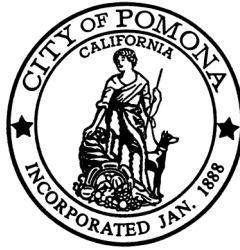


**CITY OF POMONA, CALIFORNIA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FISCAL YEAR ENDED JUNE 30, 2012**

CITY OF POMONA, CALIFORNIA  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FISCAL YEAR ENDED JUNE 30, 2012

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CITY OF POMONA, CALIFORNIA

# COMPREHENSIVE ANNUAL FINANCIAL REPORT

**Year Ended June 30, 2012**

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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CITY OF POMONA  
COMPREHENSIVE ANNUAL FINANCIAL REPORT

JUNE 30, 2012  
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February 21, 2013



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, 2012 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, 2012. 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 (which dissolved on January 31, 2012), 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 Housing Authority and previously of the former Redevelopment Agency. The City Manager, City Attorney, Finance Director, City Treasurer, City Clerk, and the Deputy Executive Director (Redevelopment Director) serve as the governing board for the Pomona Financing Authority. City employees serve as the governing board of the Canon Water Company. All of these component units are presented on a blended basis.

The former Redevelopment Agency, now Successor Agency, is a separate legal entity, which was formed to hold the assets of the former Redevelopment Agency pursuant to City Council action taken on January 9, 2012. The activity of the Successor Agency is overseen by an Oversight Board which is comprised of individuals appointed by various government agencies and the City of Pomona.

**The Redevelopment Agency of the City of Pomona** (the Agency) was established on 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.

On December 29, 2011, the California Supreme Court upheld Assembly Bill 1X 26 (“the Bill”) that provided for the dissolution of all redevelopment agencies. In accordance with the timeline set forth in the bill (as modified by the California Supreme Court on December 29, 2011) all redevelopment agencies in the State of California were dissolved and ceased to operate as a legal entity as of February 1, 2012.

Prior to that date, the final seven months of the activities of the Redevelopment Agency continued to be reported in the governmental funds of the City. After the date of dissolution, the assets and activities of the dissolved Redevelopment Agency are reported in the Fiduciary Fund (Private-Purpose Trust Fund) in the financial statements of the City.

The transfer of the assets and liabilities of the former Redevelopment Agency (now Successor

Agency) as of February 1, 2012 (effectively the same date as January 31, 2012) from governmental funds of the City to Fiduciary Funds was reported in the Governmental Funds as an extraordinary gain in the Governmental Fund Financial Statements. The receipt of these assets and liabilities as of January 31, 2012 was reported in the Private-Purpose Trust Fund as an extraordinary loss. Because of the different measurement focus of the governmental funds and the measurement focus of the trust funds, the extraordinary gain recognized in the governmental funds was not the same as the extraordinary loss recognized in the fiduciary fund financial statements.

**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. Such plans are 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 149,950 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 continues to enjoy a broadly based diverse economy, albeit one with an emphasis upon government, healthcare, and other service-oriented industries. Among Pomona's large employers are the school district (Pomona USD), the City of Pomona itself, California State Polytechnic University, and the Department of Social Services. Notable private sector employers include First Transit, Hamilton Sundstrand, Hayward Industries, Inland Valley Care and Rehab, Lloyd's Material Supply, Verizon, and Walmart. As a regional healthcare hub, Pomona boasts a premier facility in the Pomona Valley Hospital Medical Center, the Lanterman Developmental Center, and the non-profit Casa Colina Centers for Rehabilitation.

Per 2011 estimates published by the Labor Market Information Division of the California Employment Development Department (the most recent such data available), the City's employed civilian labor force presently stands at about 66,300 workers, an increase of more than 3,500 jobs since the 2000 Census.

Retail Sales and Use Tax remains an extremely significant source of revenue, and activity now appears to be on the rebound from levels depressed by the so-called "Great Recession," with annual taxable retail sales of nearly \$1.25 billion dollars in Fiscal Year 2011-12. The City of Pomona is central to the region's building and construction industry, while other business-to-business sales represent a notable share of local sales tax receipts.

Current assessed valuation for the City of Pomona is \$4,745,491,057, according to the Office of the Los Angeles County Auditor-Controller. Overall, property tax receipts (secured, unsecured, transfer tax, in-lieu, etc.) are expected to exceed 34% of the current fiscal year's General Fund budget, while sales tax and related line items are seen as being just over 18.5% of that same total.

## **LONG-TERM FINANCIAL PLANNING**

Pomona's vigilant ongoing review and control over expenditure growth has been, and will continue as, a critical factor in maintaining and improving the City's overall financial health. As has continued to be true since long before the recent economic downturn, a broad spectrum of expenditures throughout all areas of operation will be reviewed and re-examined in the coming fiscal year and beyond, as the City of Pomona continues to seek further efficiencies and to maximize all available resources.

## **OUTLOOK FOR THE FUTURE**

At this time, a strengthening economy on the national, state, and local levels is helping the State of California in ongoing efforts to ameliorate the record budget shortfalls of recent fiscal years. That said, many experts quickly point out that a fundamental realignment of State Government policies and practices required to achieve long-term fiscal stability has yet to be achieved. As these issues are addressed, both now and in the future, history has demonstrated that there will almost inevitably be impacts to the flow of moneys from Sacramento to various local governments, and that Pomona is not yet "out of the woods" with respect to its continued fiscal health. The City's current (2012-13) budget was balanced only after extensive – and often

painful – deliberations, and while it is anticipated that the coming Fiscal Year 2013-14 will also be balanced, this will only be achieved through continued economies across virtually all aspects of Pomona’s operations.

## **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, 2011. The City of Pomona has received a Certificate of Achievement for the last nineteen consecutive years (1993-2011). 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, 2012. Please read it in conjunction with the basic financial statements and the accompanying notes to the basic financial statements.

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

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

Respectfully submitted,

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

Paula Chamberlain  
Finance Director

CITY OF POMONA

# Certificate of Achievement

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, 2011. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of a state and local government financial reports.

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Achievement program requirements, and we are submitting it to GFOA for consideration.

## 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, 2011

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. Danison*

President

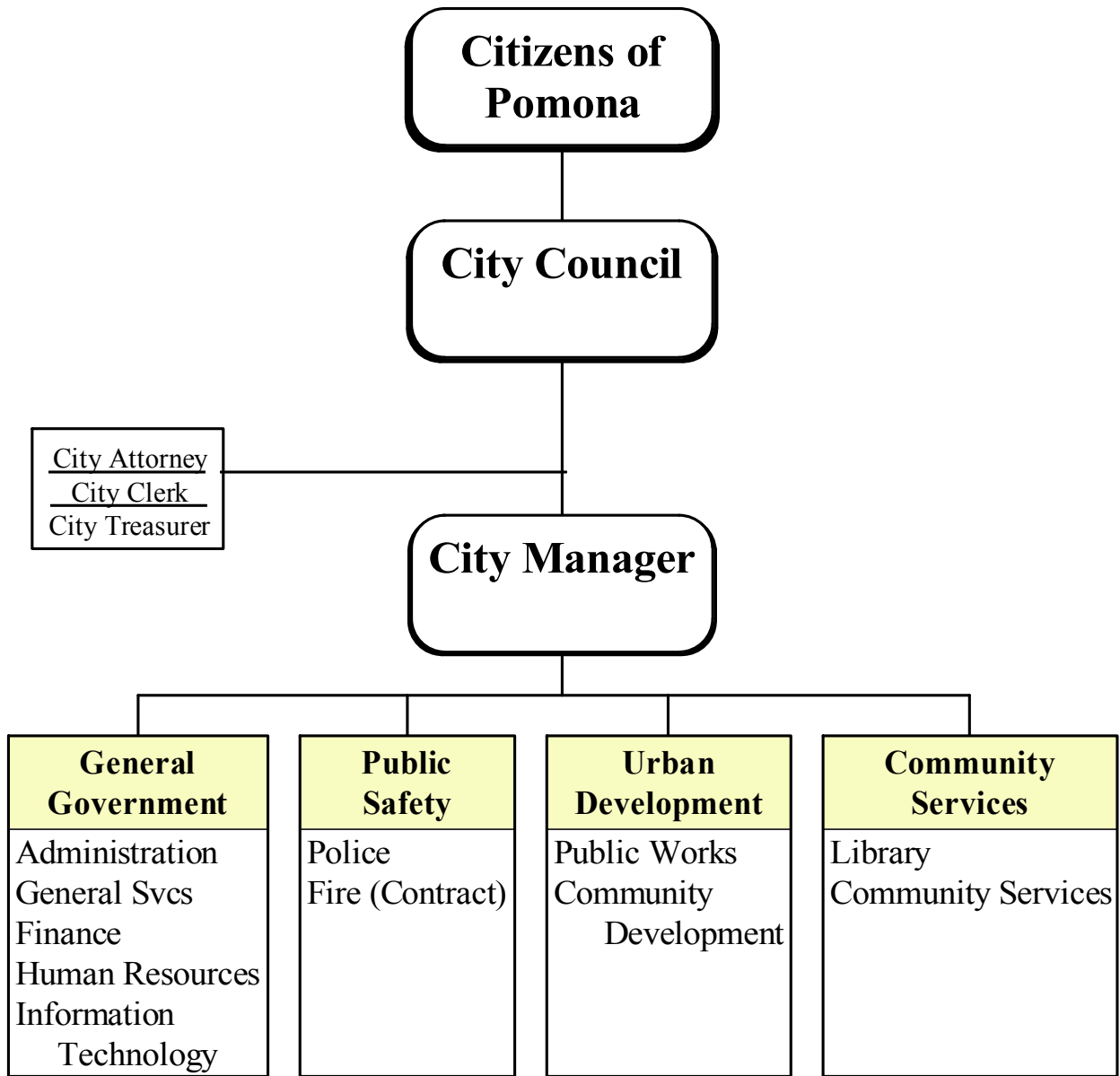
*Jeffrey R. Emer*

Executive Director



CITY OF POMONA

# Organizational Chart



CITY OF POMONA  
**DIRECTORY OF CITY OFFICIALS**  
at June 30, 2012

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

**DEPARTMENT DIRECTORS**

Finance..... Paula Chamberlain  
Fire Chief (Los Angeles County)..... 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

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CERTIFIED PUBLIC ACCOUNTANTS

- David E. Hale, CPA, CFP
- Donald G. Slater, CPA
- Richard K. Kikuchi, CPA
- Susan F. Matz, CPA
- Shelly K. Jackley, CPA
- Bryan S. Gruber, CPA
- Deborah A. Harper, CPA

Brandon W. Burrows, CPA, Retired

## INDEPENDENT AUDITORS' 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, 2012, 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 29, 2012 of the Canon Water Company of Pomona, California, Inc. (Company), a component unit of the City, which represents \$250,072 of assets, \$250,072 of net assets, and \$13,209 of loss of 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.

We would like to draw the reader's attention to Note 19 – "Successor Agency Trust for Assets of Former Redevelopment Agency". The note provides information on the dissolution of the Redevelopment Agency and the new formed Successor Agency.

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, 2012, 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.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated February 21, 2013, 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.



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

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, schedules 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  
February 21, 2013



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

### **Fiscal Year Ended June 30, 2012**

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, 2012. 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 \$367.5 million.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$61.1 million.
- At the end of the current fiscal year, committed fund balance for fiscal sustainability in the General Fund was \$2.0 million, or approximately 2.8% 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 Development, 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. In addition, the City is the *fiduciary*, for the former Redevelopment Agency now Successor Agency. 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 \$367.5 million at June 30, 2012. 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, 2011 and June 30, 2012 are as follows:



## CITY OF POMONA

Management's Discussion and Analysis, Continued  
Year Ended June 30, 2012

	Governmental Activities		Business-Type Activities		Total	
	2012	2011	2012	2011	2012	2011
Current and other assets	\$ 133.9	\$ 228.0	\$ 92.2	\$ 98.1	\$ 226.1	\$ 326.1
Capital assets	288.7	325.0	153.4	147.8	442.1	472.8
Total assets	<u>\$ 422.6</u>	<u>\$ 553.0</u>	<u>\$ 245.6</u>	<u>\$ 245.9</u>	<u>\$ 668.2</u>	<u>\$ 798.9</u>
Other liabilities	\$ 11.9	\$ 21.7	\$ 8.2	\$ 9.8	\$ 20.1	\$ 31.5
Long-term liabilities outstanding	143.2	367.4	137.5	139.3	280.7	506.7
Total liabilities	<u>\$ 155.1</u>	<u>\$ 389.1</u>	<u>\$ 145.7</u>	<u>\$ 149.1</u>	<u>\$ 300.8</u>	<u>\$ 538.2</u>
Net assets:						
Invested in capital assets, net of related debt	\$ 272.9	\$ 257.2	\$ 46.8	\$ 53.0	\$ 319.7	\$ 310.2
Restricted	94.3	138.8	13.5	7.7	107.8	146.5
Unrestricted	(99.7)	(232.1)	39.6	36.1	(60.1)	(196.0)
Total net assets	<u>\$ 267.5</u>	<u>\$ 163.9</u>	<u>\$ 99.9</u>	<u>\$ 96.8</u>	<u>\$ 367.4</u>	<u>\$ 260.7</u>

The City's net assets, including the governmental activities and business-type activities, increased \$106.7 million over the prior fiscal year primarily due to the dissolution of the former Redevelopment Agency, now Successor Agency. Hence, the \$226.0 million decrease in long-term liabilities was due to the transfer of \$220 million to the Successor Agency. (Reference Notes 8, 18 and 19 in the Notes to the Basic Financial Statements).

## GOVERNMENTAL ACTIVITIES

The City's net assets from governmental activities increased by \$103.6 primarily due to the dissolution of the Redevelopment Agency. The cost of all governmental activities this year was \$191.5 million. However, as shown in the Statement of Activities, the amount that the taxpayers ultimately financed for these activities was only \$101.7 million because some of the cost was paid by those who directly benefited from the programs (\$6.6 million), or by other governments and organizations that subsidized certain programs with operating grants and contributions (\$18.9 million), and capital grants and contributions (\$18.5 million). Overall, the City's program revenues were \$44.0 million. The City paid for the remaining "public benefit" portion of governmental activities with \$101.7 million in taxes (some of which is restricted for certain programs) and with other revenues such as interest.

The City's programs for governmental activities include General Government, Police, Fire, Public Works, Urban Development, 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.

## CITY OF POMONA

Management's Discussion and Analysis, Continued  
Year Ended June 30, 2012

	Governmental Activities		Business-Type Activities		Total	
	2012	2011	2012	2011	2012	2011
<b>Revenues:</b>						
Program Revenues:						
Charges for services	\$ 6.6	\$ 12.4			\$ 6.6	\$ 12.4
Water	-	-	\$ 29.4	\$ 27.9	29.4	27.9
Sewer	-	-	4.5	4.3	4.5	4.3
Refuse	-	-	9.2	9.1	9.2	9.1
Operating grants and contributions	18.9	23.1	-	0.1	18.9	23.2
Capital grants and contributions	18.5	24.9	0.4	-	18.9	24.9
General Revenues:						
Taxes:						
Property taxes	41.8	58.1	-	-	41.8	58.1
Sales and use taxes	10.8	9.5	-	-	10.8	9.5
Utility user tax	17.4	17.7	-	-	17.4	17.7
Transient occupancy	1.4	1.3	-	-	1.4	1.3
Property transfer tax	1.1	1.0	-	-	1.1	1.0
Franchises	6.0	5.9	-	-	6.0	5.9
Motor vehicle in-lieu	-	0.8	-	-	-	0.8
Business license	3.1	2.7	-	-	3.1	2.7
Other taxes	-	-	-	-	-	-
Income from property and investment	13.4	23.8	0.1	0.1	13.5	23.9
Miscellaneous	6.7	2.6	-	-	6.7	2.6
Extraordinary gain on RDA dissolution	149.0	-	-	-	149.0	-
Total revenues	<u>294.7</u>	<u>183.8</u>	<u>43.6</u>	<u>41.5</u>	<u>338.3</u>	<u>225.3</u>
<b>Expenses:</b>						
General government	5.2	6.1	-	-	5.2	6.1
Public safety	63.5	63.1	-	-	63.5	63.1
Urban development	94.5	77.5	-	-	94.5	77.5
Community services	6.8	7.1	-	-	6.8	7.1
Interest on long-term debt	21.8	29.4	-	-	21.8	29.4
Water	-	-	25.9	29.4	25.9	29.4
Sewer	-	-	5.2	5.7	5.2	5.7
Refuse	-	-	8.7	8.7	8.7	8.7
Canon Water Company	-	-	-	-	-	-
Total expenses	<u>191.8</u>	<u>183.2</u>	<u>39.8</u>	<u>43.8</u>	<u>231.6</u>	<u>227.0</u>
Increase in net assets before transfers	102.9	0.6	3.8	(2.3)	106.7	(1.7)
Transfers	<u>0.7</u>	<u>(0.2)</u>	<u>(0.7)</u>	<u>0.2</u>	<u>-</u>	<u>-</u>
Increase (decrease) in net assets	103.6	0.4	3.1	(2.1)	106.7	(1.7)
Net assets at beginning of year	163.9	166.8	96.8	98.9	260.7	265.7
Restatement of Net Assets	-	(3.3)	-	-	-	-
Net assets at 06/30/12	<u>\$ 267.5</u>	<u>\$ 163.9</u>	<u>\$ 99.9</u>	<u>\$ 96.8</u>	<u>\$ 367.4</u>	<u>\$ 260.7</u>

**BUSINESS-TYPE ACTIVITIES**

The cost of all business-type activities this year was \$39.8 million. As shown in the Statement of Activities and Changes in Net Assets, the amounts paid by users of the systems was \$43.2 million.

Total resources available during the year to finance business-type activities were \$140.3 million consisting of Net Assets at July 1, 2011 of \$96.8 million and revenues of \$43.5 million; thus net assets were increased by \$3.2 million to \$99.9 million.

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

The fund balance at year-end for the City's General Fund of \$2.1 million is an overall decrease of \$3.5 million, primarily due to the dissolution of the Redevelopment Agency which eliminated the loans owed to the City's General Fund from the Redevelopment Agency (\$3.8 million).

The Housing Authority Funds show an increase of \$18.9 million due to the dissolution of the Redevelopment Agency, which had \$30.6 million in assets and \$11.7 million in liabilities transferred from the former Redevelopment Agency to the Housing Authority.

The Public Financing Authority Funds show a decrease of \$178.1 million primarily due to the dissolution of the Redevelopment Agency, and also a reduction in reserve requirements based on principal payments during the year.

The Other Governmental Funds show an increase of \$78.4 million primarily due to the dissolution of the Redevelopment Agency. Extraordinary losses were reported in the Low and Moderate Income Housing Fund (\$10.0 million) and the Redevelopment Agency Capital Project Fund (\$60.8 million). The Redevelopment Agency Debt Service Fund reported an extraordinary gain of \$159.3 million. (Reference Note 18 and 19 in the Notes to the Basic Financial Statements).

**DEBT ADMINISTRATION**

At the end of the current fiscal year, the City and its component units (City of Pomona Public Financing Authority, and Pomona Housing Authority) had total long-term debt outstanding of \$280.8 million.

	Governmental Activities	Business-Type Activities	Total
Obligations under capital lease	\$ 754,870	\$ 174,904	\$ 929,774
Notes payable	1,624,407	-	1,624,407
Revenue bonds	43,836,347	136,030,252	179,866,599
Pension obligation refunding	44,299,214	-	44,299,214
Certificates of participation	12,333,057	-	12,333,057
Compensated absences	7,727,637	1,326,812	9,054,449
Claims payable	19,657,917	-	19,657,917
OPEB obligations	13,009,068	-	13,009,068
Total	<u>\$ 143,242,517</u>	<u>\$ 137,531,968</u>	<u>\$ 280,774,485</u>

Additional information on the City's long-term debt can be found in Note 8 in the Notes to the Basic Financial Statements.

## 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, 2012, net capital assets of the governmental activities totaled \$288.7 million and the net capital assets of the business-type activities totaled \$153.5 million. Depreciation on capital assets is recognized in the government-wide financial statements.

Description	Original Cost	Accumulated Depreciation	Book Value
<b>Capital Assets - Governmental Activities</b>			
Land	\$ 81,149,405	\$ -	\$ 81,149,405
Construction in progress	21,460,189	-	21,460,189
Buildings and improvements	14,851,769	11,238,893	3,612,876
Improvements other than buildings	58,458,243	20,225,831	38,232,412
Machinery and equipment	18,504,378	12,460,569	6,043,809
Furniture and fixtures	873,576	679,547	194,029
Autos and trucks	11,823,126	8,814,286	3,008,840
Equipment under capital leases	339,762	179,100	160,662
Infrastructure	380,249,311	245,444,320	134,804,991
<b>Total</b>	<b>\$ 587,709,759</b>	<b>\$ 299,042,546</b>	<b>\$ 288,667,213</b>
<b>Capital Assets - Business -Type Activities</b>			
Land and water rights	\$ 9,089,782	\$ -	\$ 9,089,782
Construction in progress	20,717,782	-	20,717,782
Buildings and improvements	3,418,603	3,266,506	152,097
Improvements other than buildings	286,638	87,323	199,315
Machinery and equipment	191,910,520	69,890,332	122,020,188
Furniture and fixtures	5,105	5,105	-
Autos and trucks	7,491,991	6,218,596	1,273,395
<b>Total</b>	<b>\$ 232,920,421</b>	<b>\$ 79,467,862</b>	<b>\$ 153,452,559</b>

Additional information on the City of Pomona's capital assets can be found in Note 7 in the Notes to the Basic Financial Statements.

## **ECONOMIC FACTORS**

The City of Pomona's total Fiscal Year 2011-12 General Fund revenues declined by just over \$2.0 million versus the prior year actuals. However, after factoring out a nearly \$2.4 million drop in Transfers In from gas tax (with a corresponding reduction in expenditures), total revenues actually grew by just over \$295,000 compared to year-ago levels. That being said, there were both ups and downs across all revenues, with several in particular worth noting. The permanent loss of remaining Vehicle License Fee receipts (except for some "clean up" monies) cost the City over \$745,000, which was offset by a one-time settlement of more than \$800,000, but remains an ongoing loss of funds for the long-term. Property tax receipts improved marginally, with the most significant growth in Transfer Tax (+ 11.2%), reflecting a nascent recovery in the real estate market. The City's 0.75% share of Sales and Use Tax grew by more than \$1,000,000, although the "triple flip" receipts (which are a one-year lag) fell by nearly as much; even so, the pieces appear to be falling into place for continued growth in the critical revenue category. Growth in Business License receipts – while partially due to the timing of renewals – and Transient Occupancy Tax receipts also point to an improving area economic picture. Finally, healthy across-the-board growth in construction related revenues (Building Permits, Job Fees, Development Tax, et al) point to a firm foundation for future economic growth. As a still-significant footnote, the ongoing impact of early 1990s ERAF reallocation continues to be felt, with the City of Pomona's cumulative net loss now seen to be in excess of \$86,000,000 at the end of Fiscal Year 2011-12, according to published estimates.

## **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.

## **BASIC FINANCIAL STATEMENTS**

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# **GOVERNMENT-WIDE FINANCIAL STATEMENTS**

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## CITY OF POMONA

STATEMENT OF NET ASSETS  
JUNE 30, 2012

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>Assets:</b>			
Cash and investments	\$ 35,828,730	\$ 28,910,282	\$ 64,739,012
Receivables (net):			
Accounts	4,224,200	11,769,730	15,993,930
Notes and loans	27,405,803	-	27,405,803
Interest	28,303	27,549	55,852
Internal balances	(6,934,967)	6,934,967	-
Prepaid costs	1,458,740	9,000	1,467,740
Deposits	3,169	-	3,169
Due from other governments	8,688,705	388,000	9,076,705
Inventories	464,585	316,966	781,551
Deferred charges	2,755,695	2,690,281	5,445,976
Land held for resale	7,911,299	-	7,911,299
Pension asset, net	24,845,584	-	24,845,584
Advances to Successor Agency	4,000,000	-	4,000,000
Restricted assets:			
Cash and investments	23,290,336	41,200,032	64,490,368
Capital assets, not being depreciated	102,609,594	29,807,564	132,417,158
Capital assets, net of depreciation	186,057,619	123,644,995	309,702,614
<b>Total Assets</b>	<b>422,637,395</b>	<b>245,699,366</b>	<b>668,336,761</b>
<b>Liabilities:</b>			
Accounts payable	9,035,784	3,778,210	12,813,994
Accrued liabilities	984,678	195,134	1,179,812
Interest payable	1,716,834	959,969	2,676,803
Unearned revenue	121,778	-	121,778
Deposits payable	24,755	3,277,903	3,302,658
Noncurrent liabilities:			
Due within one year	11,129,455	2,473,904	13,603,359
Due in more than one year	132,113,062	135,058,064	267,171,126
<b>Total Liabilities</b>	<b>155,126,346</b>	<b>145,743,184</b>	<b>300,869,530</b>
<b>Net Assets:</b>			
Invested in capital assets, net of related debt	272,949,495	46,811,318	319,760,813
Restricted for:			
Community development projects	13,036,457	-	13,036,457
Special projects	4,998,375	-	4,998,375
Capital projects	24,371,719	-	24,371,719
Debt service	51,854,620	13,544,047	65,398,667
Unrestricted	(99,699,617)	39,600,817	(60,098,800)
<b>Total Net Assets</b>	<b>\$ 267,511,049</b>	<b>\$ 99,956,182</b>	<b>\$ 367,467,231</b>

## CITY OF POMONA

STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2012

		Program Revenues		
		Charges for	Operating	Capital
	Expenses	Services	Contributions and Grants	Contributions and Grants
<b>Functions/Programs</b>				
<b>Primary Government:</b>				
Governmental Activities:				
General government	\$ 5,248,291	\$ 1,144,008	\$ 361,421	\$ -
Public safety	63,470,704	4,578,123	550,160	-
Urban development	94,480,470	376,524	17,812,903	18,512,640
Community services	6,771,751	489,215	172,034	-
Interest on long-term debt	21,834,146	-	-	-
<b>Total Governmental Activities</b>	<b>191,805,362</b>	<b>6,587,870</b>	<b>18,896,518</b>	<b>18,512,640</b>
Business-Type Activities:				
Water Utility	25,909,880	29,405,992	-	388,000
Sewer	5,192,272	4,528,346	-	-
Refuse	8,732,864	9,273,301	880	-
Canon Water Company - February 29, 2012	13,219	-	-	-
<b>Total Business-Type Activities</b>	<b>39,848,235</b>	<b>43,207,639</b>	<b>880</b>	<b>388,000</b>
<b>Total Primary Government</b>	<b>\$ 231,653,597</b>	<b>\$ 49,795,509</b>	<b>\$ 18,897,398</b>	<b>\$ 18,900,640</b>

## General Revenues:

## Taxes:

Property taxes

Sales taxes

Motor vehicle license

Transient occupancy taxes

Property transfer taxes

Franchise taxes

Utility users taxes

Business licenses (nonregulatory)

Other taxes

Interest and rentals

Miscellaneous

Extraordinary gain/(loss) on dissolution  
of Redevelopment Agency (Note 19)

Transfers

**Total General Revenues,  
Extraordinary Items and Transfers**

Change in Net Assets

Net Assets at Beginning of Year

**Net Assets at End of Year**

<b>Net (Expenses) Revenues and Changes in Net Assets</b>		
<b>Primary Government</b>		
<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
\$ (3,742,862)	\$ -	\$ (3,742,862)
(58,342,421)	-	(58,342,421)
(57,778,403)	-	(57,778,403)
(6,110,502)	-	(6,110,502)
(21,834,146)	-	(21,834,146)
<b>(147,808,334)</b>	<b>-</b>	<b>(147,808,334)</b>
-	3,884,112	3,884,112
-	(663,926)	(663,926)
-	541,317	541,317
-	(13,219)	(13,219)
<b>-</b>	<b>3,748,284</b>	<b>3,748,284</b>
<b>(147,808,334)</b>	<b>3,748,284</b>	<b>(144,060,050)</b>
41,754,679	-	41,754,679
10,804,554	-	10,804,554
83,907	-	83,907
1,359,064	-	1,359,064
1,111,530	-	1,111,530
5,961,105	-	5,961,105
17,374,682	-	17,374,682
3,065,405	-	3,065,405
69,575	-	69,575
13,432,247	126,449	13,558,696
6,703,775	2,250	6,706,025
149,004,835	-	149,004,835
690,118	(690,118)	-
<b>251,415,476</b>	<b>(561,419)</b>	<b>250,854,057</b>
103,607,142	3,186,865	106,794,007
163,903,907	96,769,317	260,673,224
<b>\$ 267,511,049</b>	<b>\$ 99,956,182</b>	<b>\$ 367,467,231</b>

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# **FUND FINANCIAL STATEMENTS**

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

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# GOVERNMENTAL FUND FINANCIAL STATEMENTS

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

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

The **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 **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.



## CITY OF POMONA

BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2012

		Special Revenue Fund	Special Revenue Fund	Debt Service Fund
	General	Housing Authority	Miscellaneous Grants	General Debt Service
<b>Assets:</b>				
Cash and investments	\$ -	\$ 1,191,121	\$ 1,289,048	\$ 1,224,230
Receivables (net):				
Accounts	2,951,714	181,321	394,079	-
Notes and loans	-	9,536,293	15,445,039	-
Interest	2,928	2,274	1,246	750
Prepaid costs	25,800	600,000	-	-
Deposits	1,005	-	-	-
Due from other governments	5,188,611	-	1,061,857	31,536
Due from other funds	1,496,164	-	-	-
Advances to other funds	-	-	-	-
Advances to Successor Agency	-	4,000,000	-	-
Inventories	114,029	-	-	-
Land held for resale	-	7,911,299	-	-
Restricted assets:				
Cash and investments	-	5,287,419	-	4,264,446
<b>Total Assets</b>	<b>\$ 9,780,251</b>	<b>\$ 28,709,727</b>	<b>\$ 18,191,269</b>	<b>\$ 5,520,962</b>
<b>Liabilities and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 3,220,369	\$ 2,931	\$ 294,228	\$ 179
Accrued liabilities	748,704	433	33,763	-
Deferred revenues	1,748,527	9,536,293	15,778,563	-
Unearned revenues	-	-	121,778	-
Deposits payable	-	24,755	-	-
Due to other funds	1,610,197	-	-	1,389,620
Interest payable	-	-	-	1,146,469
Advances from other funds	304,435	-	-	46,035,000
<b>Total Liabilities</b>	<b>7,632,232</b>	<b>9,564,412</b>	<b>16,228,332</b>	<b>48,571,268</b>
<b>Fund Balances:</b>				
<b>Nonspendable</b>				
Inventories	114,029	-	-	-
Prepaid costs	25,800	600,000	-	-
Deposits	1,005	-	-	-
Land held for resale	-	7,911,299	-	-
Notes and loans	-	-	-	-
Advances to other funds	-	-	-	-
Advances to Successor Agency	-	4,000,000	-	-
<b>Restricted</b>				
Urban development	-	6,634,016	1,815,762	-
Public safety	-	-	290,951	-
Community services	-	-	398	-
Capital projects	-	-	-	-
Assessment district improvement	-	-	-	-
Debt service	-	-	-	-
<b>Committed</b>				
Fiscal sustainability	2,007,185	-	-	-
<b>Unassigned</b>	-	-	(144,174)	(43,050,306)
<b>Total Fund Balances</b>	<b>2,148,019</b>	<b>19,145,315</b>	<b>1,962,937</b>	<b>(43,050,306)</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 9,780,251</b>	<b>\$ 28,709,727</b>	<b>\$ 18,191,269</b>	<b>\$ 5,520,962</b>

## CITY OF POMONA

BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2012

	Debt Service Fund		
	Public Financing Authority Debt Service	Other Governmental Funds	Total Governmental Funds
<b>Assets:</b>			
Cash and investments	\$ 95,354	\$ 21,870,555	\$ 25,670,308
Receivables (net):			
Accounts	-	696,823	4,223,937
Notes and loans	-	2,424,471	27,405,803
Interest	77	17,625	24,900
Prepaid costs	-	832,940	1,458,740
Deposits	-	2,164	3,169
Due from other governments	-	2,406,701	8,688,705
Due from other funds	-	-	1,496,164
Advances to other funds	46,035,000	304,435	46,339,435
Advances to Successor Agency	-	-	4,000,000
Inventories	-	-	114,029
Land held for resale	-	-	7,911,299
Restricted assets:			
Cash and investments	5,732,347	8,006,124	23,290,336
<b>Total Assets</b>	<b>\$ 51,862,778</b>	<b>\$ 36,561,838</b>	<b>\$ 150,626,825</b>
<b>Liabilities and Fund Balances:</b>			
<b>Liabilities:</b>			
Accounts payable	\$ 6,270	\$ 5,165,716	\$ 8,689,693
Accrued liabilities	1,888	174,928	959,716
Deferred revenues	-	2,049,207	29,112,590
Unearned revenues	-	-	121,778
Deposits payable	-	-	24,755
Due to other funds	-	106,544	3,106,361
Interest payable	-	-	1,146,469
Advances from other funds	-	-	46,339,435
<b>Total Liabilities</b>	<b>8,158</b>	<b>7,496,395</b>	<b>89,500,797</b>
<b>Fund Balances:</b>			
<b>Nonspendable</b>			
Inventories	-	-	114,029
Prepaid costs	-	832,940	1,458,740
Deposits	-	2,164	3,169
Land held for resale	-	-	7,911,299
Notes and loans	-	625,000	625,000
Advances to other funds	46,035,000	304,435	46,339,435
Advances to Successor Agency	-	-	4,000,000
<b>Restricted</b>			
Urban development	-	14,452,831	22,902,609
Public safety	-	4,740,431	5,031,382
Community services	-	458,701	459,099
Capital projects	-	6,990,584	6,990,584
Assessment district improvement	-	672,088	672,088
Debt service	5,819,620	-	5,819,620
<b>Committed</b>			
Fiscal sustainability	-	-	2,007,185
<b>Unassigned</b>	-	(13,731)	(43,208,211)
<b>Total Fund Balances</b>	<b>51,854,620</b>	<b>29,065,443</b>	<b>61,126,028</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 51,862,778</b>	<b>\$ 36,561,838</b>	<b>\$ 150,626,825</b>

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## CITY OF POMONA

**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET ASSETS  
JUNE 30, 2012**


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**Fund Balances of Governmental Funds** **\$ 61,126,028**

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets net of depreciation have not been included as financial resources. Therefore, they are not reported in governmental funds. 288,481,034

Bond issuance cost is an expenditure in the governmental funds, but it is a deferred charge in the statement of net assets. 2,755,695

Pension asset is a contribution deferred and subject to capitalization and amortization on the statements of net assets. However, pension contribution is an expenditure in the Fund statement in the year of contribution. 24,845,584

Long-term debt and compensated absences that have not been included in the governmental fund activity:

Obligation under capital lease	\$ (754,870)	
Notes payable	(1,624,407)	
Revenue bonds	(43,836,347)	
Pension obligation refunding bonds	(44,299,214)	
Certificates of participation	(12,333,057)	
Compensated Absences	<u>(7,551,696)</u>	(110,399,591)

Governmental funds report all OPEB contributions as expenditures, however in the statement of net assets any excesses or deficiencies in contributions in relation to the Annual Required Contribution (ARC) are recorded as a asset or liability. (13,009,068)

Accrued interest payable for the current portion of interest due on Bonds has not been reported in the governmental funds. (570,365)

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. 29,112,590

Internal service funds are used by management to charge the costs of certain activities, such as equipment management and self-insurance, to individual funds. The assets and liabilities of the internal service funds must be added to the statement of net assets. (14,830,858)

**Net Assets of Governmental Activities** **\$ 267,511,049**

## CITY OF POMONA

**STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2012**

		<b>Special Revenue Fund</b>	<b>Special Revenue Fund</b>	<b>Debt Service Fund</b>
	<b>General</b>	<b>Housing Authority</b>	<b>Miscellaneous Grants</b>	<b>General Debt Service</b>
<b>Revenues:</b>				
Taxes	\$ 67,326,470	\$ -	\$ -	\$ 643,176
Special assessments	-	-	-	-
Licenses and permits	2,720,395	-	-	-
Intergovernmental	664,988	-	5,572,172	-
Charges for services	2,320,603	545	711,247	-
Interest and rentals	517,145	145,075	180,977	6,969
Fines and forfeitures	1,783,745	-	-	-
Miscellaneous	1,536,590	6,000	113,363	-
<b>Total Revenues</b>	<b>76,869,936</b>	<b>151,620</b>	<b>6,577,759</b>	<b>650,145</b>
<b>Expenditures:</b>				
Current:				
General government	2,326,151	-	-	26,367
Public safety	58,508,546	-	912,081	-
Urban development	6,727,092	194,817	5,605,374	-
Community services	4,110,348	-	407,168	-
Capital outlay	29,599	-	152,643	-
Debt service:				
Principal retirement	421,044	-	-	484,803
Interest and fiscal charges	-	-	-	4,884,242
<b>Total Expenditures</b>	<b>72,122,780</b>	<b>194,817</b>	<b>7,077,266</b>	<b>5,395,412</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	4,747,156	(43,197)	(499,507)	(4,745,267)
<b>Other Financing Sources (Uses):</b>				
Transfers in	114,145	-	71,978	6,117,249
Transfers out	(4,646,575)	-	-	-
Capital leases	-	-	-	-
Proceeds from sale of capital asset	71,720	-	192,168	-
<b>Total Other Financing Sources (Uses)</b>	<b>(4,460,710)</b>	<b>-</b>	<b>264,146</b>	<b>6,117,249</b>
Extraordinary gain/(loss) on dissolution of Redevelopment Agency (Note 19)	(3,827,527)	18,909,157	-	-
Net Change in Fund Balances	(3,541,081)	18,865,960	(235,361)	1,371,982
Fund Balances, Beginning of Year	5,689,100	279,355	2,198,298	(44,422,288)
<b>Fund Balances, End of Year</b>	<b>\$ 2,148,019</b>	<b>\$ 19,145,315</b>	<b>\$ 1,962,937</b>	<b>\$ (43,050,306)</b>

## CITY OF POMONA

**STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2012**

	Debt Service Fund Public Financing Authority Debt Service	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>			
Taxes	\$ -	\$ 11,707,746	\$ 79,677,392
Special assessments	-	1,229,707	1,229,707
Licenses and permits	-	1,514,506	4,234,901
Intergovernmental	-	32,195,048	38,432,208
Charges for services	-	605,188	3,637,583
Interest and rentals	11,500,967	1,066,008	13,417,141
Fines and forfeitures	-	37,228	1,820,973
Miscellaneous	80	3,567,844	5,223,877
<b>Total Revenues</b>	<b>11,501,047</b>	<b>51,923,275</b>	<b>147,673,782</b>
<b>Expenditures:</b>			
Current:			
General government	9,620	23,640	2,385,778
Public safety	-	1,942,342	61,362,969
Urban development	-	47,180,990	59,708,273
Community services	-	1,060,397	5,577,913
Capital outlay	-	1,652,820	1,835,062
Debt service:			
Principal retirement	6,440,000	777,758	8,123,605
Interest and fiscal charges	11,378,906	8,980,420	25,243,568
<b>Total Expenditures</b>	<b>17,828,526</b>	<b>61,618,367</b>	<b>164,237,168</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(6,327,479)	(9,695,092)	(16,563,386)
<b>Other Financing Sources (Uses):</b>			
Transfers in	-	9,463,478	15,766,850
Transfers out	-	(10,430,157)	(15,076,732)
Capital leases	-	620,860	620,860
Proceeds from sale of capital asset	-	8,050	271,938
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>(337,769)</b>	<b>1,582,916</b>
Extraordinary gain/(loss) on dissolution of Redevelopment Agency (Note 19)	(171,745,000)	88,425,637	(68,237,733)
Net Change in Fund Balances	(178,072,479)	78,392,776	(83,218,203)
Fund Balances, Beginning of Year	229,927,099	(49,327,333)	144,344,231
<b>Fund Balances, End of Year</b>	<b>\$ 51,854,620</b>	<b>\$ 29,065,443</b>	<b>\$ 61,126,028</b>

## 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, 2012**


---

**Net Change in Fund Balances - Total Governmental Funds** **\$ (83,218,203)**

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.

Capital outlay	\$ 2,811,062	
Depreciation	(14,320,803)	
Disposition of capital assets	<u>(24,561,722)</u>	(36,071,463)

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 statements.

(634,445)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.

Principal repayments		
Obligation under capital lease	633,601	
Notes payable	2,354,004	
Revenue bonds	6,732,215	
Tax Allocation Bonds	280,000	
Pension obligation refunding bonds	250,000	
Certificates of participation	310,622	
Debt issued or incurred		
Obligation under capital lease	(620,860)	
Accreted interest on pension obligation bonds	(435,096)	
Deferred charges amortization	<u>(196,738)</u>	9,307,748

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

3,734,419

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.

(468,295)

Governmental funds report all contributions in relation to the annual required contribution (ARC) for OPEB as expenditures, however in the statement of activities only the ARC is an expense.

(1,989,041)

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.

(5,077,337)

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

781,191

Extraordinary gains and losses relating to capital assets and long-term liabilities transferred to the Successor Agency are reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported in the governmental funds.

Capital assets	(235,290)	
Deferred charges	(2,407,908)	
Long-term liabilities	47,931,471	
Advances to Pomona Public Financing Authority	171,745,000	
Compensated absences	<u>209,295</u>	217,242,568

**Change in Net Assets of Governmental Activities**
**\$ 103,607,142**

# 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, 2012

	Business-Type Activities - Enterprise Funds		
	Water Utility	Sewer	Refuse
<b>Assets:</b>			
Current:			
Cash and investments	\$ 19,464,369	\$ 7,232,400	\$ 2,018,907
Receivables (net):			
Accounts	8,333,306	1,224,646	2,190,371
Interest	19,960	6,033	1,556
Prepaid costs	9,000	-	-
Due from other governments	388,000	-	-
Due from other funds	1,610,197	-	-
Inventories	316,966	-	-
Restricted:			
Cash and investments	30,863,820	10,336,212	-
<b>Total Current Assets</b>	<b>61,005,618</b>	<b>18,799,291</b>	<b>4,210,834</b>
Noncurrent:			
Advances to other funds	5,000,000	-	-
Deferred charges	1,550,945	1,139,336	-
Capital assets, not being depreciated	26,740,081	3,067,483	-
Capital assets, net of depreciation	95,344,066	27,992,592	274,278
<b>Total Noncurrent Assets</b>	<b>128,635,092</b>	<b>32,199,411</b>	<b>274,278</b>
<b>Total Assets</b>	<b>\$ 189,640,710</b>	<b>\$ 50,998,702</b>	<b>\$ 4,485,112</b>
<b>Liabilities and Net Assets:</b>			
<b>Liabilities:</b>			
Current:			
Accounts payable	\$ 2,970,616	\$ 53,218	\$ 754,376
Accrued liabilities	139,640	20,370	35,124
Interest payable	854,620	105,349	-
Deposits payable	3,277,903	-	-
Compensated absences	563,000	77,000	114,000
Claims and judgments	-	-	-
Bonds, notes, and capital leases	1,364,904	355,000	-
<b>Total Current Liabilities</b>	<b>9,170,683</b>	<b>610,937</b>	<b>903,500</b>
Noncurrent:			
Advances from other funds	-	-	-
Compensated absences	421,064	47,374	104,374
Claims and judgments	-	-	-
Bonds, notes, and capital leases	106,470,252	28,015,000	-
<b>Total Noncurrent Liabilities</b>	<b>106,891,316</b>	<b>28,062,374</b>	<b>104,374</b>
<b>Total Liabilities</b>	<b>116,061,999</b>	<b>28,673,311</b>	<b>1,007,874</b>
<b>Net Assets:</b>			
Invested in capital assets, net of related debt	28,598,148	17,904,833	274,278
Restricted for debt service	13,544,047	-	-
Unrestricted	31,436,516	4,420,558	3,202,960
<b>Total Net Assets</b>	<b>73,578,711</b>	<b>22,325,391</b>	<b>3,477,238</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 189,640,710</b>	<b>\$ 50,998,702</b>	<b>\$ 4,485,112</b>

## CITY OF POMONA

STATEMENT OF NET ASSETS  
PROPRIETARY FUNDS  
JUNE 30, 2012

	Business-Type Activities - Enterprise Funds		Governmental Activities - Internal Service Funds
	Canon Water Company - February 29, 2012	Total	
<b>Assets:</b>			
Current:			
Cash and investments	\$ 194,606	\$ 28,910,282	\$ 10,158,422
Receivables (net):			
Accounts	21,407	11,769,730	263
Interest	-	27,549	3,403
Prepaid costs	-	9,000	-
Due from other governments	-	388,000	-
Due from other funds	-	1,610,197	-
Inventories	-	316,966	350,556
Restricted:			
Cash and investments	-	41,200,032	-
<b>Total Current Assets</b>	<b>216,013</b>	<b>84,231,756</b>	<b>10,512,644</b>
Noncurrent:			
Advances to other funds	-	5,000,000	-
Deferred charges	-	2,690,281	-
Capital assets, not being depreciated	-	29,807,564	-
Capital assets, net of depreciation	34,059	123,644,995	186,179
<b>Total Noncurrent Assets</b>	<b>34,059</b>	<b>161,142,840</b>	<b>186,179</b>
<b>Total Assets</b>	<b>\$ 250,072</b>	<b>\$ 245,374,596</b>	<b>\$ 10,698,823</b>
<b>Liabilities and Net Assets:</b>			
<b>Liabilities:</b>			
Current:			
Accounts payable	\$ -	\$ 3,778,210	\$ 346,091
Accrued liabilities	-	195,134	24,962
Interest payable	-	959,969	-
Deposits payable	-	3,277,903	-
Compensated absences	-	754,000	71,000
Claims and judgments	-	-	4,160,000
Bonds, notes, and capital leases	-	1,719,904	-
<b>Total Current Liabilities</b>	<b>-</b>	<b>10,685,120</b>	<b>4,602,053</b>
Noncurrent:			
Advances from other funds	-	-	5,000,000
Compensated absences	-	572,812	104,941
Claims and judgments	-	-	15,497,917
Bonds, notes, and capital leases	-	134,485,252	-
<b>Total Noncurrent Liabilities</b>	<b>-</b>	<b>135,058,064</b>	<b>20,602,858</b>
<b>Total Liabilities</b>	<b>-</b>	<b>145,743,184</b>	<b>25,204,911</b>
<b>Net Assets:</b>			
Invested in capital assets, net of related debt	34,059	46,811,318	186,179
Restricted for debt service	-	13,544,047	-
Unrestricted	216,013	39,276,047	(14,692,267)
<b>Total Net Assets</b>	<b>250,072</b>	<b>99,631,412</b>	<b>(14,506,088)</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 250,072</b>	<b>\$ 245,374,596</b>	<b>\$ 10,698,823</b>
<b>Reconciliation of Net Assets to the Statement of Net Assets</b>			
Net Assets per Statement of Net Assets - Proprietary Funds		\$ 99,631,412	
Current years' adjustments to reflect the consolidation of internal service activities related to enterprise funds		324,770	
<b>Net Assets per Statement of Net Assets</b>		<b>\$ 99,956,182</b>	

## CITY OF POMONA

**STATEMENT OF REVENUES, EXPENSES,  
AND CHANGES IN NET ASSETS  
PROPRIETARY FUNDS  
YEAR ENDED JUNE 30, 2012**

	<b>Business-Type Activities - Enterprise Funds</b>		
	<b>Water Utility</b>	<b>Sewer</b>	<b>Refuse</b>
<b>Operating Revenues:</b>			
Charges for services	\$ 29,398,232	\$ 4,521,702	\$ 9,079,195
Miscellaneous	-	6,644	194,256
<b>Total Operating Revenues</b>	<b>29,398,232</b>	<b>4,528,346</b>	<b>9,273,451</b>
<b>Operating Expenses:</b>			
Personnel services	6,959,984	989,246	1,740,864
Operations	9,768,281	1,752,161	6,524,846
Claims expense	119,730	51,094	600,590
Insurance	173,610	23,601	43,352
Amortization of issuance costs	123,646	72,158	-
Depreciation	2,783,254	673,011	86,600
<b>Total Operating Expenses</b>	<b>19,928,505</b>	<b>3,561,271</b>	<b>8,996,252</b>
Operating Income (Loss)	9,469,727	967,075	277,199
<b>Nonoperating Revenues (Expenses):</b>			
Intergovernmental	388,000	-	880
Interest revenue	67,173	52,868	6,398
Interest expense	(5,041,155)	(1,290,216)	-
Gain (loss) on disposal of capital assets	(979,133)	(355,494)	2,100
<b>Total Nonoperating Revenues (Expenses)</b>	<b>(5,565,115)</b>	<b>(1,592,842)</b>	<b>9,378</b>
Income (Loss) Before Transfers	3,904,612	(625,767)	286,577
Transfers in	43,462	292,944	-
Transfers out	(609,463)	(417,061)	-
Changes in Net Assets	3,338,611	(749,884)	286,577
Net Assets, Beginning of Year	70,240,100	23,075,275	3,190,661
<b>Net Assets, End of Fiscal Year</b>	<b>\$ 73,578,711</b>	<b>\$ 22,325,391</b>	<b>\$ 3,477,238</b>

## CITY OF POMONA

**STATEMENT OF REVENUES, EXPENSES,  
AND CHANGES IN NET ASSETS  
PROPRIETARY FUNDS  
YEAR ENDED JUNE 30, 2012**

	<b>Business-Type Activities - Enterprise Funds</b>		<b>Governmental Activities - Internal Service Funds</b>
	<b>Canon Water Company - February 29, 2012</b>	<b>Total</b>	
<b>Operating Revenues:</b>			
Charges for services	\$ -	\$ 42,999,129	\$ 8,544,849
Miscellaneous	-	200,900	2,597,445
<b>Total Operating Revenues</b>	<b>-</b>	<b>43,200,029</b>	<b>11,142,294</b>
<b>Operating Expenses:</b>			
Personnel services	-	9,690,094	1,218,440
Operations	10,548	18,055,836	2,432,436
Claims expense	-	771,414	6,343,817
Insurance	-	240,563	38,962
Amortization of issuance costs	-	195,804	-
Depreciation	2,671	3,545,536	17,784
<b>Total Operating Expenses</b>	<b>13,219</b>	<b>32,499,247</b>	<b>10,051,439</b>
Operating Income (Loss)	(13,219)	10,700,782	1,090,855
<b>Nonoperating Revenues (Expenses):</b>			
Intergovernmental	-	388,880	-
Interest revenue	10	126,449	15,106
Interest expense	-	(6,331,371)	-
Gain (loss) on disposal of capital assets	-	(1,332,527)	-
<b>Total Nonoperating Revenues (Expenses)</b>	<b>10</b>	<b>(7,148,569)</b>	<b>15,106</b>
Income (Loss) Before Transfers	(13,209)	3,552,213	1,105,961
Transfers in	-	336,406	-
Transfers out	-	(1,026,524)	-
Changes in Net Assets	(13,209)	2,862,095	1,105,961
Net Assets, Beginning of Year	263,281	96,769,317	(15,612,049)
<b>Net Assets, End of Fiscal Year</b>	<b>\$ 250,072</b>	<b>\$ 99,631,412</b>	<b>\$ (14,506,088)</b>
<b>Reconciliation of Changes in Net Assets to the Statement of Activities:</b>			
Changes in Net Assets, per the Statement of Revenues, Expenses and Changes in Fund Net Assets - Proprietary Funds		\$ 2,862,095	
Adjustment to reflect the consolidation of current fiscal year internal service funds activities related to enterprise funds		324,770	
<b>Changes in Net Assets of Business-Type Activities per Statement of Activities</b>		<b>\$ 3,186,865</b>	

## CITY OF POMONA

**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**YEAR ENDED JUNE 30, 2012**

**Business-Type Activities -**  
**Enterprise Funds**

	<b>Water Utility</b>	<b>Sewer</b>	<b>Refuse</b>
<b>Cash Flows from Operating Activities:</b>			
Cash received from customers and users	\$ 27,585,368	\$ 4,402,022	\$ 9,243,632
Cash received from/(paid for) other	-	6,644	194,256
Cash paid to suppliers for goods and services	(10,179,833)	(3,423,187)	(6,685,445)
Cash paid for general and administrative expenses	(7,084,282)	(1,032,799)	(1,810,991)
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>10,321,253</b>	<b>(47,320)</b>	<b>941,452</b>
<b>Cash Flows from Non-Capital</b>			
<b>Financing Activities:</b>			
Cash transfers in	43,462	292,944	-
Cash transfers out	(609,463)	(417,061)	-
Amounts received from other funds	(1,610,197)	-	-
Grant subsidy	-	-	880
<b>Net Cash Provided (Used) by</b> <b>Non-Capital Financing Activities</b>	<b>(2,176,198)</b>	<b>(124,117)</b>	<b>880</b>
<b>Cash Flows from Capital</b>			
<b>and Related Financing Activities:</b>			
Acquisition and construction of capital assets	(8,549,052)	(1,961,261)	-
Principal paid on capital debt	(1,629,552)	(340,000)	-
Interest paid on capital debt	(5,051,167)	(1,291,188)	-
Proceeds from sales of capital assets	7,760	-	2,100
<b>Net Cash Provided (Used) by</b> <b>Capital and Related Financing Activities</b>	<b>(15,222,011)</b>	<b>(3,592,449)</b>	<b>2,100</b>
<b>Cash Flows from Investing Activities:</b>			
Interest received	79,266	56,500	6,447
<b>Net Cash Provided (Used) by</b> <b>Investing Activities</b>	<b>79,266</b>	<b>56,500</b>	<b>6,447</b>
<b>Net Increase (Decrease) in Cash</b> <b>and Cash Equivalents</b>	<b>(6,997,690)</b>	<b>(3,707,386)</b>	<b>950,879</b>
Cash and Cash Equivalents, Beginning of Year	57,325,879	21,275,998	1,068,028
<b>Cash and Cash Equivalents, End of Year</b>	<b>\$ 50,328,189</b>	<b>\$ 17,568,612</b>	<b>\$ 2,018,907</b>

## CITY OF POMONA

**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**YEAR ENDED JUNE 30, 2012**

	<b>Business-Type Activities - Enterprise Funds</b>		<b>Governmental Activities - Internal Service Funds</b>
	<b>Canon Water Company - February 29, 2012</b>	<b>Total</b>	
<b>Cash Flows from Operating Activities:</b>			
Cash received from customers and users	\$ -	\$ 41,231,022	\$ 8,545,519
Cash received from/(paid for) other	-	200,900	2,597,445
Cash paid to suppliers for goods and services	(10,428)	(20,298,893)	(6,200,269)
Cash paid for general and administrative expenses	-	(9,928,072)	(1,223,989)
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>(10,428)</b>	<b>11,204,957</b>	<b>3,718,706</b>
<b>Cash Flows from Non-Capital Financing Activities:</b>			
Cash transfers in	-	336,406	-
Cash transfers out	-	(1,026,524)	-
Amounts received from other funds	-	(1,610,197)	-
Grant subsidy	-	880	-
<b>Net Cash Provided (Used) by Non-Capital Financing Activities</b>	<b>-</b>	<b>(2,299,435)</b>	<b>-</b>
<b>Cash Flows from Capital and Related Financing Activities:</b>			
Acquisition and construction of capital assets	-	(10,510,313)	(25,200)
Principal paid on capital debt	-	(1,969,552)	-
Interest paid on capital debt	-	(6,342,355)	-
Proceeds from sales of capital assets	-	9,860	-
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	<b>-</b>	<b>(18,812,360)</b>	<b>(25,200)</b>
<b>Cash Flows from Investing Activities:</b>			
Interest received	10	142,223	11,703
<b>Net Cash Provided (Used) by Investing Activities</b>	<b>10</b>	<b>142,223</b>	<b>11,703</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>(10,418)</b>	<b>(9,764,615)</b>	<b>3,705,209</b>
Cash and Cash Equivalents, Beginning of Year	205,024	79,874,929	6,453,213
<b>Cash and Cash Equivalents, End of Year</b>	<b>\$ 194,606</b>	<b>\$ 70,110,314</b>	<b>\$ 10,158,422</b>

## CITY OF POMONA

STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS  
 YEAR ENDED JUNE 30, 2012

	Business-Type Activities - Enterprise Funds		
	Water Utility	Sewer	Refuse
<b>Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:</b>			
Operating income (loss)	\$ 9,469,727	\$ 967,075	\$ 277,199
<b>Adjustments to reconcile operating income (loss) net cash provided (used) by operating activities:</b>			
Depreciation	2,783,254	673,011	86,600
Amortization	123,646	72,158	-
(Increase) decrease in accounts receivable	(1,812,864)	(119,680)	164,437
(Increase) decrease in prepaid expense	-	-	-
(Increase) decrease in inventory	19,296	-	-
Increase (decrease) in accounts payable	(441,432)	(1,619,932)	439,991
Increase (decrease) in accrued liabilities	(97,399)	(17,595)	(24,867)
Increase (decrease) in deposits payable	130,314	-	-
Increase (decrease) in claims and judgments	-	-	-
Increase (decrease) in compensated absences	146,711	(2,357)	(1,908)
<b>Total Adjustments</b>	<b>851,526</b>	<b>(1,014,395)</b>	<b>664,253</b>
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$ 10,321,253</b>	<b>\$ (47,320)</b>	<b>\$ 941,452</b>
<b>Non-Cash Investing, Capital, and Financing Activities:</b>			
Amortization of deferred charges	\$ 78,691	\$ -	\$ -
Loss on disposal of capital assets	986,893	355,494	-

## CITY OF POMONA

STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS  
 YEAR ENDED JUNE 30, 2012

	Business-Type Activities - Enterprise Funds		Governmental Activities - Internal Service Funds
	Canon Water Company - February 29, 2012	Total	
<b>Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:</b>			
Operating income (loss)	\$ (13,219)	\$ 10,700,782	\$ 1,090,855
<b>Adjustments to reconcile operating income (loss) net cash provided (used) by operating activities:</b>			
Depreciation	2,671	3,545,536	17,784
Amortization	-	195,804	-
(Increase) decrease in accounts receivable	-	(1,768,107)	670
(Increase) decrease in prepaid expense	120	120	-
(Increase) decrease in inventory	-	19,296	33,811
Increase (decrease) in accounts payable	-	(1,621,373)	(181,438)
Increase (decrease) in accrued liabilities	-	(139,861)	(32,292)
Increase (decrease) in deposits payable	-	130,314	-
Increase (decrease) in claims and judgments	-	-	2,762,573
Increase (decrease) in compensated absences	-	142,446	26,743
<b>Total Adjustments</b>	<b>2,791</b>	<b>504,175</b>	<b>2,627,851</b>
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$ (10,428)</b>	<b>\$ 11,204,957</b>	<b>\$ 3,718,706</b>
<b>Non-Cash Investing, Capital, and Financing Activities:</b>			
Amortization of deferred charges	\$ -	\$ 78,691	\$ -
Loss on disposal of capital assets	-	1,342,387	-



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# FIDUCIARY FUND FINANCIAL STATEMENTS

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The City's fiduciary funds consist of agency funds and one private purpose trust fund. Fiduciary fund types are accounted for according to the nature of the fund.

**Agency Funds** are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

**Private-Purpose Trust Funds** are accounted for using the "*economic resources*" measurement focus and the accrual basis of accounting. The City uses its private-purpose trust fund to account for the assets and liabilities of the former Redevelopment Agency and the allocated revenue to make estimated installment payments of enforceable obligations until the obligations of the former redevelopment agency are paid in full and assets have been liquidated.

## CITY OF POMONA

STATEMENT OF FIDUCIARY NET ASSETS  
 FIDUCIARY FUNDS  
 JUNE 30, 2012

		Private- Purpose Trust Fund
	Agency Funds	Successor Agency of the Former RDA
<b>Assets:</b>		
Cash and investments	\$ 4,366,916	\$ 8,644,214
Receivables:		
Accounts	8,378	702,988
Notes and loans	-	8,953,168
Interest	177	4,432
Deposits	-	600
Due from other governments	74,078	-
Land held for resale	-	20,429,431
Deferred charges	-	2,359,954
Restricted assets:		
Cash and investments	-	52,255,307
Capital assets:		
Capital assets, not being depreciated	-	125,423
Capital assets, net of accumulated depreciation	-	104,747
<b>Total Assets</b>	<b>\$ 4,449,549</b>	<b>93,580,264</b>
<b>Liabilities:</b>		
Accounts payable	\$ 2,159,523	1,034,530
Accrued liabilities	-	9,152
Interest payable	-	3,613,542
Unearned revenues	-	8,953,168
Deposits payable	2,065,571	199,040
Due to external parties/other agencies	224,455	-
Long-term liabilities:		
Due within one year	-	8,419,862
Due in more than one year	-	218,135,834
<b>Total Liabilities</b>	<b>\$ 4,449,549</b>	<b>240,365,128</b>
<b>Net Assets:</b>		
Held in trust for other purposes		(146,784,864)
<b>Total Net Assets</b>		<b>\$ (146,784,864)</b>

## CITY OF POMONA

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
 FIDUCIARY FUNDS  
 YEAR ENDED JUNE 30, 2012

	Private-Purpose Trust Fund Successor Agency of the Former RDA
<b>Additions:</b>	
Taxes	\$ 6,883,073
Intergovernmental	904,937
Charges for services	5,340
Interest and rentals	2,816,528
Miscellaneous	163,884
Procceds from sale of capital assets	1,870,000
<b>Total Additions</b>	<b>12,643,762</b>
<b>Deductions:</b>	
Personnel services	461,301
Operations	2,680,956
Claims expense	407,704
Insurance	12,738
Interest and fiscal charges	6,855,971
Depreciation expense	5,121
<b>Total Deductions</b>	<b>10,423,791</b>
Extraordinary gain/(loss) on dissolution of Redevelopment Agency (Note 19)	(149,004,835)
Changes in Net Assets	(146,784,864)
Net Assets, Beginning of year	-
<b>Net Assets, End of year</b>	<b>\$ (146,784,864)</b>

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**INDEX TO NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2012**


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## **NOTES TO BASIC FINANCIAL STATEMENTS**

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2012

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**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. The Redevelopment Agency was dissolved as of January 31, 2012 through the Supreme Court decision on Assembly Bill 1X 26. See Note 18 for more information on the dissolution.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2012

---

**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, 2012 except for Canon Water Company, which had a fiscal year ended February 28, 2012.

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, 2012

---

**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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2012

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**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 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 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.

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 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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2012

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**Note 1: Summary of Significant Accounting Policies (Continued)**

**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 Fiduciary Net Assets and a Statement of Changes in Fiduciary Net Assets. The City's fiduciary funds consist of agency funds and one private purpose trust fund. Fiduciary fund types are accounted for according to the nature of the fund.

Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. 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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2012

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**Note 1: Summary of Significant Accounting Policies (Continued)**

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.

Private-purpose trust fund funds are accounted for using the “*economic resources*” measurement focus and the accrual basis of accounting. 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. The City uses its private-purpose trust fund to account for the assets and liabilities of the former Redevelopment Agency and the allocated revenue to make estimated installment payments of enforceable obligations until the obligations of the former Redevelopment Agency are paid in full and assets have been liquidated.

**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, 2012**


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**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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2012

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**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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2012

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**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, 2012

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**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.

The City Council, as the City’s highest level of decision-making authority, may commit fund balance for specific purposes pursuant to constraints imposed by formal actions taken, such as adoption of an ordinance or resolution. These committed amounts cannot be used for any other purpose unless the City Council removes or changes the specified use through the same type of formal action taken to establish the commitment. City Council action to commit fund balance needs to occur within the fiscal reporting period; however the amount can be determined subsequently.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2012**


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**Note 1: Summary of Significant Accounting Policies (Continued)****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.

**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, 2012:

	Governmental Activities	Business-Type Activities	Fiduciary Funds	Total
Cash and investments	\$ 35,828,730	\$ 28,910,282	\$ 13,011,130	\$ 77,750,142
Restricted cash and investments	23,290,336	41,200,032	52,255,307	116,745,675
Total	<u>\$ 59,119,066</u>	<u>\$ 70,110,314</u>	<u>\$ 65,266,437</u>	<u>\$ 194,495,817</u>

Cash and investments were comprised of the following at June 30, 2012:

Cash and cash equivalents:	
Petty cash	\$ 11,628
Demand deposit	<u>471,047</u>
Total cash and cash equivalents	<u>482,675</u>
Investments:	
Local Agency Investment Fund	71,256,989
US Government Securities	<u>6,010,478</u>
Total investments	<u>77,267,467</u>
	<u>\$ 77,750,142</u>

**Deposits**

The carrying amounts of the City's cash deposits were \$482,675 at June 30, 2012. Bank balances at June 30, 2012, were \$3,836,050 which were fully insured or collateralized with securities held by the pledging financial institutions in the City's name as discussed below. The \$3,353,375 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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2012

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**Note 2: Cash and Investments (Continued)**

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.

A provision of the Dodd-Frank Wall Street Reform and Consumer Protection Act provides temporary unlimited deposit insurance coverage for noninterest-bearing transaction account at all FDIC-insured institutions. This provision was effective from December 31, 2010 and will remain effective until December 31, 2012. Noninterest-bearing transaction accounts is defined as an account (1) with respect to which interest is neither accrued nor paid; (2) on which the depositor or account holder is permitted to make withdrawals by negotiable or transferable instrument, payment orders of withdrawal, telephone or other electronic media transfers, or other similar items for the purpose of making payments or transfers to third parties or others; and (3) on which the FDIC-insured depository institutions does not reserve the right to require advance notice of an intended withdrawal. As of June 30, 2012, the City maintains cash deposits that are temporary covered by this provision.

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.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2012**


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**Note 2: Cash and Investments (Continued)****Investment in Local Agency Investment Funds**

The City is a participant in LAIF which is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The City's investments with LAIF at June 30, 2012, 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, 2012, the City had \$71,256,989 invested in LAIF, which had invested 3.47% of the pool investment funds in Structured Notes and Asset-Backed Securities. The LAIF fair value factor of 1.001219643 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, 2012, 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	\$ 71,256,989	\$ -	\$ -	\$ 71,256,989
Fannie Mae	-	2,003,918	-	2,003,918
Freddie Mac	-	4,006,560	-	4,006,560
	<u>\$ 71,256,989</u>	<u>\$ 6,010,478</u>	<u>\$ -</u>	<u>\$ 77,267,467</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, 2012, the City's investments in external investment pools and money market mutual funds are unrated.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2012**


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**Note 2: Cash and Investments (Continued)**

	<u>Moody's</u>	<u>Standard &amp; Poor's</u>
Local Agency Investment Fund	Not Rated	Not Rated
Fannie Mae	Aaa	AA+
Freddie Mac	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 \$3,586,050 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, \$82,745,677 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, 2012.

**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 it is exposed to credit risk. As of June 30, 2012, 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.

**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 \$4,399,000 as an investment at June 30, 2012. The investment is held by the fiscal agent.



**CITY OF POMONA**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2012**

**Note 3: Loans Receivable (Net)**

At June 30, 2012, the City's net loans receivable consisted of the following:

	Balance July 1, 2011	Additions	Deletions	Transferred to Successor Agency *	Balance June 30, 2012
Casa Herrera	\$ 625,000	\$ -	\$ -	\$ -	\$ 625,000
Deferred Home Improvement Loans	8,067,374	315,034	10,302	-	8,372,106
Prototype Loans	1,118,625	28,422	-	-	1,147,047
ADDI Loans	55,333	2,431	-	-	57,764
Rental Rehabilitation Loans	462,827	7,043	-	-	469,870
CHDO	768,453	3,168	-	-	771,621
HOPE 3 Loans	443,604	14,705	20,167	-	438,142
Shield of Faith	4,121,531	111,450	-	-	4,232,981
Manufactured Housing Rehabilitation Loans	1,996,896	127,250	56,000	-	2,068,146
Occupied Rehabilitation Loans	117,084	1,011	10,847	-	107,248
MAP Loans, net	4,004,285	378,859	35,500	-	4,347,644
NIP Loans	3,297,130	74,262	55,848	-	3,315,544
Southern California Resources & Development	85,000	-	85,000	-	-
Business Assistance Loans	1,202,000	50,000	-	(1,252,000)	-
First Time Home Buyer Program	-	9,639	-	-	9,639
Guadalajara Market	210,600	-	-	(210,600)	-
Pomona Fox Theater	1,300,000	-	-	(1,300,000)	-
Pomona Fox Theater	1,150,000	-	-	(1,150,000)	-
Allstate KIA	171,412	-	-	(171,412)	-
Multi-Family	720,000	-	-	-	720,000
Developer Loans	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	18,229	-	-	723,051
Total	<u>\$ 33,303,572</u>	<u>\$ 1,141,503</u>	<u>\$ 2,955,260</u>	<u>\$ (4,084,012)</u>	<u>\$ 27,405,803</u>

\*As a result of the dissolution of the Redevelopment Agency, loans receivable of the former Redevelopment Agency were transferred to the Successor Agency. See Note 19 for disclosures of loans receivable of the Successor Agency.

**Note 4: Interfund Transactions**

**Government-Wide Financial Statements**

**Internal Balances** - At June 30, 2012, the City had the following internal receivable and payable. The purpose of the internal balance was to cover cash deficits.

	Internal Receivable
Internal Payable	Business-Type Activities
Governmental Activities	<u>\$ 6,934,967</u>

## CITY OF POMONA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2012**Note 4: Interfund Transactions (Continued)**

**Transfers** - At June 30, 2012, the City had the following transfers. The purpose of the transfers was for the in lieu franchise fee and debt service payments.

	Transfers In	Transfers Out Business-Type Activities
Governmental Activities		\$ 690,118

**Fund Financial Statements**

**Due To/Due From** - At June 30, 2012, the City had the following short-term interfund receivables and payables.

	Due to Other Funds			
	Governmental Funds			
	General Fund	General Debt Service	Non-Major Funds	Total
Due from Other Funds				
Governmental Funds:				
General Fund	\$ -	\$ 1,389,620	\$ 106,544	\$ 1,496,164
Proprietary Funds:				
Water	1,610,197	-	-	1,610,197
Total	<u>\$ 1,610,197</u>	<u>\$ 1,389,620</u>	<u>\$ 106,544</u>	<u>\$ 3,106,361</u>

Due from other funds in the Water Utility fund was to cover cash deficit in the General Fund.

Due from other funds in the General Fund was for Series AR debt service payment in the General Debt Service Fund.

**Long-Term Advances** - At June 30, 2012, the City had the following interfund long-term advances:

	Advances from Other Funds			
	Governmental Funds		Proprietary Funds	
	General	General Debt Service	Internal Service Funds	Total
Advances to Other Funds				
Governmental Funds:				
General Fund	\$ -	\$ -	\$ -	\$ -
Public Financing Authority Debt Service	-	46,035,000	-	46,035,000
Non-Major Funds	304,435	-	-	304,435
Proprietary Funds:				
Water Utility	-	-	5,000,000	5,000,000
Total	<u>\$ 304,435</u>	<u>\$ 46,035,000</u>	<u>\$ 5,000,000</u>	<u>\$ 51,339,435</u>

## CITY OF POMONA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2012**Note 4: Interfund Transactions (Continued)**

Long-term advances are used to fund various capital projects and for related financing or assessments.

The Housing Authority advanced \$4,000,000 to the Successor Agency. See Note 19 for additional information.

**Transfers** - At June 30, 2012, the City had the following transfers:

	Transfers In						
	Governmental Funds				Proprietary Funds		Total
	General	Miscellaneous Grants	General Debt Service	Non Major Governmental Funds	Water Utility	Sewer	
<b>Transfers Out</b>							
Governmental Funds:							
General Fund	\$ -	\$ -	\$ 4,576,179	\$ 70,396	\$ -	\$ -	\$ 4,646,575
Non Major Governmental Funds	114,145	71,978	524,070	9,383,558	43,462	292,944	10,430,157
Total Government Funds	114,145	71,978	5,100,249	9,453,954	43,462	292,944	15,076,732
Proprietary Funds:							
Water Utility Enterprise Fund	-	-	600,000	9,463	-	-	609,463
Sewer Enterprise Fund	-	-	417,000	61	-	-	417,061
Total Proprietary Funds	-	-	1,017,000	9,524	-	-	1,026,524
Total	\$ 114,145	\$ 71,978	\$ 6,117,249	\$ 9,463,478	\$ 43,462	\$ 292,944	\$ 16,103,256

The transfer of \$4,576,179 between the General Fund and the General Debt Service Fund was for Series AG, AN / AP, AU / AV, and AR debt service payments.

The transfers between Non-Major Governmental Funds included the following:

- Transfer of \$2,608,100 from the Low and Moderate Income Housing Fund to the Redevelopment Agency Debt Service Fund to cover Low and Moderate Income Housing's share of principal and interest debt service payments.
- Transfer of \$2,405,663 from the Redevelopment Agency Debt Service Fund to the Low and Moderate Income Housing Fund for the 20% set aside tax increment revenue for low and moderate income housing.
- Transfer of \$1,208,913 from the Proposition C Fund to the Capital Outlay Fund for various construction projects.
- Transfer of \$1,037,879 from the Proposition C Fund to the State Gas Tax Fund for various construction projects
- Transfer of \$1,281,732 from the Proposition 1B Fund to the Traffic Congestion Relief Fund for various construction projects.

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

**CITY OF POMONA**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2012**

**Note 5: Due from Other Governments**

At June 30, 2012, the City's due from other governments consisted of the following:

	Governmental Activities	Business-Type Activities
Federal government	\$ 829,655	\$ 388,000
State of California	4,124,986	-
County of Los Angeles	2,334,285	-
Local government entities	1,399,779	-
Total	<u>\$ 8,688,705</u>	<u>\$ 388,000</u>

**Note 6: Land Held for Resale**

At June 30, 2012, land held for resale in the amount of \$7,911,299 is recorded at cost in the Housing Authority Fund.

**Note 7: Capital Assets**

**Government-Wide Financial Statements**

At June 30, 2012, the City's capital assets consisted of the following:

	Governmental Activities	Business-Type Activities	Total
<b>Non-depreciable Assets</b>			
Land	\$ 81,149,405	\$ 9,089,782	\$ 90,239,187
Construction in process	21,460,189	20,717,782	42,177,971
Total non-depreciable assets	<u>102,609,594</u>	<u>29,807,564</u>	<u>132,417,158</u>
<b>Depreciable Assets:</b>			
Buildings and improvements	14,851,769	3,418,603	18,270,372
Improvements other than building	58,458,243	286,638	58,744,881
Machinery and equipment	18,504,378	191,910,520	210,414,898
Furniture and fixtures	873,576	5,105	878,681
Autos and trucks	11,823,126	7,491,991	19,315,117
Equipment under capitalized leases	339,762	-	339,762
Infrastructure	380,249,311	-	380,249,311
Total depreciable assets, at cost	<u>485,100,165</u>	<u>203,112,857</u>	<u>688,213,022</u>
<b>Less accumulated depreciation:</b>			
Buildings and improvements	(11,238,893)	(3,266,506)	(14,505,399)
Improvements other than building	(20,225,831)	(87,323)	(20,313,154)
Machinery and equipment	(12,460,569)	(69,890,332)	(82,350,901)
Furniture and fixtures	(679,547)	(5,105)	(684,652)
Autos and trucks	(8,814,286)	(6,218,596)	(15,032,882)
Equipment under capitalized leases	(179,100)	-	(179,100)
Infrastructure	(245,444,320)	-	(245,444,320)
Total accumulated depreciation	<u>(299,042,546)</u>	<u>(79,467,862)</u>	<u>(378,510,408)</u>
Total depreciable assets, net	<u>186,057,619</u>	<u>123,644,995</u>	<u>309,702,614</u>
Total capital assets	<u>\$ 288,667,213</u>	<u>\$ 153,452,559</u>	<u>\$ 442,119,772</u>

## CITY OF POMONA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2012

## Note 7: Capital Assets (Continued)

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

	Balance July 1, 2011	Additions	Deletions	Transfers	Transfer to Successor Agency *	Balance June 30, 2012
Non-depreciable Assets:						
Land	\$ 87,097,995	\$ 1,374,541	\$ (7,197,708)	\$ -	\$ (125,423)	\$ 81,149,405
Construction in process	41,102,430	4,770,377	(21,932,737)	(2,479,881)	-	21,460,189
Total non-depreciable assets	<u>128,200,425</u>	<u>6,144,918</u>	<u>(29,130,445)</u>	<u>(2,479,881)</u>	<u>(125,423)</u>	<u>102,609,594</u>
Depreciable Assets:						
Buildings and improvements	14,883,238	31,657	-	-	(63,126)	14,851,769
Improvements other than building	57,665,078	-	-	942,160	(148,995)	58,458,243
Machinery and equipment	18,446,172	804,632	(18,054)	-	(728,372)	18,504,378
Furniture and fixtures	834,672	59,225	(11,960)	-	(8,361)	873,576
Autos and trucks	11,999,803	369,054	(526,218)	-	(19,513)	11,823,126
Equipment under capitalized lease	339,762	-	-	-	-	339,762
Infrastructure	378,718,741	-	(7,151)	1,537,721	-	380,249,311
Total depreciable assets, at cost	<u>482,887,466</u>	<u>1,264,568</u>	<u>(563,383)</u>	<u>2,479,881</u>	<u>(968,367)</u>	<u>485,100,165</u>
Less accumulated depreciation:						
Buildings and improvements	(10,802,279)	(446,189)	-	-	9,575	(11,238,893)
Improvements other than building	(18,852,618)	(1,478,007)	-	-	104,794	(20,225,831)
Machinery and equipment	(11,793,370)	(1,405,346)	15,989	-	722,158	(12,460,569)
Furniture and fixtures	(659,100)	(38,985)	11,362	-	7,176	(679,547)
Autos and trucks	(8,612,340)	(741,122)	524,379	-	14,797	(8,814,286)
Equipment under capitalized lease	(133,980)	(45,120)	-	-	-	(179,100)
Infrastructure	(235,267,654)	(10,183,818)	7,152	-	-	(245,444,320)
Total accumulated depreciation	<u>(286,121,341)</u>	<u>(14,338,587)</u>	<u>558,882</u>	<u>-</u>	<u>858,500</u>	<u>(299,042,546)</u>
Total depreciable assets, net	<u>196,766,125</u>	<u>(13,074,019)</u>	<u>(4,501)</u>	<u>2,479,881</u>	<u>(109,867)</u>	<u>186,057,619</u>
Total capital assets	<u>\$ 324,966,550</u>	<u>\$ (6,929,101)</u>	<u>\$ (29,134,946)</u>	<u>\$ -</u>	<u>\$ (235,290)</u>	<u>\$ 288,667,213</u>

\*As a result of the dissolution of the Redevelopment Agency, capital assets of the former Redevelopment Agency were transferred to the Successor Agency. See Note 19 for disclosures of capital assets of the Successor Agency.

Depreciation expense for capital assets of the governmental activities for the year ended June 30, 2012 was as follows:

General government	\$ 441,114
Public safety	1,871,095
Urban development	10,805,286
Community services	1,203,308
Internal service funds	17,784
Total depreciation expense	<u>\$ 14,338,587</u>

## CITY OF POMONA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2012

## Note 7: Capital Assets (Continued)

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

	Balance July 1, 2011	Additions	Deletions	Transfers	Balance June 30, 2012
Non-depreciable Assets:					
Land	\$ 9,089,782	\$ -	\$ -	\$ -	\$ 9,089,782
Construction in process	34,619,207	10,572,311	(731,219)	(23,742,517)	20,717,782
Total non-depreciable assets	43,708,989	10,572,311	(731,219)	(23,742,517)	29,807,564
Depreciable Assets:					
Buildings and improvements	3,418,603	-	-	-	3,418,603
Improvements other than building	286,638	-	-	-	286,638
Machinery and equipment	170,619,244	23,659	(2,474,900)	23,742,517	191,910,520
Furniture and fixtures	5,105	-	-	-	5,105
Autos and trucks	6,962,223	645,563	(115,795)	-	7,491,991
Total depreciable assets, at cost	181,291,813	669,222	(2,590,695)	23,742,517	203,112,857
Less accumulated depreciation:					
Buildings and improvements	(2,958,377)	(308,129)	-	-	(3,266,506)
Improvements other than building	(76,613)	(10,710)	-	-	(87,323)
Machinery and equipment	(68,001,633)	(3,020,877)	1,132,178	-	(69,890,332)
Furniture and fixtures	(5,105)	-	-	-	(5,105)
Autos and trucks	(6,128,904)	(205,820)	116,128	-	(6,218,596)
Total accumulated depreciation	(77,170,632)	(3,545,536)	1,248,306	-	(79,467,862)
Total depreciable assets, net	104,121,181	(2,876,314)	(1,342,389)	23,742,517	123,644,995
Total capital assets	\$ 147,830,170	\$ 7,695,997	\$ (2,073,608)	\$ -	\$ 153,452,559

Depreciation expense for capital assets of the business-type activities for the year ended June 30, 2012, was as follows:

Water utility	\$ 2,783,254
Sewer	673,011
Refuse	86,600
Canon Water Company	2,671
Total depreciation expense	<u>\$ 3,545,536</u>

**CITY OF POMONA**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2012**

**Note 8: Long-Term Debt**

The following is a summary of long-term debt for the year ended June 30, 2012:

	Balance July 1, 2011	Accreted / Accrued Interest	Additions	Deletions	Transfer to Successor Agency *	Balance June 30, 2012	Due Within One Year
<b>Governmental Activities:</b>							
County deferred tax loans	\$ 35,745,818	\$ -	\$ -	\$ -	\$ (35,745,818)	\$ -	\$ -
Obligation under capital leases	767,611	-	620,860	633,601	-	754,870	285,533
Notes payable	6,984,064	-	-	2,354,004	(3,005,653)	1,624,407	156,922
Revenue bonds	222,313,562	-	-	6,732,215	(171,745,000)	43,836,347	1,397,000
Tax allocation bonds	9,460,000	-	-	280,000	(9,180,000)	-	-
Pension obligation refunding	44,114,118	435,096	-	250,000	-	44,299,214	340,000
Certificates of participation	12,643,679	-	-	310,622	-	12,333,057	290,000
Subtotal	332,028,852	435,096	620,860	10,560,442	(219,676,471)	102,847,895	2,469,455
Compensated absences	7,441,894	-	4,020,700	3,525,662	(209,295)	7,727,637	4,500,000
Claims payable	16,895,344	-	6,459,291	3,696,718	-	19,657,917	4,160,000
OPEB obligations	11,020,027	-	5,205,707	3,216,666	-	13,009,068	-
<b>Total governmental activities</b>	<b>\$ 367,386,117</b>	<b>\$ 435,096</b>	<b>\$ 16,306,558</b>	<b>\$ 20,999,488</b>	<b>\$ (219,885,766)</b>	<b>\$ 143,242,517</b>	<b>\$ 11,129,455</b>
<b>Business-Type Activities:</b>							
Obligations under capital lease	\$ 515,674	\$ -	\$ -	\$ 340,770	\$ -	\$ 174,904	\$ 174,904
Revenue bonds	137,580,343	-	-	1,550,091	-	136,030,252	1,545,000
Subtotal	138,096,017	-	-	1,890,861	-	136,205,156	1,719,904
Compensated absences	1,184,366	-	814,805	672,359	-	1,326,812	754,000
<b>Total business-type activities</b>	<b>\$ 139,280,383</b>	<b>\$ -</b>	<b>\$ 814,805</b>	<b>\$ 2,563,220</b>	<b>\$ -</b>	<b>\$ 137,531,968</b>	<b>\$ 2,473,904</b>

\*As a result of the dissolution of the Redevelopment Agency, indebtedness of the former Redevelopment Agency was transferred to the Successor Agency. See Note 19 for disclosures of indebtedness of the Successor Agency.

**Governmental Activities Long-Term Debt**

**Obligations under Capital Leases**

At June 30, 2012, obligations under capital leases consisted of the following:

	Balance July 1, 2011	Additions	Deletions	Balance June 30, 2012	Due Within One Year
BofA #2	\$ 143,756	\$ -	\$ 143,756	\$ -	\$ -
LaSalle #2	70,970	-	34,726	36,244	36,244
PPF #1	-	375,445	-	375,445	71,484
PPF #2	-	245,415	-	245,415	80,039
SunTrust Lease #1	288,243	-	190,477	97,766	97,766
SunTrust Lease #12	264,642	-	264,642	-	-
<b>Total</b>	<b>\$ 767,611</b>	<b>\$ 620,860</b>	<b>\$ 633,601</b>	<b>\$ 754,870</b>	<b>\$ 285,533</b>

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.

## CITY OF POMONA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2012**Note 8: Long-Term Debt (Continued)**

The total leased assets by major asset class consisted of the following:

	June 30, 2012
Machinery and equipment	\$ 186,475
Autos and trucks	153,287
Equipment under capitalized lease, at cost	339,762
Accumulated depreciation	(179,100)
Equipment under capitalized lease, net	<u>\$ 160,662</u>

The depreciation expense for equipment under capitalized leases was \$45,119 for the year ended June 30, 2012.

The rates of interest range from 2.19% to 4.50% per annum. The annual debt service requirements outstanding at June 30, 2012, were as follows:

	Principal	Interest	Total
2012-2013	\$ 285,533	\$ 17,922	\$ 303,455
2013-2014	155,035	11,099	166,134
2014-2015	158,628	7,506	166,134
2015-2016	76,892	3,830	80,722
2016-2017	78,782	1,938	80,720
Total	<u>\$ 754,870</u>	<u>\$ 42,295</u>	<u>\$ 797,165</u>

**Notes Payable**

At June 30, 2012, notes payable consisted of the following:

	Balance July 1, 2011	Additions	Deletions	Transfer to Successor Agency *	Balance June 30, 2012	Due Within One Year
HUD Section 108 Loan	\$ 750,000	\$ -	\$ 125,000	\$ -	\$ 625,000	\$ 125,000
ERAF Loan	670,000	-	78,039	(591,961)	-	-
Mission Promenade, LLC Note	2,378,080	-	-	(2,378,080)	-	-
PVEF Note	167,129	-	-	(35,612)	131,517	6,576
US Bank Loans	888,855	-	20,965	-	867,890	25,346
Low/Mod Income Housing	2,130,000	-	2,130,000	-	-	-
Total	<u>\$ 6,984,064</u>	<u>\$ -</u>	<u>\$ 2,354,004</u>	<u>\$ (3,005,653)</u>	<u>\$ 1,624,407</u>	<u>\$ 156,922</u>

\*As a result of the dissolution of the Redevelopment Agency, indebtedness of the former Redevelopment Agency was transferred to the Successor Agency. See Note 19 for disclosures of the notes payable of the Successor Agency.

**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 OF POMONA**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2012**

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**Note 8: Long-Term Debt (Continued)**

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, 2012, were as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	<u>\$ 625,000</u>	<u>\$ 33,264</u>	<u>\$ 658,264</u>

**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 split between the Low and Moderate Income Housing Fund (79%), now Housing Authority, and the Redevelopment Agency (21%), now Successor Agency. 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, 2012, were as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012-2013	\$ 6,576	\$ 1,645	\$ 8,221
2013-2014	26,304	6,576	32,880
2014-2015	26,304	6,576	32,880
2015-2016	26,304	6,576	32,880
2016-2017	26,304	6,576	32,880
2017-2018	19,725	4,929	24,654
Total	<u>\$ 131,517</u>	<u>\$ 32,878</u>	<u>\$ 164,395</u>

**US Bank Loans**

In March 2008, the former Redevelopment Agency partially financed the purchase of properties from the Pomona Valley Education Foundation by assuming existing loans on the properties totaling \$988,730 bearing an adjustable interest rate not to exceed 12.250% from U.S. Bank.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2012**


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**Note 8: Long-Term Debt (Continued)**

The annual debt service requirements at June 30, 2012, were as follows:

	Principal	* Interest	Total
2012-2013	\$ 25,346	\$ 31,972	\$ 57,318
2013-2014	26,949	29,202	56,151
2014-2015	27,906	28,245	56,151
2015-2016	28,897	27,254	56,151
2016-2017	29,924	26,227	56,151
2017-2022	166,371	114,385	280,756
2022-2027	198,223	82,532	280,755
2027-2032	236,288	44,467	280,755
2032-2035	127,986	5,695	133,681
Total	<u>\$ 867,890</u>	<u>\$ 389,979</u>	<u>\$ 1,257,869</u>

\* Interest rate is adjustable and was calculated using two separate interest rates 3.25% and 4.25% as of December 2012.

**Low/Mod Income Housing**

On July 31, 2008, the former Redevelopment Agency sold two properties on E 4<sup>th</sup> 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 former Redevelopment Agency and the PHA stating the Note shall be deemed paid in full when and if the former Redevelopment 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. Due to the dissolution of the Redevelopment Agency, the note has been eliminated.

On July 31, 2008, the former Redevelopment Agency sold five properties on E 4<sup>th</sup> 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 former Redevelopment Agency and the PHA stating the Note shall be deemed paid in full when and if the former Redevelopment 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. Due to the dissolution of the Redevelopment Agency, the note has been eliminated.

On February 4, 2008, the former Redevelopment Agency sold a property on E 4<sup>th</sup> Street to the Pomona Housing Authority (PHA) for \$130,000. A Promissory Note for the principal balance without interest were executed between the former Redevelopment 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. Due to the dissolution of the Redevelopment Agency, the note has been eliminated.

**CITY OF POMONA**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2012**

**Note 8: Long-Term Debt (Continued)**

**Revenue Bonds**

At June 30, 2012, revenue bonds consisted of the following:

	Balance July 1, 2011	Additions	Deletions	Transfer to Successor Agency *	Balance June 30, 2012	Due Within One Year
1998 Revenue Refunding Bonds, Series W	\$ 37,365,000	\$ -	\$ 370,000	\$ (36,995,000)	\$ -	\$ -
2001 Revenue Refunding Bonds, Series AD	38,080,000	-	1,875,000	(36,205,000)	-	-
2003 Revenue Refunding Bonds, Series AH	23,435,000	-	1,115,000	(22,320,000)	-	-
2005 Subordinate Revenue Bonds, Series AL	5,650,000	-	410,000	-	5,240,000	420,000
2005 Reassessment and Refunding Bonds, Series AM	4,695,000	-	296,000	-	4,399,000	312,000
2005 Lease Revenue Bonds, Series AN	19,655,000	-	55,000	-	19,600,000	60,000
2005 Taxable Lease Revenue Bonds, Series AP	2,410,000	-	440,000	-	1,970,000	460,000
2005 Taxable Housing Tax Revenue Bonds, Series AQ	9,080,000	-	250,000	(8,830,000)	-	-
2006 Lease Revenue Bonds, Series AU	2,425,000	-	30,000	-	2,395,000	25,000
Unamortized Deferred Loss on Refunding	(154,684)	-	(7,031)	-	(147,653)	-
2006 Taxable Lease Revenue Bonds, Series AV	10,490,000	-	110,000	-	10,380,000	120,000
2006 Revenue Bonds, Series AS	26,305,000	-	115,000	(26,190,000)	-	-
Unamortized Deferred Loss on Refunding	(2,559,878)	-	(2,559,878)	-	-	-
2006 Taxable Revenue Bonds, Series AT	8,355,000	-	340,000	(8,015,000)	-	-
2007 Revenue Bonds, Series AW	8,375,000	-	250,000	(8,125,000)	-	-
2006 Subordinate Revenue Bonds, Series AX	25,865,000	-	800,000	(25,065,000)	-	-
Unamortized Bond Premiums and Discounts	2,843,124	-	2,843,124	-	-	-
<b>Total</b>	<b>\$ 222,313,562</b>	<b>\$ -</b>	<b>\$ 6,732,215</b>	<b>\$ (171,745,000)</b>	<b>\$ 43,836,347</b>	<b>\$ 1,397,000</b>

\*As a result of the dissolution of the Redevelopment Agency, indebtedness of the former Redevelopment Agency was transferred to the Successor Agency. See Note 19 for disclosures of the revenue bonds of the Successor Agency.

**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, 2012**

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**Note 8: Long-Term Debt (Continued)**

The annual debt service requirements for the 2005 Subordinate Revenue Bonds, Series AL outstanding at June 30, 2012, were as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012-2013	\$ 420,000	\$ 241,248	\$ 661,248
2013-2014	445,000	222,428	667,428
2014-2015	460,000	202,288	662,288
2015-2016	480,000	180,658	660,658
2016-2017	505,000	157,385	662,385
2017-2022	<u>2,930,000</u>	<u>382,086</u>	<u>3,312,086</u>
Total	<u>\$ 5,240,000</u>	<u>\$ 1,386,093</u>	<u>\$ 6,626,093</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, 2012, were as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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
2016-2017	415,000	201,835	616,835
2017-2022	<u>2,588,000</u>	<u>492,621</u>	<u>3,080,621</u>
Total	<u>\$ 4,399,000</u>	<u>\$ 1,772,186</u>	<u>\$ 6,171,186</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.

## CITY OF POMONA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2012**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, 2012, were as follows:

	Principal	Interest	Total
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
2016-2017	625,000	893,723	1,518,723
2017-2022	3,515,000	4,065,789	7,580,789
2022-2027	4,330,000	3,253,980	7,583,980
2027-2032	5,450,000	2,066,750	7,516,750
2032-2036	5,435,000	560,125	5,995,125
Total	<u>\$ 19,600,000</u>	<u>\$ 14,480,658</u>	<u>\$ 34,080,658</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, 2012, were as follows:

	Principal	Interest	Total
2012-2013	\$ 460,000	\$ 83,931	\$ 543,931
2013-2014	485,000	61,487	546,487
2014-2015	500,000	37,781	537,781
2015-2016	525,000	12,797	537,797
Total	<u>\$ 1,970,000</u>	<u>\$ 195,996</u>	<u>\$ 2,165,996</u>

CITY OF POMONA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2012

Note 8: Long-Term Debt (Continued)

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

On December 6, 2006, the Authority issued \$2,540,000 2006 Lease Revenue Bonds, Series AU to finance certain public improvements of the City.

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

The annual debt service requirements for the 2006 Lease Revenue Bonds, Series AU outstanding at June 30, 2012, were as follows:

	Principal	Interest	Total
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
2016-2017	30,000	97,056	127,056
2017-2022	190,000	466,378	656,378
2022-2027	225,000	425,390	650,390
2027-2032	295,000	373,604	668,604
2032-2037	435,000	298,170	733,170
2037-2042	545,000	195,126	740,126
2042-2045	555,000	56,876	611,876
Total	<u>\$ 2,395,000</u>	<u>\$ 2,311,754</u>	<u>\$ 4,706,754</u>

The following is a summary of unamortized deferred loss on refunding outstanding at June 30, 2012:

Balance July 1, 2011	Additions	Deletions	Balance June 30, 2012
<u>\$ (154,684)</u>	<u>\$ -</u>	<u>\$ (7,031)</u>	<u>\$ (147,653)</u>

Amortization expense was \$7,031 for June 30, 2012.

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.

## CITY OF POMONA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2012**Note 8: Long-Term Debt (Continued)**

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

The annual debt service requirements for the 2006 Taxable Lease Revenue Bonds, Series AV outstanding at June 30, 2012, were as follows:

	Principal	Interest	Total
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
2016-2017	145,000	558,170	703,170
2017-2022	840,000	2,665,280	3,505,280
2022-2027	1,110,000	2,401,520	3,511,520
2027-2032	1,455,000	2,054,600	3,509,600
2032-2037	1,910,000	1,595,716	3,505,716
2037-2042	2,520,000	985,246	3,505,246
2042-2045	1,890,000	219,452	2,109,452
Total	<u>\$ 10,380,000</u>	<u>\$ 12,777,664</u>	<u>\$ 23,157,664</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.

The outstanding deferred loss resulting from the advance refunding between the reacquisition price of bonds Series AS, AT & AX and the net carrying amount of the bonds Series W, AH, AI, X & Y was written off due the Redevelopment Agency dissolution.

Balance July 1, 2011	Additions	Deletions	Balance June 30, 2012
<u>\$ (2,559,878)</u>	<u>\$ -</u>	<u>\$ (2,559,878)</u>	<u>\$ -</u>

The following outstanding unamortized premiums and discounts were written off as a result of the Redevelopment Agency dissolution.

Balance July 1, 2011	Additions	Deletions	Balance June 30, 2012
<u>\$ 2,843,124</u>	<u>\$ -</u>	<u>\$ 2,843,124</u>	<u>\$ -</u>

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2012**
**Note 8: Long-Term Debt (Continued)****Pension Obligation Refunding Bonds**

	Balance July 1, 2011	Accreted Interest	Deletions	Balance June 30, 2012	Due Within One Year
2006 Pension Obligation Bonds, Series AR	<u>\$ 44,114,118</u>	<u>\$ 435,096</u>	<u>\$ 250,000</u>	<u>\$ 44,299,214</u>	<u>\$ 340,000</u>

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.

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



## CITY OF POMONA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2012**Note 8: Long-Term Debt (Continued)**

The annual debt service requirements outstanding at June 30, 2012 were as follows:

	Principal	Interest	Accreted Interest	Total
2012-2013	\$ 340,000	\$ 2,099,240	\$ -	\$ 2,439,240
2013-2014	407,803	2,099,240	22,197	2,529,240
2014-2015	467,069	2,099,240	52,931	2,619,240
2015-2016	523,070	2,099,240	91,930	2,714,240
2016-2017	643,789	2,089,629	71,211	2,804,629
2017-2022	4,595,587	10,066,594	934,413	15,596,594
2022-2027	7,093,532	9,040,011	2,406,467	18,540,010
2027-2032	12,278,364	7,153,531	2,456,636	21,888,531
2032-2036	17,950,000	2,217,618	-	20,167,618
Total	<u>\$ 44,299,214</u>	<u>\$ 38,964,343</u>	<u>\$ 6,035,785</u>	<u>\$ 89,299,342</u>

**Certificates of Participation**

	Balance July 1, 2011	Additions	Deletions	Balance June 30, 2012	Due Within One Year
2003 Certificate of Participation, Series AG	\$ 11,970,000	\$ -	\$ 280,000	\$ 11,690,000	\$ 290,000
Unamortized Bond Premium	673,679	-	30,622	643,057	-
Total	<u>\$ 12,643,679</u>	<u>\$ -</u>	<u>\$ 310,622</u>	<u>\$ 12,333,057</u>	<u>\$ 290,000</u>

**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.

Interest on the bonds is payable semiannually on each June 1 and December 1. The rates of interest range from 2.800% to 10.000% per annum. Principal is payable in annual installments ranging from \$210,000 to \$880,000.

## CITY OF POMONA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2012**Note 8: Long-Term Debt (Continued)**

The annual debt service requirements outstanding at June 30, 2012, were as follows:

	Principal	Interest	Total
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	593,176	928,176
2016-2017	355,000	574,750	929,750
2017-2022	2,085,000	2,558,602	4,643,602
2022-2027	2,730,000	1,918,402	4,648,402
2027-2032	3,565,000	1,080,478	4,645,478
2032-2034	1,715,000	142,726	1,857,726
Total	<u>\$ 11,690,000</u>	<u>\$ 8,743,654</u>	<u>\$ 20,433,654</u>

The following is a summary of the 2003 Certificate of Participation, Series AG unamortized premium outstanding at June 30, 2012:

Balance July 1, 2011	Additions	Deletions	Balance June 30, 2012
<u>\$ 673,679</u>	<u>\$ -</u>	<u>\$ 30,622</u>	<u>\$ 643,057</u>

**Compensated Absences**

The following is a summary of compensated absences outstanding as of June 30, 2012:

Balance July 1, 2011	Additions	Deletions	Transfer to Successor Agency	Balance June 30, 2012	Due Within One Year
<u>\$ 7,441,894</u>	<u>\$ 4,020,700</u>	<u>\$ 3,525,662</u>	<u>\$ (209,295)</u>	<u>\$ 7,727,637</u>	<u>\$ 4,500,000</u>

**Claims Payable**

The following is a summary of the claims payable outstanding as of June 30, 2012:

Balance July 1, 2011	Additions	Deletions	Balance June 30, 2012	Due Within One Year
<u>\$ 16,895,344</u>	<u>\$ 6,459,291</u>	<u>\$ 3,696,718</u>	<u>\$ 19,657,917</u>	<u>\$ 4,160,000</u>

## CITY OF POMONA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2012

## Note 8: Long-Term Debt (Continued)

## Other Post Employment Benefit Obligations

The following is a summary of other post employment benefit obligations outstanding as of June 30, 2012:

Balance July 1, 2011	Additions	Deletions	Balance June 30, 2012
<u>\$ 11,020,027</u>	<u>\$ 5,205,707</u>	<u>\$ 3,216,666</u>	<u>\$ 13,009,068</u>

## Business-Type Activities

## Obligations under Capital Leases

	Balance July 1, 2011	Additions	Deletions	Balance June 30, 2012	Due Within One Year
Sun Trust #1	<u>\$ 515,674</u>	<u>\$ -</u>	<u>\$ 340,770</u>	<u>\$ 174,904</u>	<u>\$ 174,904</u>

The annual debt service requirements outstanding at June 30, 2012 were as follows:

	Principal	Interest	Total
2012-2013	<u>\$ 174,904</u>	<u>\$ 3,083</u>	<u>\$ 177,987</u>

## Revenue Bonds

	Balance July 1, 2011	Additions	Deletions	Balance June 30, 2012	Due Within One Year
2002 Sewer Refunding Revenue Bonds, Series AF	\$ 13,380,000	\$ -	\$ 200,000	\$ 13,180,000	\$ 205,000
2007 Revenue Bonds, Series AY	98,485,000	-	920,000	97,565,000	955,000
Unamortized Bond Premium	5,281,774	-	148,782	5,132,992	-
Unamortized Deferred Loss on Refunding	(1,416,431)	-	(78,691)	(1,337,740)	-
2007 Taxable Revenue Refunding Bonds, Series AZ	6,520,000	-	220,000	6,300,000	235,000
2007 Revenue Bonds, Series BA	15,330,000	-	140,000	15,190,000	150,000
Total	<u>\$ 137,580,343</u>	<u>\$ -</u>	<u>\$ 1,550,091</u>	<u>\$ 136,030,252</u>	<u>\$ 1,545,000</u>

## 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.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2012**
**Note 8: Long-Term Debt (Continued)**

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, 2012, were as follows:

	Principal	Interest	Total
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
2016-2017	240,000	577,176	817,176
2017-2022	1,350,000	2,727,332	4,077,332
2022-2027	1,710,000	2,389,303	4,099,303
2027-2032	2,135,000	1,957,639	4,092,639
2032-2037	2,680,000	1,398,038	4,078,038
2037-2042	3,415,000	640,625	4,055,625
2042-2043	790,000	19,750	809,750
Total	<u>\$ 13,180,000</u>	<u>\$ 12,100,142</u>	<u>\$ 25,280,142</u>

**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.

## CITY OF POMONA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2012**Note 8: Long-Term Debt (Continued)**

The annual debt service requirements outstanding at June 30, 2012, were as follows:

	Principal	Interest	Total
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
2016-2017	1,130,000	4,625,450	5,755,450
2017-2022	6,415,000	22,362,250	28,777,250
2022-2027	8,045,000	20,724,750	28,769,750
2027-2032	12,115,000	18,412,500	30,527,500
2032-2037	16,855,000	14,846,250	31,701,250
2037-2042	21,500,000	10,191,250	31,691,250
2042-2047	27,445,000	4,251,000	31,696,000
Total	<u>\$ 97,565,000</u>	<u>\$ 114,372,250</u>	<u>\$ 211,937,250</u>

The following is a summary of the 2007 Revenue Bonds, Series AY unamortized premium outstanding at June 30, 2012:

Balance July 1, 2011	Additions	Deletions	Balance June 30, 2012
<u>\$ 5,281,774</u>	<u>\$ -</u>	<u>\$ 148,782</u>	<u>\$ 5,132,992</u>

Amortization expense was \$148,782 for June 30, 2012.

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, 2012:

Balance July 1, 2011	Additions	Deletions	Balance June 30, 2012
<u>\$ (1,416,431)</u>	<u>\$ -</u>	<u>\$ (78,691)</u>	<u>\$ (1,337,740)</u>

Amortization expense was \$78,691 for June 30, 2012.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2012**


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**Note 8: Long-Term Debt (Continued)**

## 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, 2012, were as follows:

	Principal	Interest	Total
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
2016-2017	285,000	297,510	582,510
2017-2022	1,690,000	1,231,982	2,921,982
2022-2027	2,230,000	696,648	2,926,648
2027-2029	1,080,000	92,378	1,172,378
Total	<u>\$ 6,300,000</u>	<u>\$ 3,645,770</u>	<u>\$ 9,945,770</u>

## 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.

## CITY OF POMONA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2012**Note 8: Long-Term Debt (Continued)**

The annual debt service requirements outstanding at June 30, 2012, were as follows:

	Principal	Interest	Total
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
2016-2017	175,000	638,594	813,594
2017-2022	985,000	3,085,523	4,070,523
2022-2027	1,185,000	2,868,066	4,053,066
2027-2032	1,480,000	2,583,340	4,063,340
2032-2037	1,860,000	2,209,052	4,069,052
2037-2042	2,350,000	1,738,353	4,088,353
2042-2047	6,505,000	832,843	7,337,843
Total	<u>\$ 15,190,000</u>	<u>\$ 16,586,769</u>	<u>\$ 31,776,769</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 \$1,326,812 at June 30, 2012.

Balance July 1, 2011	Additions	Deletions	Balance June 30, 2012	Due Within One Year
<u>\$ 1,184,366</u>	<u>\$ 814,805</u>	<u>\$ 672,359</u>	<u>\$ 1,326,812</u>	<u>\$ 754,000</u>

**Pledged Revenue**

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 2012, the Enterprise Funds have received \$14,949,297 while total debt service paid was \$7,969,146. The bonds required 53% of net revenue. Annual principal and interest payments on the bonds are expected to require roughly 73% of future net revenue. The total principal and interest remaining to be paid at June 30, 2012, on the Bonds is \$278,939,931.

Debt Issue	Remaining Balance
2002 Series AF Bonds	\$ 25,280,142
2007 Series AY Bonds	211,937,250
2007 Series AZ Bonds	9,945,770
2007 Series BA Bonds	31,776,769
Total	<u>\$ 278,939,931</u>

## CITY OF POMONA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2012

## Note 8: Long-Term Debt (Continued)

Revenue	2011-2012 Revenue
Net revenues, excluding operations and maintenance costs	<u>\$ 14,949,297</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, 2012, of capital assets related debt.

**Governmental Activities:**

	Outstanding Principal of Capital Debt Related
2005 Subordinate Revenue Bonds, Series AL	\$ 2,829,058
2005 Reassessment and refunding bonds, Series AM	929,351
2005 Lease Revenue Bonds, Series AN	9,165,907
2006 Lease Revenue Bonds, Series AU	2,038,532
Capital Lease Obligations	754,870
	<u>\$ 15,717,718</u>

**Business-Type Activities:**

	Outstanding Principal of Capital Related Debt
Water Utility	
2007 Revenue Bonds, Series AY and	
2007 Taxable Revenue Refunding Bonds, Series AZ	\$ 83,240,455
2007 Revenue Bonds, Series BA	10,070,640
Capital Lease Obligations	174,904
	93,485,999
Sewer	
2002 Sewer Refunding Revenue Bonds, Series AF	13,155,242
Total	<u>\$ 106,641,241</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.



**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2012**


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**Note 9: Non-City Obligations (Continued)****Mortgage Revenue Bonds**

Single family and multifamily housing revenue bonds are issued to provide construction and permanent financing to developers of multifamily residential rental projects located in the City to be partially occupied by persons of low and moderate income. 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, 2012, were as follows:

Mortgage Revenue Bonds	Balance at June 30, 2012
Single Family, Series 1983 A (Southwest Project Bonds)	\$ 700,000
Single Family Mortgage Refunding Bonds 90A	36,495,000
Single Family Mortgage Refunding Bonds 90B	15,650,000
	<u>\$ 52,845,000</u>

**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 \$1,667,703 (miscellaneous employees) and \$1,218,071 (safety employees) for the year ended June 30, 2012.

The City employer is required to contribute for fiscal year 2011-2012 at an actuarially determined rate of 13.000% and 31.924% of annual covered payroll for miscellaneous and safety employees which amounted to \$3,009,467 and \$4,289,557 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.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2012**


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**Note 10: Retirement Plan (Continued)****Annual Pension Cost**

For fiscal year 2011-2012, the City's annual pension cost of \$3,009,467 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	\$ 4,289,557
Interest on net PERS pension asset	(1,210,301)
Adjustment to annual required contribution	<u>1,844,746</u>
Annual PERS cost (expense)	4,924,002
Contributions made	<u>4,289,557</u>
Decrease in net PERS pension asset	(634,445)
Net PERS pension asset - beginning of year	<u>25,480,029</u>
Net PERS pension asset - end of year	<u>\$ 24,845,584</u>

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

Valuation Date	June 30, 2009
Actuarial Cost Method	Entry Age Normal Cost Method
Amortization Method	Level Percentage of Payroll
Average Remaining Period	Miscellaneous Plan: 22 years as of the valuation date Safety Plan: 29 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: 3.55% to 14.45% depending on age, service, and type of employment Safety Plan: 3.55% 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.

## CITY OF POMONA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2012

## Note 10: Retirement Plan (Continued)

Miscellaneous Employee's Retirement Plan  
Schedule of Employer Contributions

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2010	\$ 2,950,425	100%	\$ -
6/30/2011	2,468,853	100%	-
6/30/2012	3,009,467	100%	-

Safety Employee's Retirement Plan  
Schedule of Employer Contributions

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2010	\$ 3,798,477	109%	\$ 26,085,704
6/30/2011	3,860,787	119%	25,480,029
6/30/2012	4,924,002	115%	24,845,584

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, 2012, the unamortized portion of the pension asset was \$24,845,584. See Note 8 for more detail.

Schedule of Funding Progress for PERS  
Miscellaneous Employees

Actuarial Valuation Date	Actuarial Value of Assets (AVA)	Entry Age Actuarial Accrued Liability	(Unfunded) Actuarial Accrued Liability	Funded Ratio	Annual Covered Payroll	(Unfunded) Actuarial Liability as Percentage of Covered Payroll
6/30/2009	\$ 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%
6/30/2011	200,995,811	224,309,938	(23,314,127)	89.6%	23,667,462	98.5%

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2012**
**Note 10: Retirement Plan (Continued)**

Schedule of Funding Progress for PERS  
Safety Employees

Actuarial Valuation Date	Actuarial Value of Assets (AVA)	Entry Age Actuarial Accrued Liability	(Unfunded) Actuarial Accrued Liability	Funded Ratio	Annual Covered Payroll	(Unfunded) Actuarial Liability as Percentage of Covered Payroll
6/30/2009	\$ 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%
6/30/2011	247,194,400	284,367,753	(37,173,353)	86.9%	14,355,116	259.0%

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).

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.

**Note 11: Retirement Enhancement Plan****Plan Description**

The Retirement Enhancement Plan provides a supplemental retirement benefit to City employees upon resigning from the City and concurrently retiring with CalPERS as follows:

- (i) The supplemental benefit is a monthly benefit of \$100 from the first of the month following retirement from the City until the age of 65 for Tier 1 and Tier 2 employees. Tier 1 employees include Mid-Management and Confidential, Police Officer's Association, City Employee's Chapter, and Management Group B employees, and are required to have at least 20 years of City service upon retiring after July 1, 1987. Tier 2 employees include Management Group A employees and are required to have at least one year of City service upon retiring after July 1, 1991.
- (ii) The supplemental benefit for one Tier 3 employee, the employee designated in Schedule A of the plan document, is a lump sum of \$226,231.76 or an actuarially equivalent annuity. The Tier 3 employee has already retired and received this benefit as a lump sum. The Tier 3 employee is also receiving the supplemental benefit of \$100 per month until age 65. In addition, there were four other individuals designated in Schedule A of the plan document who received additional lump sums distributions from the Plan.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2012**


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**Note 11: Retirement Enhancement Plan (Continued)****Eligibility**

Mid-Management and Confidential Police Officer's Association, City Employees' Chapter and Management Group A and S employees are covered by the Plan as of their date of hire with the City. As of June 30, 2012, the plan had 86 participants, all of which are receiving benefits.

**Funding Policy**

The City's funding policy is to contribute the annual required contribution. The annual required contribution equals the sum of:

- normal cost, and
- amortization of the unfunded actuarial accrued liability.

Government Accounting Standards Board Statement No. 27 (Statement 27) requires that the City determine the plan's annual pension cost based on the most recent actuarial valuation. The annual pension cost equals the plan's annual required contribution, adjusted for historical differences between the annual required contribution and amounts contributed. The actuary has determined the City's annual required contribution equal to the sum of (a) normal cost, and (b) amortization of the unfunded actuarial accrued liability.

**Annual Pension Cost**

For the year ending June 30, 2012, the City's annual pension cost of \$92,391 was equal to the actuarial required contribution.

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

Valuation Date	July 1, 2009
Actuarial Cost Method	Entry Age Normal Cost Method
Amortization Method	Level Dollar
Average Remaining Period	14.5 Years Remaining as of 7/1/2011
Asset Valuation Method	Market Value on Date of Valuation
Actuarial Assumptions	
Investment Rate of Return	7.00%
Inflation	3.00%
Salary Increases	n/a
Cost of Living Adjustment	None

The following table provides 3 years of historical information of the Annual Pension Cost:

<u>Year Ending</u>	<u>Annual Pension Cost (APC) (in Thousands)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation (Asset)</u>
6/30/2010	\$ 130,840	100%	\$ -
6/30/2011	130,840	100%	-
6/30/2012	92,931	100%	-

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2012**
**Note 11: Retirement Enhancement Plan (Continued)****Funded Status and Funding Progress**

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.

Schedule of Funding Progress PARS Retirement Enhancement Plan						
Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	UAAL as a % of Covered Payroll
01/01/2006	\$ -	\$ 1,172,743	\$ 1,172,743	0.0%	n/a	n/a
07/01/2009	179,275	954,779	775,504	18.8%	n/a	n/a

Actuarial valuation is performed every three year.

**Note 12: Other 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
Pomona Mid Management/Confidential Employees Association	700
Pomona Police Managers Association	700
Pomona Police Officers Association	700
Firefighters *	465

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

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2012**


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**Note 12: Other 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 462 employees are eligible to receive or are receiving post-employment benefits at June 30, 2012. 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 2012, the City contributed \$3,216,666 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	\$ 5,551,370
Interest on net OPEB obligation	137,750
Adjustment to annual required contribution	<u>(483,413)</u>
Annual OPEB cost (expense)	5,205,707
Contributions made	<u>3,216,666</u>
Increase in net OPEB obligation	1,989,041
Net OPEB obligation - beginning of year	<u>11,020,027</u>
Net OPEB obligation - end of year	<u><u>\$ 13,009,068</u></u>

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2012**
**Note 12: Other 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 2012 is as follows:

Fiscal Year Ended	Annual OPEB Cost	Annual Contribution	% of Annual OPEB Cost Contributed	Net OPEB Obligation
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
6/30/2012	5,205,707	3,216,666	61.8%	13,009,068

**Funded Status and Funding Progress**

As of January 1, 2012, the most recent actuarial valuation date, the plan was zero percent funded. The Actuarial Accrued Liability (AAL) for benefits was \$77,168,916 and the actuarial value of assets was \$0 resulting in an Unfunded Actuarial Accrued Liability (UAAL) of \$77,168,916. The covered payroll (annual payroll of active employees covered by the plan) was \$36,101,000 and the ratio of UAAL to the covered payroll was 213.8%.

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 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%
1/1/2012	-	77,168,916	(77,168,916)	0.0%	36,101,000	213.8%

**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.



NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2012

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**Note 12: Other Post Employment Benefits (Continued)**

In the January 1, 2012 actuarial valuation, the entry age normal (EAN) cost method was used. The EAN normal cost equals the level annual amount of contribution from the employee's date of hire (entry date) to their retirement date that is sufficient to fund the projected benefit. 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 7.0% and 6.5% for PPO and HMO respectively and reduced to an ultimate rate of 5.0% thereafter. The actuarial assumption for inflation was 3%. As of the valuation date, there are no eligible plan assets. The UAAL is being amortized over an initial 30 years using the level percentage-of-pay method on a closed basis. The remaining amortization period at June 30, 2012 was 26 years. As of the actuarial valuation date of January 1, 2012, the City had 531 active eligible participants and 639 eligible retired participants and beneficiaries.

**Note 13: 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, 2012.

**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.

**CITY OF POMONA****NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2012**

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**Note 13: Joint Powers Agreements (Continued)****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. 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, 2012. Separate financial statements of Foothill Transit are available from its offices located in West Covina, CA.

	Total
Assets	\$ 228,418,215
Liabilities	51,660,401
Net Assets	<u>\$ 176,757,814</u>
Revenues	\$ 19,585,484
Expenses	80,246,868
Operating income	(60,661,384)
Nonoperating revenue (expenses)	42,831,809
Net income	(17,829,575)
Capital contributions	17,269,306
Net assets - July 1, 2011	177,318,083
Net assets - June 30, 2012	<u>\$ 176,757,814</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, 2012. Assets are divided based on the proportionate equity share at the time the joint venture dissolves, which is currently not significant to the City.

**Note 13: Joint Powers Agreements (Continued)**

**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 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, 2012.

**Los Angeles Area Regional Agency (LARA)**

The City became a member of the Los Angeles Area Regional Agency (LARA) in October 2002. LARA was created to achieve Integrated Waste Management Act (AB939) compliance. Currently, there are 17 municipalities who are members of LARA.

**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.

**CITY OF POMONA****NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2012**

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**Note 13: Joint Powers Agreements (Continued)**

Following are the most currently available condensed audited financial statements of the PVTA as of June 30, 2012. Separate financial statements of the PVTA are available from its offices located in La Verne, California.

	Total
Assets	<u>\$ 3,117,420</u>
Liabilities	\$ 1,456,500
Contributed capital	663,353
Retained earnings	<u>997,567</u>
Total liabilities and fund equity	<u>\$ 3,117,420</u>
Operating revenues	\$ 229,832
Operating expenses	<u>4,021,069</u>
Operating (income)	(3,791,237)
Non-operating revenue	<u>3,919,561</u>
Net income	128,324
Retained earnings - July 1, 2011	<u>869,243</u>
Retained earnings - June 30, 2012	<u>\$ 997,567</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 \$2,562,473 during the year ended June 30, 2012, which is comprised of \$2,316,672 for water use and \$245,801 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, 2012 was \$640,872.

**CITY OF POMONA****NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2012**

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**Note 13: Joint Powers Agreements (Continued)**

As of June 30, 2012, the three participants had the following approximate ownership equity interest:

Member	Percentages	Agreement Balance
City of Pomona	28%	\$ 640,872
Walnut Valley Water District	43%	984,196
Rowland Water District	28%	640,872
Unallocated	1%	22,888
Total	100%	<u>\$ 2,288,828</u>

The Commission's basic financial statements for the fiscal year ended June 30, 2012 reflect the implementation of GASB 34 and include the following:

Total Assets	\$ 5,940,808
Total Liabilities	<u>3,651,980</u>
Net Assets	<u>\$ 2,288,828</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 \$15,595,604 compared to total operating revenues of \$17,592,808 in fiscal year 2012. 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, 2012.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2012**


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**Note 13: Joint Powers Agreements (Continued)****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 \$5,919 in annual dues for the fiscal year ending June 30, 2012.

**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, 2012.

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, 2012. Separate financial statements of the Center are available from its offices located in Pomona, California.

	<u>Total</u>
Assets	\$ 26,328,370
Liabilities	<u>23,941,519</u>
Net Assets	<u>\$ 2,386,851</u>
Revenues	\$ 4,364,246
Expenses	<u>13,077,636</u>
Operating income	(8,713,390)
Nonoperating revenue (expenses)	<u>8,764,962</u>
Net income	51,572
Special item	(19,862)
Net assets - July 1, 2011	<u>2,355,141</u>
Net assets - June 30, 2012	<u>\$ 2,386,851</u>

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2012**


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**Note 14: 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 \$25 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 \$25 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.

As of June 30, 2012, claims payable amounted to \$19,657,917.

The estimated claims payable reported at June 30, 2012 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
2009-2010	\$ 13,104,158	\$ 7,793,148	\$ 3,717,459	\$ 17,179,847
2010-2011	17,179,847	7,686,268	7,970,771	16,895,344
2011-2012	16,895,344	6,459,291	3,696,718	19,657,917

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 15: Commitments and Contingencies****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.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2012**


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**Note 15: Commitments and Contingencies (Continued)****Ground Lease and Option to Purchase Agreement**

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

**Contractual Commitments**

The following schedule summarizes the major contractual commitments of the City as of June 30, 2012:

## Major Commitments and Contracts for Professional Services:

All American Asphalt	\$ 5,561,493
HDR Contractors, Inc	1,484,453
Riverside Construction	534,552
JA Salazar Construction	419,730
Mamco, Inc	204,000
All other construction commitments	<u>4,624,641</u>
Total contractual commitments	<u>\$ 12,828,869</u>

As of June 30, 2012, 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, 2012, 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.

**Pollution Remediation**

On February 25, 2012, under a settlement and mutual release agreement, the City acquired properties whose soil and groundwater were contaminated. The City is responsible for the investigation, characterization and remediation of the soil and groundwater from the contamination. The City has ordered a remediation study and potential liability is unknown until the study is completed.



**CITY OF POMONA**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2012**

**Note 16: 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, 2012:

	Primary Government	
	Governmental Activities	Business-Type Activities
		Total
Capital assets, net of accumulated depreciation	\$ 288,667,213	\$ 153,452,559
Less: Obligations under capital leases	(754,870)	(174,904)
Less: Long-term debt	(14,962,848)	(106,466,337)
Invested in capital assets, net of related debt	<u>\$ 272,949,495</u>	<u>\$ 46,811,318</u>

**Unrestricted Net Assets**

The unrestricted net assets had a deficit balance of \$(99,699,617) for the governmental activities at June 30, 2012.

**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, 2012:

	Enterprise Funds					Activities Internal Service Funds
	Water Utility	Sewer	Refuse	Cannon Water	Total	
Capital assets, net of accumulated depreciation	\$ 122,084,147	\$ 31,060,075	\$ 274,278	\$ 34,059	\$ 153,452,559	\$ 186,179
Less: Obligations under capital leases	(174,904)	-	-	-	(174,904)	-
Less: Long-term debt	(93,311,095)	(13,155,242)	-	-	(106,466,337)	-
Invested in capital assets, net of related debt	<u>\$ 28,598,148</u>	<u>\$ 17,904,833</u>	<u>\$ 274,278</u>	<u>\$ 34,059</u>	<u>\$ 46,811,318</u>	<u>\$ 186,179</u>

**Deficit Fund Balance**

At June 30, 2012, the following funds had net assets or fund balance deficits:

General Debt service	Major Governmental Fund	\$ (43,050,306)
Traffic Congestion Relief	Non-Major Governmental Fund	(13,731)
Self-Insurance Funds	Internal Service Fund	(15,400,310)

CITY OF POMONA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2012

**Note 16: Net Assets and Fund Balance (Continued)**

*General Debt Service Fund* – The General Debt Service Fund had an accumulated deficit of \$(43,050,306), which resulted from issuance of bonds, see Note 17 for management's plan.

*Traffic Congestion Relief Fund* – The Traffic Congestion Relief Fund had a deficit of \$(13,731), which resulted from an unanticipated shortfall of revenue. The deficit is anticipated to be cleared in 2012-2013.

*Self-Insurance Fund* – The Self-Insurance Fund had a deficit of \$(15,400,310) which resulted from outstanding liabilities/claims.

**Note 17: City's Financial Condition**

At June 30, 2012, the City's Governmental Activities had a deficit unrestricted net assets of \$(99,699,617), a decrease in the deficit of \$132,425,555 from the prior year due to an extraordinary gain of \$149,004,835 from the dissolution of the Redevelopment Agency. (See Notes 18 and 19). The General Fund had a fund balance of \$2,148,019, a reduction of \$3,541,081 from the prior year, in the fund financial statements.

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

**Government-Wide Financial Statements**

Governmental Activities					
	Total Net Assets	Change \$	Extraordinary gain on RDA Dissolution	Unrestricted Net Assets (Deficit)	Change \$
2007	\$ 218,605,207	N/A	\$ -	\$ (189,308,920)	N/A
2008	203,898,950	\$ (14,706,257)	-	(188,834,296)	\$ 474,624
2009	184,000,974	(19,897,976)	-	(213,456,367)	(24,622,071)
2010	166,768,620	(17,232,354)	-	(227,480,138)	(14,023,771)
2011	163,903,907	(2,864,713)	-	(232,125,172)	(4,645,034)
2012	267,511,049	103,607,142	149,004,835	(99,699,617)	132,425,555

**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)
2012	2,148,019	(3,541,081)

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2012

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**Note 17: City's Financial Condition (Continued)**

To address the continued deficits in net assets, the City has eliminated 240 positions, 50 or so of which are sworn officers. The City Council is fully aware of the financial condition of the City.

For fiscal year 2011-2012, the City reduced budgeted expenditures significantly by downsizing the workforce (including sworn personnel), outsourcing various operations, and negotiating concessions from employees. For 2012-2013, cost cutting efforts continue and staff estimates the General Fund will conclude the year adding an estimated \$1.1 million to General Fund balance. It is anticipated that the budget for fiscal year 2013-2014 will also be balanced. Labor concessions continue through 2013-2014 per approved Memorandum of Understandings. Additionally, the City is seeing an increase in revenues for 2013-2014, which are currently estimated at \$2 million greater than 2012-2013.

The decrease in fund balance in 2011-2012 is the result of the dissolution of the Redevelopment Agency and the City's loss of prior year loans from the City's General Fund to the Redevelopment Agency. Once allowed, the City will seek to have these loans reinstated.

**Note 18: 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*). AB 1X 26 dissolves redevelopment agencies effective October 1, 2011. AB 1X 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 AB 1X 26 and 27 which allowed a redevelopment agency to continue if it adopted an AB 1X 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 AB 1X 26 which eliminates redevelopment agencies, but invalidated in its entirety AB 1X 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 AB 1X 26 in its ruling by four months. The full text of AB 1X 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>.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2012

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**Note 19: Successor Agency Trust for Assets of Former Redevelopment Agency**

On December 29, 2011, the California Supreme Court upheld Assembly Bill 1X 26 ("the Bill") that provides for the dissolution of all redevelopment agencies in the State of California. This action impacted the reporting entity of the City of Pomona that previously had reported a Redevelopment Agency within the reporting entity of the City as a blended component unit.

The Bill provides that upon dissolution of a Redevelopment Agency, either the City or another unit of local government will agree to serve as the "Successor Agency" to hold the assets until they are distributed to other units of state and local government. On January 9, 2011, the City Council elected to become the Successor Agency for the former Redevelopment Agency in accordance with the Bill as part of City resolution number 2012-8.

After enactment of the law, which occurred on June 28, 2011, redevelopment agencies in the State of California cannot enter into new projects, obligations or commitments. Subject to the control of a newly established oversight board, remaining assets can only be used to pay enforceable obligations in existence at the date of dissolution (including the completion of any unfinished projects that were subject to legally enforceable contractual commitments).

In future fiscal years, Successor Agencies will only be allocated revenue in the amount that is necessary to pay the estimated annual installment payments on enforceable obligations of the former Redevelopment Agency until all enforceable obligations of the prior Redevelopment Agency have been paid in full and all assets have been liquidated.

The Bill directs the State Controller of the State of California to review the propriety of any transfers of assets between Redevelopment Agencies and other public bodies that occurred after January 1, 2011. If the public body that received such transfers is not contractually committed to a third party for the expenditure or encumbrance of those assets, the State Controller is required to order the available assets to be transferred to the public body designated as the successor agency by the Bill.

Management believes, in consultation with legal counsel, that the obligations of the former Redevelopment Agency due to the City are valid enforceable obligations payable by the Successor Agency trust under the requirements of the Bill. The City's position on this issue is not a position of settled law and there is considerable legal uncertainty regarding this issue. It is reasonably possible that a legal determination may be made at a later date by an appropriate judicial authority that would resolve this issue unfavorably to the City.

In accordance with the timeline set forth in the Bill (as modified by the California Supreme Court on December 29, 2011) all redevelopment agencies in the State of California were dissolved and ceased to operate as a legal entity as of February 1, 2012.

Prior to that date, the final seven months of the activities of the Redevelopment Agency continued to be reported in the governmental funds of the City. After the date of dissolution, the assets and activities of the dissolved Redevelopment Agency are reported in the Fiduciary Fund (Private-Purpose Trust Fund) in the financial statements of the City.

The transfer of the assets and liabilities of the former Redevelopment Agency as of February 1, 2012 (effectively the same date as January 31, 2012) from governmental funds of the City to Fiduciary Funds was reported in the Governmental Funds as an extraordinary loss (or gain) in the Governmental Fund Financial Statements. The receipt of these assets and liabilities as of January 31, 2012 was reported in the Private-Purpose Trust Fund as an extraordinary gain (or loss).

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2012**


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**Note 19: Successor Agency Trust for Assets of Former Redevelopment Agency (Continued)**

Because of the different measurement focus of the governmental funds (*current financial resources measurement focus*) and the measurement focus of the trust funds (*economic resources measurement focus*), the extraordinary loss (gain) recognized in the governmental funds was not the same amount as the extraordinary gain (loss) that was recognized in the fiduciary fund financial statements.

The difference between the extraordinary loss recognized in the Fund Financial Statements and the extraordinary gain recognized in the Fiduciary Fund Financial Statements is reconciled as follows:

Total extraordinary loss reported in the Governmental Funds - increase to net assets of the Successory Agency Trust Fund	\$ (68,237,733)
Capital assets recorded in the Government-Wide Financial Statements - increase to net assets of the Successor Agency Trust Fund	(235,290)
Bond issuance cost is an expenditure in the Governmental Funds, but it is a deferred charge in the Successor Agency Trust Fund.	(2,407,908)
Compensated absences reported in the Government-Wide Financial Statements - decrease in net assets of the Successor Agency Trust Fund	209,295
Long-term debt reported in the Government-Wide Financial Statements - decrease to net assets of the Successor Agency Trust Fund	<u>219,676,471</u>
Net decrease to net assets of the Successor Agency Trust Fund as a result of initial transfers (equal to amount of extraordinary gain reported in the Government-Wide Financial Statements of the City)	<u><u>\$ 149,004,835</u></u>

**Cash and Investments**

The following is a summary of cash and investments at June 30, 2012:

Cash and investments	\$ 8,644,214
Restricted cash and investments	<u>52,255,307</u>
	<u><u>\$ 60,899,521</u></u>

The Successor Agency's cash and investments are pooled with the City's cash and investment in order to generate optimum interest income. The share of the pooled cash account is separately accounted for, and investment income is allocated to all participating funds based on the relationship of their average daily cash balances to the total of the pooled cash and investments. Information regarding the authorized types of deposits and investments, the type of risks (i.e. credit, interest rate, custodial, etc.) and other disclosures associated with the City's pooled cash and investments is reported in Note 2.

CITY OF POMONA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2012

**Note 19: Successor Agency Trust for Assets of Former Redevelopment Agency (Continued)**

**Loans Receivable (Net)**

At June 30, 2012, the Successor Agency's net loans receivable consisted of the following:

	Balance July 1, 2011	Transfer from former Redevelopment Agency *	Additions	Deletions	Balance June 30, 2012
Business Assistance Loans	\$ -	\$ 1,252,000	\$ -	\$ -	\$ 1,252,000
Guadalajara Market	-	210,600	-	-	210,600
Pomona Fox Theater	-	1,300,000	-	-	1,300,000
Pomona Fox Theater	-	1,150,000	-	-	1,150,000
Allstate KIA	-	171,412	6,587	137,431	40,568
Garey Village Complex	-	-	5,000,000	-	5,000,000
Total	<u>\$ -</u>	<u>\$ 4,084,012</u>	<u>\$ 5,006,587</u>	<u>\$ 137,431</u>	<u>\$ 8,953,168</u>

\*As a result of the dissolution of the Redevelopment Agency, loans receivable of the former Redevelopment Agency were transferred to the Successor Agency.

**Land Held for Resale**

At June 30, 2012, land held for resale in the amount of \$20,429,431 is recorded at cost in the Successor Agency Trust Fund.

## CITY OF POMONA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2012

## Note 19: Successor Agency Trust for Assets of Former Redevelopment Agency (Continued)

## Capital Assets

The following is a summary of capital assets for the Successor Agency as of June 30, 2012:

	Balance July 1, 2011	Transfer from former Redevelopment Agency *	Additions	Deletions	Balance June 30, 2012
Non-depreciable Assets:					
Land	\$ -	\$ 125,423	\$ -	\$ -	\$ 125,423
Total non-depreciable assets	-	125,423	-	-	125,423
Depreciable Assets:					
Buildings and Improvements	-	63,126	-	-	63,126
Improvements other than Buildings	-	148,995	-	-	148,995
Machinery and Equipment	-	728,372	-	-	728,372
Furniture and Fixtures	-	8,361	-	-	8,361
Autos and Trucks	-	19,513	-	-	19,513
Total Capital Assets	-	968,367	-	-	968,367
Less Accumulated Depreciation					
Buildings and Improvements	-	(9,575)	(525)	-	(10,100)
Improvements other than Buildings	-	(104,794)	(2,483)	-	(107,277)
Machinery and Equipment	-	(722,158)	(950)	-	(723,108)
Furniture and Fixtures	-	(7,176)	(348)	-	(7,524)
Autos and Trucks	-	(14,797)	(814)	-	(15,611)
Total accumulated depreciation	-	(858,500)	(5,120)	-	(863,620)
Total depreciable assets, net	-	109,867	(5,120)	-	104,747
Total capital assets	\$ -	\$ 235,290	\$ (5,120)	\$ -	\$ 230,170

\*As a result of the dissolution of the Redevelopment Agency, capital assets of the former Redevelopment Agency were transferred to the Successor Agency.

**CITY OF POMONA**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2012**

**Note 19: Successor Agency Trust for Assets of Former Redevelopment Agency (Continued)**

**Long-Term Debt**

The following debts were transferred from the former Redevelopment Agency to the Successor Agency as of February 1, 2012 as a result of the dissolution. A description of long-term debt outstanding (excluding defeased debt) of the Successor Agency as of June 30, 2012, follows:

	Balance July 1, 2011	Transfer from former Redevelopment Agency	Accreted Interest	Additions	Deletions	Balance June 30, 2012	Due Within One Year
County Deferred Tax Loans	\$ -	\$ 35,745,818	\$ 2,532,196	\$ 428,373	\$ -	\$ 38,706,387	\$ -
ERAF Loan	-	591,961	-	-	76,961	515,000	165,000
Notes Payable	-	2,413,692	-	-	-	2,413,692	2,379,862
Tax Allocation Bonds	-	9,180,000	-	-	190,000	8,990,000	490,000
Advances from the Public Financing Authority	-	171,745,000	-	-	-	171,745,000	5,360,000
Advances from the Housing Authority - SERAF Loan	-	4,000,000	-	-	-	4,000,000	-
Compensated Absences	-	209,295	-	58,940	82,618	185,617	25,000
Total Fiduciary Funds	\$ -	\$ 223,885,766	\$ 2,532,196	\$ 487,313	\$ 349,579	\$ 226,555,696	\$ 8,419,862

\*As a result of the dissolution of the Redevelopment Agency, long-term debts of the former Redevelopment Agency were transferred to the Successor Agency.

**County Deferred Tax Loans**

At June 30, 2012, the County deferred tax loans consisted of the following:

	Balance July 1, 2011	Transfer from former Redevelopment Agency	Accrued Interest	Additions	Deletions	Balance June 30, 2012
Southwest Pomona Project Area	\$ -	\$ 31,355,098	\$ 2,194,858	\$ -	\$ -	\$ 33,549,956
South Garey/Freeway Corridor Project Area	-	4,390,720	337,338	428,373	-	5,156,431
Total	\$ -	\$ 35,745,818	\$ 2,532,196	\$ 428,373	\$ -	\$ 38,706,387

The former Redevelopment 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 Successor Agency. Interest on both loans will accrue at 7% per year, compounded annually. The Successor Agency will commence repayment of the loans when excess funds become available.



**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2012**
**Note 19: Successor Agency Trust for Assets of Former Redevelopment Agency (Continued)**
**ERAF Loan**

	Balance July 1, 2011	Transfer from former Redevelopment Agency	Additions	Deletions	Balance June 30, 2012	Due Within One Year
ERAF Loan	\$ -	\$ 591,961	\$ -	\$ 76,961	\$ 515,000	\$ 165,000

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

The annual debt service requirements at June 30, 2012 were as follows:

	Principal	Interest	Total
2012-2013	\$ 165,000	\$ 25,518	\$ 190,518
2013-2014	170,000	17,450	187,450
2014-2015	180,000	9,018	189,018
Total	\$ 515,000	\$ 51,986	\$ 566,986

**Notes Payable**

	Balance July 1, 2011	Transfer from former Redevelopment Agency	Additions	Deletions	Balance June 30, 2012	Due Within One Year
Mission Promenade, LLC	\$ -	\$ 2,378,080	\$ -	\$ -	\$ 2,378,080	\$ 2,378,080
PVEF Note	-	35,612	-	-	35,612	1,782
Total	\$ -	\$ 2,413,692	\$ -	\$ -	\$ 2,413,692	\$ 2,379,862

**Mission Promenade, LLC Note**

In December 2008, the former Redevelopment 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 Successor Agency has the option to extend the Note for one year and it is unknown at this time if the Successor Agency will request an extension. 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 Successor 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 Successor Agency, the excess cash flow from the property operations (rental income minus operating expenses) is to be paid to Mission Promenade, LLC to reduce the Note amount. The outstanding balance on the note, which includes the brokerage obligation, at June 30, 2012 is \$2,378,080.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2012**
**Note 19: Successor Agency Trust for Assets of Former Redevelopment Agency (Continued)**
**Pomona Valley Education Foundation Note (PVEF Note)**

In March 2008, the former Redevelopment 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, 2012, were as follows:

	Principal	Interest	Total
2012-2013	\$ 1,782	\$ 445	\$ 2,227
2013-2014	7,122	1,781	8,903
2014-2015	7,122	1,781	8,903
2015-2016	7,122	1,781	8,903
2016-2017	7,122	1,781	8,903
2017-2018	5,342	1,335	6,677
Totals	<u>\$ 35,612</u>	<u>\$ 8,904</u>	<u>\$ 44,516</u>

**Tax Allocation Bonds**

	Balance July 1, 2011	Transfer from former Redevelopment Agency	Additions	Deletions	Balance June 30, 2012	Due Within One Year
1998 Tax Allocation Bonds Series X	\$ -	\$ 2,050,000	\$ -	\$ -	\$ 2,050,000	\$ 290,000
1998 Tax Allocation Bonds Series Y	-	7,130,000	-	(190,000)	6,940,000	200,000
Total	<u>\$ -</u>	<u>\$ 9,180,000</u>	<u>\$ -</u>	<u>\$ (190,000)</u>	<u>\$ 8,990,000</u>	<u>\$ 490,000</u>

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

On October 1, 1998, the former Redevelopment 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 former Redevelopment Agency and the Public Financing Authority related to the Public Financing 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.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2012**
**Note 19: Successor Agency Trust for Assets of Former Redevelopment Agency (Continued)**

The annual debt service requirements outstanding at June 30, 2012 were as follows:

	Principal	Interest	Total
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
2016-2017	350,000	34,203	384,203
2017-2022	260,000	90,990	350,990
2022-2025	200,000	16,470	216,470
Total	<u>\$ 2,050,000</u>	<u>\$ 450,984</u>	<u>\$ 2,500,984</u>

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

On October 1, 1998, the former Redevelopment 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 former Redevelopment Agency and Public Financing Authority related to the Public Financing 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 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, 2012 were as follows:

	Principal	Interest	Total
2012-2013	\$ 200,000	\$ 380,520	\$ 580,520
2013-2014	210,000	369,520	579,520
2014-2015	220,000	358,076	578,076
2015-2016	235,000	346,086	581,086
2016-2017	245,000	333,278	578,278
2017-2022	1,450,000	1,449,752	2,899,752
2022-2027	1,900,000	1,006,500	2,906,500
2027-2032	2,480,000	423,502	2,903,502
Total	<u>\$ 6,940,000</u>	<u>\$ 4,667,234</u>	<u>\$ 11,607,234</u>

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2012**
**Note 19: Successor Agency Trust for Assets of Former Redevelopment Agency (Continued)**
**Advances from the Public Financing Authority**

The Public Financing Authority issued various debt instruments and advanced the proceeds to the former Redevelopment Agency, then Successor Agency, for the purposes described below for each debt issued. The Successor Agency is responsible for installment payments to the Public Financing Authority in amount equal to the debt service requirement. The following is a summary of changes for the year ended June 30, 2012, of the long-term debts issued through the Public Financing Authority whose proceeds have been advanced to the Successor Agency:

	Balance July 1, 2011	Transfers from former Redevelopment Agency	Additions	Deletions	Balance June 30, 2012	Due Within One Year
1998 Revenue Refunding Bonds, Series W	\$ -	\$ 36,995,000	\$ -	\$ -	\$ 36,995,000	\$ 385,000
2001 Revenue Refunding Bonds, Series AD	-	36,205,000	-	-	36,205,000	1,960,000
2003 Revenue Refunding Bonds, Series AH	-	22,320,000	-	-	22,320,000	1,175,000
2005 Taxable Housing Tax Revenue Bonds, Series AQ	-	8,830,000	-	-	8,830,000	265,000
2006 Revenue Bonds, Series AS	-	26,190,000	-	-	26,190,000	145,000
2006 Taxable Revenue Bonds, Series AT	-	8,015,000	-	-	8,015,000	360,000
2007 Revenue Bonds, Series AW	-	8,125,000	-	-	8,125,000	230,000
2006 Subordinate Revenue Bonds, Series AX	-	25,065,000	-	-	25,065,000	840,000
	<u>\$ -</u>	<u>\$ 171,745,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 171,745,000</u>	<u>\$ 5,360,000</u>

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

On March 1, 1998, the Public Financing Authority issued \$52,335,000 1998 Revenue Refunding Bonds, Series W for the purpose of making an advance to the former Redevelopment 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, 2012**
**Note 19: Successor Agency Trust for Assets of Former Redevelopment Agency (Continued)**

The annual debt service requirements for the 1998 Revenue Bonds, Refunding Series W outstanding at June 30, 2012, were as follows:

	Principal	Interest	Total
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
2016-2017	470,000	1,766,500	2,236,500
2017-2022	6,985,000	8,351,250	15,336,250
2022-2027	16,130,000	5,434,000	21,564,000
2027-2030	11,745,000	1,193,500	12,938,500
Total	<u>\$ 36,995,000</u>	<u>\$ 24,024,365</u>	<u>\$ 61,019,365</u>

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

On April 1, 2001, the Public Financing Authority issued \$39,165,000 2001 Revenue Bonds, Series AD for the purpose of making an advance to the former Redevelopment Agency to refinance certain prior bonds and to make an additional advance to the former Redevelopment 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, 2012, were as follows:

	Principal	Interest	Total
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
2016-2017	2,120,000	1,409,500	3,529,500
2017-2022	9,930,000	5,387,750	15,317,750
2022-2027	8,615,000	3,204,250	11,819,250
2027-2032	7,080,000	1,055,500	8,135,500
2032-2033	445,000	22,250	467,250
Total	<u>\$ 36,205,000</u>	<u>\$ 17,723,226</u>	<u>\$ 53,928,226</u>

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2012**


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**Note 19: Successor Agency Trust for Assets of Former Redevelopment Agency (Continued)**
**2003 Revenue Refunding Bonds, Series AH – Original Issuance \$46,650,000**

On November 1, 2003, the Public Financing Authority issued \$46,650,000 2003 Revenue Bonds, Series AH, to provide funds for a loan to the former Redevelopment Agency for certain improvements and to refinance certain former Redevelopment Agency obligations to the Public Financing 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, 2012, were as follows:

	Principal	Interest	Total
2012-2013	\$ 1,175,000	\$ 1,043,140	\$ 2,218,140
2013-2014	1,275,000	999,666	2,274,666
2014-2015	1,325,000	951,852	2,276,852
2015-2016	1,380,000	900,178	2,280,178
2016-2017	1,440,000	844,978	2,284,978
2017-2022	5,620,000	3,162,506	8,782,506
2022-2027	2,235,000	2,290,158	4,525,158
2027-2032	6,895,000	1,474,894	8,369,894
2032-2034	975,000	61,628	1,036,628
Total	<u>\$ 22,320,000</u>	<u>\$ 11,729,000</u>	<u>\$ 34,049,000</u>

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

On December 1, 2005, the Public Financing Authority issued \$10,065,000 2005 Taxable Housing Tax Revenue Bonds, Series AQ, to provide funds to make a loan to the former Redevelopment 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.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2012**
**Note 19: Successor Agency Trust for Assets of Former Redevelopment Agency (Continued)**

The annual debt service requirements for the 2005 Taxable Housing Tax Revenue Bonds, Series AQ outstanding at June 30, 2012, were as follows:

	Principal	Interest	Total
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
2016-2017	325,000	471,612	796,612
2017-2022	1,955,000	2,027,126	3,982,126
2022-2027	2,640,000	1,335,874	3,975,874
2027-2031	2,760,000	426,000	3,186,000
Total	<u>\$ 8,830,000</u>	<u>\$ 6,301,348</u>	<u>\$ 15,131,348</u>

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

On December 18, 2006, the Public Financing Authority issued \$26,305,000 2006 Revenue Bonds, Series AS, to make a loan to the former Redevelopment Agency for the purpose of refinancing a portion of the Public Financing 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 Public Financing Authority and the former Redevelopment Agency. The loan payments are limited obligations of the Successor Agency payable solely from and secured by the pledged tax revenues to be derived from the Successor Agency's project area remaining after payment of the Senior Obligations.

The annual debt service requirements for the 2006 Revenue Bonds, Series AS outstanding at June 30, 2012, were as follows:

	Principal	Interest	Total
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
2016-2017	65,000	1,244,942	1,309,942
2017-2022	1,370,000	6,140,140	7,510,140
2022-2027	1,380,000	5,831,282	7,211,282
2027-2032	11,775,000	4,906,000	16,681,000
2032-2037	7,560,000	1,699,500	9,259,500
2037-2041	3,655,000	390,602	4,045,602
Total	<u>\$ 26,190,000</u>	<u>\$ 25,222,394</u>	<u>\$ 51,412,394</u>

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2012**
**Note 19: Successor Agency Trust for Assets of Former Redevelopment Agency (Continued)**
**2006 Taxable Revenue Bonds, Series AT – Original Issuance \$8,355,000**

On December 18, 2006, the Public Financing Authority issued \$8,355,000 2006 Taxable Revenue Bonds, Series AT, to make a loan to the former Redevelopment Agency for the purpose of refinancing a portion of the Public Financing 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 Public Financing Authority and the former Redevelopment Agency. The loan payments are limited obligations of the Successor Agency payable solely from and secured by the pledged tax revenues to be derived from the Successor Agency's project area remaining after payment of the Senior Obligations.

The annual debt service requirements for the 2006 Taxable Revenue Bonds, Series AT outstanding at June 30, 2012, were as follows:

	Principal	Interest	Total
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
2016-2017	440,000	367,210	807,210
2017-2022	2,600,000	1,438,650	4,038,650
2022-2027	3,415,000	607,250	4,022,250
Total	<u>\$ 8,015,000</u>	<u>\$ 4,093,510</u>	<u>\$ 12,108,510</u>

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

On July 1, 2007, the Public Financing Authority issued \$8,375,000 in 2007 Subordinate Revenue Bonds, Series AW, to provide funds for a loan to the former Redevelopment 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, 2012**
**Note 19: Successor Agency Trust for Assets of Former Redevelopment Agency (Continued)**

The annual debt service requirements for the 2007 Subordinate Revenue Bonds, Series AW outstanding at June 30, 2012, were as follows:

	Principal	Interest	Total
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
2016-2017	285,000	357,618	642,618
2017-2022	1,695,000	1,569,668	3,264,668
2022-2027	2,100,000	1,102,824	3,202,824
2027-2032	2,705,000	515,322	3,220,322
2032-2033	320,000	16,400	336,400
Total	<u>\$ 8,125,000</u>	<u>\$ 5,108,216</u>	<u>\$ 13,233,216</u>

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

On December 18, 2006, the Public Financing Authority issued \$25,865,000 2006 Subordinate Revenue Bonds, Series AX, to make a loan to the former Redevelopment Agency for the purpose of refinancing a portion of the Public Financing 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 former Redevelopment 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 Public Financing Authority and the former Redevelopment Agency. The loan payments are limited obligations of the Successor Agency payable solely from and secured by the Subordinate Tax Revenues to be derived from the Successor Agency's project area remaining after payment of the Senior/ Subordinate Obligations.

The annual debt service requirements for the 2006 Subordinate Revenue Bonds, Series AX outstanding at June 30, 2012, were as follows:

	Principal	Interest	Total
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
2016-2017	920,000	1,044,046	1,964,046
2017-2022	4,940,000	4,604,606	9,544,606
2022-2027	5,780,000	3,383,250	9,163,250
2027-2032	7,205,000	1,794,000	8,999,000
2032-2037	1,935,000	422,750	2,357,750
2037-2041	820,000	97,500	917,500
Total	<u>\$ 25,065,000</u>	<u>\$ 15,883,638</u>	<u>\$ 40,948,638</u>

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2012**
**Note 19: Successor Agency Trust for Assets of Former Redevelopment Agency (Continued)**
**Advances from the Housing Authority**

	Balance July 1, 2011	Transfer from former Redevelopment Agency	Additions	Deletions	Balance June 30, 2012
ERAF Loan	\$ -	\$ 4,000,000	\$ -	\$ -	\$ 4,000,000

On July 24, 2009, Assembly Bill AB4-26 that shifts former Redevelopment Agency funds and established a Supplemental Educational Revenue Augmentation Fund (SERAF) was passed. It was a "budget trailer bill" that was part of the State's legislation to balance their budget. The former Redevelopment Agency of the City of Pomona's share of SERAF obligation for Fiscal Year 2009-10 was \$8,264,547 and \$1.7 million in Fiscal Year 2010-11. Health and Safety Code Section 33690(c) provides that a redevelopment agency, which makes a finding that insufficient monies are available to fund its SERAF obligation in Fiscal Years 2009-10 or 2010-11, may borrow funds from its Low and Moderate Income Housing Fund to make the full SERAF payment. On May 3, 2010 City Council authorized a loan of \$5,000,000 from the Low-Mod Fund to make the full SERAF payment. The Successor Agency's outstanding balance on the note as of June 30, 2012 is \$4,000,000.

**Compensated Absences**

The following is a summary of compensated absences outstanding as of June 30, 2012:

Balance July 1, 2011	Transfer from former Redevelopment Agency	Additions	Deletions	Balance June 30, 2012	Due Within One Year
\$ -	\$ 209,295	\$ 58,940	\$ 82,618	\$ 185,617	\$ 25,000

**Pledged Tax Revenues**

The City has pledged, as security for bonds issued, either directly or through the Pomona Public Financing Authority, certain tax revenues to the repayment of certain Successor Agency debts (bonds, loans and advances) through final maturity of bonded debt on February 1, 2041, or earlier retirement, whichever occurs first.

Tax revenues consist of tax increment revenues allocated to the Successor 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. Assembly Bill 1X 26 provided that upon dissolution of the Redevelopment Agency, property taxes allocated to redevelopment agencies no longer are deemed tax increment but rather property tax revenues and will be allocated first to local agency and school entity pursuant to any pass through agreement, then second to local agency and school entity pursuant to any pass-through agreement, then second to successor agencies to make payments on the indebtedness incurred by the dissolved redevelopment agency. For the current year, the total property tax revenue recognized by the City was \$11,626,315 and the debt service obligation on the bonds was \$15,039,384.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2012**


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**Note 19: Successor Agency Trust for Assets of Former Redevelopment Agency (Continued)**

Remaining balance on the debt at June 30, 2012, was as follows:

<u>Debt Issue</u>	<u>Remaining Balance</u>
County of LA Agreement	\$ 38,706,387
ERAF Loan	566,986
1998 Series W Bonds	61,019,365
1998 Series X Bonds	2,500,984
1998 Series Y Bonds	11,670,234
2001 Series AD Bonds	53,928,226
2003 Series AH Bonds	34,049,000
2005 Series AQ Bonds	15,131,348
2006 Series AS Bonds	51,412,394
2006 Series AT Bonds	12,108,510
2007 Series AW Bonds	13,233,216
2006 Series AX Bonds	40,948,638
Total	<u>\$ 335,275,288</u>

**Insurance**

The Successor Agency is covered under the City of Pomona's insurance policies. Therefore, the limitation and self-insured retentions applicable to the City also apply to the Successor Agency. Additional information as to coverage and self-insured retentions can be found in Note 14.

**Commitments and Contingencies**
**Agreement for Allocation of Tax Increment Funds**

On December 5, 1988, the former Redevelopment Agency entered into an agreement with the County whereby the County has agreed to provide sufficient allocation of tax increment to allow the Successor 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 Successor Agency for any "deficiencies" of tax increment revenues allocated to the Successor Agency as described in the agreement. In accordance with the agreement, during the fiscal year 2011-12, the Successor Agency received a grant in the amount of \$690,593, which was recorded as intergovernmental revenue.

## **REQUIRED SUPPLEMENTARY INFORMATION**

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## **REQUIRED SUPPLEMENTARY INFORMATION**

**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, 2012**

	<b>Budget Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
				<b>Positive</b>
				<b>(Negative)</b>
Budgetary Fund Balance, July 1	\$ 5,689,100	\$ 5,689,100	\$ 5,689,100	\$ -
<b>Resources (Inflows):</b>				
Taxes	68,360,122	68,360,122	67,326,470	(1,033,652)
Licenses and permits	2,453,667	2,453,667	2,720,395	266,728
Intergovernmental	1,370,969	1,370,969	664,988	(705,981)
Charges for services	1,855,832	1,855,832	2,320,603	464,771
Interest and rentals	493,958	493,958	517,145	23,187
Fines and forfeitures	1,985,850	1,985,850	1,783,745	(202,105)
Miscellaneous	209,300	209,300	1,536,590	1,327,290
Transfers in	2,361,078	2,361,078	114,145	(2,246,933)
Proceeds from sale of capital asset	-	-	71,720	71,720
<b>Amounts Available for Appropriation</b>	<b>84,779,876</b>	<b>84,779,876</b>	<b>82,744,901</b>	<b>(2,034,975)</b>
<b>Charges to Appropriation (Outflow):</b>				
General government	2,458,102	2,475,421	2,326,151	149,270
Public safety	58,759,833	58,839,419	58,508,546	330,873
Urban development	8,842,834	9,092,310	6,727,092	2,365,218
Community services	4,298,071	4,440,307	4,110,348	329,959
Capital outlay	40,000	40,000	29,599	10,401
Debt service:				
Principal retirement	488,617	-	421,044	(421,044)
Transfers out	4,186,952	4,186,952	4,646,575	(459,623)
Extraordinary loss on dissolution of Redevelopment Agency (Note 19)	-	-	3,827,527	(3,827,527)
<b>Total Charges to Appropriation</b>	<b>79,074,409</b>	<b>79,074,409</b>	<b>80,596,882</b>	<b>(1,522,473)</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 5,705,467</b>	<b>\$ 5,705,467</b>	<b>\$ 2,148,019</b>	<b>\$ (3,557,448)</b>



## CITY OF POMONA

**BUDGETARY COMPARISON SCHEDULE  
 HOUSING AUTHORITY  
 YEAR ENDED JUNE 30, 2012**

	<b>Budget Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
				<b>Positive</b>
				<b>(Negative)</b>
Budgetary Fund Balance, July 1	\$ 279,355	\$ 279,355	\$ 279,355	\$ -
<b>Resources (Inflows):</b>				
Charges for services	-	-	545	545
Interest and rentals	25,800	25,800	145,075	119,275
Miscellaneous	-	-	6,000	6,000
Extraordinary gain on disposition of Redevelopment Agency (Note 19)	-	-	18,909,157	18,909,157
<b>Amounts Available for Appropriation</b>	<b>305,155</b>	<b>305,155</b>	<b>19,340,132</b>	<b>19,034,977</b>
<b>Charges to Appropriation (Outflow):</b>				
Urban development	240,415	240,415	194,817	45,598
<b>Total Charges to Appropriation</b>	<b>240,415</b>	<b>240,415</b>	<b>194,817</b>	<b>45,598</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 64,740</b>	<b>\$ 64,740</b>	<b>\$ 19,145,315</b>	<b>\$ 19,080,575</b>

## CITY OF POMONA

**BUDGETARY COMPARISON SCHEDULE**  
**MISCELLANEOUS GRANTS**  
**YEAR ENDED JUNE 30, 2012**

	<b>Budget Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
				<b>Positive</b>
				<b>(Negative)</b>
Budgetary Fund Balance, July 1	\$ 2,198,298	\$ 2,198,298	\$ 2,198,298	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	8,585,714	8,585,714	5,572,172	(3,013,542)
Charges for services	47,571	47,571	711,247	663,676
Interest and rentals	6,720	6,720	180,977	174,257
Miscellaneous	72,000	72,000	113,363	41,363
Transfers in	94,359	94,359	71,978	(22,381)
Proceeds from sale of capital asset	-	-	192,168	192,168
<b>Amounts Available for Appropriation</b>	<b>11,004,662</b>	<b>11,004,662</b>	<b>9,040,203</b>	<b>(1,964,459)</b>
<b>Charges to Appropriation (Outflow):</b>				
Public safety	1,454,215	1,454,215	912,081	542,134
Urban development	6,900,835	6,900,835	5,605,374	1,295,461
Community services	396,817	396,817	407,168	(10,351)
Capital outlay	106,271	106,271	152,643	(46,372)
<b>Total Charges to Appropriation</b>	<b>8,858,138</b>	<b>8,858,138</b>	<b>7,077,266</b>	<b>1,780,872</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 2,146,524</b>	<b>\$ 2,146,524</b>	<b>\$ 1,962,937</b>	<b>\$ (183,587)</b>

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## **COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES**

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# NON-MAJOR GOVERNMENTAL FUNDS

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The **Housing Assistance Programs Fund** 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 **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 District 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 Operations Fund** accounts for street sweeping services, graffiti abatement, storm water compliance, landscape median maintenance, and right-of-way clean-ups.

The **Low and Moderate Income Housing Fund** is a special revenue fund of the Redevelopment Agency that accounts for monies received and expended to assist low and moderate income households. The Redevelopment Agency was dissolved as of January 31, 2012 through the Supreme Court decision on Assembly Bill 1X 26. See Note 19 for more information on the dissolution.

The **Capital Outlay Fund** accounts for the accumulation of the cost of capital projects.

## NON-MAJOR GOVERNMENTAL FUNDS

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The **Assessment District Improvement Fund** accounts for capital improvements through special charges levied against the properties benefited.

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). The Redevelopment Agency was dissolved as of January 31, 2012 through the Supreme Court decision on Assembly Bill 1X 26. See Note 18 for more information on the dissolution.

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 was dissolved as of January 31, 2012 through the Supreme Court decision on Assembly Bill 1X 26. See Note 18 for more information on the dissolution.

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## CITY OF POMONA

**COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2012**

	<b>Special Revenue Funds</b>			
	<b>Housing Assistance Programs</b>	<b>Community Development Block Grant</b>	<b>State Gas Tax</b>	<b>Proposition A</b>
<b>Assets:</b>				
Cash and investments	\$ 4,267,823	\$ 266,082	\$ 3,738,814	\$ 720,066
Receivables (net):				
Accounts	124	19,948	-	-
Notes and loans	-	2,424,471	-	-
Interest	3,376	134	2,184	490
Prepaid costs	832,940	-	-	-
Deposits	-	2,164	-	-
Due from other governments	-	195,382	447,634	241,016
Advances to other funds	-	-	-	-
Restricted assets:				
Cash and investments	-	-	53,090	-
<b>Total Assets</b>	<b>\$ 5,104,263</b>	<b>\$ 2,908,181</b>	<b>\$ 4,241,722</b>	<b>\$ 961,572</b>
<b>Liabilities and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 11,260	\$ 95,444	\$ 1,329,127	\$ 116,866
Accrued liabilities	75,938	29,215	996	1,288
Deferred revenues	-	1,799,471	-	235,666
Due to other funds	-	-	-	-
<b>Total Liabilities</b>	<b>87,198</b>	<b>1,924,130</b>	<b>1,330,123</b>	<b>353,820</b>
<b>Fund Balances:</b>				
<b>Nonspendable</b>				
Prepaid costs	832,940	-	-	-
Deposits	-	2,164	-	-
Notes and loans	-	625,000	-	-
Advances to other funds	-	-	-	-
<b>Restricted</b>				
Urban development	4,184,125	356,887	2,911,599	607,752
Public safety	-	-	-	-
Community services	-	-	-	-
Capital projects	-	-	-	-
Assessment district improvement	-	-	-	-
<b>Unassigned</b>	-	-	-	-
<b>Total Fund Balances</b>	<b>5,017,065</b>	<b>984,051</b>	<b>2,911,599</b>	<b>607,752</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 5,104,263</b>	<b>\$ 2,908,181</b>	<b>\$ 4,241,722</b>	<b>\$ 961,572</b>

## CITY OF POMONA

**COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2012**

(Continued)

	<b>Special Revenue Funds</b>			
	<b>Proposition C</b>	<b>Vehicle Parking District</b>	<b>Air Quality Improvement</b>	<b>Traffic Congestion Relief</b>
<b>Assets:</b>				
Cash and investments	\$ 3,497,990	\$ 251,333	\$ 818,098	\$ 59,925
Receivables (net):				
Accounts	-	8,660	-	-
Notes and loans	-	-	-	-
Interest	3,693	201	628	2
Prepaid costs	-	-	-	-
Deposits	-	-	-	-
Due from other governments	-	2,038	46,216	97,929
Advances to other funds	-	304,435	-	-
Restricted assets:				
Cash and investments	-	-	-	7,295
<b>Total Assets</b>	<b>\$ 3,501,683</b>	<b>\$ 566,667</b>	<b>\$ 864,942</b>	<b>\$ 165,151</b>
<b>Liabilities and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 6,705	\$ 15,368	\$ 3,100	\$ 176,300
Accrued liabilities	2,084	5,903	115	2,582
Deferred revenues	-	14,070	-	-
Due to other funds	-	-	-	-
<b>Total Liabilities</b>	<b>8,789</b>	<b>35,341</b>	<b>3,215</b>	<b>178,882</b>
<b>Fund Balances:</b>				
<b>Nonspendable</b>				
Prepaid costs	-	-	-	-
Deposits	-	-	-	-
Notes and loans	-	-	-	-
Advances to other funds	-	304,435	-	-
<b>Restricted</b>				
Urban development	3,492,894	226,891	861,727	-
Public safety	-	-	-	-
Community services	-	-	-	-
Capital projects	-	-	-	-
Assessment district improvement	-	-	-	-
<b>Unassigned</b>	-	-	-	(13,731)
<b>Total Fund Balances</b>	<b>3,492,894</b>	<b>531,326</b>	<b>861,727</b>	<b>(13,731)</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 3,501,683</b>	<b>\$ 566,667</b>	<b>\$ 864,942</b>	<b>\$ 165,151</b>

## CITY OF POMONA

**COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2012**

	Special Revenue Funds			
	Landscape Maintenance District	Narcotics Forfeiture	Traffic Offender	Proposition 1B
<b>Assets:</b>				
Cash and investments	\$ 559,998	\$ 4,759,234	\$ 39,427	\$ 289,434
Receivables (net):				
Accounts	-	25,879	-	-
Notes and loans	-	-	-	-
Interest	444	3,838	20	256
Prepaid costs	-	-	-	-
Deposits	-	-	-	-
Due from other governments	72,084	-	-	-
Advances to other funds	-	-	-	-
Restricted assets:				
Cash and investments	-	-	-	-
<b>Total Assets</b>	<b>\$ 632,526</b>	<b>\$ 4,788,951</b>	<b>\$ 39,447</b>	<b>\$ 289,690</b>
<b>Liabilities and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 170,246	\$ 65,940	\$ 249	\$ -
Accrued liabilities	3,579	18,491	3,287	-
Deferred revenues	-	-	-	-
Due to other funds	-	-	-	-
<b>Total Liabilities</b>	<b>173,825</b>	<b>84,431</b>	<b>3,536</b>	<b>-</b>
<b>Fund Balances:</b>				
<b>Nonspendable</b>				
Prepaid costs	-	-	-	-
Deposits	-	-	-	-
Notes and loans	-	-	-	-
Advances to other funds	-	-	-	-
<b>Restricted</b>				
Urban development	-	-	-	289,690
Public safety	-	4,704,520	35,911	-
Community services	458,701	-	-	-
Capital projects	-	-	-	-
Assessment district improvement	-	-	-	-
<b>Unassigned</b>	-	-	-	-
<b>Total Fund Balances</b>	<b>458,701</b>	<b>4,704,520</b>	<b>35,911</b>	<b>289,690</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 632,526</b>	<b>\$ 4,788,951</b>	<b>\$ 39,447</b>	<b>\$ 289,690</b>

## CITY OF POMONA

**COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2012**

(Continued)

	<b>Special Revenue Funds</b>			<b>Capital Projects Funds</b>
		<b>General Sanitation Fees Operations</b>	<b>Low &amp; Moderate Income Housing Fund</b>	
	<b>Measure R</b>			<b>Capital Outlay</b>
<b>Assets:</b>				
Cash and investments	\$ 1,410,553	\$ -	\$ -	\$ 857,322
Receivables (net):				
Accounts	-	333,829	-	308,383
Notes and loans	-	-	-	-
Interest	1,150	-	-	913
Prepaid costs	-	-	-	-
Deposits	-	-	-	-
Due from other governments	145,150	-	-	1,159,252
Advances to other funds	-	-	-	-
Restricted assets:				
Cash and investments	-	-	-	7,608,403
<b>Total Assets</b>	<b>\$ 1,556,853</b>	<b>\$ 333,829</b>	<b>\$ -</b>	<b>\$ 9,934,273</b>
<b>Liabilities and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 25,436	\$ 215,251	\$ -	\$ 2,934,424
Accrued liabilities	10,580	11,605	-	9,265
Deferred revenues	-	-	-	-
Due to other funds	-	106,544	-	-
<b>Total Liabilities</b>	<b>36,016</b>	<b>333,400</b>	<b>-</b>	<b>2,943,689</b>
<b>Fund Balances:</b>				
<b>Nonspendable</b>				
Prepaid costs	-	-	-	-
Deposits	-	-	-	-
Notes and loans	-	-	-	-
Advances to other funds	-	-	-	-
<b>Restricted</b>				
Urban development	1,520,837	429	-	-
Public safety	-	-	-	-
Community services	-	-	-	-
Capital projects	-	-	-	6,990,584
Assessment district improvement	-	-	-	-
<b>Unassigned</b>	-	-	-	-
<b>Total Fund Balances</b>	<b>1,520,837</b>	<b>429</b>	<b>-</b>	<b>6,990,584</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 1,556,853</b>	<b>\$ 333,829</b>	<b>\$ -</b>	<b>\$ 9,934,273</b>

## CITY OF POMONA

**COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2012**

	<b>Capital Projects Funds</b>		<b>Debt Service Funds</b>	
	<b>Assessment District Improvement</b>	<b>Redevelopment Agency Capital Project</b>	<b>Redevelopment Agency Debt Service</b>	<b>Total Governmental Funds</b>
<b>Assets:</b>				
Cash and investments	\$ 334,456	\$ -	\$ -	\$ 21,870,555
Receivables (net):				
Accounts	-	-	-	696,823
Notes and loans	-	-	-	2,424,471
Interest	296	-	-	17,625
Prepaid costs	-	-	-	832,940
Deposits	-	-	-	2,164
Due from other governments	-	-	-	2,406,701
Advances to other funds	-	-	-	304,435
Restricted assets:				
Cash and investments	337,336	-	-	8,006,124
<b>Total Assets</b>	<b>\$ 672,088</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 36,561,838</b>
<b>Liabilities and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ 5,165,716
Accrued liabilities	-	-	-	174,928
Deferred revenues	-	-	-	2,049,207
Due to other funds	-	-	-	106,544
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,496,395</b>
<b>Fund Balances:</b>				
<b>Nonspendable</b>				
Prepaid costs	-	-	-	832,940
Deposits	-	-	-	2,164
Notes and loans	-	-	-	625,000
Advances to other funds	-	-	-	304,435
<b>Restricted</b>				
Urban development	-	-	-	14,452,831
Public safety	-	-	-	4,740,431
Community services	-	-	-	458,701
Capital projects	-	-	-	6,990,584
Assessment district improvement	672,088	-	-	672,088
<b>Unassigned</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(13,731)</b>
<b>Total Fund Balances</b>	<b>672,088</b>	<b>-</b>	<b>-</b>	<b>29,065,443</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 672,088</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 36,561,838</b>

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## CITY OF POMONA

COMBINING STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2012

	Special Revenue Funds			
	Housing Assistance Programs	Community Development Block Grant	State Gas Tax	Proposition A
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	11,808,549	2,207,390	4,649,915	2,391,892
Charges for services	21,731	82,126	-	-
Interest and rentals	8,996	904	8,538	1,795
Fines and forfeitures	-	-	-	-
Miscellaneous	17,152	6,200	-	10,000
<b>Total Revenues</b>	<b>11,856,428</b>	<b>2,296,620</b>	<b>4,658,453</b>	<b>2,403,687</b>
<b>Expenditures:</b>				
Current:				
General government	-	-	-	-
Public safety	-	225,690	-	-
Urban development	12,018,264	2,037,896	3,832,796	1,851,307
Community services	-	-	-	23,735
Capital outlay	84,948	-	43,458	329
Debt service:				
Principal retirement	-	125,000	-	-
Interest and fiscal charges	282	11,425	-	-
<b>Total Expenditures</b>	<b>12,103,494</b>	<b>2,400,011</b>	<b>3,876,254</b>	<b>1,875,371</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(247,066)	(103,391)	782,199	528,316
<b>Other Financing Sources (Uses):</b>				
Transfers in	-	4,735	1,038,953	-
Transfers out	-	(35,549)	(574,011)	-
Capital leases	-	-	-	-
Proceeds from sale of capital asset	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>(30,814)</b>	<b>464,942</b>	<b>-</b>
Extraordinary gain/(loss) on dissolution of Redevelopment Agency (Note 19)	-	-	-	-
Net Change in Fund Balances	(247,066)	(134,205)	1,247,141	528,316
Fund Balances, Beginning of Year	5,264,131	1,118,256	1,664,458	79,436
<b>Fund Balances, End of Year</b>	<b>\$ 5,017,065</b>	<b>\$ 984,051</b>	<b>\$ 2,911,599</b>	<b>\$ 607,752</b>

## CITY OF POMONA

COMBINING STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2012

(Continued)

	Special Revenue Funds			
	Proposition C	Vehicle Parking District	Air Quality Improvement	Traffic Congestion Relief
<b>Revenues:</b>				
Taxes	\$ -	\$ 11,856	\$ -	\$ -
Special assessments	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	1,984,310	-	187,224	95,128
Charges for services	-	33,504	-	-
Interest and rentals	6,871	324,471	1,735	-
Fines and forfeitures	-	23,842	-	-
Miscellaneous	-	-	-	-
<b>Total Revenues</b>	<b>1,991,181</b>	<b>393,673</b>	<b>188,959</b>	<b>95,128</b>
<b>Expenditures:</b>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Urban development	980,774	604,437	57,776	1,539,077
Community services	-	-	-	-
Capital outlay	-	5,969	40,473	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
<b>Total Expenditures</b>	<b>980,774</b>	<b>610,406</b>	<b>98,249</b>	<b>1,539,077</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,010,407	(216,733)	90,710	(1,443,949)
<b>Other Financing Sources (Uses):</b>				
Transfers in	19,846	-	-	1,425,568
Transfers out	(2,387,099)	-	(36,276)	-
Capital leases	-	-	-	-
Proceeds from sale of capital asset	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>(2,367,253)</b>	<b>-</b>	<b>(36,276)</b>	<b>1,425,568</b>
Extraordinary gain/(loss) on dissolution of Redevelopment Agency (Note 19)	-	-	-	-
<b>Net Change in Fund Balances</b>	<b>(1,356,846)</b>	<b>(216,733)</b>	<b>54,434</b>	<b>(18,381)</b>
Fund Balances, Beginning of Year	4,849,740	748,059	807,293	4,650
<b>Fund Balances, End of Year</b>	<b>\$ 3,492,894</b>	<b>\$ 531,326</b>	<b>\$ 861,727</b>	<b>\$ (13,731)</b>



## CITY OF POMONA

COMBINING STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2012

	Special Revenue Funds			
	Landscape Maintenance District	Narcotics Forfeiture	Traffic Offender	Proposition 1B
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Special assessments	1,229,707	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	2,772	62,112	298,080	-
Interest and rentals	1,056	9,963	80	-
Fines and forfeitures	-	-	-	-
Miscellaneous	1,041	1,321,241	-	-
<b>Total Revenues</b>	<b>1,234,576</b>	<b>1,393,316</b>	<b>298,160</b>	<b>-</b>
<b>Expenditures:</b>				
Current:				
General government	-	-	-	-
Public safety	-	1,394,848	191,187	-
Urban development	-	-	-	25,947
Community services	1,036,662	-	-	-
Capital outlay	-	536,313	-	-
Debt service:				
Principal retirement	-	-	4,307	-
Interest and fiscal charges	-	-	-	-
<b>Total Expenditures</b>	<b>1,036,662</b>	<b>1,931,161</b>	<b>195,494</b>	<b>25,947</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	197,914	(537,845)	102,666	(25,947)
<b>Other Financing Sources (Uses):</b>				
Transfers in	-	-	-	-
Transfers out	-	(32,954)	-	(1,281,732)
Capital leases	-	-	-	-
Proceeds from sale of capital asset	-	4,050	4,000	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>(28,904)</b>	<b>4,000</b>	<b>(1,281,732)</b>
Extraordinary gain/(loss) on dissolution of Redevelopment Agency (Note 19)	-	-	-	-
Net Change in Fund Balances	197,914	(566,749)	106,666	(1,307,679)
Fund Balances, Beginning of Year	260,787	5,271,269	(70,755)	1,597,369
<b>Fund Balances, End of Year</b>	<b>\$ 458,701</b>	<b>\$ 4,704,520</b>	<b>\$ 35,911</b>	<b>\$ 289,690</b>

## CITY OF POMONA

COMBINING STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2012

(Continued)

	Special Revenue Funds			Capital Projects Funds
	Measure R	General Sanitation Fees Operations	Low & Moderate Income Housing Fund	Capital Outlay
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ -	\$ 69,575
Special assessments	-	-	-	-
Licenses and permits	-	1,384,262	-	130,244
Intergovernmental	1,478,383	-	-	7,392,257
Charges for services	-	7,852	28,503	33,472
Interest and rentals	3,451	-	129,167	14,056
Fines and forfeitures	-	13,386	-	-
Miscellaneous	-	1,452	90,575	1,646,453
<b>Total Revenues</b>	<b>1,481,834</b>	<b>1,406,952</b>	<b>248,245</b>	<b>9,286,057</b>
<b>Expenditures:</b>				
Current:				
General government	-	-	-	23,640
Public safety	-	-	-	130,617
Urban development	957,776	1,838,711	1,059,506	11,859,869
Community services	-	-	-	-
Capital outlay	-	-	-	941,330
Debt service:				
Principal retirement	-	-	11,246	180,114
Interest and fiscal charges	-	-	572,981	6,243
<b>Total Expenditures</b>	<b>957,776</b>	<b>1,838,711</b>	<b>1,643,733</b>	<b>13,141,813</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	524,058	(431,759)	(1,395,488)	(3,855,756)
<b>Other Financing Sources (Uses):</b>				
Transfers in	-	445,665	2,405,663	1,494,933
Transfers out	(20,489)	-	(2,608,100)	(583,794)
Capital leases	-	-	-	620,860
Proceeds from sale of capital asset	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>(20,489)</b>	<b>445,665</b>	<b>(202,437)</b>	<b>1,531,999</b>
Extraordinary gain/(loss) on dissolution of Redevelopment Agency (Note 19)	-	-	(10,049,419)	-
Net Change in Fund Balances	503,569	13,906	(11,647,344)	(2,323,757)
Fund Balances, Beginning of Year	1,017,268	(13,477)	11,647,344	9,314,341
<b>Fund Balances, End of Year</b>	<b>\$ 1,520,837</b>	<b>\$ 429</b>	<b>\$ -</b>	<b>\$ 6,990,584</b>

## CITY OF POMONA

COMBINING STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2012

	Capital Projects Funds		Debt Service Funds	
	Assessment District Improvement	Redevelopment Agency Capital Project	Redevelopment Agency Debt Service	Total Governmental Funds
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ 11,626,315	\$ 11,707,746
Special assessments	-	-	-	1,229,707
Licenses and permits	-	-	-	1,514,506
Intergovernmental	-	-	-	32,195,048
Charges for services	-	25,714	9,322	605,188
Interest and rentals	836	496,793	57,296	1,066,008
Fines and forfeitures	-	-	-	37,228
Miscellaneous	146,871	-	326,859	3,567,844
<b>Total Revenues</b>	<b>147,707</b>	<b>522,507</b>	<b>12,019,792</b>	<b>51,923,275</b>
<b>Expenditures:</b>				
Current:				
General government	-	-	-	23,640
Public safety	-	-	-	1,942,342
Urban development	682	2,253,107	6,263,065	47,180,990
Community services	-	-	-	1,060,397
Capital outlay	-	-	-	1,652,820
Debt service:				
Principal retirement	-	-	457,091	777,758
Interest and fiscal charges	-	-	8,389,489	8,980,420
<b>Total Expenditures</b>	<b>682</b>	<b>2,253,107</b>	<b>15,109,645</b>	<b>61,618,367</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	147,025	(1,730,600)	(3,089,853)	(9,695,092)
<b>Other Financing Sources (Uses):</b>				
Transfers in	-	20,014	2,608,101	9,463,478
Transfers out	-	(464,433)	(2,405,720)	(10,430,157)
Capital leases	-	-	-	620,860
Proceeds from sale of capital asset	-	-	-	8,050
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>(444,419)</b>	<b>202,381</b>	<b>(337,769)</b>
Extraordinary gain/(loss) on dissolution of Redevelopment Agency (Note 19)	-	(60,802,480)	159,277,536	88,425,637
Net Change in Fund Balances	147,025	(62,977,499)	156,390,064	78,392,776
Fund Balances, Beginning of Year	525,063	62,977,499	(156,390,064)	(49,327,333)
<b>Fund Balances, End of Year</b>	<b>\$ 672,088</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 29,065,443</b>

## CITY OF POMONA

**BUDGETARY COMPARISON SCHEDULE  
 GENERAL DEBT SERVICE  
 YEAR ENDED JUNE 30, 2012**

	<b>Budget Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
				<b>Positive</b>
				<b>(Negative)</b>
Budgetary Fund Balance, July 1	\$ (44,422,288)	\$ (44,422,288)	\$ (44,422,288)	\$ -
<b>Resources (Inflows):</b>				
Taxes	646,921	646,921	643,176	(3,745)
Interest and rentals	3,462	3,462	6,969	3,507
Transfers in	5,639,261	5,639,261	6,117,249	477,988
<b>Amounts Available for Appropriation</b>	<b>(38,132,644)</b>	<b>(38,132,644)</b>	<b>(37,654,894)</b>	<b>477,750</b>
<b>Charges to Appropriation (Outflow):</b>				
General government	32,372	32,372	26,367	6,005
Debt service:				
Principal retirement	484,803	484,803	484,803	-
Interest and fiscal charges	4,848,590	4,848,590	4,884,242	(35,652)
Transfers out	915,000	915,000	-	915,000
<b>Total Charges to Appropriation</b>	<b>6,280,765</b>	<b>6,280,765</b>	<b>5,395,412</b>	<b>885,353</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ (44,413,409)</b>	<b>\$ (44,413,409)</b>	<b>\$ (43,050,306)</b>	<b>\$ 1,363,103</b>

## CITY OF POMONA

**BUDGETARY COMPARISON SCHEDULE  
 PUBLIC FINANCING AUTHORITY DEBT SERVICE  
 YEAR ENDED JUNE 30, 2012**

	<b>Budget Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
				<b>Positive</b>
				<b>(Negative)</b>
Budgetary Fund Balance, July 1	\$ 229,927,099	\$ 229,927,099	\$ 229,927,099	\$ -
<b>Resources (Inflows):</b>				
Interest and rentals	11,498,639	11,498,639	11,500,967	2,328
Miscellaneous	8,265,146	8,265,146	80	(8,265,066)
Transfers in	6,030,000	6,030,000	-	(6,030,000)
<b>Amounts Available for Appropriation</b>	<b>255,720,884</b>	<b>255,720,884</b>	<b>241,428,146</b>	<b>(14,292,738)</b>
<b>Charges to Appropriation (Outflow):</b>				
General government	23,408	23,408	9,620	13,788
Debt service:				
Principal retirement	7,920,000	7,920,000	6,440,000	1,480,000
Interest and fiscal charges	17,868,053	17,868,053	11,378,906	6,489,147
Extraordinary gain/(loss) on dissolution of Redevelopment Agency (Note 19)	-	-	171,745,000	(171,745,000)
<b>Total Charges to Appropriation</b>	<b>25,811,461</b>	<b>25,811,461</b>	<b>189,573,526</b>	<b>(163,762,065)</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 229,909,423</b>	<b>\$ 229,909,423</b>	<b>\$ 51,854,620</b>	<b>\$ (178,054,803)</b>

## CITY OF POMONA

**BUDGETARY COMPARISON SCHEDULE  
 HOUSING ASSISTANCE PROGRAMS  
 YEAR ENDED JUNE 30, 2012**

	<b>Budget Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
				<b>Positive</b>
				<b>(Negative)</b>
Budgetary Fund Balance, July 1	\$ 5,264,131	\$ 5,264,131	\$ 5,264,131	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	11,773,684	11,773,684	11,808,549	34,865
Charges for services	70,000	70,000	21,731	(48,269)
Interest and rentals	15,000	15,000	8,996	(6,004)
Miscellaneous	7,100	7,100	17,152	10,052
<b>Amounts Available for Appropriation</b>	<b>17,129,915</b>	<b>17,129,915</b>	<b>17,120,559</b>	<b>(9,356)</b>
<b>Charges to Appropriation (Outflow):</b>				
Urban development	11,757,932	11,757,932	12,018,264	(260,332)
Capital outlay	-	-	84,948	(84,948)
Debt service:				
Interest and fiscal charges	500	500	282	218
<b>Total Charges to Appropriation</b>	<b>11,758,432</b>	<b>11,758,432</b>	<b>12,103,494</b>	<b>(345,062)</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 5,371,483</b>	<b>\$ 5,371,483</b>	<b>\$ 5,017,065</b>	<b>\$ (354,418)</b>

## CITY OF POMONA

**BUDGETARY COMPARISON SCHEDULE  
 COMMUNITY DEVELOPMENT BLOCK GRANT  
 YEAR ENDED JUNE 30, 2012**

	<b>Budget Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
				<b>Positive</b>
				<b>(Negative)</b>
Budgetary Fund Balance, July 1	\$ 1,118,256	\$ 1,118,256	\$ 1,118,256	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	2,654,373	2,654,373	2,207,390	(446,983)
Charges for services	-	-	82,126	82,126
Interest and rentals	-	-	904	904
Miscellaneous	125,000	125,000	6,200	(118,800)
Transfers in	24,379	24,379	4,735	(19,644)
<b>Amounts Available for Appropriation</b>	<b>3,922,008</b>	<b>3,922,008</b>	<b>3,419,611</b>	<b>(502,397)</b>
<b>Charges to Appropriation (Outflow):</b>				
Public safety	228,576	228,576	225,690	2,886
Urban development	1,524,797	1,524,797	2,037,896	(513,099)
Capital outlay	913,954	913,954	-	913,954
Debt service:				
Principal retirement	125,000	125,000	125,000	-
Interest and fiscal charges	11,425	11,425	11,425	-
Transfers out	-	-	35,549	(35,549)
<b>Total Charges to Appropriation</b>	<b>2,803,752</b>	<b>2,803,752</b>	<b>2,435,560</b>	<b>368,192</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 1,118,256</b>	<b>\$ 1,118,256</b>	<b>\$ 984,051</b>	<b>\$ (134,205)</b>

## CITY OF POMONA

**BUDGETARY COMPARISON SCHEDULE  
 STATE GAS TAX  
 YEAR ENDED JUNE 30, 2012**

	<b>Budget Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
				<b>Positive</b>
				<b>(Negative)</b>
Budgetary Fund Balance, July 1	\$ 1,664,458	\$ 1,664,458	\$ 1,664,458	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	4,347,917	4,347,917	4,649,915	301,998
Interest and rentals	-	-	8,538	8,538
Transfers in	15,910	15,910	1,038,953	1,023,043
<b>Amounts Available for Appropriation</b>	<b>6,028,285</b>	<b>6,028,285</b>	<b>7,361,864</b>	<b>1,333,579</b>
<b>Charges to Appropriation (Outflow):</b>				
Urban development	28,933	28,933	3,832,796	(3,803,863)
Capital outlay	295,910	295,910	43,458	252,452
Transfers out	2,905,017	2,905,017	574,011	2,331,006
<b>Total Charges to Appropriation</b>	<b>3,229,860</b>	<b>3,229,860</b>	<b>4,450,265</b>	<b>(1,220,405)</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 2,798,425</b>	<b>\$ 2,798,425</b>	<b>\$ 2,911,599</b>	<b>\$ 113,174</b>



## CITY OF POMONA

**BUDGETARY COMPARISON SCHEDULE  
 PROPOSITION A  
 YEAR ENDED JUNE 30, 2012**

	<b>Budget Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
				<b>Positive</b>
				<b>(Negative)</b>
Budgetary Fund Balance, July 1	\$ 79,436	\$ 79,436	\$ 79,436	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	2,252,936	2,252,936	2,391,892	138,956
Interest and rentals	-	-	1,795	1,795
Miscellaneous	6,000	6,000	10,000	4,000
<b>Amounts Available for Appropriation</b>	<b>2,338,372</b>	<b>2,338,372</b>	<b>2,483,123</b>	<b>144,751</b>
<b>Charges to Appropriation (Outflow):</b>				
Urban development	1,870,162	1,870,162	1,851,307	18,855
Community services	40,000	40,000	23,735	16,265
Capital outlay	25,000	25,000	329	24,671
<b>Total Charges to Appropriation</b>	<b>1,935,162</b>	<b>1,935,162</b>	<b>1,875,371</b>	<b>59,791</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 403,210</b>	<b>\$ 403,210</b>	<b>\$ 607,752</b>	<b>\$ 204,542</b>

## CITY OF POMONA

**BUDGETARY COMPARISON SCHEDULE  
 PROPOSITION C  
 YEAR ENDED JUNE 30, 2012**

	<b>Budget Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
				<b>Positive</b>
				<b>(Negative)</b>
Budgetary Fund Balance, July 1	\$ 4,849,740	\$ 4,849,740	\$ 4,849,740	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	1,868,751	1,868,751	1,984,310	115,559
Interest and rentals	20,000	20,000	6,871	(13,129)
Transfers in	-	-	19,846	19,846
<b>Amounts Available for Appropriation</b>	<b>6,738,491</b>	<b>6,738,491</b>	<b>6,860,767</b>	<b>122,276</b>
<b>Charges to Appropriation (Outflow):</b>				
Urban development	143,547	143,547	980,774	(837,227)
Capital outlay	500,000	500,000	-	500,000
Transfers out	1,963,000	1,963,000	2,387,099	(424,099)
<b>Total Charges to Appropriation</b>	<b>2,606,547</b>	<b>2,606,547</b>	<b>3,367,873</b>	<b>(761,326)</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 4,131,944</b>	<b>\$ 4,131,944</b>	<b>\$ 3,492,894</b>	<b>\$ (639,050)</b>

## CITY OF POMONA

**BUDGETARY COMPARISON SCHEDULE  
 VEHICLE PARKING DISTRICT  
 YEAR ENDED JUNE 30, 2012**

	<b>Budget Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
				<b>Positive</b>
				<b>(Negative)</b>
Budgetary Fund Balance, July 1	\$ 748,059	\$ 748,059	\$ 748,059	\$ -
<b>Resources (Inflows):</b>				
Taxes	22,000	22,000	11,856	(10,144)
Charges for services	70,000	70,000	33,504	(36,496)
Interest and rentals	392,500	392,500	324,471	(68,029)
Fines and forfeitures	45,000	45,000	23,842	(21,158)
Miscellaneous	291,609	291,609	-	(291,609)
<b>Amounts Available for Appropriation</b>	<b>1,569,168</b>	<b>1,569,168</b>	<b>1,141,732</b>	<b>(427,436)</b>
<b>Charges to Appropriation (Outflow):</b>				
Urban development	819,311	819,311	604,437	214,874
Capital outlay	-	-	5,969	(5,969)
<b>Total Charges to Appropriation</b>	<b>819,311</b>	<b>819,311</b>	<b>610,406</b>	<b>208,905</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 749,857</b>	<b>\$ 749,857</b>	<b>\$ 531,326</b>	<b>\$ (218,531)</b>

## CITY OF POMONA

**BUDGETARY COMPARISON SCHEDULE  
 AIR QUALITY IMPROVEMENT  
 YEAR ENDED JUNE 30, 2012**

	<b>Budget Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
				<b>Positive</b>
				<b>(Negative)</b>
Budgetary Fund Balance, July 1	\$ 807,293	\$ 807,293	\$ 807,293	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	188,000	188,000	187,224	(776)
Interest and rentals	1,750	1,750	1,735	(15)
<b>Amounts Available for Appropriation</b>	<b>997,043</b>	<b>997,043</b>	<b>996,252</b>	<b>(791)</b>
<b>Charges to Appropriation (Outflow):</b>				
Urban development	172,257	172,257	57,776	114,481
Capital outlay	198,788	198,788	40,473	158,315
Transfers out	113,099	113,099	36,276	76,823
<b>Total Charges to Appropriation</b>	<b>484,144</b>	<b>484,144</b>	<b>134,525</b>	<b>349,619</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 512,899</b>	<b>\$ 512,899</b>	<b>\$ 861,727</b>	<b>\$ 348,828</b>

## CITY OF POMONA

**BUDGETARY COMPARISON SCHEDULE  
 TRAFFIC CONGESTION RELIEF  
 YEAR ENDED JUNE 30, 2012**

	<b>Budget Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
				<b>Positive</b>
				<b>(Negative)</b>
Budgetary Fund Balance, July 1	\$ 4,650	\$ 4,650	\$ 4,650	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	-	-	95,128	95,128
Transfers in	-	-	1,425,568	1,425,568
<b>Amounts Available for Appropriation</b>	<b>4,650</b>	<b>4,650</b>	<b>1,525,346</b>	<b>1,520,696</b>
<b>Charges to Appropriation (Outflow):</b>				
Urban development	-	-	1,539,077	(1,539,077)
<b>Total Charges to Appropriation</b>	<b>-</b>	<b>-</b>	<b>1,539,077</b>	<b>(1,539,077)</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 4,650</b>	<b>\$ 4,650</b>	<b>\$ (13,731)</b>	<b>\$ (18,381)</b>

## CITY OF POMONA

**BUDGETARY COMPARISON SCHEDULE  
 LANDSCAPE MAINTENANCE DISTRICT  
 YEAR ENDED JUNE 30, 2012**

	<b>Budget Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
				<b>Positive</b>
				<b>(Negative)</b>
Budgetary Fund Balance, July 1	\$ 260,787	\$ 260,787	\$ 260,787	\$ -
<b>Resources (Inflows):</b>				
Special assessments	1,177,609	1,177,609	1,229,707	52,098
Charges for services	-	-	2,772	2,772
Interest and rentals	50	50	1,056	1,006
Miscellaneous	-	-	1,041	1,041
<b>Amounts Available for Appropriation</b>	<b>1,438,446</b>	<b>1,438,446</b>	<b>1,495,363</b>	<b>56,917</b>
<b>Charges to Appropriation (Outflow):</b>				
Community services	1,087,255	1,087,255	1,036,662	50,593
<b>Total Charges to Appropriation</b>	<b>1,087,255</b>	<b>1,087,255</b>	<b>1,036,662</b>	<b>50,593</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 351,191</b>	<b>\$ 351,191</b>	<b>\$ 458,701</b>	<b>\$ 107,510</b>

## CITY OF POMONA

**BUDGETARY COMPARISON SCHEDULE  
 NARCOTICS FORFEITURE  
 YEAR ENDED JUNE 30, 2012**

	<b>Budget Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
				<b>Positive</b>
				<b>(Negative)</b>
Budgetary Fund Balance, July 1	\$ 5,271,269	\$ 5,271,269	\$ 5,271,269	\$ -
<b>Resources (Inflows):</b>				
Charges for services	25,000	25,000	62,112	37,112
Interest and rentals	35,000	35,000	9,963	(25,037)
Miscellaneous	3,086,312	3,086,312	1,321,241	(1,765,071)
Proceeds from sale of capital asset	-	-	4,050	4,050
<b>Amounts Available for Appropriation</b>	<b>8,417,581</b>	<b>8,417,581</b>	<b>6,668,635</b>	<b>(1,748,946)</b>
<b>Charges to Appropriation (Outflow):</b>				
Public safety	1,901,098	1,901,098	1,394,848	506,250
Capital outlay	-	-	536,313	(536,313)
Transfers out	-	-	32,954	(32,954)
<b>Total Charges to Appropriation</b>	<b>1,901,098</b>	<b>1,901,098</b>	<b>1,964,115</b>	<b>(63,017)</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 6,516,483</b>	<b>\$ 6,516,483</b>	<b>\$ 4,704,520</b>	<b>\$ (1,811,963)</b>

## CITY OF POMONA

**BUDGETARY COMPARISON SCHEDULE  
 TRAFFIC OFFENDER  
 YEAR ENDED JUNE 30, 2012**

	<b>Budget Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
				<b>Positive</b>
				<b>(Negative)</b>
Budgetary Fund Balance, July 1	\$ (70,755)	\$ (70,755)	\$ (70,755)	\$ -
<b>Resources (Inflows):</b>				
Charges for services	275,000	275,000	298,080	23,080
Interest and rentals	-	-	80	80
Proceeds from sale of capital asset	-	-	4,000	4,000
<b>Amounts Available for Appropriation</b>	<b>204,245</b>	<b>204,245</b>	<b>231,405</b>	<b>27,160</b>
<b>Charges to Appropriation (Outflow):</b>				
Public safety	207,700	207,700	191,187	16,513
Debt service:				
Principal retirement	4,350	4,350	4,307	43
<b>Total Charges to Appropriation</b>	<b>212,050</b>	<b>212,050</b>	<b>195,494</b>	<b>16,556</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ (7,805)</b>	<b>\$ (7,805)</b>	<b>\$ 35,911</b>	<b>\$ 43,716</b>



## CITY OF POMONA

BUDGETARY COMPARISON SCHEDULE  
 PROPOSITION 1B  
 YEAR ENDED JUNE 30, 2012

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Budgetary Fund Balance, July 1	\$ 1,597,369	\$ 1,597,369	\$ 1,597,369	\$ -
<b>Amounts Available for Appropriation</b>	<b>1,597,369</b>	<b>1,597,369</b>	<b>1,597,369</b>	<b>-</b>
<b>Charges to Appropriation (Outflow):</b>				
Urban development	-	-	25,947	(25,947)
Transfers out	-	-	1,281,732	(1,281,732)
<b>Total Charges to Appropriation</b>	<b>-</b>	<b>-</b>	<b>1,307,679</b>	<b>(1,307,679)</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 1,597,369</b>	<b>\$ 1,597,369</b>	<b>\$ 289,690</b>	<b>\$ (1,307,679)</b>

## CITY OF POMONA

**BUDGETARY COMPARISON SCHEDULE**  
**MEASURE R**  
**YEAR ENDED JUNE 30, 2012**

	<b>Budget Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
				<b>Positive</b>
				<b>(Negative)</b>
Budgetary Fund Balance, July 1	\$ 1,017,268	\$ 1,017,268	\$ 1,017,268	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	1,401,576	1,401,576	1,478,383	76,807
Interest and rentals	-	-	3,451	3,451
<b>Amounts Available for Appropriation</b>	<b>2,418,844</b>	<b>2,418,844</b>	<b>2,499,102</b>	<b>80,258</b>
<b>Charges to Appropriation (Outflow):</b>				
Urban development	931,857	931,857	957,776	(25,919)
Transfers out	515,000	515,000	20,489	494,511
<b>Total Charges to Appropriation</b>	<b>1,446,857</b>	<b>1,446,857</b>	<b>978,265</b>	<b>468,592</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 971,987</b>	<b>\$ 971,987</b>	<b>\$ 1,520,837</b>	<b>\$ 548,850</b>

## CITY OF POMONA

**BUDGETARY COMPARISON SCHEDULE  
 GENERAL SANITATION FEES OPERATIONS  
 YEAR ENDED JUNE 30, 2012**

	<b>Budget Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
				<b>Positive</b>
				<b>(Negative)</b>
Budgetary Fund Balance, July 1	\$ (13,477)	\$ (13,477)	\$ (13,477)	\$ -
<b>Resources (Inflows):</b>				
Licenses and permits	1,384,225	1,384,225	1,384,262	37
Charges for services	-	-	7,852	7,852
Fines and forfeitures	13,898	13,898	13,386	(512)
Miscellaneous	3,000	3,000	1,452	(1,548)
Transfers in	543,939	543,939	445,665	(98,274)
<b>Amounts Available for Appropriation</b>	<b>1,931,585</b>	<b>1,931,585</b>	<b>1,839,140</b>	<b>(92,445)</b>
<b>Charges to Appropriation (Outflow):</b>				
Urban development	1,935,454	1,935,454	1,838,711	96,743
<b>Total Charges to Appropriation</b>	<b>1,935,454</b>	<b>1,935,454</b>	<b>1,838,711</b>	<b>96,743</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ (3,869)</b>	<b>\$ (3,869)</b>	<b>\$ 429</b>	<b>\$ 4,298</b>

## CITY OF POMONA

**BUDGETARY COMPARISON SCHEDULE  
 LOW & MODERATE INCOME HOUSING FUND  
 YEAR ENDED JUNE 30, 2012**

	<b>Budget Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
				<b>Positive</b>
				<b>(Negative)</b>
Budgetary Fund Balance, July 1	\$ 11,647,344	\$ 11,647,344	\$ 11,647,344	\$ -
<b>Resources (Inflows):</b>				
Charges for services	80,250	80,250	28,503	(51,747)
Interest and rentals	145,702	145,702	129,167	(16,535)
Miscellaneous	500,000	500,000	90,575	(409,425)
Transfers in	4,849,933	4,849,933	2,405,663	(2,444,270)
<b>Amounts Available for Appropriation</b>	<b>17,223,229</b>	<b>17,223,229</b>	<b>14,301,252</b>	<b>(2,921,977)</b>
<b>Charges to Appropriation (Outflow):</b>				
Urban development	2,008,573	2,008,573	1,059,506	949,067
Debt service:				
Principal retirement	-	-	11,246	(11,246)
Interest and fiscal charges	600,633	600,633	572,981	27,652
Transfers out	2,599,046	2,599,046	2,608,100	(9,054)
Extraordinary loss on dissolution of Redevelopment Agency (Note 19)	-	-	10,049,419	(10,049,419)
<b>Total Charges to Appropriations</b>	<b>5,208,252</b>	<b>5,208,252</b>	<b>14,301,252</b>	<b>(9,093,000)</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 12,014,977</b>	<b>\$ 12,014,977</b>	<b>\$ -</b>	<b>\$ (12,014,977)</b>

## CITY OF POMONA

**BUDGETARY COMPARISON SCHEDULE  
 CAPITAL OUTLAY  
 YEAR ENDED JUNE 30, 2012**

	<b>Budget Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
				<b>Positive</b>
				<b>(Negative)</b>
Budgetary Fund Balance, July 1	\$ 9,314,341	\$ 9,314,341	\$ 9,314,341	\$ -
<b>Resources (Inflows):</b>				
Taxes	4,000	4,000	69,575	65,575
Licenses and permits	40,000	40,000	130,244	90,244
Intergovernmental	390,965	390,965	7,392,257	7,001,292
Charges for services	-	-	33,472	33,472
Interest and rentals	32,000	32,000	14,056	(17,944)
Miscellaneous	1,752	1,752	1,646,453	1,644,701
Transfers in	1,881,128	1,881,128	1,494,933	(386,195)
Capital leases	-	-	620,860	620,860
<b>Amounts Available for Appropriation</b>	<b>11,664,186</b>	<b>11,664,186</b>	<b>20,716,191</b>	<b>9,052,005</b>
<b>Charges to Appropriation (Outflow):</b>				
General government	-	-	23,640	(23,640)
Public safety	-	-	130,617	(130,617)
Urban development	140,253	140,253	11,859,869	(11,719,616)
Capital outlay	2,931,646	2,931,646	941,330	1,990,316
Debt service:				
Principal retirement	-	-	180,114	(180,114)
Interest and fiscal charges	-	-	6,243	(6,243)
Transfers out	582,588	582,588	583,794	(1,206)
<b>Total Charges to Appropriation</b>	<b>3,654,487</b>	<b>3,654,487</b>	<b>13,725,607</b>	<b>(10,071,120)</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 8,009,699</b>	<b>\$ 8,009,699</b>	<b>\$ 6,990,584</b>	<b>\$ (1,019,115)</b>

## CITY OF POMONA

**BUDGETARY COMPARISON SCHEDULE  
 ASSESSMENT DISTRICT IMPROVEMENT  
 YEAR ENDED JUNE 30, 2012**

	<b>Budget Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
				<b>Positive</b>
				<b>(Negative)</b>
Budgetary Fund Balance, July 1	\$ 525,063	\$ 525,063	\$ 525,063	\$ -
<b>Resources (Inflows):</b>				
Interest and rentals	-	-	836	836
Miscellaneous	-	-	146,871	146,871
<b>Amounts Available for Appropriation</b>	<b>525,063</b>	<b>525,063</b>	<b>672,770</b>	<b>147,707</b>
<b>Charges to Appropriation (Outflow):</b>				
Urban development	-	-	682	(682)
Capital outlay	277,000	277,000	-	277,000
<b>Total Charges to Appropriations</b>	<b>277,000</b>	<b>277,000</b>	<b>682</b>	<b>276,318</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 248,063</b>	<b>\$ 248,063</b>	<b>\$ 672,088</b>	<b>\$ 424,025</b>

## CITY OF POMONA

**BUDGETARY COMPARISON SCHEDULE  
 REDEVELOPMENT AGENCY CAPITAL PROJECT  
 YEAR ENDED JUNE 30, 2012**

	<b>Budget Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
				<b>Positive</b>
				<b>(Negative)</b>
Budgetary Fund Balance, July 1 as restated	\$ 62,977,499	\$ 62,977,499	\$ 62,977,499	\$ -
<b>Resources (Inflows):</b>				
Charges for services	-	-	25,714	25,714
Interest and rentals	142,300	142,300	496,793	354,493
Transfers in	1,588,441	1,588,441	20,014	(1,568,427)
<b>Amounts Available for Appropriation</b>	<b>64,708,240</b>	<b>64,708,240</b>	<b>63,520,020</b>	<b>(1,188,220)</b>
<b>Charges to Appropriation (Outflow):</b>				
Urban development	4,142,060	4,142,060	2,253,107	1,888,953
Capital outlay	974,000	974,000	-	974,000
Transfers out	304,031	304,031	464,433	(160,402)
Extraordinary loss on dissolution of Redevelopment Agency (Note 19)	-	-	60,802,480	(60,802,480)
<b>Total Charges to Appropriation</b>	<b>5,420,091</b>	<b>5,420,091</b>	<b>63,520,020</b>	<b>(58,099,929)</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 59,288,149</b>	<b>\$ 59,288,149</b>	<b>\$ -</b>	<b>\$ (59,288,149)</b>

## CITY OF POMONA

**BUDGETARY COMPARISON SCHEDULE  
 REDEVELOPMENT AGENCY DEBT SERVICE  
 YEAR ENDED JUNE 30, 2012**

	<b>Budget Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Budgetary Fund Balance, July 1	\$ (156,390,064)	\$ (156,390,064)	\$ (156,390,064)	\$ -
<b>Resources (Inflows):</b>				
Taxes	27,270,167	27,270,167	11,626,315	(15,643,852)
Intergovernmental	2,634,364	2,634,364	-	(2,634,364)
Charges for services	778	778	9,322	8,544
Interest and rentals	235,311	235,311	57,296	(178,015)
Miscellaneous	50,760	50,760	326,859	276,099
Transfers in	2,609,752	2,609,752	2,608,101	(1,651)
Notes and loans issued	942,965	942,965	-	(942,965)
Extraordinary gain on dissolution of Redevelopment Agency (Note 19)			159,277,536	159,277,536
<b>Amounts Available for Appropriation</b>	<b>(122,645,967)</b>	<b>(122,645,967)</b>	<b>17,515,365</b>	<b>140,161,332</b>
<b>Charges to Appropriation (Outflow):</b>				
Urban development	13,977,354	13,977,354	6,263,065	7,714,289
Debt service:				
Principal retirement	625,001	625,001	457,091	167,910
Interest and fiscal charges	11,354,509	11,354,509	8,389,489	2,965,020
Transfers out	10,344,447	10,344,447	2,405,720	7,938,727
<b>Total Charges to Appropriation</b>	<b>36,301,311</b>	<b>36,301,311</b>	<b>17,515,365</b>	<b>18,785,946</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ (158,947,278)</b>	<b>\$ (158,947,278)</b>	<b>\$ -</b>	<b>\$ 158,947,278</b>



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## INTERNAL SERVICE FUNDS

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The **Internal Service Funds** account for the maintenance and repair of City vehicles and equipment, risk management, general liability and workers' compensation services provided to other departments or agencies of the City.

## CITY OF POMONA

**COMBINING STATEMENT OF NET ASSETS**  
**INTERNAL SERVICE FUNDS**  
**JUNE 30, 2012**

	Self-Insurance Funds	Equipment Maintenance	Total
<b>Assets:</b>			
Current:			
Cash and investments	\$ 9,419,162	\$ 739,260	\$ 10,158,422
Receivables (net):			
Accounts	-	263	263
Interest	3,403	-	3,403
Inventories	-	350,556	350,556
<b>Total Current Assets</b>	<b>9,422,565</b>	<b>1,090,079</b>	<b>10,512,644</b>
Noncurrent:			
Capital assets, net of depreciation	-	186,179	186,179
<b>Total Noncurrent Assets</b>	<b>-</b>	<b>186,179</b>	<b>186,179</b>
<b>Total Assets</b>	<b>\$ 9,422,565</b>	<b>\$ 1,276,258</b>	<b>\$ 10,698,823</b>
<b>Liabilities and Net Assets:</b>			
<b>Liabilities:</b>			
Current:			
Accounts payable	\$ 164,958	\$ 181,133	\$ 346,091
Accrued liabilities	-	24,962	24,962
Compensated absences	-	71,000	71,000
Claims and judgments	4,160,000	-	4,160,000
<b>Total Current Liabilities</b>	<b>4,324,958</b>	<b>277,095</b>	<b>4,602,053</b>
Noncurrent:			
Advances from other funds	5,000,000	-	5,000,000
Compensated absences	-	104,941	104,941
Claims and judgments	15,497,917	-	15,497,917
<b>Total Noncurrent Liabilities</b>	<b>20,497,917</b>	<b>104,941</b>	<b>20,602,858</b>
<b>Total Liabilities</b>	<b>24,822,875</b>	<b>382,036</b>	<b>25,204,911</b>
<b>Net Assets:</b>			
Invested in capital assets	-	186,179	186,179
Unrestricted	(15,400,310)	708,043	(14,692,267)
<b>Total Net Assets</b>	<b>(15,400,310)</b>	<b>894,222</b>	<b>(14,506,088)</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 9,422,565</b>	<b>\$ 1,276,258</b>	<b>\$ 10,698,823</b>

## CITY OF POMONA

**COMBINING STATEMENT OF REVENUES, EXPENSES,  
AND CHANGES IN NET ASSETS  
INTERNAL SERVICE FUNDS  
YEAR ENDED JUNE 30, 2012**

	<b>Self-Insurance Funds</b>	<b>Equipment Maintenance</b>	<b>Total</b>
<b>Operating Revenues:</b>			
Charges for services	\$ 4,380,479	\$ 4,164,370	\$ 8,544,849
Miscellaneous	2,597,445	-	2,597,445
<b>Total Operating Revenues</b>	<b>6,977,924</b>	<b>4,164,370</b>	<b>11,142,294</b>
<b>Operating Expenses:</b>			
Personnel services	-	1,218,440	1,218,440
Operations	-	2,432,436	2,432,436
Claims expense	6,189,083	154,734	6,343,817
Insurance	-	38,962	38,962
Depreciation	-	17,784	17,784
<b>Total Operating Expenses</b>	<b>6,189,083</b>	<b>3,862,356</b>	<b>10,051,439</b>
Operating Income (Loss)	788,841	302,014	1,090,855
<b>Nonoperating Revenues (Expenses):</b>			
Interest revenue	15,106	-	15,106
<b>Total Nonoperating Revenues (Expenses)</b>	<b>15,106</b>	<b>-</b>	<b>15,106</b>
Changes in Net Assets	803,947	302,014	1,105,961
<b>Net Assets:</b>			
Beginning of Year	(16,204,257)	592,208	(15,612,049)
<b>End of Fiscal Year</b>	<b>\$ (15,400,310)</b>	<b>\$ 894,222</b>	<b>\$ (14,506,088)</b>

## CITY OF POMONA

**COMBINING STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS**  
**YEAR ENDED JUNE 30, 2012**

	<b>Self-Insurance Funds</b>	<b>Equipment Maintenance</b>	<b>Total</b>
<b>Cash Flows from Operating Activities:</b>			
Cash received from customers and users	\$ 4,380,479	\$ 4,165,040	\$ 8,545,519
Cash received from (paid for) other	2,597,445	-	2,597,445
Cash paid to suppliers for goods and services	(3,610,515)	(2,589,754)	(6,200,269)
Cash paid for general and administrative expenses	-	(1,223,989)	(1,223,989)
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>3,367,409</b>	<b>351,297</b>	<b>3,718,706</b>
<b>Cash Flows from Capital and Related Financing Activities:</b>			
Acquisition and construction of capital assets	-	(25,200)	(25,200)
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	<b>-</b>	<b>(25,200)</b>	<b>(25,200)</b>
<b>Cash Flows from Investing Activities:</b>			
Interest received	11,703	-	11,703
<b>Net Cash Provided (Used) by Investing Activities</b>	<b>11,703</b>	<b>-</b>	<b>11,703</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>3,379,112</b>	<b>326,097</b>	<b>3,705,209</b>
Cash and Cash Equivalents, Beginning of Year	6,040,050	413,163	6,453,213
<b>Cash and Cash Equivalents, End of Year</b>	<b>\$ 9,419,162</b>	<b>\$ 739,260</b>	<b>\$ 10,158,422</b>
<b>Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:</b>			
Operating income (loss)	\$ 788,841	\$ 302,014	\$ 1,090,855
<b>Adjustments to reconcile operating income (loss) net cash provided (used) by operating activities:</b>			
Depreciation	-	17,784	17,784
(Increase) decrease in accounts receivable	-	670	670
(Increase) decrease in inventories	-	33,811	33,811
Increase (decrease) in accounts payable	(184,005)	2,567	(181,438)
Increase (decrease) in accrued liabilities	-	(32,292)	(32,292)
Increase (decrease) in claims and judgments	2,762,573	-	2,762,573
Increase (decrease) in compensated absences	-	26,743	26,743
<b>Total Adjustments</b>	<b>2,578,568</b>	<b>49,283</b>	<b>2,627,851</b>
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$ 3,367,409</b>	<b>\$ 351,297</b>	<b>\$ 3,718,706</b>

**Non-Cash Investing, Capital, and Financing Activities:**

During fiscal year 2011-2012, there was no non-cash transaction.

## FIDUCIARY FUNDS

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

## CITY OF POMONA

COMBINING BALANCE SHEET  
ALL AGENCY FUNDS  
JUNE 30, 2012

	<b>Assessment Districts</b>	<b>Engineers' Revolving</b>	<b>Construction Guarantee</b>	<b>Municipal Revolving</b>
<b>Assets:</b>				
Cash and investments	\$ 206,697	\$ 560,081	\$ 810,842	\$ 853,864
Receivables:				
Accounts	-	-	-	8,378
Interest	177	-	-	-
Due from other governments	72,101	-	-	1,977
<b>Total Assets</b>	<b>\$ 278,975</b>	<b>\$ 560,081</b>	<b>\$ 810,842</b>	<b>\$ 864,219</b>
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ -	\$ 17,940	\$ 206,151
Deposits payable	54,520	560,081	792,902	658,068
Due to external parties/other agencies	224,455	-	-	-
<b>Total Liabilities</b>	<b>\$ 278,975</b>	<b>\$ 560,081</b>	<b>\$ 810,842</b>	<b>\$ 864,219</b>

## CITY OF POMONA

COMBINING BALANCE SHEET  
ALL AGENCY FUNDS  
JUNE 30, 2012

	Employee Benefits/ Deductions	Total
<b>Assets:</b>		
Cash and investments	\$ 1,935,432	\$ 4,366,916
Receivables:		
Accounts	-	8,378
Interest	-	177
Due from other governments	-	74,078
<b>Total Assets</b>	<b>\$ 1,935,432</b>	<b>\$ 4,449,549</b>
<b>Liabilities:</b>		
Accounts payable	\$ 1,935,432	\$ 2,159,523
Deposits payable	-	2,065,571
Due to external parties/other agencies	-	224,455
<b>Total Liabilities</b>	<b>\$ 1,935,432</b>	<b>\$ 4,449,549</b>



## CITY OF POMONA

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**ALL AGENCY FUNDS**  
**YEAR ENDED JUNE 30, 2012**

	Balance 7/1/2011	Additions	Deductions	Balance 6/30/2012
<b><u>Assessment Districts</u></b>				
<b>Assets:</b>				
Cash and investments	\$ 370,048	\$ -	\$ 163,351	\$ 206,697
Receivables:				
Interest	565	178	566	177
Due from other governments	34,338	72,101	34,338	72,101
<b>Total Assets</b>	<b>\$ 404,951</b>	<b>\$ 72,279</b>	<b>\$ 198,255</b>	<b>\$ 278,975</b>
<b>Liabilities:</b>				
Deposits payable	\$ 34,338	\$ 20,182	\$ -	\$ 54,520
Due to external parties/other agencies	370,613	-	146,158	224,455
<b>Total Liabilities</b>	<b>\$ 404,951</b>	<b>\$ 20,182</b>	<b>\$ 146,158</b>	<b>\$ 278,975</b>
<b><u>Engineers' Revolving</u></b>				
<b>Assets:</b>				
Cash and investments	\$ 602,646	\$ -	\$ 42,565	\$ 560,081
Receivables:				
Interest	619	-	619	-
<b>Total Assets</b>	<b>\$ 603,265</b>	<b>\$ -</b>	<b>\$ 43,184</b>	<b>\$ 560,081</b>
<b>Liabilities:</b>				
Deposits payable	\$ 603,265	\$ -	\$ 43,184	\$ 560,081
<b>Total Liabilities</b>	<b>\$ 603,265</b>	<b>\$ -</b>	<b>\$ 43,184</b>	<b>\$ 560,081</b>
<b><u>Construction Guarantee</u></b>				
<b>Assets:</b>				
Cash and investments	\$ 696,873	\$ 393,281	\$ 279,312	\$ 810,842
<b>Total Assets</b>	<b>\$ 696,873</b>	<b>\$ 393,281</b>	<b>\$ 279,312</b>	<b>\$ 810,842</b>
<b>Liabilities:</b>				
Accounts payable	\$ 11,050	\$ 17,940	\$ 11,050	\$ 17,940
Deposits payable	685,823	175,038	67,959	792,902
<b>Total Liabilities</b>	<b>\$ 696,873</b>	<b>\$ 192,978</b>	<b>\$ 79,009</b>	<b>\$ 810,842</b>
<b><u>Municipal Revolving</u></b>				
<b>Assets:</b>				
Cash and investments	\$ 700,376	\$ 2,248,642	\$ 2,095,154	\$ 853,864
Receivables:				
Accounts	8,964	8,378	8,964	8,378
Due from other governments	1,215	1,977	1,215	1,977
<b>Total Assets</b>	<b>\$ 710,555</b>	<b>\$ 2,258,997</b>	<b>\$ 2,105,333</b>	<b>\$ 864,219</b>
<b>Liabilities:</b>				
Accounts payable	\$ 41,500	\$ 206,151	\$ 41,500	\$ 206,151
Deposits payable	669,055	-	10,987	658,068
<b>Total Liabilities</b>	<b>\$ 710,555</b>	<b>\$ 206,151</b>	<b>\$ 52,487</b>	<b>\$ 864,219</b>

## CITY OF POMONA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 ALL AGENCY FUNDS  
 YEAR ENDED JUNE 30, 2012

	Balance 7/1/2011	Additions	Deductions	Balance 6/30/2012
<b><u>Employee Benefits/Deductions</u></b>				
<b>Assets:</b>				
Cash and investments	\$ 1,379,934	\$ 30,425,069	\$ 29,869,571	\$ 1,935,432
<b>Total Assets</b>	<b>\$ 1,379,934</b>	<b>\$ 30,425,069</b>	<b>\$ 29,869,571</b>	<b>\$ 1,935,432</b>
<b>Liabilities:</b>				
Accounts payable	\$ 1,379,934	\$ 30,837,337	\$ 30,281,839	\$ 1,935,432
<b>Total Liabilities</b>	<b>\$ 1,379,934</b>	<b>\$ 30,837,337</b>	<b>\$ 30,281,839</b>	<b>\$ 1,935,432</b>
<b><u>Totals - All Agency Funds</u></b>				
<b>Assets:</b>				
Cash and investments	\$ 3,749,877	\$ 33,066,992	\$ 32,449,953	\$ 4,366,916
Receivables:				
Accounts	8,964	8,378	8,964	8,378
Interest	1,184	178	1,185	177
Due from other governments	35,553	74,078	35,553	74,078
<b>Total Assets</b>	<b>\$ 3,795,578</b>	<b>\$ 33,149,626</b>	<b>\$ 32,495,655</b>	<b>\$ 4,449,549</b>
<b>Liabilities:</b>				
Accounts payable	\$ 1,432,484	\$ 31,061,428	\$ 30,334,389	\$ 2,159,523
Deposits payable	1,992,481	195,220	122,130	2,065,571
Due to external parties/other agencies	370,613	-	146,158	224,455
<b>Total Liabilities</b>	<b>\$ 3,795,578</b>	<b>\$ 31,256,648</b>	<b>\$ 30,602,677</b>	<b>\$ 4,449,549</b>

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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 Ten Fiscal Years

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

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

*Schedule 1*

	2008	2009	2010	2011	2012
<b>Governmental activities:</b>					
Invested in capital assets, net of related debt	\$ 266,292,700	\$ 266,710,638	\$ 259,501,244	\$ 257,218,882	\$ 272,949,495
Restricted	126,440,546	130,746,703	134,747,514	138,810,197	94,261,171
Unrestricted	<u>(188,834,296)</u>	<u>(213,456,367)</u>	<u>(227,480,138)</u>	<u>(232,125,172)</u>	<u>(99,699,617)</u>
<b>Total governmental activities net assets</b>	<u><u>\$ 203,898,950</u></u>	<u><u>\$ 184,000,974</u></u>	<u><u>\$ 166,768,620</u></u>	<u><u>\$ 163,903,907</u></u>	<u><u>\$ 267,511,049</u></u>
<b>Business-type activities:</b>					
Invested in capital assets, net of related debt	\$ 58,437,024	\$ 68,860,850	\$ 62,252,632	\$ 53,012,960	\$ 46,811,318
Restricted	3,015,084	2,940,659	2,225,388	7,660,879	13,544,047
Unrestricted	<u>32,851,495</u>	<u>32,957,936</u>	<u>34,455,240</u>	<u>36,095,478</u>	<u>39,600,817</u>
<b>Total business-type activities net assets</b>	<u><u>\$ 94,303,603</u></u>	<u><u>\$ 104,759,445</u></u>	<u><u>\$ 98,933,260</u></u>	<u><u>\$ 96,769,317</u></u>	<u><u>\$ 99,956,182</u></u>
<b>Primary government:</b>					
Invested in capital assets, net of related debt	\$ 324,729,724	\$ 335,571,488	\$ 321,753,876	\$ 310,231,842	\$ 319,760,813
Restricted	129,455,630	133,687,362	136,972,902	146,471,076	107,805,218
Unrestricted	<u>(155,982,801)</u>	<u>(180,498,431)</u>	<u>(193,024,898)</u>	<u>(196,029,694)</u>	<u>(60,098,800)</u>
<b>Total primary government net assets</b>	<u><u>\$ 298,202,553</u></u>	<u><u>\$ 288,760,419</u></u>	<u><u>\$ 265,701,880</u></u>	<u><u>\$ 260,673,224</u></u>	<u><u>\$ 367,467,231</u></u>

# City of Pomona

## Changes in Net Assets

### Last Ten Fiscal Years

	Fiscal Year				
	2003	2004	2005	2006	2007
<b>Expenses</b>					
Governmental activities:					
General government	\$ 20,586,309	\$ 16,877,268	\$ 8,502,072	\$ 4,566,737	\$ 5,374,997
Public safety	30,080,994	54,409,038	61,493,317	62,314,546	66,368,961
Urban development	54,029,511	43,458,432	39,149,792	68,802,603	70,071,752
Community services	11,253,597	11,752,699	13,511,242	14,817,177	12,761,215
Interest and fiscal charges	17,218,724	20,640,447	24,678,827	25,274,237	25,372,308
Total governmental activities	133,169,135	147,137,884	147,335,250	175,775,300	179,949,233
Business-type activities:					
Water	21,770,977	21,939,428	19,210,002	19,172,107	23,845,899
Sewer	1,649,229	2,789,001	2,542,545	2,458,616	3,915,545
Refuse	6,280,528	6,842,583	7,967,320	8,488,309	8,921,093
Canon Water Company	-	-	48,563	52,345	17,472
Total business-type activities	29,700,734	31,571,012	29,768,430	30,171,377	36,700,009
<b>Total primary government expenses</b>	<u>\$ 162,869,869</u>	<u>\$ 178,708,896</u>	<u>\$ 177,103,680</u>	<u>\$ 205,946,677</u>	<u>\$ 216,649,242</u>
<b>Program Revenues</b>					
Governmental activities:					
Charges for services:					
Police revenues	\$ 1,567,014	\$ 1,896,386	\$ 2,141,662	\$ 2,423,540	\$ 1,723,534
Plan check fees	1,241,023	886,327	939,836	988,874	543,317
Building permits	1,191,428	1,380,789	1,330,168	1,336,527	927,771
Graffiti abatement	565,438	566,686	617,619	609,228	530,399
Street sweeping fee	475,943	477,135	520,018	512,819	423,356
Maintenance assessment fee	1,156,023	1,180,820	1,178,638	1,227,281	1,208,338
All other	13,677,585	15,937,213	9,456,166	9,849,392	9,357,921
Operating grants and contributions	15,564,685	18,844,817	22,516,819	22,656,450	27,319,477
Capital grants and contributions	9,013,220	6,421,422	10,040,740	6,718,223	7,154,035
Total governmental activities program revenues	44,452,359	47,591,595	48,741,666	46,322,334	49,188,148
Business-type activities:					
Charges for services:					
Water	20,350,752	21,080,917	22,454,752	22,689,164	26,210,565
Sewer	2,519,070	2,525,048	2,601,847	2,853,610	3,384,966
Refuse	6,935,134	7,224,218	7,234,940	7,395,141	7,326,324
Operating grants and contributions	140,853	122,197	156,781	68,966	145,820
Capital grants and contributions	217,129	-	264,506	23,100	97,420
Total business-type activities program revenues	30,162,938	30,952,380	32,712,826	33,029,981	37,165,095
<b>Total primary government program revenues</b>	<u>\$ 74,615,297</u>	<u>\$ 78,543,975</u>	<u>\$ 81,454,492</u>	<u>\$ 79,352,315</u>	<u>\$ 86,353,243</u>

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

*Schedule 2*

	2008	2009	2010	2011	2012
<b>Expenses</b>					
Governmental activities:					
General government	\$ 7,799,411	\$ 11,325,897	\$ 6,492,505	\$ 6,064,138	\$ 5,248,291
Public safety	71,782,018	76,866,332	71,238,620	63,110,539	63,470,704
Urban development	58,907,290	68,405,205	87,717,680	77,538,633	94,480,470
Community services	21,517,903	10,418,491	8,228,099	7,082,135	6,771,751
Interest and fiscal charges	30,865,822	27,731,312	29,442,106	29,390,035	21,834,146
Total governmental activities	190,872,444	194,747,237	203,119,010	183,185,480	191,805,362
Business-type activities:					
Water	22,807,789	18,980,506	27,457,755	29,408,125	25,909,880
Sewer	2,920,219	2,963,196	3,838,426	5,733,464	5,192,272
Refuse	8,837,471	9,805,894	8,598,275	8,762,936	8,732,864
Canon Water Company	96,255	16,681	11,787	13,927	13,219
Total business-type activities	34,661,734	31,766,277	39,906,243	43,918,452	39,848,235
<b>Total primary government expenses</b>	<b>\$ 225,534,178</b>	<b>\$ 226,513,514</b>	<b>\$ 243,025,253</b>	<b>\$ 227,103,932</b>	<b>\$ 231,653,597</b>
<b>Program Revenues</b>					
Governmental activities:					
Charges for services:					
Police revenues	\$ 2,126,363	\$ 3,046,908	\$ 2,691,660	\$ 2,053,307	\$ 2,493,299
Plan check fees	924,010	410,451	297,073	354,575	408,563
Building permits	1,287,216	730,510	599,818	466,567	687,783
Graffiti abatement	560,006	566,197	561,363	564,531	563,935
Street sweeping fee	471,387	476,351	468,575	473,614	472,717
Maintenance assessment fee	1,172,825	1,242,240	1,214,568	1,214,829	1,229,707
All other	6,331,014	11,442,772	14,816,018	7,249,221	731,866
Operating grants and contributions	24,171,583	17,838,374	30,034,337	23,115,271	18,896,518
Capital grants and contributions	12,395,251	12,020,471	16,368,968	24,908,628	18,512,640
Total governmental activities program revenues	49,439,655	47,774,274	67,052,380	60,400,543	43,997,028
Business-type activities:					
Charges for services:					
Water	27,155,086	27,857,381	27,084,809	27,898,709	29,405,992
Sewer	4,008,291	4,189,672	4,271,176	4,342,682	4,528,346
Refuse	7,733,411	8,661,142	9,883,142	9,046,619	9,273,301
Operating grants and contributions	126,471	64,841	65,721	109,165	880
Capital grants and contributions	4,004,312	850	-	-	388,000
Total business-type activities program revenues	43,027,571	40,773,886	41,304,848	41,397,175	43,596,519
<b>Total primary government program revenues</b>	<b>\$ 92,467,226</b>	<b>\$ 88,548,160</b>	<b>\$ 108,357,228</b>	<b>\$ 101,797,718</b>	<b>\$ 87,593,547</b>



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

	Fiscal Year				
	2003	2004	2005	2006	2007
<b>Net (Expense)/Revenue</b>					
Governmental activities	\$ (88,716,776)	\$ (99,546,289)	\$ (98,593,584)	\$ (129,452,966)	\$ (130,761,085)
Business-type activities	462,204	(618,632)	2,944,396	2,858,604	465,086
<b>Total primary government net expense</b>	<u>\$ (88,254,572)</u>	<u>\$ (100,164,921)</u>	<u>\$ (95,649,188)</u>	<u>\$ (126,594,362)</u>	<u>\$ (130,295,999)</u>
<b>General Revenues and Other Changes in Net Assets</b>					
Governmental activities:					
Taxes:					
Property taxes	\$ 29,915,221	\$ 32,674,483	\$ 46,538,436	\$ 53,239,617	\$ 51,952,231
Sales taxes	15,647,492	14,483,633	11,683,923	14,710,345	19,072,975
Motor vehicle license	8,866,986	7,204,184	1,025,393	1,109,390	874,237
Transient occupancy taxes	1,348,863	1,482,972	1,473,711	1,865,001	1,727,097
Property transfer taxes	-	-	-	-	2,152,388
Franchise	1,980,304	4,078,354	4,360,394	5,397,384	5,871,860
Utility users taxes	16,492,851	16,375,211	16,774,747	17,576,969	18,290,416
Business licenses	-	-	-	-	2,844,503
Other	1,624,406	936,114	786,421	678,897	2,459,714
Investment earnings/(expenses)	11,130,241	12,309,966	16,833,110	17,819,663	19,509,780
Miscellaneous	3,523,822	-	7,748,110	5,832,425	2,240,671
Income (loss) on sale of capital assets	144,553	2,482,994	-	-	-
Extraordinary gain/(loss) on dissolution of Redevelopment Agency	-	-	-	-	-
Transfers	(105,625)	1,243,732	957,958	1,743,417	716,025
<b>Total governmental activities</b>	<u>90,569,114</u>	<u>93,271,643</u>	<u>108,182,203</u>	<u>119,973,108</u>	<u>127,711,897</u>
Business-type activities:					
Investment earnings/(expenses)	2,206,094	3,087,898	(1,816,793)	(1,991,603)	108,433
Miscellaneous	140,860	257,334	289,625	334,034	516,717
Income (loss) on sale of capital assets	(6,987)	492,080	(14,987)	-	-
Transfers	105,625	(1,243,732)	(957,958)	(1,743,417)	(716,025)
<b>Total business-type activities</b>	<u>2,445,592</u>	<u>2,593,580</u>	<u>(2,500,113)</u>	<u>(3,400,986)</u>	<u>(90,875)</u>
<b>Total primary government</b>	<u>\$ 93,014,706</u>	<u>\$ 95,865,223</u>	<u>\$ 105,682,090</u>	<u>\$ 116,572,122</u>	<u>\$ 127,621,022</u>
<b>Changes in Net Assets</b>					
Governmental activities	\$ 1,852,338	\$ (6,274,646)	\$ 9,588,619	\$ (9,479,858)	\$ (3,049,188)
Business-type activities	2,907,796	1,974,948	444,283	(542,382)	374,211
<b>Total primary government</b>	<u>\$ 4,760,134</u>	<u>\$ (4,299,698)</u>	<u>\$ 10,032,902</u>	<u>\$ (10,022,240)</u>	<u>\$ (2,674,977)</u>

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

*Schedule 2*

	2008	2009	2010	2011	2012
<b>Net (Expense)/Revenue</b>					
Governmental activities	\$ (141,432,789)	\$ (146,972,963)	\$ (136,066,630)	\$ (122,784,937)	\$ (147,808,334)
Business-type activities	8,365,837	9,007,609	1,398,605	(2,521,277)	3,748,284
<b>Total primary government net expense</b>	<u>\$ (133,066,952)</u>	<u>\$ (137,965,354)</u>	<u>\$ (134,668,025)</u>	<u>\$ (125,306,214)</u>	<u>\$ (144,060,050)</u>
<b>General Revenues and Other Changes in Net Assets</b>					
Governmental activities:					
Taxes:					
Property taxes	\$ 56,246,496	\$ 65,303,064	\$ 60,772,676	\$ 58,116,765	\$ 41,754,679
Sales taxes	17,200,015	10,628,900	11,224,835	9,507,105	10,804,554
Motor vehicle license	718,936	555,277	479,477	829,147	83,907
Transient occupancy taxes	1,718,607	1,450,270	1,300,209	1,266,721	1,359,064
Property transfer taxes	1,189,405	1,020,258	1,114,825	987,363	1,111,530
Franchise	5,776,052	6,861,266	6,094,548	5,910,791	5,961,105
Utility users taxes	18,154,259	17,732,063	17,165,968	17,718,623	17,374,682
Business licenses	2,977,865	3,051,371	2,890,920	2,730,397	3,065,405
Other	1,973,674	17,579	10,356	4,008	69,575
Investment earnings/ (expenses)	19,956,964	17,219,062	14,542,222	23,775,050	13,432,247
Miscellaneous	2,568,179	3,246,127	2,193,630	2,547,071	6,703,775
Income (loss) on sale of capital assets	-	-	-	-	-
Extraordinary gain/ (loss) on dissolution of Redevelopment Agency	-	-	-	-	149,004,835
Transfers	(1,753,920)	(10,250)	1,044,610	(220,346)	690,118
<b>Total governmental activities</b>	<u>126,726,532</u>	<u>127,074,987</u>	<u>118,834,276</u>	<u>123,172,695</u>	<u>251,415,476</u>
Business-type activities:					
Investment earnings/ (expenses)	(1,696,056)	(563,393)	(6,192,697)	133,255	126,449
Miscellaneous	944,403	2,001,376	12,517	3,733	2,250
Income (loss) on sale of capital assets	-	-	-	-	-
Transfers	1,753,920	10,250	(1,044,610)	220,346	(690,118)
<b>Total business-type activities</b>	<u>1,002,267</u>	<u>1,448,233</u>	<u>(7,224,790)</u>	<u>357,334</u>	<u>(561,419)</u>
<b>Total primary government</b>	<u>\$ 127,728,799</u>	<u>\$ 128,523,220</u>	<u>\$ 111,609,486</u>	<u>\$ 123,530,029</u>	<u>\$ 250,854,057</u>
<b>Changes in Net Assets</b>					
Governmental activities	\$ (14,706,257)	\$ (19,897,976)	\$ (17,232,354)	\$ 387,758	\$ 103,607,142
Business-type activities	9,368,104	10,455,842	(5,826,185)	(2,163,943)	3,186,865
<b>Total primary government</b>	<u>\$ (5,338,153)</u>	<u>\$ (9,442,134)</u>	<u>\$ (23,058,539)</u>	<u>\$ (1,776,185)</u>	<u>\$ 106,794,007</u>

# City of Pomona

## Fund Balances - Governmental Funds

### Last Ten Years

	Fiscal Year				
	2003	2004	2005	2006	2007
<b>General Fund:</b>					
Reserved	\$ 6,650,885	\$ 6,198,142	\$ 8,976,671	\$ 7,907,817	\$ 6,888,120
Unreserved	2,605,887	4,065,766	7,843,760	10,914,430	13,903,948
Non-spendable					
Restricted					
Committed					
Assigned					
Unassigned					
<b>Total General Fund</b>	<b>\$ 9,256,772</b>	<b>\$ 10,263,908</b>	<b>\$ 16,820,431</b>	<b>\$ 18,822,247</b>	<b>\$ 20,792,068</b>
<b>All Other Governmental Funds:</b>					
Reserved	\$ 199,962,812	\$ 275,867,951	\$ 281,404,289	\$ 279,513,977	\$ 329,767,481
Unreserved, designated	-	-	-	6,877,406	2,570,640
Unreserved, reported in:					
Special revenue funds	11,086,632	21,930,326	31,519,944	18,048,054	21,518,821
Debt service funds	(135,498,637)	(177,203,920)	(173,774,677)	(182,032,654)	(182,023,917)
Capital projects funds	25,621,657	37,561,953	29,471,016	54,561,328	1,421,840
Non-spendable					
Restricted					
Committed					
Assigned					
Unassigned					
<b>Total All Other Governmental Funds</b>	<b>\$ 101,172,464</b>	<b>\$ 158,156,310</b>	<b>\$ 168,620,572</b>	<b>\$ 176,968,111</b>	<b>\$ 173,254,865</b>

**City of Pomona**  
**Fund Balances - Governmental Funds**  
**Last Ten Years**

*Schedule 3*

	2008	2009	2010	2011	2012
<b>General Fund:</b>					
Reserved	\$ 4,459,873	\$ 4,365,820	\$ 4,270,613		
Unreserved	10,809,579	4,430,794	2,265,028		
Non-spendable				\$ 126,089	\$ 140,834
Restricted				-	-
Committed				5,563,011	2,007,185
Assigned				-	-
Unassigned				-	-
<b>Total General Fund</b>	<b>\$ 15,269,452</b>	<b>\$ 8,796,614</b>	<b>\$ 6,535,641</b>	<b>\$ 5,689,100</b>	<b>\$ 2,148,019</b>
<b>All Other Governmental Funds:</b>					
Reserved	\$ 293,334,925	\$ 305,411,945	\$ 289,165,426		
Unreserved, designated	-	-	-		
Unreserved, reported in:					
Special revenue funds	12,653,645	5,729,977	18,753,085		
Debt service funds	(198,469,799)	(155,935,490)	(160,398,749)		
Capital projects funds	60,383,675	2,288,382	(1,497,507)		
Non-spendable				\$ 259,577,717	\$ 60,310,838
Restricted				81,339,275	41,875,382
Committed				-	-
Assigned				-	-
Unassigned				(202,261,861)	(43,208,211)
<b>Total All Other Governmental Funds</b>	<b>\$ 167,902,446</b>	<b>\$ 157,494,814</b>	<b>\$ 146,022,255</b>	<b>\$ 138,655,131</b>	<b>\$ 58,978,009</b>

# City of Pomona

## Changes in Fund Balances - Governmental Funds

### Last Ten Fiscal Years

	Fiscal Year				
	2003	2004	2005	2006	2007
<b>Revenues:</b>					
Taxes	\$ 64,670,323	\$ 77,312,806	\$ 82,643,024	\$ 94,577,603	\$ 105,245,421
Special assessments	1,229,393	1,240,538	1,192,248	1,197,805	1,166,719
Intergovernmental	33,444,891	25,266,239	32,557,559	29,364,673	34,431,013
Charges for services	1,465,561	1,690,733	1,483,414	1,989,303	2,296,395
Fines and forfeitures	2,176,721	2,693,304	2,657,108	3,280,587	2,647,955
Licenses and permits	6,933,428	8,242,904	8,423,121	8,440,517	6,690,241
Interest and rentals	11,718,494	11,662,827	16,833,110	17,815,895	19,509,672
Loans repaid	-	641,305	618,306	2,039,449	912,428
Contributions and donations	-	-	-	-	3,344,179
Miscellaneous	2,692,636	2,232,458	7,035,771	5,832,425	2,240,671
<b>Total Revenues</b>	<b>124,331,447</b>	<b>130,983,114</b>	<b>153,443,661</b>	<b>164,538,257</b>	<b>178,484,694</b>
<b>Expenditures:</b>					
General government	2,728,622	3,685,285	5,379,898	4,323,332	5,000,827
Public safety	49,431,301	54,409,038	59,866,150	61,675,869	64,735,812
Urban development	35,748,102	38,076,742	50,026,817	59,638,945	58,373,543
Community services	11,207,490	11,752,699	13,001,693	13,122,353	12,120,611
Capital outlay	3,565,620	2,510,205	2,182,578	1,055,369	19,944,715
Debt service:					
Principal	9,734,208	4,668,488	13,749,122	3,357,630	9,251,232
Interest and fiscal charges	24,343,779	25,363,935	21,459,762	22,819,282	27,328,302
Debt issuance costs	-	3,758,841	1,551,787	2,447,589	1,253,413
<b>Total Expenditures</b>	<b>136,759,122</b>	<b>144,225,233</b>	<b>167,217,807</b>	<b>168,440,369</b>	<b>198,008,455</b>
Excess (Deficiency) of Revenues					
Over (Under) Expenditures	(12,427,675)	(13,242,119)	(13,774,146)	(3,902,112)	(19,523,761)
<b>Other Financing Sources (Uses):</b>					
Issuance of bonds, loans and notes	7,922,718	117,269,606	28,233,416	76,825,100	74,207,460
Bond premium	-	2,726,007	980,972	-	1,087,257
Bond discount	(22,000)	(327,164)	-	-	-
Payments to escrow agent	-	(22,608,271)	-	(53,255,000)	(59,750,000)
Proceeds from capital lease	-	646,123	582,200	1,343,850	1,714,407
Proceeds from sale of capital assets	166,486	5,578	40,385	36,037	110,148
Special item, pension contribution	-	(27,722,510)	-	-	-
Gain/Loss - sale of land held for resale	-	-	-	-	(654,961)
Transfers in	18,188,104	92,621,209	29,039,524	47,308,301	71,510,464
Transfers out	(18,293,729)	(91,377,477)	(28,081,566)	(47,422,755)	(70,794,439)
<b>Total Other Financing Sources (Uses)</b>	<b>7,961,579</b>	<b>71,233,101</b>	<b>30,794,931</b>	<b>24,835,533</b>	<b>17,430,336</b>
Extraordinary gain/(loss) on dissolution of Redevelopment Agency	-	-	-	-	-
<b>Net Change in Fund Balances</b>	<b>\$ (4,466,096)</b>	<b>\$ 57,990,982</b>	<b>\$ 17,020,785</b>	<b>\$ 20,933,421</b>	<b>\$ (2,093,425)</b>
Debt service as a percentage of noncapital expenditures	25.59%	23.84%	22.27%	17.10%	21.25%

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

*Schedule 4*

	2008	2009	2010	2011	2012
<b>Revenues:</b>					
Taxes	\$ 113,490,746	\$ 109,044,092	\$ 98,510,896	\$ 95,691,191	\$ 79,677,392
Special assessments	1,172,826	1,220,222	1,214,569	1,214,829	1,229,707
Intergovernmental	27,091,322	25,673,807	48,689,417	50,654,510	38,432,208
Charges for services	2,755,212	2,080,651	8,855,789	3,625,992	3,637,583
Fines and forfeitures	3,364,372	4,108,850	2,065,041	1,784,123	1,820,973
Licenses and permits	6,261,842	7,350,264	4,297,116	3,333,417	4,234,901
Interest and rentals	19,954,480	17,115,029	14,542,222	15,732,587	13,417,141
Loans repaid	235,265	253,064	46,814	-	-
Contributions and donations	257,000	-	-	-	-
Miscellaneous	2,629,419	4,888,034	3,401,802	4,663,782	5,223,877
<b>Total Revenues</b>	<b>177,212,484</b>	<b>171,734,013</b>	<b>181,623,666</b>	<b>176,700,431</b>	<b>147,673,782</b>
<b>Expenditures:</b>					
General government	5,054,617	4,104,160	4,046,274	3,073,323	2,385,778
Public safety	70,637,275	72,729,944	67,888,838	61,574,218	61,362,969
Urban development	59,624,349	69,119,619	88,899,216	83,925,250	59,708,273
Community services	20,816,615	8,823,294	7,121,480	5,889,207	5,577,913
Capital outlay	2,246,951	5,462,154	2,969,473	2,644,383	1,835,062
Debt service:					
Principal	8,078,448	4,127,225	4,338,517	5,480,210	8,123,605
Interest and fiscal charges	27,092,737	26,855,452	27,311,933	26,522,841	25,243,568
Debt issuance costs	241,350	-	-	-	-
<b>Total Expenditures</b>	<b>193,792,342</b>	<b>191,221,848</b>	<b>202,575,731</b>	<b>189,109,432</b>	<b>164,237,168</b>
Excess (Deficiency) of Revenues					
Over (Under) Expenditures	(16,579,858)	(19,487,835)	(20,952,065)	(12,409,001)	(16,563,386)
<b>Other Financing Sources (Uses):</b>					
Issuance of bonds, loans and notes	8,805,595	533,765	533,765	649,425	-
Bond premium	57,600	-	-	-	-
Bond discount	-	-	-	-	-
Payments to escrow agent	-	-	-	-	-
Proceeds from capital lease	304,646	2,048,956	-	-	620,860
Proceeds from sale of capital assets	980,368	34,894	5,640,158	1,764,196	271,938
Special item, pension contribution	-	-	-	-	-
Gain/Loss - sale of land held for resale	(101,238)	-	-	-	-
Transfers in	35,568,008	29,592,084	21,194,695	25,487,284	15,766,850
Transfers out	(39,460,156)	(29,602,334)	(20,150,085)	(29,524,748)	(15,076,732)
<b>Total Other Financing Sources (Uses)</b>	<b>6,154,823</b>	<b>2,607,365</b>	<b>7,218,533</b>	<b>(1,623,843)</b>	<b>1,582,916</b>
Extraordinary gain/(loss) on dissolution					
of Redevelopment Agency	-	-	-	-	(68,237,733)
<b>Net Change in Fund Balances</b>	<b>\$ (10,425,035)</b>	<b>\$ (16,880,470)</b>	<b>\$ (13,733,532)</b>	<b>\$ (14,032,844)</b>	<b>\$ (83,218,203)</b>
Debt service as a percentage of					
noncapital expenditures	18.49%	16.68%	15.86%	17.16%	20.55%

**Governmental Activities Tax Revenues by Source**  
**Last Ten Years (in thousands of dollars)**

Fiscal Year Ended June 30	Property Tax	Sales Tax	Motor Vehicle License	Transient Occupancy	Property Transfer Tax	Franchise	Utility Users Tax	Business Licenses	Other	Total
2003	\$ 29,915	\$ 15,647	\$ 16,493	\$ 1,349	\$ -	\$ 1,980	\$ 8,867	\$ 2,147	\$ 1,624	\$ 78,022
2004	32,674	14,484	7,204	1,483	-	4,078	16,375	2,256	936	79,490
2005	46,538	11,684	1,025	1,474	-	4,360	16,775	2,443	786	85,085
2006	53,240	14,710	1,109	1,865	-	5,397	17,577	2,625	679	97,202
2007	51,952	19,073	874	1,727	2,152	5,872	18,290	2,845	2,460	105,245
2008	56,246	17,200	719	1,719	1,189	5,776	18,154	2,978	1,974	105,955
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
2012	41,755	10,671	84	1,359	1,112	5,920	17,375	3,065	70	81,411

# City of Pomona

## Schedule 6

### Assessed Value and Estimated Actual Value of Taxable Property Last Ten 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
2012	5,571,482	998,040	1,226,077	905,772	655	360,777	750,968	8,311,835	1.20375



# City of Pomona

Schedule 7

## Property Tax Rates - Direct and Overlapping Governments

(Rate per \$100 of assessed value)

Last Ten Fiscal Years

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>City Direct Rates:</b>										
City basic rate	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
<b>Overlapping Rates:</b>										
City	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000
County	0.00000	0.00100	0.00000	0.00079	0.00066	0.00000	0.00000	0.00000	0.00000	0.00000
Schools	0.12342	0.12633	0.12910	0.12488	0.12401	0.11379	0.11577	0.14546	0.17721	0.17364
Community College	0.01946	0.01525	0.01473	0.02122	0.02184	0.01750	0.02333	0.02571	0.02636	0.02642
Flood Control	0.00088	0.00046	0.00025	0.00005	0.00005	0.00140	0.00000	0.00000	0.00000	0.00000
Metro Water District	0.00670	0.00610	0.00580	0.00520	0.00470	0.00450	0.00430	0.00430	0.00370	0.00370
<b>Total Direct Rate</b>	<b>1.15046</b>	<b>1.14914</b>	<b>1.14988</b>	<b>1.15214</b>	<b>1.15126</b>	<b>1.13719</b>	<b>1.14340</b>	<b>1.17547</b>	<b>1.20727</b>	<b>1.20376</b>

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	2012			2003		
	Taxable Assessed Valuation	Rank	Percent of Total City Taxable Assessed Value	Taxable Assessed Valuation	Rank	Percent of Total City Taxable Assessed Value
Realty Associates	\$ 72,999,563	1	0.88%	\$ 30,423,920	2	0.56%
UDR Crest LP	65,725,026	2	0.79%			
KTR Pomona LLC	55,004,392	3	0.66%			
Ripon Cogeneration LLC	28,806,037	4	0.35%			
LBA Realty Fund III	28,744,465	5	0.35%			
Coca-Cola Co.	28,321,265	6	0.34%	20,221,057	7	0.37%
Fairplex	28,190,319	7	0.34%			
CH Realty III Pomona LP	26,400,000	8	0.32%			
F D S Mfg Co	21,968,790	9	0.26%			
Topanga Owensmouth 7 LLC	21,007,700	10	0.25%			
Essex Crest LP	-	-	-	58,394,650	1	1.07%
Los Angeles County Fair Association	-	-	-	29,188,696	3	0.54%
Shilo Inn Pomona Hilltop	-	-	-	25,927,487	4	0.48%
Smurfit Newsprint Corp	-	-	-	24,101,062	5	0.44%
Western University of Health	-	-	-	20,675,090	6	0.38%
Pomona Valley Hospital	-	-	-	16,759,675	8	0.31%
Familian Corp	-	-	-	16,722,169	9	0.31%
Rockwell Collins Inc.	-	-	-	16,663,974	10	0.31%

Source: Los Angeles County Assessor data, MuniServices, LLC

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

*Schedule 9*

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2012
Allstar Kia
Arco AM/PM Mini Marts [1]
Arco AM/PM Mini Marts [2]
Cardenas Market
Chevron Service Stations [1]
Chevron Service Stations [2]
Chevron Service Stations [3]
Construction Hardware
Cornucopia Foods
CVS Pharmacy
Envirokinetics
Ferguson Enterprises
Global Rental
HD Supply Repair & Remodel
Home Depot
Mar-Co Equipment Company
Mike Thompson's Recreational
Phenix Enterprises
Ralph's Grocery Company
Reservoir Mart
Rohr Steel
Shell Service Stations [1]
Shell Service Stations [2]
Superior Duct Fabrication
Wal-Mart Stores

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

Source: MuniServices, LLC

**City of Pomona**  
**Property Tax Levies and Collections**  
**Last Ten 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%
2012	12,329,907	12,113,998	98.2%	377,392	12,491,390	101.3%

Source: City of Pomona Finance Department

**City of Pomona**  
**Ratios of Outstanding Debt by Type**  
**Last Ten 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	43,497,491		332,028,852
2012	-	43,836,347	44,299,214	12,333,057	4,509,277		104,977,895

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.

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	470,124,869	n/a	2,877
136,030,252	174,904	136,205,156	241,183,051	n/a	1,481

## Ratios of General Bonded Debt Outstanding

Last Ten Fiscal Years (dollars in thousands, except per capita)

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%	1,778
2012	43,836	-	44,299	12,333	100,468	1.2%	670

(1) See Schedule 6 for property value data.

(2) Population data can be found in Schedule 16.

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

*Schedule 13*

OVERLAPPING DEBT 06/30/2012:	Total Debt 6/30/2012	% Applicable (1)	City's Share of Debt 06/30/2012
Los Angeles County Flood Control District	\$ 37,195,000	0.611%	\$ 227,261
Metropolitan Water District	196,545,000	0.307%	603,393
Citrus Community College District	79,935,302	1.421%	1,135,881
Mount San Antonio Community College District	215,890,761	10.345%	22,333,899
Bonita Unified School District	105,222,395	0.098%	103,118
Claremont Unified School District	33,800,000	6.110%	2,065,180
Pomona Unified School District	206,818,331	70.725%	146,272,265
City of Pomona 1915 Act Bonds	4,399,000	100.000%	4,399,000
Los Angeles County Regional Park and Open Space Assessment District	170,725,000	0.597%	1,019,228
<b>TOTAL OVERLAPPING DEBT</b>	<b>\$ 1,050,530,789</b>		<b>\$ 178,159,225</b>
OVERLAPPING DEBT 06/30/2003:	Total Debt 6/30/2003	% Applicable (1)	City's Share of Debt 06/30/2003
Los Angeles County	\$ 200,694	0.664%	\$ 1,333
Los Angeles County Flood Control District	1,035,888	0.672%	6,961
Metropolitan Water District	1,537,261	0.346%	5,319
Mount San Antonio Community College District	3,774,602	10.845%	409,356
Claremont Unified School District	2,720,103	7.178%	195,249
Pomona Unified School District	89,243,232	72.011%	64,264,944
City of Pomona 1915 Act Bonds	12,945,000	100.000%	12,945,000
Los Angeles County Regional Park & Open Space Assessment District	2,621,040	0.664%	17,404
<b>TOTAL OVERLAPPING DEBT</b>	<b>\$ 114,077,820</b>		<b>\$ 77,845,566</b>

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 Ten Fiscal Years (in thousands of dollars)**

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

**Legal Debt Margin Calculation for Fiscal Year 2012**

Assessed Value	\$ 8,410,502
Debt Limit 15%	1,261,575
Debt applicable to debt limit	-
Legal Debt Margin	<u>\$ 1,261,575</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.

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2008	2009	2010	2011	2012
\$ 1,315,928	\$ 1,380,470	\$ 1,312,438	\$ 1,263,191	\$ 1,261,575
-	-	-	-	-
\$ 1,315,928	\$ 1,380,470	\$ 1,312,438	\$ 1,263,191	\$ 1,261,575
0.00%	0.00%	0.00%	0.00%	0.00%

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

*Schedule 15*

Fiscal Year Ended June 30	Water Revenue Bonds						
	Water Revenue	Less Operating Expenses	Net Available Revenue	Debt Service			Coverage
				Principal	Interest	Total	
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
2012	29,465,405	15,585,325	13,880,080	1,140,000	5,197,958	6,337,958	2.2

Notes: Details regarding the City's Water Fund outstanding debt can be found in the notes to the financial statements.

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

*Schedule 16*

Fiscal Year Ended June 30	Sewer Revenue Bonds						
	Sewer Revenue	Less Operating Expenses	Net Available Revenue	Debt Service			Coverage
				Principal	Interest	Total	
2003	\$ 2,741,866	\$ 851,424	\$ 1,890,442	\$ 420,000	\$ 382,774	\$ 802,774	2.4
2004	2,720,196	1,368,068	1,352,128	165,000	648,484	813,484	1.7
2005	2,837,499	1,656,176	1,181,323	165,000	645,184	810,184	1.5
2006	3,165,662	1,540,864	1,624,798	165,000	641,884	806,884	2.0
2007	4,063,102	2,719,487	1,343,615	175,000	638,484	813,484	1.7
2008	5,684,668	1,987,176	3,697,492	180,000	1,124,650	1,304,650	2.8
2009	5,134,975	2,030,153	3,104,822	180,000	1,319,606	1,499,606	2.1
2010	4,404,773	2,783,986	1,620,787	295,000	1,312,840	1,607,840	1.0
2011	4,403,553	2,070,512	2,333,041	325,000	1,302,662	1,627,662	1.4
2012	4,581,214	2,871,584	1,709,630	340,000	1,291,188	1,631,188	1.0

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 17*

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Calendar Year	Population (1)	Personal Income (2) (in thousands)	Per Capita Personal Income	Unemployment Rate (3)	School Enrollment**	Median Age
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
2012	149,950	2,533,677	16,897	13.2%	27,737	28.1

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.

**City of Pomona**  
**Principal Employers**  
**Current Year and Three Years Ago**

*Schedule 18*

Employer	2012			2009		
	Number of Employees	Rank	Percentage of Total City Employment	Number of Employees	Rank	Percentage of Total City Employment
Pomona Valley Hospital	2,980	1	5.1%	3,230	2	5.6%
Pomona Unified School District	2,961	2	5.1%	3,424	1	5.9%
California State Polytechnic University	2,154	3	3.7%	2,316	3	4.0%
Lanterman Developmental Center	976	4	1.7%	1,283	4	2.2%
City of Pomona	711	5	1.2%	810	5	1.4%
Casa Colina Rehabilitation Center	710	6	1.2%	688	6	1.2%
Verizon	596	7	1.0%	596	7	1.0%
County of Los Angeles Department of Social Services	376	8	0.6%	383	8	0.7%
First Transit	320	9	0.5%	320	9	0.6%
Inland Valley Care & Rehab	282	10	0.5%	271	12	0.5%
Lloyd's Material Supply (CAI)	250	11	0.4%	315	10	0.5%
Walmart Stores Inc	236	12	0.4%	209	17	0.4%
Hayward Industries Inc	235	13	0.4%	258	13	0.4%
Hamilton Sundstrand	199	14	0.3%	210	16	0.4%
Consolidated Foundries	175	15	0.3%	170	20	0.3%
Anheuser Busch	172	16	0.3%	194	18	0.3%
Ferguson Enterprises	171	17	0.3%			
Federated Diversified Sales	168	18	0.3%			
Sheraton Suites Fairplex	168	19	0.3%			
Pacific Coast Valuations	150	20	0.3%			
Pioneer Electronics				280	11	0.5%
Royal Cabinets				229	14	0.4%
Vertis				215	15	0.4%
Adams Rite Manufacturing Co				171	19	0.3%

Nine years of data is not available

Source: Finance Department and Businesses

Total Employment Source: [www.labormarketinfo.edd.ca.gov](http://www.labormarketinfo.edd.ca.gov)

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

*Schedule 19*

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Function	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Government	23	25	36	37	36	36	29	26	24	20
Support Services	46	49	47	45	46	52	44	36	33	32
Police	319	330	333	332	345	348	342	335	271	270
Public Works	82	82	77	87	88	87	81	199	184	184
Planning & Housing	66	68	56	40	40	40	40	38	47	40
Utility Services	133	132	132	126	127	128	127	0	0	0
Neighborhood Services	79	79	79	76	78	80	78	32	21	21
Total	748	765	760	743	760	771	741	666	580	567

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Various departments were consolidated in 2009-2010

Source: City of Pomona Finance Department

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

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

Source: MuniService, LLC

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2008	2009	2010	2011	2012
\$ 9,884	\$ 8,210	\$ 12,239	\$ 12,339	\$ 12,581
49,203	48,733	43,655	42,089	41,037
72,852	70,991	71,379	66,041	63,376
124,146	119,631	117,873	115,634	121,730
234,707	189,624	160,244	146,146	163,013
178,694	91,100	77,879	58,177	67,975
207,178	161,684	158,016	196,602	216,063
148,426	115,747	115,538	132,188	137,444
343,162	284,376	263,940	279,060	301,495
<u>\$ 1,368,252</u>	<u>\$ 1,090,096</u>	<u>\$ 1,020,763</u>	<u>\$ 1,048,276</u>	<u>\$ 1,124,714</u>

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

*Schedule 21*

	2005	2006	2007	2008	2009	2010	2011	2012
Police:								
Felony Arrests	4,428	4,276	4,234	3,686	3,584	3,150	2,825	2,713
Misdemeanor Arrests	8,747	8,591	8,886	8,042	7,824	6,686	5,557	5,780
Parking Citations	12,492	13,000	14,670	24,293	26,223	24,305	22,685	21,462
Moving Citations	12,510	5,774	18,663	18,470	25,305	18,412	11,554	10,452
Fire:								
Incidents	11,989	12,892	12,557	12,393	12,171	12,317	12,239	11,807
Urban development:								
Residential building permits issued	3,052	3,174	3,039	2,111	1,372	1,314	655	720
Inspections	12,907	14,585	20,877	23,235	17,278	6,918	5,378	5,645
Asphalt repaired (square feet)	18,000	19,500	16,600	31,862	23,911	26,489	38,842	19,222
Sidewalk repaired (square feet)	24,500	26,000	16,859	14,977	6,328	12,508	18,700	12,415
Community services:								
Community Center participants	528,255	556,000	919,153	899,611	409,595	335,931	502,674	572,270
Senior Program participants	108,250	110,240	185,285	244,000	145,851	101,104	120,095	121,165
Youth program participants	278,654	280,000	286,925	234,648	263,744	254,827	381,280	403,617
Other program participants	56,365	66,200	70,329	72,345	47,043	64,574	36,296	42,343
Sports Teams	250,350	450,300	376,614	348,618	206,853	314,405	254,989	311,201
Facility rentals	420	466	424	273	220	248	310	547
Library:								
Program attendance (all programs)	18,131	17,650	11,514	10,711	12,350	10,855	8,857	8,568
Literacy instruction (hours)	1,048	1,500	762	639	871	968	709	749
Water:								
New connections	121	166	47	152	23	10	5	7
Average daily consumption (thousands of gallons)	21,179	19,990	23,028	22,086	20,693	18,487	17,719	17,865
Refuse:								
Curbside Collection (in tons)	41,279	42,000	42,884	41,638	39,407	37,436	38,068	36,472
Recycle Collection (in tons)	9,448	9,500	9,380	8,871	8,003	7,512	7,108	6,801
Greenwaste Collection (in tons)	n/a	n/a	14,687	13,259	13,267	13,975	14,280	13,234

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 Eight Fiscal Years**

*Schedule 22*

	2005	2006	2007	2008	2009	2010	2011	2012
Police:								
Stations	1	1	1	1	1	1	1	1
Patrol Units	45	45	45	45	44	44	44	42
Fire:								
Fire stations	8	8	8	8	8	8	8	8
Public works:								
Streets (miles)	n/a	296	297	388	388	388	388	388
Streetlights	n/a	9933	9,939	7,645	7,645	7,645	7,645	7,645
Traffic signals	n/a	n/a	175	175	176	180	180	161
Community services:								
Parks	25	25	25	26	26	26	26	26
Park Acreage	210	210	210	210	221	221	221	221
Baseball fields	14	14	14	14	14	14	14	14
Soccer fields	11	11	11	13	17	17	17	17
Basketball courts	17	17	18	22	22	22	22	22
Tennis courts	9	9	9	9	9	9	9	9
Community centers	7	7	12	13	13	13	14	14
Libraries	1	1	1	1	1	1	1	1
Water:								
Water mains (miles)	435	435	436	439	439	439	467	457
Sewer:								
Sanitary sewers (miles)	293	313	313	313	313	313	357	305
Storm drains (miles)	120	120	120	120	120	120	120	120

Source: Various City Departments

Ten years of data is not available.

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