22,000	22,000	8,790	(13,210)
Intergovernmental	-	-	3,042	3,042
Charges for services	65,000	65,000	52,091	(12,909)
Interest and rentals	302,500	302,500	553,679	251,179
Fines and forfeitures	60,000	60,000	52,606	(7,394)
Miscellaneous	300,000	300,000	-	(300,000)
Amounts Available for Appropriation	1,405,552	1,405,552	1,326,260	(79,292)
Charges to Appropriation (Outflow):				
Urban development	727,108	727,108	578,201	148,907
Total Charges to Appropriations	727,108	727,108	578,201	148,907
Budgetary Fund Balance, June 30	\$ 678,444	\$ 678,444	\$ 748,059	\$ 69,615

CITY OF POMONA

**BUDGETARY COMPARISON SCHEDULE
AIR QUALITY IMPROVEMENT
YEAR ENDED JUNE 30, 2011**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 689,382	\$ 689,382	\$ 689,382	\$ -
Resources (Inflows):				
Intergovernmental	186,950	186,950	179,792	(7,158)
Interest and rentals	5,000	5,000	2,327	(2,673)
Transfers in	-	-	24,086	24,086
Amounts Available for Appropriation	881,332	881,332	895,587	14,255
Charges to Appropriation (Outflow):				
Urban development	181,894	181,894	48,112	133,782
Capital outlay	200,000	184,587	26,815	157,772
Transfers out	-	-	13,367	(13,367)
Total Charges to Appropriations	381,894	366,481	88,294	278,187
Budgetary Fund Balance, June 30	\$ 499,438	\$ 514,851	\$ 807,293	\$ 292,442

CITY OF POMONA

**BUDGETARY COMPARISON SCHEDULE
TRAFFIC CONGESTION RELIEF
YEAR ENDED JUNE 30, 2011**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 1,396,126	\$ 1,396,126	\$ 1,396,126	\$ -
Resources (Inflows):				
Intergovernmental	1,381,524	1,381,524	-	(1,381,524)
Interest and rentals	-	-	5,312	5,312
Miscellaneous	-	297,560	-	(297,560)
Transfers in	-	1,000,970	1,195,407	194,437
Amounts Available for Appropriation	2,777,650	4,076,180	2,596,845	(1,479,335)
Charges to Appropriation (Outflow):				
Urban development	1,381,524	2,153,192	2,558,510	(405,318)
Transfers out	-	14,075	33,685	(19,610)
Total Charges to Appropriations	1,381,524	2,167,267	2,592,195	(424,928)
Budgetary Fund Balance, June 30	\$ 1,396,126	\$ 1,908,913	\$ 4,650	\$ (1,904,263)

CITY OF POMONA

**BUDGETARY COMPARISON SCHEDULE
LANDSCAPE MAINTENANCE DISTRICT
YEAR ENDED JUNE 30, 2011**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 30,070	\$ 30,070	\$ 30,070	\$ -
Resources (Inflows):				
Special assessments	1,177,609	1,177,609	1,214,829	37,220
Interest and rentals	-	-	1,068	1,068
Amounts Available for Appropriation	1,207,679	1,207,679	1,245,967	38,288
Charges to Appropriation (Outflow):				
Community services	1,111,255	1,111,255	983,654	127,601
Transfers out	-	-	1,526	(1,526)
Total Charges to Appropriations	1,111,255	1,111,255	985,180	126,075
Budgetary Fund Balance, June 30	\$ 96,424	\$ 96,424	\$ 260,787	\$ 164,363

CITY OF POMONA

**BUDGETARY COMPARISON SCHEDULE
NARCOTICS FORFEITURE
YEAR ENDED JUNE 30, 2011**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 3,716,673	\$ 3,716,673	\$ 3,716,673	\$ -
Resources (Inflows):				
Charges for services	10,000	10,000	76,734	66,734
Interest and rentals	35,000	35,000	18,256	(16,744)
Miscellaneous	1,878,883	2,878,883	3,995,135	1,116,252
Amounts Available for Appropriation	5,640,556	6,640,556	7,806,798	1,166,242
Charges to Appropriation (Outflow):				
Public safety	1,670,145	1,565,672	822,264	743,408
Capital outlay	-	104,473	91,795	12,678
Debt service:				
Principal retirement	205,438	1,621,459	1,493,284	128,175
Interest and fiscal charges	-	-	128,174	(128,174)
Transfers out	-	-	12	(12)
Total Charges to Appropriations	1,875,583	3,291,604	2,535,529	756,075
Budgetary Fund Balance, June 30	\$ 3,764,973	\$ 3,348,952	\$ 5,271,269	\$ 1,922,317

CITY OF POMONA

**BUDGETARY COMPARISON SCHEDULE
TRAFFIC OFFENDER
YEAR ENDED JUNE 30, 2011**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 44,206	\$ 44,206	\$ 44,206	\$ -
Resources (Inflows):				
Charges for services	468,000	468,000	272,321	(195,679)
Interest and rentals	800	800	-	(800)
Amounts Available for Appropriation	513,006	513,006	316,527	(196,479)
Charges to Appropriation (Outflow):				
Public safety	523,893	523,893	383,262	140,631
Debt service:				
Interest and fiscal charges	4,310	4,310	4,020	290
Total Charges to Appropriations	528,203	528,203	387,282	140,921
Budgetary Fund Balance, June 30	\$ (15,197)	\$ (15,197)	\$ (70,755)	\$ (55,558)

CITY OF POMONA

**BUDGETARY COMPARISON SCHEDULE
PROPOSITION 1B
YEAR ENDED JUNE 30, 2011**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 2,602,546	\$ 2,602,546	\$ 2,602,546	\$ -
Resources (Inflows):				
Interest and rentals	-	-	5,925	5,925
Transfers in	-	-	28,510	28,510
Amounts Available for Appropriation	2,602,546	2,602,546	2,636,981	34,435
Charges to Appropriation (Outflow):				
Urban development	-	-	4,398	(4,398)
Transfers out	-	351,867	1,035,214	(683,347)
Total Charges to Appropriations	-	351,867	1,039,612	(687,745)
Budgetary Fund Balance, June 30	\$ 2,602,546	\$ 2,250,679	\$ 1,597,369	\$ (653,310)

CITY OF POMONA

**BUDGETARY COMPARISON SCHEDULE
MEASURE R
YEAR ENDED JUNE 30, 2011**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 189,293	\$ 189,293	\$ 189,293	\$ -
Resources (Inflows):				
Intergovernmental	1,370,122	1,370,122	1,370,250	128
Charges for services	-	-	35	35
Interest and rentals	-	-	4,514	4,514
Amounts Available for Appropriation	1,559,415	1,559,415	1,564,092	4,677
Charges to Appropriation (Outflow):				
Urban development	567,718	645,718	546,824	98,894
Transfers out	-	479,000	-	479,000
Total Charges to Appropriations	567,718	1,124,718	546,824	577,894
Budgetary Fund Balance, June 30	\$ 991,697	\$ 434,697	\$ 1,017,268	\$ 582,571

CITY OF POMONA

**BUDGETARY COMPARISON SCHEDULE
GENERAL SANITATION FEES OPERATIONS
YEAR ENDED JUNE 30, 2011**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ (32,296)	\$ (32,296)	\$ (32,296)	\$ -
Licenses and permits	1,349,710	1,349,710	1,386,122	36,412
Charges for services	-	-	484	484
Interest and rentals	-	-	107	107
Fines and forfeitures	-	-	17,556	17,556
Miscellaneous	-	-	6,105	6,105
Transfers in	544,243	544,243	421,191	(123,052)
Amounts Available for Appropriation	1,861,657	1,861,657	1,799,269	(62,388)
Charges to Appropriation (Outflow):				
Urban development	1,876,956	1,876,956	1,810,033	66,923
Transfers out	-	-	2,713	(2,713)
Total Charges to Appropriations	1,876,956	1,876,956	1,812,746	64,210
Budgetary Fund Balance, June 30	\$ (15,299)	\$ (15,299)	\$ (13,477)	\$ 1,822

CITY OF POMONA

**BUDGETARY COMPARISON SCHEDULE
CAPITAL OUTLAY
YEAR ENDED JUNE 30, 2011**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 13,195,062	\$ 13,195,062	\$ 13,195,062	\$ -
Resources (Inflows):				
Taxes	-	-	3,908	3,908
Licenses and permits	105,000	105,000	3,540	(101,460)
Intergovernmental	500,000	2,010,000	13,568,751	11,558,751
Charges for services	-	-	39,472	39,472
Interest and rentals	-	-	63,403	63,403
Miscellaneous	16,375	16,375	81,982	65,607
Transfers in	2,400,000	2,439,075	3,945,612	1,506,537
Amounts Available for Appropriation	16,216,437	17,765,512	30,901,730	13,136,218
Charges to Appropriation (Outflow):				
General government	30,730	30,730	23,950	6,780
Public safety	-	-	8,292	(8,292)
Urban development	-	-	14,341,916	(14,341,916)
Capital outlay	2,900,000	5,672,645	1,300,815	4,371,830
Transfers out	439,764	488,764	5,912,416	(5,423,652)
Total Charges to Appropriations	3,370,494	6,192,139	21,587,389	(15,395,250)
Budgetary Fund Balance, June 30	\$ 12,845,943	\$ 11,573,373	\$ 9,314,341	\$ (2,259,032)

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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
INTERNAL SERVICE FUNDS
JUNE 30, 2011**

	<u>Self-Insurance Funds</u>	<u>Equipment Maintenance</u>	<u>Total</u>
Assets:			
Current:			
Cash and investments	\$ 6,040,050	\$ 413,163	\$ 6,453,213
Receivables (net):			
Accounts	-	933	933
Prepaid costs	-	-	-
Inventories	-	384,367	384,367
Total Current Assets	6,040,050	798,463	6,838,513
Noncurrent:			
Capital assets - net of accumulated depreciation	-	178,763	178,763
Total Noncurrent Assets	-	178,763	178,763
Total Assets	\$ 6,040,050	\$ 977,226	\$ 7,017,276
Liabilities and Net Assets:			
Liabilities:			
Current:			
Accounts payable	\$ 348,963	\$ 178,566	\$ 527,529
Accrued liabilities	-	57,254	57,254
Compensated absences	-	71,000	71,000
Claims and judgments	4,160,000	-	4,160,000
Total Current Liabilities	4,508,963	306,820	4,815,783
Noncurrent:			
Advances from other funds	5,000,000	-	5,000,000
Compensated absences	-	78,198	78,198
Claims and judgments	12,735,344	-	12,735,344
Total Noncurrent Liabilities	17,735,344	78,198	17,813,542
Total Liabilities	22,244,307	385,018	22,629,325
Net Assets:			
Invested in capital assets, net of related debt	-	178,763	178,763
Unrestricted	(16,204,257)	413,445	(15,790,812)
Total Net Assets	(16,204,257)	592,208	(15,612,049)
Total Liabilities and Net Assets	\$ 6,040,050	\$ 977,226	\$ 7,017,276

CITY OF POMONA

**COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET ASSETS
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2011**

	<u>Self-Insurance Funds</u>	<u>Equipment Maintenance</u>	<u>Total</u>
Operating Revenues:			
Charges for services	\$ 4,660,748	\$ 3,653,236	\$ 8,313,984
Miscellaneous	1,771,241	-	1,771,241
Total Operating Revenues	<u>6,431,989</u>	<u>3,653,236</u>	<u>10,085,225</u>
Operating Expenses:			
Personnel services	-	1,227,915	1,227,915
Operations	-	2,296,314	2,296,314
Claims expense	5,118,782	138,480	5,257,262
Insurance	-	36,783	36,783
Depreciation	-	24,827	24,827
Total Operating Expenses	<u>5,118,782</u>	<u>3,724,319</u>	<u>8,843,101</u>
Income (Loss) Before Transfers	1,313,207	(71,083)	1,242,124
Transfers in	3,870,518	-	3,870,518
Transfers out	(53,400)	-	(53,400)
Changes in Net Assets	<u>\$ 5,130,325</u>	<u>\$ (71,083)</u>	<u>\$ 5,059,242</u>
Net Assets:			
Beginning of Year, as originally reported	\$ (4,154,735)	\$ 663,291	\$ (3,491,444)
Restatements	<u>(17,179,847)</u>	<u>-</u>	<u>(17,179,847)</u>
Beginning of Fiscal Year, as restated	(21,334,582)	663,291	(20,671,291)
Changes in Net Assets	<u>5,130,325</u>	<u>(71,083)</u>	<u>5,059,242</u>
End of Fiscal Year	<u>\$ (16,204,257)</u>	<u>\$ 592,208</u>	<u>\$ (15,612,049)</u>

CITY OF POMONA

**COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2011**

	Self-Insurance Funds	Equipment Maintenance	Total
Cash Flows from Operating Activities:			
Cash received from customers and users	\$ 4,660,748	\$ 3,654,006	\$ 8,314,754
Cash received from (paid for) other	1,771,241	-	1,771,241
Cash paid to suppliers for goods and services	(8,807,988)	(2,422,690)	(11,230,678)
Cash paid for general and administrative expenses	-	(1,271,456)	(1,271,456)
Net Cash Provided (Used) by Operating Activities	(2,375,999)	(40,140)	(2,416,139)
Cash Flows from Non-Capital Financing Activities:			
Cash transfers in	3,870,518	-	3,870,518
Cash transfers out	(53,400)	-	(53,400)
Net Cash Provided (Used) by Non-Capital Financing Activities	3,817,118	-	3,817,118
Net Increase (Decrease) in Cash and Cash Equivalents	1,441,119	(40,140)	1,400,979
Cash and Cash Equivalents at Beginning of Year	4,598,931	453,303	5,052,234
Cash and Cash Equivalents at End of Year	\$ 6,040,050	\$ 413,163	\$ 6,453,213
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:			
Operating income (loss)	\$ 1,313,207	\$ (71,083)	\$ 1,242,124
Adjustments to reconcile operating income (loss) net cash provided (used) by operating activities:			
Depreciation	-	24,827	24,827
(Increase) decrease in accounts receivable	-	770	770
(Increase) decrease in inventories	-	(28,435)	(28,435)
Increase (decrease) in accounts payable	(3,404,703)	77,322	(3,327,381)
Increase (decrease) in accrued liabilities	-	(67,127)	(67,127)
Increase (decrease) in claims and judgments	(284,503)	-	(284,503)
Increase (decrease) in compensated absences	-	23,586	23,586
Total Adjustments	(3,689,206)	30,943	(3,658,263)
Net Cash Provided (Used) by Operating Activities	\$ (2,375,999)	\$ (40,140)	\$ (2,416,139)

Non-Cash Investing, Capital, and Financing Activities:

During fiscal year 2010-2011, there was no non-cash investing, capital or financing activities.

FIDUCIARY FUNDS

The **Agency Funds** account for assets held by the City for other governments or 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 BALANCE SHEET
 ALL AGENCY FUNDS
 JUNE 30, 2011

	<u>Assessment Districts</u>	<u>Engineers' Revolving</u>	<u>Construction Guarantee</u>	<u>Municipal Revolving</u>
Assets:				
Cash and investments	\$ 370,048	\$ 602,646	\$ 696,873	\$ 700,376
Receivables:				
Accounts	-	-	-	8,964
Interest	565	619	-	-
Due from other governments	34,338	-	-	1,215
Total Assets	<u>\$ 404,951</u>	<u>\$ 603,265</u>	<u>\$ 696,873</u>	<u>\$ 710,555</u>
Liabilities:				
Accounts payable	\$ -	\$ -	\$ 11,050	\$ 41,500
Deposits payable	34,338	603,265	685,823	669,055
Due to external parties/other agencies	370,613	-	-	-
Total Liabilities	<u>\$ 404,951</u>	<u>\$ 603,265</u>	<u>\$ 696,873</u>	<u>\$ 710,555</u>

CITY OF POMONA

COMBINING BALANCE SHEET
 ALL AGENCY FUNDS
 JUNE 30, 2011

	<u>Employee Benefits/ Deductions</u>	<u>Total</u>
Assets:		
Cash and investments	\$ 1,379,934	\$ 3,749,877
Receivables:		
Accounts	-	8,964
Interest	-	1,184
Due from other governments	-	35,553
	<u> </u>	<u> </u>
Total Assets	<u>\$ 1,379,934</u>	<u>\$ 3,795,578</u>
 Liabilities:		
Accounts payable	\$ 1,379,934	\$ 1,432,484
Deposits payable	-	1,992,481
Due to external parties/other agencies	-	370,613
	<u> </u>	<u> </u>
Total Liabilities	<u>\$ 1,379,934</u>	<u>\$ 3,795,578</u>

CITY OF POMONA

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 ALL AGENCY FUNDS
 YEAR ENDED JUNE 30, 2011**

	Balance 7/1/2010	Additions	Deductions	Balance 6/30/2011
<u>Assessment Districts</u>				
Assets:				
Cash and investments	\$ 369,083	\$ 965	\$ -	\$ 370,048
Receivables:				
Interest	395	565	395	565
Due from other governments	5,841	34,338	5,841	34,338
Total Assets	\$ 375,319	\$ 35,868	\$ 6,236	\$ 404,951
Liabilities:				
Deposits payable	\$ 5,841	\$ 34,338	\$ 5,841	\$ 34,338
Due to external parties/other agencies	369,479	1,134	-	370,613
Total Liabilities	\$ 375,320	\$ 35,472	\$ 5,841	\$ 404,951
<u>Engineers' Revolving</u>				
Assets:				
Cash and investments	\$ 599,079	\$ 3,567	\$ -	\$ 602,646
Receivables:				
Interest	434	619	434	619
Total Assets	\$ 599,513	\$ 4,186	\$ 434	\$ 603,265
Liabilities:				
Deposits payable	\$ 599,513	\$ 4,186	\$ 434	\$ 603,265
Total Liabilities	\$ 599,513	\$ 4,186	\$ 434	\$ 603,265
<u>Construction Guarantee</u>				
Assets:				
Cash and investments	\$ 652,150	\$ 124,718	\$ 79,995	\$ 696,873
Total Assets	\$ 652,150	\$ 124,718	\$ 79,995	\$ 696,873
Liabilities:				
Accounts payable	\$ 1,585	\$ 11,050	\$ 1,585	\$ 11,050
Deposits payable	650,565	35,258	-	685,823
Total Liabilities	\$ 652,150	\$ 46,308	\$ 1,585	\$ 696,873
<u>Municipal Revolving</u>				
Assets:				
Cash and investments	\$ 773,862	\$ 1,610,766	\$ 1,684,252	\$ 700,376
Receivables:				
Accounts	8,888	8,964	8,888	8,964
Due from other governments	320	1,215	320	1,215
Total Assets	\$ 783,070	\$ 1,620,945	\$ 1,693,460	\$ 710,555
Liabilities:				
Accounts payable	\$ 38,716	\$ 41,500	\$ 38,716	\$ 41,500
Deposits payable	744,353	-	75,298	669,055
Total Liabilities	\$ 783,069	\$ 41,500	\$ 114,014	\$ 710,555

CITY OF POMONA

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 ALL AGENCY FUNDS
 YEAR ENDED JUNE 30, 2011**

	<u>Balance 7/1/2010</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance 6/30/2011</u>
<u>Employee Benefits/Deductions</u>				
Assets:				
Cash and investments	\$ 2,114,310	\$ 29,458,539	\$ 30,192,915	\$ 1,379,934
Total Assets	<u>\$ 2,114,310</u>	<u>\$ 29,458,539</u>	<u>\$ 30,192,915</u>	<u>\$ 1,379,934</u>
Liabilities:				
Accounts payable	\$ 2,114,310	\$ 1,379,934	\$ 2,114,310	\$ 1,379,934
Total Liabilities	<u>\$ 2,114,310</u>	<u>\$ 1,379,934</u>	<u>\$ 2,114,310</u>	<u>\$ 1,379,934</u>
<u>Total - All Agency Funds</u>				
Assets:				
Cash and investments	\$ 4,508,484	\$ 31,198,555	\$ 31,957,162	\$ 3,749,877
Receivables:				
Accounts	8,888	8,964	8,888	8,964
Interest	829	1,184	829	1,184
Due from other governments	6,161	35,553	6,161	35,553
Total Assets	<u>\$ 4,524,362</u>	<u>\$ 31,244,256</u>	<u>\$ 31,973,040</u>	<u>\$ 3,795,578</u>
Liabilities:				
Accounts payable	\$ 2,154,611	\$ 1,432,484	\$ 2,154,611	\$ 1,432,484
Deposits payable	2,000,272	73,782	81,573	1,992,481
Due to external parties/other agencies	369,479	1,134	-	370,613
Total Liabilities	<u>\$ 4,524,362</u>	<u>\$ 1,507,400</u>	<u>\$ 2,236,184</u>	<u>\$ 3,795,578</u>

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Statistical Section (Unaudited)

This part of the City of Pomona's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

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**City of Pomona
Net Assets by Component
Last Nine Fiscal Years**

	2003	2004	2005	2006
Governmental activities:				
Invested in capital assets, net of related debt	\$ 50,247,574	\$ (4,298,872)	\$ 95,062,872	\$ 271,540,388
Restricted	69,634,633	24,233,671	162,563,670	113,101,903
Unrestricted	(64,303,903)	29,368,859	(198,364,012)	(179,150,706)
Total governmental activities net assets	\$ 55,578,304	\$ 49,303,658	\$ 59,262,530	\$ 205,491,585
Business-type activities:				
Invested in capital assets, net of related debt	\$ 51,170,354	\$ 49,330,263	\$ 55,380,677	\$ 54,100,219
Restricted	-	-	19,373,600	2,986,079
Unrestricted	24,182,750	33,940,619	10,349,393	27,474,990
Total business-type activities net assets	\$ 75,353,104	\$ 83,270,882	\$ 85,103,670	\$ 84,561,288
Primary government:				
Invested in capital assets, net of related debt	\$ 101,417,928	\$ 45,031,391	\$ 150,443,549	\$ 325,640,607
Restricted	69,634,633	24,233,671	181,937,270	116,087,982
Unrestricted	(40,121,153)	63,309,478	(188,014,619)	(151,675,716)
Total primary government net assets	\$ 130,931,408	\$ 132,574,540	\$ 144,366,200	\$ 290,052,873

Ten years of data is not available.

Fiscal Year				
2007	2008	2009	2010	2011
\$ 283,153,069	\$ 266,292,700	\$ 266,710,638	\$ 259,501,244	\$ 257,218,882
121,330,491	126,440,546	130,746,703	134,747,514	138,810,197
(182,279,410)	(188,834,296)	(213,456,367)	(227,480,138)	(232,125,172)
<u>\$ 222,204,150</u>	<u>\$ 203,898,950</u>	<u>\$ 184,000,974</u>	<u>\$ 166,768,620</u>	<u>\$ 163,903,907</u>
\$ 52,018,893	\$ 58,437,024	\$ 68,860,850	\$ 62,252,632	\$ 53,012,960
4,049,389	3,015,084	2,940,659	2,225,388	7,660,879
28,867,217	32,851,495	32,957,936	34,455,240	36,095,478
<u>\$ 84,935,499</u>	<u>\$ 94,303,603</u>	<u>\$ 104,759,445</u>	<u>\$ 98,933,260</u>	<u>\$ 96,769,317</u>
\$ 335,171,962	\$ 324,729,724	\$ 335,571,488	\$ 321,753,876	\$ 310,231,842
125,379,880	129,455,630	133,687,362	136,972,902	146,471,076
(153,412,193)	(155,982,801)	(180,498,431)	(193,024,898)	(196,029,694)
<u>\$ 307,139,649</u>	<u>\$ 298,202,553</u>	<u>\$ 288,760,419</u>	<u>\$ 265,701,880</u>	<u>\$ 260,673,224</u>

**City of Pomona
Changes in Net Assets
Last Nine Fiscal Years**

	2003	2004	2005	2006
Expenses				
Governmental activities:				
General government	\$ 20,586,309	\$ 16,877,268	\$ 8,502,072	\$ 4,566,737
Public safety	30,080,994	54,409,038	61,493,317	62,314,546
Urban development	54,029,511	43,458,432	39,149,792	68,802,603
Community services	11,253,597	11,752,699	13,511,242	14,817,177
Interest and fiscal charges	17,218,724	20,640,447	24,678,827	25,274,237
Total governmental activities	133,169,135	147,137,884	147,335,250	175,775,300
Business-type activities:				
Water	21,770,977	21,939,428	19,210,002	19,172,107
Sewer	1,649,229	2,789,001	2,542,545	2,458,616
Refuse	6,280,528	6,842,583	7,967,320	8,488,309
Canon Water Company	-	-	48,563	52,345
Total business-type activities	29,700,734	31,571,012	29,768,430	30,171,377
Total primary government expenses	\$ 162,869,869	\$ 178,708,896	\$ 177,103,680	\$ 205,946,677
Program Revenues				
Governmental activities:				
Charges for services:				
Police revenues	\$ 1,567,014	\$ 1,896,386	\$ 2,141,662	\$ 2,423,540
Plan check fees	1,241,023	886,327	939,836	988,874
Building permits	1,191,428	1,380,789	1,330,168	1,336,527
Graffiti abatement	565,438	566,686	617,619	609,228
Street sweeping fee	475,943	477,135	520,018	512,819
Maintenance assessment fee	1,156,023	1,180,820	1,178,638	1,227,281
All other	13,677,585	15,937,213	9,456,166	9,849,392
Operating grants and contributions	15,564,685	18,844,817	22,516,819	22,656,450
Capital grants and contributions	9,013,220	6,421,422	10,040,740	6,718,223
Total governmental activities program revenues	44,452,359	47,591,595	48,741,666	46,322,334
Business-type activities:				
Charges for services:				
Water	20,350,752	21,080,917	22,454,752	22,689,164
Sewer	2,519,070	2,525,048	2,601,847	2,853,610
Refuse	6,935,134	7,224,218	7,234,940	7,395,141
Operating grants and contributions	140,853	122,197	156,781	68,966
Capital grants and contributions	217,129	-	264,506	23,100
Total business-type activities program revenues	30,162,938	30,952,380	32,712,826	33,029,981
Total primary government program revenues	\$ 74,615,297	\$ 78,543,975	\$ 81,454,492	\$ 79,352,315

Fiscal Year				
2007	2008	2009	2010	2011
\$ 5,374,997	\$ 7,799,411	\$ 11,325,897	\$ 6,492,505	\$ 6,064,138
66,368,961	71,782,018	76,866,332	71,238,620	63,110,539
70,071,752	58,907,290	68,405,205	87,717,680	77,538,633
12,761,215	21,517,903	10,418,491	8,228,099	7,082,135
25,372,308	30,865,822	27,731,312	29,442,106	29,390,035
179,949,233	190,872,444	194,747,237	203,119,010	183,185,480
23,845,899	22,807,789	18,980,506	27,457,755	29,408,125
3,915,545	2,920,219	2,963,196	3,838,426	5,733,464
8,921,093	8,837,471	9,805,894	8,598,275	8,762,936
17,472	96,255	16,681	11,787	13,927
36,700,009	34,661,734	31,766,277	39,906,243	43,918,452
<u>\$ 216,649,242</u>	<u>\$ 225,534,178</u>	<u>\$ 226,513,514</u>	<u>\$ 243,025,253</u>	<u>\$ 227,103,932</u>
\$ 1,723,534	\$ 2,126,363	\$ 3,046,908	\$ 2,691,660	\$ 2,053,307
543,317	924,010	410,451	297,073	354,575
927,771	1,287,216	730,510	599,818	466,567
530,399	560,006	566,197	561,363	564,531
423,356	471,387	476,351	468,575	473,614
1,208,338	1,172,825	1,242,240	1,214,568	1,214,829
9,357,921	6,331,014	11,442,772	14,816,018	7,249,221
27,319,477	24,171,583	17,838,374	30,034,337	23,115,271
7,154,035	12,395,251	12,020,471	16,368,968	24,908,628
49,188,148	49,439,655	47,774,274	67,052,380	60,400,543
26,210,565	27,155,086	27,857,381	27,084,809	27,898,709
3,384,966	4,008,291	4,189,672	4,271,176	4,342,682
7,326,324	7,733,411	8,661,142	9,883,142	9,046,619
145,820	126,471	64,841	65,721	109,165
97,420	4,004,312	850	-	-
37,165,095	43,027,571	40,773,886	41,304,848	41,397,175
<u>\$ 86,353,243</u>	<u>\$ 92,467,226</u>	<u>\$ 88,548,160</u>	<u>\$ 108,357,228</u>	<u>\$ 101,797,718</u>

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

	2003	2004	2005	2006
Net (Expense)/Revenue				
Governmental activities	\$ (88,716,776)	\$ (99,546,289)	\$ (98,593,584)	\$ (129,452,966)
Business-type activities	462,204	(618,632)	2,944,396	2,858,604
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>
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
Sales taxes	15,647,492	14,483,633	11,683,923	14,710,345
Motor vehicle license	8,866,986	7,204,184	1,025,393	1,109,390
Transient occupancy taxes	1,348,863	1,482,972	1,473,711	1,865,001
Property transfer taxes	-	-	-	-
Franchise	1,980,304	4,078,354	4,360,394	5,397,384
Utility users taxes	16,492,851	16,375,211	16,774,747	17,576,969
Business licenses	-	-	-	-
Other	1,624,406	936,114	786,421	678,897
Investment earnings/(expenses)	11,130,241	12,309,966	16,833,110	17,819,663
Miscellaneous	3,523,822	-	7,748,110	5,832,425
Income (loss) on sale of capital assets	144,553	2,482,994	-	-
Transfers	(105,625)	1,243,732	957,958	1,743,417
Total governmental activities	<u>90,569,114</u>	<u>93,271,643</u>	<u>108,182,203</u>	<u>119,973,108</u>
Business-type activities:				
Investment earnings/(expenses)	2,206,094	3,087,898	(1,816,793)	(1,991,603)
Miscellaneous	140,860	257,334	289,625	334,034
Income (loss) on sale of capital assets	(6,987)	492,080	(14,987)	-
Transfers	105,625	(1,243,732)	(957,958)	(1,743,417)
Total business-type activities	<u>2,445,592</u>	<u>2,593,580</u>	<u>(2,500,113)</u>	<u>(3,400,986)</u>
Total primary government	<u>\$ 93,014,706</u>	<u>\$ 95,865,223</u>	<u>\$ 105,682,090</u>	<u>\$ 116,572,122</u>
Changes in Net Assets				
Governmental activities	\$ 1,852,338	\$ (6,274,646)	\$ 9,588,619	\$ (9,479,858)
Business-type activities	2,907,796	1,974,948	444,283	(542,382)
Total primary government	<u>\$ 4,760,134</u>	<u>\$ (4,299,698)</u>	<u>\$ 10,032,902</u>	<u>\$ (10,022,240)</u>

Ten years of data is not available.

Fiscal Year				
2007	2008	2009	2010	2011
\$ (130,761,085)	\$ (141,432,789)	\$ (146,972,963)	\$ (136,066,630)	\$ (122,784,937)
465,086	8,365,837	9,007,609	1,398,605	(2,521,277)
<u>\$ (130,295,999)</u>	<u>\$ (133,066,952)</u>	<u>\$ (137,965,354)</u>	<u>\$ (134,668,025)</u>	<u>\$ (125,306,214)</u>
\$ 51,952,231	\$ 56,246,496	\$ 65,303,064	\$ 60,772,676	\$ 58,116,765
19,072,975	17,200,015	10,628,900	11,224,835	9,507,105
874,237	718,936	555,277	479,477	829,147
1,727,097	1,718,607	1,450,270	1,300,209	1,266,721
2,152,388	1,189,405	1,020,258	1,114,825	987,363
5,871,860	5,776,052	6,861,266	6,094,548	5,910,791
18,290,416	18,154,259	17,732,063	17,165,968	17,718,623
2,844,503	2,977,865	3,051,371	2,890,920	2,730,397
2,459,714	1,973,674	17,579	10,356	4,008
19,509,780	19,956,964	17,219,062	14,542,222	23,775,050
2,240,671	2,568,179	3,246,127	2,193,630	2,547,071
-	-	-	-	-
716,025	(1,753,920)	(10,250)	1,044,610	(220,346)
<u>127,711,897</u>	<u>126,726,532</u>	<u>127,074,987</u>	<u>118,834,276</u>	<u>123,172,695</u>
108,433	(1,696,056)	(563,393)	(6,192,697)	133,255
516,717	944,403	2,001,376	12,517	3,733
-	-	-	-	-
(716,025)	1,753,920	10,250	(1,044,610)	220,346
<u>(90,875)</u>	<u>1,002,267</u>	<u>1,448,233</u>	<u>(7,224,790)</u>	<u>357,334</u>
<u>\$ 127,621,022</u>	<u>\$ 127,728,799</u>	<u>\$ 128,523,220</u>	<u>\$ 111,609,486</u>	<u>\$ 123,530,029</u>
\$ (3,049,188)	\$ (14,706,257)	\$ (19,897,976)	\$ (17,232,354)	\$ 387,758
374,211	9,368,104	10,455,842	(5,826,185)	(2,163,943)
<u>\$ (2,674,977)</u>	<u>\$ (5,338,153)</u>	<u>\$ (9,442,134)</u>	<u>\$ (23,058,539)</u>	<u>\$ (1,776,185)</u>

**City of Pomona
Fund Balances of Governmental Funds
Last Nine Fiscal Years**

	2003	2004	2005	2006
General Fund:				
Reserved	\$ 6,650,885	\$ 6,198,142	\$ 8,976,671	\$ 7,907,817
Unreserved	2,605,887	4,065,766	7,843,760	10,914,430
Non-spendable				
Restricted				
Committed				
Assigned				
Unassigned				
Total General Fund	\$ 9,256,772	\$ 10,263,908	\$ 16,820,431	\$ 18,822,247
All Other Governmental Funds:				
Reserved	\$ 199,962,812	\$ 275,867,951	\$ 281,404,289	\$ 279,513,977
Unreserved, designated	-	-	-	6,877,406
Unreserved, reported in:				
Special revenue funds	11,086,632	21,930,326	31,519,944	18,048,054
Debt service funds	(135,498,637)	(177,203,920)	(173,774,677)	(182,032,654)
Capital projects funds	25,621,657	37,561,953	29,471,016	54,561,328
Non-spendable				
Restricted				
Committed				
Assigned				
Unassigned				
Total All Other Governmental Funds	\$ 101,172,464	\$ 158,156,310	\$ 168,620,572	\$ 176,968,111

Ten years of data is not available.

Fiscal Year				
2007	2008	2009	2010	2011
\$ 6,888,120	\$ 4,459,873	\$ 4,365,820	\$ 4,270,613	
13,903,948	10,809,579	4,430,794	2,265,028	\$ 126,089
				-
				5,563,011
				-
				-
<u>\$ 20,792,068</u>	<u>\$ 15,269,452</u>	<u>\$ 8,796,614</u>	<u>\$ 6,535,641</u>	<u>\$ 5,689,100</u>
\$ 329,767,481	\$ 293,334,925	\$ 305,411,945	\$ 289,165,426	
2,570,640	-	-	-	
21,518,821	12,653,645	5,729,977	18,753,085	
(182,023,917)	(198,469,799)	(155,935,490)	(160,398,749)	
1,421,840	60,383,675	2,288,382	(1,497,507)	\$ 259,577,717
				81,339,275
				-
				-
				(202,261,861)
<u>\$ 173,254,865</u>	<u>\$ 167,902,446</u>	<u>\$ 157,494,814</u>	<u>\$ 146,022,255</u>	<u>\$ 138,655,131</u>

City of Pomona
Changes in Fund Balances - Governmental Funds
Last Nine Fiscal Years

	2003	2004	2005	2006
Revenues:				
Taxes	\$ 64,670,323	\$ 77,312,806	\$ 82,643,024	\$ 94,577,603
Special assessments	1,229,393	1,240,538	1,192,248	1,197,805
Intergovernmental	33,444,891	25,266,239	32,557,559	29,364,673
Charges for services	1,465,561	1,690,733	1,483,414	1,989,303
Fines and forfeitures	2,176,721	2,693,304	2,657,108	3,280,587
Licenses and permits	6,933,428	8,242,904	8,423,121	8,440,517
Interest and rentals	11,718,494	11,662,827	16,833,110	17,815,895
Loans repaid	-	641,305	618,306	2,039,449
Contributions and donations	-	-	-	-
Miscellaneous	2,692,636	2,232,458	7,035,771	5,832,425
Total revenues	124,331,447	130,983,114	153,443,661	164,538,257
Expenditures:				
General government	2,728,622	3,685,285	5,379,898	4,323,332
Public safety	49,431,301	54,409,038	59,866,150	61,675,869
Urban development	35,748,102	38,076,742	50,026,817	59,638,945
Community services	11,207,490	11,752,699	13,001,693	13,122,353
Capital outlay	3,565,620	2,510,205	2,182,578	1,055,369
Debt service:				
Principal	9,734,208	4,668,488	13,749,122	3,357,630
Interest and fiscal charges	24,343,779	25,363,935	21,459,762	22,819,282
Debt issuance costs	-	3,758,841	1,551,787	2,447,589
Total expenditures	136,759,122	144,225,233	167,217,807	168,440,369
Excess of revenues over (under) expenditures	(12,427,675)	(13,242,119)	(13,774,146)	(3,902,112)
Other Financing Sources (Uses):				
Issuance of bonds, loans and notes	7,922,718	117,269,606	28,233,416	76,825,100
Bond premium	-	2,726,007	980,972	-
Bond discount	(22,000)	(327,164)	-	-
Payments to escrow agent	-	(22,608,271)	-	(53,255,000)
Proceeds from capital lease	-	646,123	582,200	1,343,850
Proceeds from sale of capital assets	166,486	5,578	40,385	36,037
Special item, pension contribution	-	(27,722,510)	-	-
Gain/Loss - sale of land held for resale	-	-	-	-
Transfers in	18,188,104	92,621,209	29,039,524	47,308,301
Transfers out	(18,293,729)	(91,377,477)	(28,081,566)	(47,422,755)
Total other financing sources (uses)	7,961,579	71,233,101	30,794,931	24,835,533
Net change in fund balances	\$ (4,466,096)	\$ 57,990,982	\$ 17,020,785	\$ 20,933,421

Debt service as a percentage of noncapital expenditures

	25.59%	23.84%	22.27%	17.10%
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Ten years of data is not available.

Fiscal Year				
2007	2008	2009	2010	2011
\$105,245,421	\$113,490,746	\$ 109,044,092	\$ 98,510,896	\$ 95,691,191
1,166,719	1,172,826	1,220,222	1,214,569	1,214,829
34,431,013	27,091,322	25,673,807	48,689,417	50,654,510
2,296,395	2,755,212	2,080,651	8,855,789	3,625,992
2,647,955	3,364,372	4,108,850	2,065,041	1,784,123
6,690,241	6,261,842	7,350,264	4,297,116	3,333,417
19,509,672	19,954,480	17,115,029	14,542,222	15,732,587
912,428	235,265	253,064	46,814	-
3,344,179	257,000	-	-	-
2,240,671	2,629,419	4,888,034	3,401,802	4,663,782
<u>178,484,694</u>	<u>177,212,484</u>	<u>171,734,013</u>	<u>181,623,666</u>	<u>176,700,431</u>
5,000,827	5,054,617	4,104,160	4,046,274	3,073,323
64,735,812	70,637,275	72,729,944	67,888,838	61,574,218
58,373,543	59,624,349	69,119,619	88,899,216	83,925,250
12,120,611	20,816,615	8,823,294	7,121,480	5,889,207
19,944,715	2,246,951	5,462,154	2,969,473	2,644,383
9,251,232	8,078,448	4,127,225	4,338,517	5,480,210
27,328,302	27,092,737	26,855,452	27,311,933	26,522,841
1,253,413	241,350	-	-	-
<u>198,008,455</u>	<u>193,792,342</u>	<u>191,221,848</u>	<u>202,575,731</u>	<u>189,109,432</u>
(19,523,761)	(16,579,858)	(19,487,835)	(20,952,065)	(12,409,001)
74,207,460	8,805,595	533,765	533,765	649,425
1,087,257	57,600	-	-	-
-	-	-	-	-
(59,750,000)	-	-	-	-
1,714,407	304,646	2,048,956	-	-
110,148	980,368	34,894	5,640,158	1,764,196
-	-	-	-	-
(654,961)	(101,238)	-	-	-
71,510,464	35,568,008	29,592,084	21,194,695	25,487,284
<u>(70,794,439)</u>	<u>(39,460,156)</u>	<u>(29,602,334)</u>	<u>(20,150,085)</u>	<u>(29,524,748)</u>
<u>17,430,336</u>	<u>6,154,823</u>	<u>2,607,365</u>	<u>7,218,533</u>	<u>(1,623,843)</u>
<u>\$ (2,093,425)</u>	<u>\$ (10,425,035)</u>	<u>\$ (16,880,470)</u>	<u>\$ (13,733,532)</u>	<u>\$ (14,032,844)</u>
21.25%	18.49%	16.68%	15.86%	17.16%

City of Pomona
Governmental Activities Tax Revenues by Source
Last Nine Years (in thousands of dollars)

Schedule 5

Fiscal Year Ended June 30	Property Tax	Sales Tax	Motor Vehicle License	Transient Occupancy	Property Transfer Tax	Franchise	Utility Users Tax	Business Licenses	Other	Total
2003	\$ 29,915	\$ 15,647	\$ 16,493	\$ 1,349	\$ -	\$ 1,980	\$ 8,867	\$ 2,147	\$ 1,624	\$ 78,022
2004	32,674	14,484	7,204	1,483	-	4,078	16,375	2,256	936	79,490
2005	46,538	11,684	1,025	1,474	-	4,360	16,775	2,443	786	85,085
2006	53,240	14,710	1,109	1,865	-	5,397	17,577	2,625	679	97,202
2007	51,952	19,073	874	1,727	2,152	5,872	18,290	2,845	2,460	105,245
2008	56,246	17,200	719	1,719	1,189	5,776	18,154	2,978	1,974	105,955
2009	65,303	10,629	555	1,450	1,020	6,861	17,732	3,051	19	106,620
2010	60,773	11,225	479	1,300	1,115	6,095	17,166	2,891	10	101,054
2011	58,117	9,507	829	1,267	987	5,911	17,719	2,730	4	97,071

Ten years of data is not available.

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

Fiscal Year Ended June 30	Residential Property	Commercial Property	Industrial Property	Other	Unitary Values	Unsecured Property	Less: Tax Exempt Property *	Total Taxable Assessed Value	Total Direct Tax Rate (1)
2003	\$ 3,636,134	\$ 631,521	\$ 683,240	\$ 470,652	\$ 6,386	\$ 389,125	\$ 265,883	\$5,551,175	1.15046
2004	3,939,524	662,050	735,782	521,226	7,163	402,393	309,797	5,958,341	1.14814
2005	4,302,735	701,661	797,451	510,119	8,204	379,197	333,693	6,365,674	1.14988
2006	4,871,752	753,876	875,823	548,455	7,077	383,627	359,681	7,080,929	1.15134
2007	5,555,560	850,046	927,732	619,284	5,880	376,178	274,419	8,060,261	1.15214
2008	6,175,439	946,442	1,012,035	690,821	790	372,791	429,662	8,768,656	1.13719
2009	6,486,480	1,019,941	1,104,778	754,630	790	384,081	447,378	9,303,322	1.14340
2010	5,759,284	1,039,418	1,197,842	830,321	788	381,397	459,461	8,749,589	1.17547
2011	5,441,493	1,034,597	1,244,142	885,973	788	352,403	538,120	8,421,276	1.20727

City of Pomona
Property Tax Rates - Direct and Overlapping Governments
(Rate per \$100 of assessed value)
Last Ten Fiscal Years

Schedule 7

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
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	0.00100	0.00000	0.00079	0.00066	0.00000	0.00000	0.00000	0.00000
Schools	0.12202	0.12342	0.12633	0.12910	0.12488	0.12401	0.11379	0.11577	0.14546	0.17721
Community College	0.00000	0.01946	0.01525	0.01473	0.02122	0.02184	0.01750	0.02333	0.02571	0.02636
Flood Control	0.00107	0.00088	0.00046	0.00025	0.00005	0.00005	0.00140	0.00000	0.00000	0.00000
Metro Water District	0.00770	0.00670	0.00610	0.00580	0.00520	0.00470	0.00450	0.00430	0.00430	0.00370
Total Direct Rate	1.13079	1.15046	1.14914	1.14988	1.15214	1.15126	1.13719	1.14340	1.17547	1.20727

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	2011			2008		
	Taxable Assessed Valuation	Rank	Percent of Total City Taxable Assessed Value	Taxable Assessed Valuation	Rank	Percent of Total City Taxable Assessed Value
Realty Associates	\$ 76,217,429	1	0.92%	\$ 41,791,440	2	0.48%
Western University of Health	67,060,369	2	0.81%			
UDR Crest LP	65,236,198	3	0.78%	63,335,237	1	0.73%
KTR Pomona LLC	54,593,306	4	0.66%			
Ripon Cogeneration LLC	36,353,562	5	0.44%	30,936,840	3	0.36%
LBA Realty Fund III	28,492,311	6	0.34%			
Fairplex	27,979,633	7	0.34%	26,957,041	5	0.31%
Coca-Cola Co.	27,829,925	8	0.33%	23,348,930	9	0.26%
CH Realty III Pomona LP	27,097,715	9	0.33%			
Topanga Owensmouth 7 LLC	24,471,214	10	0.29%	23,577,129	8	0.27%
Congregational Homes	-		-	29,206,588	4	0.34%
Realty Assoc IOWA Corp	-		-	25,138,377	6	0.29%
1675 Mission Assoc LLC	-		-	23,823,078	7	0.27%
F D S Mfg Co	-		-	21,141,207	10	0.24%

Source: 2010-11 Los Angeles County Assessor data, MuniServices, LLC

Nine years of data is not available.

**City of Pomona
 Top 25 Sales Tax Generators
 in Alphabetical Order
 Current Year and One Year Ago**

Schedule 9

2011	2010
Allstar Kia	Allstar Kia
Arco AM/PM Mini Marts [1]	Arco AM/PM Mini Marts [1]
Arco AM/PM Mini Marts [2]	Arco AM/PM Mini Marts [2]
Cardenas Market	Arco AM/PM Mini Marts [3]
Chevron Service Stations [1]	CVS Pharmacy
Chevron Service Stations [2]	Cardenas Market
Chevron Service Stations [3]	Chevron Service Stations [1]
Contractors Warehouse	Chevron Service Stations [2]
CVS Pharmacy	Chevron Service Stations [3]
Ferguson Enterprises	Contractors Warehouse
Global Rental	Cornucopia Foods
HD Supply Repair & Remodel	Ferguson Enterprises
Home Depot	Home Depot
Mar-Co Equipment Company	Mar-Co Equipment Company
McMahon's RV	McMahon's RV
Mike Thompson's Recreational	Mobil Service Stations
Mobil Service Stations	Palm Springs Oil Company
Phenix Enterprises	Ralph's Grocery Company
Ralph's Grocery Company	Rohr Steel
Reservoir Mart	Shell Service Stations [1]
Rohr Steel	Shell Service Stations [2]
Shell Service Stations [1]	Siemens Energy and Automation
Shell Service Stations [2]	Siemens Industry
Superior Duct Fabrication	Wal-Mart Stores
Wal-Mart Stores	Winco Foods

Source: MuniServices, LLC

**City of Pomona
Property Tax Levies and Collections
Last Nine Fiscal Years**

Schedule 10

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	8,702,725	8,455,522	97.2%	601,132	9,056,654	104.1%
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	12,434,540	12,278,199	98.7%	1,355,970	13,634,169	109.6%
2009	13,488,955	12,976,085	96.2%	977,302	13,953,387	103.4%
2010	12,344,605	12,099,841	98.0%	608,391	12,708,232	102.9%
2011	11,962,439	11,830,918	98.9%	697,738	12,528,656	104.7%

Source: City of Pomona Finance Department

Ten years of data is not available.

City of Pomona
Ratios of Outstanding Debt by Type
Last Nine 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
2010	9,555,000	224,932,467	42,209,382	12,944,301	37,228,313	326,869,463
2011	9,460,000	222,313,564	44,114,118	12,643,679	37,933,429	326,464,790

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
139,070,435	844,741	139,915,176	466,784,639	n/a	2,857
137,580,343	515,674	138,096,017	464,560,807	n/a	2,853

City of Pomona
Ratios of General Bonded Debt Outstanding
Last Nine Fiscal Years (dollars in thousands, except per capita)

Schedule 12

Fiscal Year Ended June 30	General Bonded Debt Outstanding					Percentage of Actual Value of Property (1)	Per Capita (2)
	Revenue Bonds	Tax Allocation Bonds	Pension Obligation Ref Bonds	Certificates of Participation	Total		
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	3.1%	1,790
2010	224,932	9,555	42,209	12,944	289,640	3.3%	1,779
2011	222,313	9,460	44,114	12,644	288,531	3.4%	1,941

(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 13

OVERLAPPING DEBT 06/30/2011:	<u>Total Debt 6/30/2011</u>	<u>% Applicable (1)</u>	<u>City's Share of Debt 06/30/2011</u>
Los Angeles County Flood Control District	\$ 53,795,000	0.610%	\$ 328,150
Metropolitan Water District	227,670,000	0.306%	696,670
Citrus Community College District	81,425,302	1.439%	1,171,710
Mount San Antonio Community College District	234,109,800	10.404%	24,356,784
Bonita Unified School District	107,542,395	0.114%	122,598
Claremont Unified School District	35,850,000	6.222%	2,230,587
Pomona Unified School District	215,103,658	70.794%	152,280,484
City of Pomona 1915 Act Bonds	4,695,000	100.000%	4,695,000
Los Angeles County Regional Park and Open Space Assessment District	197,285,000	0.598%	1,179,764
TOTAL OVERLAPPING DEBT	<u>\$ 1,157,476,155</u>		<u>\$ 187,061,747</u>
OVERLAPPING DEBT 06/30/2002:	<u>Total Debt 6/30/2002</u>	<u>% Applicable (1)</u>	<u>City's Share of Debt 06/30/2002</u>
Los Angeles County	\$ 36,505,000	0.669%	\$ 244,218
Los Angeles County Flood Control District	16,975,000	0.690%	117,128
Metropolitan Water District	488,920,000	0.352%	1,720,998
Mount San Antonio Community College District	40,000,000	10.974%	4,389,600
Claremont Unified School District	40,160,000	6.826%	2,741,322
Pomona Unified School District	101,085	75.512%	73,298,755
City of Pomona 1915 Act Bonds	13,520,000	100.000%	13,520,000
Los Angeles County Regional Park & Open Space Assessment District	412,295,000	0.669%	2,758,254
TOTAL OVERLAPPING DEBT	<u>\$ 1,048,476,085</u>		<u>\$ 98,790,275</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 Eight Fiscal Years (in thousands of dollars)

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

Legal Debt Margin Calculation for Fiscal Year 2011

Assessed Value	\$ 8,421,276
Debt Limit 15%	1,263,191
Debt applicable to debt limit	<u>-</u>
Legal Debt Margin	<u>\$ 1,263,191</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.

<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
\$ 1,315,928	\$ 1,380,470	\$ 1,312,438	\$ 1,263,191
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 1,315,928</u>	<u>\$ 1,380,470</u>	<u>\$ 1,312,438</u>	<u>\$ 1,263,191</u>
0.00%	0.00%	0.00%	0.00%

**City of Pomona
Pledged Revenue Coverage
Last Ten Years**

Schedule 15

Fiscal Year Ended June 30	Water Revenue Bonds						Coverage
	Water Revenue	Less Operating Expenses	Net Available Revenue	Debt Service		Total	
				Principal	Interest		
2002	21,615,513	16,595,841	5,019,672	915,000	2,662,164	3,577,164	1.4
2003	22,035,396	17,117,082	4,918,314	830,000	2,628,231	3,458,231	1.4
2004	22,425,087	18,025,197	4,399,890	935,000	2,597,201	3,532,201	1.2
2005	21,677,425	17,132,885	4,544,540	1,075,000	2,556,427	3,631,427	1.3
2006	21,782,253	16,950,584	4,831,669	1,125,000	2,508,733	3,633,733	1.3
2007	25,685,604	21,281,622	4,403,982	1,170,000	2,461,363	3,631,363	1.2
2008	28,867,135	20,731,943	8,135,192	-	5,254,954	5,254,954	1.5
2009	31,125,004	21,008,017	10,116,987	-	5,254,954	5,254,954	1.9
2010	26,110,947	20,096,756	6,014,191	200,000	5,254,954	5,454,954	1.1
2011	27,130,112	16,454,784	10,675,328	1,095,000	5,244,420	6,339,420	1.7

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 Ten Fiscal Years**

Schedule 16

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
2010	162,817	2,728,162	16,756	12.9%	31,864	28.7
2011	149,243	2,651,969	17,769	14.7%	28,298	28.6

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 & MuniServices, LLC

** 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 Three Years Ago**

Schedule 17

Employer	2011			2008		
	Number of Employees	Rank	Percentage of Total City Employment	Number of Employees	Rank	Percentage of Total City Employment
Pomona Unified School District	3,076	1	5.3%	3,406	1	5.1%
Pomona Valley Hospital	2,875	2	5.0%	3,080	2	4.6%
California State Polytechnic University	2,150	3	3.7%	2,640	3	3.9%
Lanterman Developmental Center	1,053	4	1.8%	1,780	4	2.6%
Casa Colina Rehabilitation Center	705	5	1.2%	600	6	0.9%
City of Pomona	703	6	1.2%	927	5	1.5%
Verizon	596	7	1.0%	596	7	0.9%
County of Los Angeles Department of Social Services	372	8	0.6%	378	9	0.6%
First Transit	320	9	0.6%	311	11	0.5%
Inland Valley Care & Rehab	282	10	0.5%	301	12	0.4%
Hayward Industries Inc	258	11	0.4%	377	10	0.6%
Lloyd's Material Supply (CAI)	250	12	0.4%	536	8	0.8%
Walmart Stores Inc	236	13	0.4%	240	15	0.4%
Hamilton Sundstrand	199	14	0.3%	210	17	0.3%
Consolidated Foundries	175	15	0.3%			
Anheuser Busch	172	16	0.3%	197	18	0.3%
Ferguson Enterprises	171	17	0.3%			
Pacific Coast Valuations	156	18	0.3%			
Sheraton Suites Fairplex	150	19	0.3%	190	19	0.3%
Structural Composites	150	20	0.3%			
Vertis Inc	-		-	235	16	0.3%
Royal Cabinets	-		-	300	13	0.4%
Pioneer Electronics	-		-	280	14	0.4%
Home Depot	-		-	184	20	0.3%

Nine years of data is not available

Source: Finance Department and Businesses

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

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

Schedule 18

Function	2003	2004	2005	2006	2007	2008	2009	2010	2011
General Government	23	25	36	37	36	36	29	26	24
Support Services	46	49	47	45	46	52	44	36	33
Police	319	330	333	332	345	348	342	335	271
Public Works	82	82	77	87	88	87	81	199	184
Planning & Housing	66	68	56	40	40	40	40	38	47
Utility Services	133	132	132	126	127	128	127	0	0
Neighborhood Services	79	79	79	76	78	80	78	32	21
Total	748	765	760	743	760	771	741	666	580

Various departments were consolidated in 2009-2010

Source: City of Pomona Finance Department

Ten years of data is not available.

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

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Apparel Stores	\$ 11,557	\$ 11,122	\$ 10,676	\$ 6,056	\$ 6,277
General Merchandise	47,816	44,978	46,666	48,039	50,144
Food Stores	57,918	55,596	58,574	63,619	69,894
Eating and Drinking Places	93,521	96,178	106,413	115,373	117,108
Building Materials	112,310	121,341	139,659	220,011	306,092
Auto Dealers and Supplies	285,311	297,048	311,431	322,086	251,894
Service Stations	106,814	124,788	151,061	181,428	185,542
Other Retail Stores	129,272	140,622	136,515	130,299	136,855
All Other Outlets	381,594	372,210	388,639	703,916	509,377
Total	\$ 1,226,113	\$ 1,263,883	\$ 1,349,634	\$ 1,790,827	\$ 1,633,183

Source: MuniService, LLC

<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
\$ 7,929	\$ 9,884	\$ 8,210	\$ 12,239	\$ 12,339
49,839	49,203	48,733	43,655	42,089
71,838	72,852	70,991	71,379	66,041
121,796	124,146	119,631	117,873	115,634
283,287	234,707	189,624	160,244	146,146
217,924	178,694	91,100	77,879	58,177
194,850	207,178	161,684	158,016	196,602
130,933	148,426	115,747	115,538	132,188
544,522	343,162	284,376	263,940	279,060
<u>\$ 1,622,918</u>	<u>\$ 1,368,252</u>	<u>\$ 1,090,096</u>	<u>\$ 1,020,763</u>	<u>\$ 1,048,276</u>

**City of Pomona
Operating Indicators by Function
Last Seven Fiscal Years**

Schedule 20

	2005	2006	2007	2008	2009	2010	2011
Police:							
Felony Arrests	4,428	4,276	4,234	3,686	3,584	3,150	2,825
Misdemeanor Arrests	8,747	8,591	8,886	8,042	7,824	6,686	5,557
Parking Citations	12,492	13,000	14,670	24,293	26,223	24,305	22,685
Moving Citations	12,510	5,774	18,663	18,470	25,305	18,412	11,554
Fire:							
Incidents	11,989	12,892	12,557	12,393	12,171	12,317	12,239
Urban development:							
Residential building permits issued	3,052	3,174	3,039	2,111	1,372	1,314	655
Inspections	12,907	14,585	20,877	23,235	17,278	6,918	5,378
Asphalt repaired (square feet)	18,000	19,500	16,600	31,862	23,911	26,489	38,842
Sidewalk repaired (square feet)	24,500	26,000	16,859	14,977	6,328	12,508	18,700
Community services:							
Community Center participants	528,255	556,000	919,153	899,611	409,595	335,931	502,674
Senior Program participants	108,250	110,240	185,285	244,000	145,851	101,104	120,095
Youth program participants	278,654	280,000	286,925	234,648	263,744	254,827	381,280
Other program participants	56,365	66,200	70,329	72,345	47,043	64,574	36,296
Sports Teams	250,350	450,300	376,614	348,618	206,853	314,405	254,989
Facility rentals	420	466	424	273	220	248	310
Library:							
Program attendance (all programs)	18,131	17,650	11,514	10,711	12,350	10,855	8,857
Literacy instruction (hours)	1,048	1,500	762	639	871	968	709
Water:							
New connections	121	166	47	152	23	10	5
Average daily consumption (thousands of gallons)	21,179	19,990	23,028	22,086	20,693	19,421	17,719
Refuse:							
Curbside Collection (in tons)	41,279	42,000	42,884	41,638	39,407	37,436	38,068
Recycle Collection (in tons)	9,448	9,500	9,380	8,871	8,003	4,309	7,108
Greenwaste Collection (in tons)	n/a	n/a	14,687	13,259	13,267	13,975	14,280

Source: Various City Departments

Ten years of data is not available.

* Method for calculating inspections changed in 2009-2010

**City of Pomona
Capital Asset Statistics by Function
Last Seven Fiscal Years**

Schedule 21

	2005	2006	2007	2008	2009	2010	2011
Police:							
Stations	1	1	1	1	1	1	1
Patrol Units	45	45	45	45	44	44	44
Fire:							
Fire stations	8	8	8	8	8	8	8
Public works:							
Streets (miles)	n/a	296	297	388	388	388	388
Streetlights	n/a	9933	9,939	7,645	7,645	7,645	7,645
Traffic signals	n/a	n/a	175	175	176	180	180
Community services:							
Parks	25	25	25	26	26	26	26
Park Acreage	210	210	210	210	221	221	221
Baseball fields	14	14	14	14	14	14	14
Soccer fields	11	11	11	13	17	17	17
Basketball courts	17	17	18	22	22	22	22
Tennis courts	9	9	9	9	9	9	9
Community centers	7	7	12	13	13	13	14
Libraries	1	1	1	1	1	1	1
Water:							
Water mains (miles)	435	435	436	439	439	439	467
Sewer:							
Sanitary sewers (miles)	293	313	313	313	313	313	357
Storm drains (miles)	120	120	120	120	120	120	120

Source: Various City Departments

Ten years of data is not available.

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