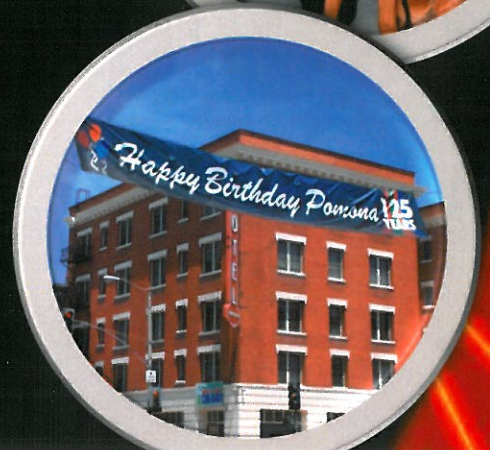


# City of Pomona California

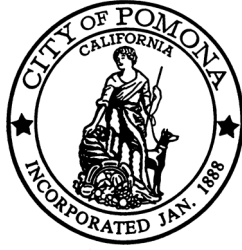


## Comprehensive Annual Financial Report

For the Year Ended  
June 30, 2014

CITY OF POMONA, CALIFORNIA  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FISCAL YEAR ENDED JUNE 30, 2014

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CITY OF POMONA, CALIFORNIA

# COMPREHENSIVE ANNUAL FINANCIAL REPORT

Year Ended June 30, 2014

Elliott Rothman

Mayor

John Nolte

Councilmember, District 1

Adriana Robledo

Councilmember, District 2

Cristina Carrizosa

Councilmember, District 3

Paula Lantz

Councilmember, District 4

Ginna E. Escobar

Councilmember, District 5

Debra Martin

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, 2014  
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December 18, 2014



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, 2014 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 unmodified opinion of the City of Pomona's financial statements for the year ended June 30, 2014. 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 complement 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.

In addition to the comprehensive audit, 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 includes component units all of which are described below:

### **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 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. The City Manager, City Attorney, Finance Director, City Treasurer, City Clerk, and the Deputy City Manager serve as the governing board for the Pomona Public Financing Authority. The Public Works Director, Deputy Public Works Director, Water/Wastewater Manager, Supervising Water Resources Engineer, and Water Treatment and Quality Supervisor for the City 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 with members of the City Council, sitting as the Successor Agency to the Redevelopment Agency. The activity of the Successor Agency is overseen by an Oversight Board which is comprised of individuals appointed by various government agencies including the City of Pomona.

**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 Redevelopment 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 to ensure sanitary and safe housing exists in the City of Pomona and that such housing is available to persons of low income at affordable rental rates. The City provides management assistance to the Housing Authority, and the members of the City Council also act as the governing body of the Housing Authority. The Housing Authority's financial data and transactions are blended with the major 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 151,713 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 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 Anheuser Busch, Consolidated Foundries, First Transit, Hayward Industries, Inland Valley Care and Rehab, Kittich Corporation, Verizon, Walmart and the newly opened Target store. 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 2014 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 approximately 61,600 workers.

Retail Sales and Use Tax remains an extremely significant source of revenue, and activity now is clearly on the rebound from levels depressed by the so-called "Great Recession," with annual taxable retail sales of more than \$1.38 billion dollars during Fiscal Year 2013-14. The City of Pomona remains central to the region's building and construction industry, while other business-to-business sales represent a notable share of local sales tax receipts. The October 2013 opening of Target in the southwest portion of the City is expected to bring improved sales tax receipts to Pomona.

Current assessed valuation for the City of Pomona is \$5,294,049,306, according to the Office of the Los Angeles County Auditor-Controller. Overall, property tax receipts (secured, unsecured, transfer tax, in-lieu, etc.) were 32.2% of the 2013-14 General Fund revenues, while sales tax and related line items were 20.7% 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. To ensure its fiscal health, on May 2, 2011, the City Council adopted resolution number 2011-49 approving the City's Fiscal Sustainability Policy. This policy established guidelines for the City's overall fiscal planning and management and is intended to foster and support continued financial strength and stability of the City. The policy is quite comprehensive and covers areas of Budget, Economic Development, Risk Management, Accounting-Auditing-Financial Reporting, Cash Management and Investments, and Debt Management. The policy also required a separate Fund Balance Policy to ensure fiscal health of the City. Part of the Fund Balance Policy adopted by the City Council on June 20, 2011, requires the General Fund to have a 'Committed Fund Balance' of 17% of operating expenditures by June 30, 2020. The policy provides a scale for reaching the 17% starting with 8% as of June 2012 and ending with the 17% in 2020. Based on 2013-14 General Fund expenditure and fund balance numbers, the General Fund is well ahead of its 2014 goal but still short of the final goal of 17%.

## **OUTLOOK FOR THE FUTURE**

As the City looks ahead to 2014-15, staff is encouraged by indicators that a modest recovery is finally underway. How long the recovery will last is unknown, but the City appears to have turned the corner for now, and prospects for the future are much improved. All tax categories, as well as construction related categories, are reflecting a recovering economy. The adopted 2014-15 General Fund budget reflects estimated revenues of \$88.5 million which is a 3.1% increase from the previous fiscal year receipts. However, of the \$88.5 million revenues estimated, \$1.5 million is attributed to non-recurring sources. Factoring out non-recurring sources from both years, ongoing operating revenue has increased by 3.5% over 2013-14 actual revenues.

## **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, 2014 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, 2013. The City of Pomona has received a Certificate of Achievement for the last twenty-one consecutive years (1993-2013). 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, 2014. 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 the City's audit firm 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

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CITY OF POMONA

# Certificate of Achievement

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Government Finance Officers Association

## 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

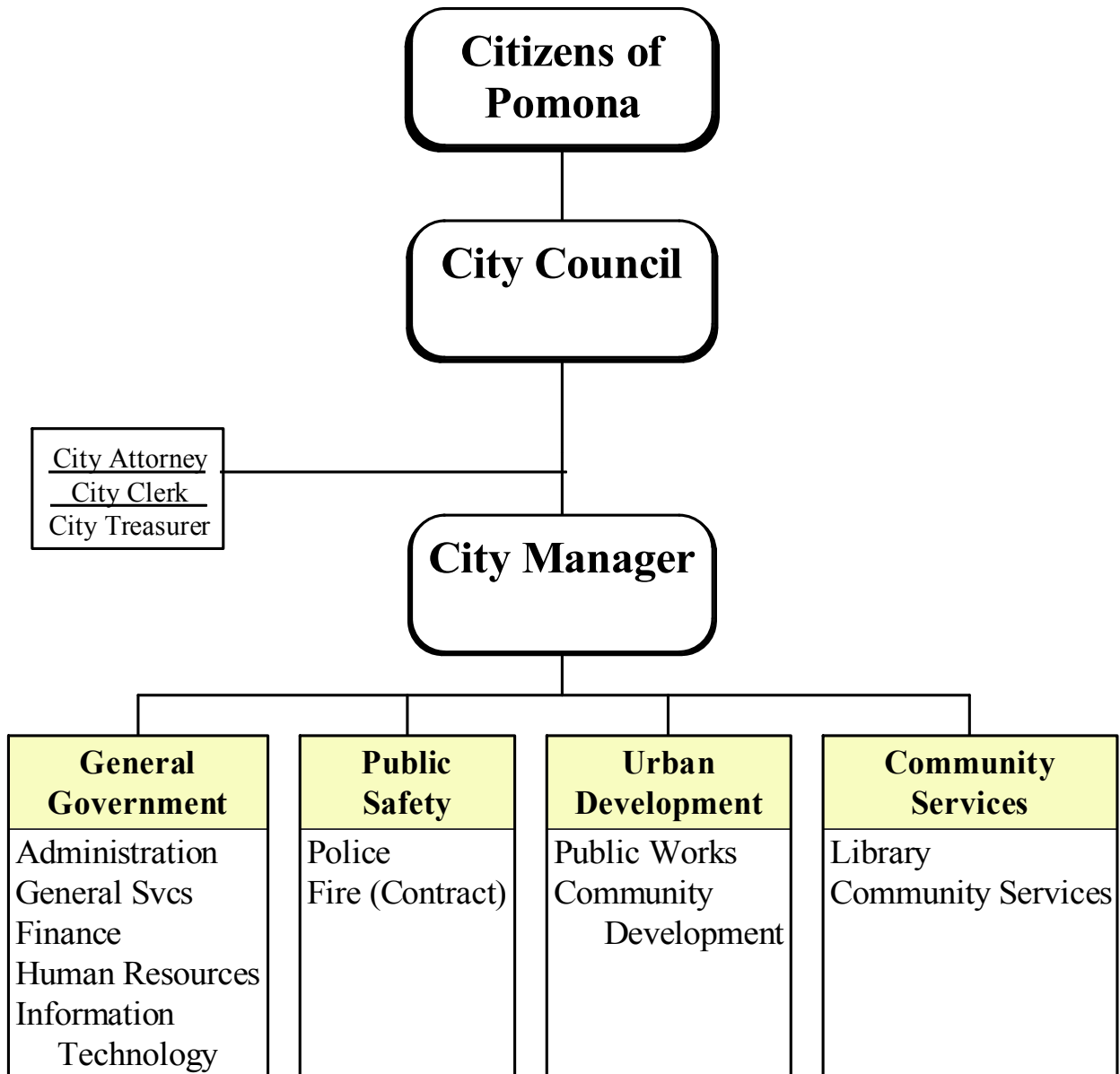
**June 30, 2013**

A handwritten signature in black ink, reading "Jeffrey R. Egan". The signature is written in a cursive, flowing style.

Executive Director/CEO



# Organizational Chart



CITY OF POMONA  
**DIRECTORY OF CITY OFFICIALS**

at June 30, 2014

**CITY COUNCIL**

**Elliott Rothman**

Mayor

**John Nolte**  
Councilmember  
District 1

**Adriana Robledo**  
Councilmember  
District 2

**Cristina Carrizosa**  
Councilmember  
District 3

**Paula Lantz**  
Councilmember  
District 4

**Ginna E. Escobar**  
Councilmember  
District 5

**Debra Martin**  
Councilmember  
District 6

**APPOINTED ADMINISTRATIVE OFFICIALS**

City Manager .....Linda Lowry  
City Attorney ..... Arnold Alvarez-Glasman  
City Clerk ..... Eva M. Buice  
City Treasurer (through 08/07/14)..... Douglas Peterson  
City Treasurer (effective 08/08/14) ..... Paula Chamberlain

**DEPARTMENT DIRECTORS**

Finance..... Paula Chamberlain  
Fire Chief (Los Angeles County).....Daryl L. Osby  
Human Resources ..... Linda Matthews  
Information Technology ..... John DePolis  
Library ..... Mark Gluba  
Community Development/Community Services ..... Mark Lazzaretto  
Police Chief..... Paul Capraro  
Public Works..... Rene Salas

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## INDEPENDENT AUDITORS' REPORT

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

### Report on Financial Statements

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 City of Pomona, California, (the City) as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements as of February 28, 2014, of the Canon Water Company of Pomona, California (Company), a component unit of the City, which represents \$337,495 of assets, \$335,203 of net position and \$46,070 in change in net position of the business-type activities in the government-wide financial statements and proprietary funds financial statements. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Company, is based solely on the report 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.



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

### **Opinions**

In our opinion, the 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 of Pomona, California, as of June 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Change in Accounting Principle**

As discussed in Note 1 to the financial statements, the City adopted new accounting guidance, GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. Our opinion is not modified with respect to this matter.

### **Other Matters**

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison information for the General Fund, Housing Authority and Miscellaneous Grants Fund 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.

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.



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

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.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2014 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* in considering the City's internal control over financial reporting and compliance.

*Lance, Soll & Loughard, LLP*

Brea, California  
December 18, 2014

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

### **Fiscal Year Ended June 30, 2014**

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, 2014. 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 \$364.2 million.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$69.4 million.
- At the end of the current fiscal year, committed fund balance for fiscal sustainability in the General Fund was \$12.3 million, or approximately 16% of total general fund expenditures, including transfers out.

## **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. Economic resources measurement focus considers all of the assets available for the purpose of providing goods and services and reports all inflows, outflows, and balances affecting or reflecting an entity's net position. 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 Statement of Net Position. 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 Position and the Statement of Activities**

The Statement of Net Position 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 expenses paid.

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

In the Statement of Net Position 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 legislative and supportive services, Police, Fire, Public Works, Community Development, Community Services, and Library. Revenues such as property taxes, sales taxes, utility taxes, franchise fees, development related, grants, 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 residential 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, residential 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, self-insurance funds, information technology, and printing and mail services. 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 its 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 position for the City as a whole is \$364.2 million at June 30, 2014. 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 position are presented in the Statement of Activities.

The City's combined net position (in millions) for fiscal years ended June 30, 2013 and June 30, 2014 are as follows:

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Current and other assets	\$ 137.6	\$ 139.9	\$ 89.3	\$ 90.3	\$ 226.9	\$ 230.2
Capital assets	277.8	283.9	155.8	156.1	433.6	440.0
Total assets	<u>415.4</u>	<u>423.8</u>	<u>245.1</u>	<u>246.4</u>	<u>660.5</u>	<u>670.2</u>
Deferred outflows of resources						
Deferred charge	0.1	-	1.8	-	1.9	-
Total deferred outflows of resources	<u>0.1</u>	<u>-</u>	<u>1.8</u>	<u>-</u>	<u>1.9</u>	<u>-</u>
Other liabilities	9.6	9.0	8.4	8.3	18.0	17.3
Long-term liabilities outstanding	141.4	142.6	138.8	139.8	280.2	282.4
Total liabilities	<u>151.0</u>	<u>151.6</u>	<u>147.2</u>	<u>148.1</u>	<u>298.2</u>	<u>299.7</u>
Net position:						
Net investment in capital assets	239.9	266.3	43.8	40.8	283.7	307.1
Restricted	91.1	94.9	32.7	14.8	123.8	109.7
Unrestricted	(66.5)	(89.0)	23.2	42.7	(43.3)	(46.3)
Total net position	<u>\$ 264.5</u>	<u>\$ 272.2</u>	<u>\$ 99.7</u>	<u>\$ 98.3</u>	<u>\$ 364.2</u>	<u>\$ 370.5</u>

The City's net position, including the governmental activities and business-type activities, decreased by \$6.3 million. A \$7.7 million decrease in governmental activities and a \$1.4 million increase in business-type activities.

**GOVERNMENTAL ACTIVITIES**

The City had a \$7.7 million decrease in net position from governmental activities (see Financial Analysis of the City's Funds – General Fund for explanation). The cost of all governmental activities this year was \$131.7 million. However, as shown in the Statement of Activities, the amount that the taxpayers ultimately financed for these activities was only \$80.3 million because some of the cost was paid by those who directly benefited from the programs (\$13.5 million), or by other governments and organizations that subsidized certain programs with operating contributions and grants (\$19.5 million), and capital contributions and grants (\$12.8 million). Overall, the City's program revenues were \$45.8 million. The City paid for the remaining

## CITY OF POMONA

Management's Discussion and Analysis, Continued  
Year Ended June 30, 2014

"public benefit" portion of governmental activities with \$80.3 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 legislative and support services, Police, Fire, Public Works, Urban Development, Community Services, and Library. The programs for the business-type activities include water utilities, sewer, and residential refuse operations. A comparison of each program's revenues and expenses (in millions) for the current year is presented herein.

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
<b>Revenues:</b>						
Program Revenues:						
Charges for services	\$ 13.5	\$ 16.3			\$ 13.5	\$ 16.3
Water	-	-	\$ 31.6	\$ 30.7	31.6	30.7
Sewer	-	-	4.7	4.5	4.7	4.5
Refuse	-	-	9.6	9.1	9.6	9.1
Operating contributions and grants	19.5	20.5	-	-	19.5	20.5
Capital contributions and grants	12.8	15.4	-	-	12.8	15.4
General Revenues:						
Taxes:						
Property taxes	33.6	32.1	-	-	33.6	32.1
Sales taxes	12.0	12.4	-	-	12.0	12.4
Transient occupancy taxes	1.6	1.5	-	-	1.6	1.5
Property transfer taxes	1.4	1.5	-	-	1.4	1.5
Franchises taxes	6.0	5.7	-	-	6.0	5.7
Utility users taxes	17.3	16.9	-	-	17.3	16.9
Business licenses (nonregulatory)	3.2	3.1	-	-	3.2	3.1
Other taxes	-	-	-	-	-	-
Interest and rentals	2.3	4.4	0.1	-	2.4	4.4
Miscellaneous	2.9	2.3	0.1	-	3.0	2.3
Gain on sale of capital assets	-	-	-	0.1	-	0.1
Extraordinary gain (loss) on RDA dissolution	-	1.0	-	-	-	1.0
Total revenues	<u>126.1</u>	<u>133.1</u>	<u>46.1</u>	<u>44.4</u>	<u>172.2</u>	<u>177.5</u>
<b>Expenses:</b>						
General government	5.6	7.5	-	-	5.6	7.5
Public safety	66.6	62.6	-	-	66.6	62.6
Urban development	47.9	36.4	-	-	47.9	36.4
Community services	6.2	14.9	-	-	6.2	14.9
Interest on long-term debt	5.4	8.0	-	-	5.4	8.0
Water	-	-	29.5	28.2	29.5	28.2
Sewer	-	-	4.1	8.5	4.1	8.5
Refuse	-	-	8.6	8.4	8.6	8.4
Canon Water Company	-	-	-	-	-	-
Total expenses	<u>131.7</u>	<u>129.4</u>	<u>42.2</u>	<u>45.1</u>	<u>173.9</u>	<u>174.5</u>
Increase in net position before transfers	(5.6)	3.7	3.9	(0.7)	(1.7)	3.0
Transfers	0.5	1.0	(0.5)	(1.0)	-	-
Increase (decrease) in net position	(5.1)	4.7	3.4	(1.7)	(1.7)	3.0
Net position at beginning of year (restated)	269.6	267.5	96.3	100.0	365.9	367.5
Net position at end of year	<u>\$ 264.5</u>	<u>\$ 272.2</u>	<u>\$ 99.7</u>	<u>\$ 98.3</u>	<u>\$ 364.2</u>	<u>\$ 370.5</u>

**BUSINESS-TYPE ACTIVITIES**

The cost of all business-type activities this year was \$42.2 million. As shown in the Statement of Activities and Changes in Net Position, the amounts paid by users of the systems was \$46.1 million.

Total resources available during the year to finance business-type activities were \$142.4 million consisting of Net Position at July 1, 2013 of \$96.3 million and revenues of \$46.1 million; thus net position increased by \$3.4 million. The increase was primarily due to the reduction in expenses in the Sewer Fund. In 2012-13 the Sewer Fund had expenditures relating to the sewer lift stations that were transferred to the County Sanitation Districts of Los Angeles County which did not reoccur in 2013-14.

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

The fund balance at year-end for the City's General Fund of \$12.4 million is an overall increase of \$5 million. This is the result of revenues exceeding budgeted estimates by \$4.3 million and expenditures falling below appropriations by \$0.7 million. The primary contributors of the increased revenue amount were improvements in property tax (\$1.16 million), sales tax – including the unbudgeted State Board of Equalization (SBOE) settlement (\$1.13 million), various fines (\$315,000), development related sources (\$1.58 million) and the one-time source related to sale of property (\$1.04 million) offset by a failure to meet budgeted expectations in utility user taxes (\$698,000).

On the expenditure side, General Fund departments underspent appropriations by \$718,100 with the majority of this amount attributed to savings within the staffing category.

The Non-Major Governmental Funds show a decrease of \$2 million in fund balance which was primarily due to the Narcotics Forfeiture Fund's \$2.1 million decrease in seized property revenue in 2013-14. In addition, the Capital Outlay Fund had a \$1.6 million decrease in fund balance primarily due to the purchase of capital lease vehicles (\$700k) and an increase in capital project expenditures (\$700k) while the Prop C Fund had a \$1.7 million increase in fund balance primarily due to the reduction in construction project expenditures in 2013-14.

**DEBT ADMINISTRATION**

At the end of the current fiscal year, the City and its component units (Pomona Public Financing Authority, and Pomona Housing Authority) had total long-term debt outstanding of \$280.2 million.

	Governmental Activities	Business-Type Activities	Total
Pollution remediation obligations	\$ 1,580,363	\$ -	\$ 1,580,363
Obligations under capital leases	879,285	3,564,689	4,443,974
Notes payable	875,000	-	875,000
Revenue bonds	41,110,000	133,915,426	175,025,426
Pension obligation refunding bonds	44,414,040	-	44,414,040
Certificates of participation	11,681,813	-	11,681,813
Compensated absences	6,994,573	1,342,054	8,336,627
Claims payable	16,179,444	-	16,179,444
OPEB obligations	17,668,252	-	17,668,252
Total	<u>\$ 141,382,770</u>	<u>\$ 138,822,169</u>	<u>\$ 280,204,939</u>

Additional information on the City's long-term debt can be found in Note 9 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, 2014, net capital assets of the governmental activities totaled \$277.8 million and the net capital assets of the business-type activities totaled \$155.8 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	\$ 80,360,320	\$ -	\$ 80,360,320
Construction in progress	19,004,938	-	19,004,938
Buildings and improvements	14,941,552	11,642,514	3,299,038
Improvements other than buildings	60,003,395	23,130,649	36,872,746
Machinery and equipment	20,020,840	15,235,202	4,785,638
Furniture and fixtures	1,014,456	764,827	249,629
Autos and trucks	10,894,922	8,448,734	2,446,188
Equipment under capital leases	1,037,970	107,056	930,914
Infrastructure	379,331,983	249,506,863	129,825,120
<b>Total</b>	<b>\$ 586,610,376</b>	<b>\$ 308,835,845</b>	<b>\$ 277,774,531</b>
<b>Capital Assets - Business -Type Activities</b>			
Land	\$ 9,089,782	\$ -	\$ 9,089,782
Construction in progress	18,241,815	-	18,241,815
Buildings and improvements	3,482,783	3,282,309	200,474
Improvements other than buildings	286,638	108,742	177,896
Machinery and equipment	197,417,808	74,764,708	122,653,100
Furniture and fixtures	5,105	5,105	-
Autos and trucks	4,554,565	2,990,211	1,564,354
Equipment under capital leases	4,257,381	425,738	3,831,643
<b>Total</b>	<b>\$ 237,335,877</b>	<b>\$ 81,576,813</b>	<b>\$ 155,759,064</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 2013-14 General Fund revenues grew by over \$2.9 million (roughly 3.46%) versus the prior year actuals. However, after factoring out a combined \$5.2 million in one-time/limited revenues (\$3.5 million for 2012-13 and \$1.7 million in 2013-14), total operating revenues actually increased by \$4.69 million over the prior year. That being said, there were both ups and downs across all revenues, with several in particular worth noting. All property tax related revenue grew by \$1.12 million as a reflection of continued improvement in the local real estate market. Other taxes including franchise fees and transient occupancy tax increased \$400,000. Further evidence of a hopeful return to economic growth may be seen in

Pomona's 0.75% share of Sales and Use Tax receipts, which grew by \$128,000, while "triple flip" revenues (which lag by a year, and often vary widely) grew by \$820,000. Business License receipts – which partially reflect retail activity – increased slightly. Finally, healthy across-the-board growth in construction related receipts (Building Permits, Job Fees, New Construction Tax, et al) point to a firm foundation for future economic growth.

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

This financial report is designed to provide Pomona 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 505 S. Garey Avenue (P.O. Box 660), Pomona, California, 91769.

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# **BASIC FINANCIAL STATEMENTS**

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**GOVERNMENT-WIDE  
FINANCIAL STATEMENTS**

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CITY OF POMONA

STATEMENT OF NET POSITION  
JUNE 30, 2014

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>Assets:</b>			
Cash and investments	\$ 47,660,870	\$ 39,261,294	\$ 86,922,164
Receivables (net):			
Accounts	4,654,983	11,507,438	16,162,421
Notes and loans	29,534,391	-	29,534,391
Interest	36,785	33,939	70,724
Internal balances	(5,413,774)	5,413,774	-
Prepaid costs	631,332	9,000	640,332
Due from other governments	6,391,938	39,574	6,431,512
Inventories	456,738	305,665	762,403
Land held for resale	7,005,975	-	7,005,975
Pension asset, net	23,484,855	-	23,484,855
Advances to Successor Agency	4,000,000	-	4,000,000
Restricted assets:			
Cash	19,189,064	32,725,153	51,914,217
Other investments	-	9,000	9,000
Capital assets, not being depreciated	99,365,258	27,331,597	126,696,855
Capital assets, net of depreciation	178,409,273	128,427,467	306,836,740
<b>Total Assets</b>	<b>415,407,688</b>	<b>245,063,901</b>	<b>660,471,589</b>
<b>Deferred Outflows of Resources:</b>			
Deferred charge on refunding	133,591	1,791,407	1,924,998
<b>Total Deferred Outflows of Resources</b>	<b>133,591</b>	<b>1,791,407</b>	<b>1,924,998</b>
<b>Liabilities:</b>			
Accounts payable	6,258,794	3,465,207	9,724,001
Payroll payable	1,224,900	241,918	1,466,818
Accrued liabilities	233,322	180,019	413,341
Interest payable	1,747,708	1,006,156	2,753,864
Unearned revenues	168,573	-	168,573
Deposits payable	37,581	3,444,779	3,482,360
Noncurrent liabilities:			
Due within one year	9,915,353	2,895,297	12,810,650
Due in more than one year	131,467,417	135,926,872	267,394,289
<b>Total Liabilities</b>	<b>151,053,648</b>	<b>147,160,248</b>	<b>298,213,896</b>
<b>Net Position:</b>			
Net investment in capital assets	239,862,742	43,825,224	283,687,966
Restricted for:			
Community development projects	20,379,294	-	20,379,294
Special projects	2,957,198	-	2,957,198
Capital projects	18,544,988	23,754,869	42,299,857
Debt service	49,228,717	8,970,284	58,199,001
Unrestricted	(66,485,308)	23,144,683	(43,340,625)
<b>Total Net Position</b>	<b>\$ 264,487,631</b>	<b>\$ 99,695,060</b>	<b>\$ 364,182,691</b>

CITY OF POMONA

STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2014

	Expenses	Program Revenues		
		Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants
<b>Functions/Programs</b>				
<b>Primary Government:</b>				
Governmental Activities:				
General government	\$ 5,583,709	\$ 1,760,422	\$ -	\$ -
Public safety	66,570,974	3,758,432	1,914,096	-
Urban development	47,913,493	7,052,224	17,400,217	12,758,089
Neighborhood services	6,181,264	919,258	187,198	-
Interest on long-term debt	5,364,960	-	-	-
<b>Total Governmental Activities</b>	<b>131,614,400</b>	<b>13,490,336</b>	<b>19,501,511</b>	<b>12,758,089</b>
Business-Type Activities:				
Water	29,585,491	31,611,142	-	-
Sewer	4,164,990	4,684,934	-	-
Refuse	8,562,818	9,561,681	42,833	-
Canon Water Company - February 28, 2014	18,154	64,221	-	-
<b>Total Business-Type Activities</b>	<b>42,331,453</b>	<b>45,921,978</b>	<b>42,833</b>	<b>-</b>
<b>Total Primary Government</b>	<b>\$ 173,945,853</b>	<b>\$ 59,412,314</b>	<b>\$ 19,544,344</b>	<b>\$ 12,758,089</b>

General Revenues:  
Taxes:  
Property taxes  
Sales taxes  
Transient occupancy taxes  
Property transfer taxes  
Franchise taxes  
Utility users taxes  
Business licenses (nonregulatory)  
Other taxes  
Interest and rentals  
Miscellaneous  
Gain on sale of capital assets  
Extraordinary gain/(loss) on dissolution  
of Redevelopment Agency (Note 18)  
Transfers  
**Total General Revenues,  
Extraordinary Items and Transfers**

Change in Net Position

Net Position, Beginning of Year

Restatement of Net Position

**Net Position, End of Year**

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**Net (Expenses) Revenues and Changes in Net Position****Primary Government**

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<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
\$ (3,823,287)	\$ -	\$ (3,823,287)
(60,898,446)	-	(60,898,446)
(10,702,963)	-	(10,702,963)
(5,074,808)	-	(5,074,808)
(5,364,960)	-	(5,364,960)
<b>(85,864,464)</b>	<b>-</b>	<b>(85,864,464)</b>
-	2,025,651	2,025,651
-	519,944	519,944
-	1,041,696	1,041,696
-	46,067	46,067
<b>-</b>	<b>3,633,358</b>	<b>3,633,358</b>
<b>(85,864,464)</b>	<b>3,633,358</b>	<b>(82,231,106)</b>
33,630,550	-	33,630,550
12,040,357	-	12,040,357
1,560,682	-	1,560,682
1,430,195	-	1,430,195
6,029,371	-	6,029,371
17,311,594	-	17,311,594
3,171,919	-	3,171,919
12,963	-	12,963
2,304,604	125,696	2,430,300
2,900,772	117,000	3,017,772
-	9,205	9,205
(144,397)	-	(144,397)
538,371	(538,371)	-
<b>80,786,981</b>	<b>(286,470)</b>	<b>80,500,511</b>
(5,077,483)	3,346,888	(1,730,595)
272,182,264	98,252,091	370,434,355
(2,617,150)	(1,903,919)	(4,521,069)
<b>\$ 264,487,631</b>	<b>\$ 99,695,060</b>	<b>\$ 364,182,691</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 grant revenues 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, 2014**

	<u>Special Revenue Funds</u>			<u>Debt Service Fund</u>
	<u>General</u>	<u>Housing Authority</u>	<u>Miscellaneous Grants</u>	<u>General Debt Service</u>
<b>Assets:</b>				
Cash and investments	\$ 7,614,495	\$ 4,456,930	\$ 1,736,348	\$ 1,352,433
Receivables (net):				
Accounts	3,674,323	-	165	-
Notes and loans	-	9,465,864	17,764,681	-
Interest	8,534	3,660	1,785	1,311
Prepaid costs	15,391	600,000	-	-
Due from other governments	3,598,635	197,912	1,178,521	-
Due from other funds	1,636,525	-	-	-
Advances to other funds	-	-	-	-
Advances to Successor Agency	-	4,000,000	-	-
Inventories	97,045	-	-	-
Land held for resale	-	7,005,975	-	-
Restricted assets:				
Cash	-	6,337,098	-	4,411,599
<b>Total Assets</b>	<b><u>\$ 16,644,948</u></b>	<b><u>\$ 32,067,439</u></b>	<b><u>\$ 20,681,500</u></b>	<b><u>\$ 5,765,343</u></b>
<b>Liabilities, Deferred Inflow of Resources, and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 1,549,720	\$ 25,776	\$ 409,746	\$ 7,400
Payroll payable	963,186	29,054	51,682	-
Accrued liabilities	14,481	97,150	-	-
Unearned revenues	-	-	168,573	-
Deposits payable	-	23,930	-	-
Due to other funds	-	-	-	1,569,620
Interest payable	-	-	-	1,238,291
Advances from other funds	304,435	-	-	44,085,000
<b>Total Liabilities</b>	<b><u>2,831,822</u></b>	<b><u>175,910</u></b>	<b><u>630,001</u></b>	<b><u>46,900,311</u></b>
<b>Deferred inflows of resources:</b>				
Unavailable revenues	1,439,881	9,465,864	18,214,611	-
<b>Total Deferred inflows of Resources</b>	<b><u>1,439,881</u></b>	<b><u>9,465,864</u></b>	<b><u>18,214,611</u></b>	<b><u>-</u></b>
<b>Fund Balances:</b>				
<b>Nonspendable</b>				
Inventories	97,045	-	-	-
Prepaid costs	15,391	600,000	-	-
Land held for resale	-	7,005,975	-	-
Notes and loans	-	-	-	-
Advances to Successor Agency	-	4,000,000	-	-
<b>Restricted</b>				
Urban development	-	10,819,690	1,692,062	-
Public safety	-	-	144,826	-
Neighborhood services	-	-	-	-
Capital projects	-	-	-	-
Assessment district improvement	-	-	-	-
Debt service	-	-	-	-
<b>Committed</b>				
Fiscal sustainability	12,260,809	-	-	-
<b>Unassigned</b>	-	-	-	(41,134,968)
<b>Total Fund Balances</b>	<b><u>12,373,245</u></b>	<b><u>22,425,665</u></b>	<b><u>1,836,888</u></b>	<b><u>(41,134,968)</u></b>
<b>Total Liabilities, Deferred Inflow of Resources and Fund Balances</b>	<b><u>\$ 16,644,948</u></b>	<b><u>\$ 32,067,439</u></b>	<b><u>\$ 20,681,500</u></b>	<b><u>\$ 5,765,343</u></b>

CITY OF POMONA

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2014**

	<b>Debt Service Fund</b>		
	<b>Public Financing Authority Debt Service</b>	<b>Non-Major Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Assets:</b>			
Cash and investments	\$ 97,669	\$ 21,348,420	\$ 36,606,295
Receivables (net):			
Accounts	-	980,495	4,654,983
Notes and loans	-	2,303,846	29,534,391
Interest	77	17,121	32,488
Prepaid costs	-	15,941	631,332
Due from other governments	-	1,416,870	6,391,938
Due from other funds	-	-	1,636,525
Advances to other funds	44,085,000	304,435	44,389,435
Advances to Successor Agency	-	-	4,000,000
Inventories	-	-	97,045
Land held for resale	-	-	7,005,975
Restricted assets:			
Cash	4,975,266	3,465,101	19,189,064
<b>Total Assets</b>	<b>\$ 49,158,012</b>	<b>\$ 29,852,229</b>	<b>\$ 154,169,471</b>
<b>Liabilities, Deferred Inflow of Resources, and Fund Balances:</b>			
<b>Liabilities:</b>			
Accounts payable	\$ -	\$ 2,467,529	\$ 4,460,171
Payroll payable	2,111	134,868	1,180,901
Accrued liabilities	-	121,691	233,322
Unearned revenues	-	-	168,573
Deposits payable	-	13,651	37,581
Due to other funds	-	66,905	1,636,525
Interest payable	-	-	1,238,291
Advances from other funds	-	-	44,389,435
<b>Total Liabilities</b>	<b>2,111</b>	<b>2,804,644</b>	<b>53,344,799</b>
<b>Deferred inflows of resources:</b>			
Unavailable revenues	-	2,349,867	31,470,223
<b>Total Deferred inflows of Resources</b>	<b>-</b>	<b>2,349,867</b>	<b>31,470,223</b>
<b>Fund Balances:</b>			
<b>Nonspendable</b>			
Inventories	-	-	97,045
Prepaid costs	-	15,941	631,332
Land held for resale	-	-	7,005,975
Notes and loans	-	375,000	375,000
Advances to Successor Agency	-	-	4,000,000
<b>Restricted</b>			
Urban development	-	16,242,234	28,753,986
Public safety	-	2,796,431	2,941,257
Neighborhood services	-	766,709	766,709
Capital projects	-	4,239,833	4,239,833
Assessment district improvement	-	261,570	261,570
Debt service	49,155,901	-	49,155,901
<b>Committed</b>			
Fiscal sustainability	-	-	12,260,809
<b>Unassigned</b>	-	-	(41,134,968)
<b>Total Fund Balances</b>	<b>49,155,901</b>	<b>24,697,718</b>	<b>69,354,449</b>
<b>Total Liabilities, Deferred Inflow of Resources and Fund Balances</b>	<b>\$ 49,158,012</b>	<b>\$ 29,852,229</b>	<b>\$ 154,169,471</b>

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CITY OF POMONA

**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET POSITION  
JUNE 30, 2014**

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**Fund Balances of Governmental Funds** **\$ 69,354,449**

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

Capital assets net of depreciation have not been included as financial resources. Therefore, they are not reported in governmental funds. 277,627,254

Pension asset is a contribution deferred and subject to capitalization and amortization on the statements of net position. However, pension contribution is an expenditure in the Fund statement in the year of contribution. 23,484,855

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

Pollution remediation	\$ (1,580,363)	
Obligation under capital leases	(879,285)	
Notes payable	(875,000)	
Revenue bonds	(41,110,000)	
Deferred charges on refunding	133,591	
Pension obligation refunding bonds	(44,414,040)	
Certificates of participation	(11,681,813)	
Compensated absences	(6,781,114)	(107,188,024)

Governmental funds report all OPEB contributions as expenditures, however, in the statement of net position any excess or deficiencies in contributions in relation to the Annual Required Contribution (ARC) are recorded as an asset or liability. (17,668,252)

Accrued interest payable for the current portion of interest due on bonds has not been reported in the governmental funds. (509,417)

Revenues reported as unavailable in the governmental funds and recognized in the statement of activities. These are included in the intergovernmental revenues in the governmental fund activity. 31,470,223

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 position. (12,083,457)

**Net Position of Governmental Activities** **\$ 264,487,631**

## CITY OF POMONA

**STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2014**

	Special Revenue Funds			Debt Service Fund
	General	Housing Authority	Miscellaneous Grants	General Debt Service
<b>Revenues:</b>				
Taxes	\$ 74,341,949	\$ -	\$ -	\$ 525,861
Special assessments	-	-	-	-
Licenses and permits	4,797,126	-	-	-
Intergovernmental	121,942	11,804,489	5,781,183	-
Charges for services	2,790,058	22,631	500,439	-
Interest and rentals	300,833	649,907	392,270	2,881
Fines and forfeitures	2,106,227	-	-	-
Miscellaneous	360,719	114,468	826,529	336,611
<b>Total Revenues</b>	<b>84,818,854</b>	<b>12,591,495</b>	<b>7,500,421</b>	<b>865,353</b>
<b>Expenditures:</b>				
Current:				
General government	3,102,523	-	-	466,005
Public safety	61,402,778	-	1,563,473	-
Urban development	8,231,564	13,372,684	5,618,281	-
Neighborhood services	3,271,204	-	301,234	-
Capital outlay	75,473	-	177,909	-
Debt service:				
Principal retirement	211,809	-	-	767,000
Interest and fiscal charges	24,960	-	-	4,709,098
<b>Total Expenditures</b>	<b>76,320,311</b>	<b>13,372,684</b>	<b>7,660,897</b>	<b>5,942,103</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	8,498,543	(781,189)	(160,476)	(5,076,750)
<b>Other Financing Sources (Uses):</b>				
Transfers in	35,413	-	140,249	5,531,418
Transfers out	(4,629,278)	-	(140,000)	-
Notes and loans issued	-	-	-	-
Proceeds from sale of capital assets	1,041,849	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>(3,552,016)</b>	<b>-</b>	<b>249</b>	<b>5,531,418</b>
Extraordinary gain/(loss) on dissolution of Redevelopment Agency (Note 18)	-	(144,397)	-	-
Net Change in Fund Balances	4,946,527	(925,586)	(160,227)	454,668
Fund Balances, Beginning of Year	7,426,718	23,351,251	1,997,115	(41,589,636)
<b>Fund Balances, End of Year</b>	<b>\$ 12,373,245</b>	<b>\$ 22,425,665</b>	<b>\$ 1,836,888</b>	<b>\$ (41,134,968)</b>

CITY OF POMONA

STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2014

	<b>Debt Service Fund</b>		
	<b>Public Financing Authority Debt Service</b>	<b>Non-Major Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Revenues:</b>			
Taxes	\$ -	\$ 26,642	\$ 74,894,452
Special assessments	-	1,193,067	1,193,067
Licenses and permits	-	1,840,042	6,637,168
Intergovernmental	-	14,482,205	32,189,819
Charges for services	-	831,886	4,145,014
Interest and rentals	334,862	613,590	2,294,343
Fines and forfeitures	-	13,745	2,119,972
Miscellaneous	83,619	607,145	2,329,091
<b>Total Revenues</b>	<b>418,481</b>	<b>19,608,322</b>	<b>125,802,926</b>
<b>Expenditures:</b>			
Current:			
General government	795	483	3,569,806
Public safety	-	2,383,056	65,349,307
Urban development	-	16,456,873	43,679,402
Neighborhood services	-	1,176,501	4,748,939
Capital outlay	-	1,407,429	1,660,811
Debt service:			
Principal retirement	1,440,000	399,142	2,817,951
Interest and fiscal charges	222,429	17,558	4,974,045
<b>Total Expenditures</b>	<b>1,663,224</b>	<b>21,841,042</b>	<b>126,800,261</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,244,743)	(2,232,720)	(997,335)
<b>Other Financing Sources (Uses):</b>			
Transfers in	-	2,921,429	8,628,509
Transfers out	-	(2,995,006)	(7,764,284)
Notes and loans issued	-	300,000	300,000
Proceeds from sale of capital assets	-	5,400	1,047,249
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>231,823</b>	<b>2,211,474</b>
Extraordinary gain/(loss) on dissolution of Redevelopment Agency (Note 18)	-	-	(144,397)
Net Change in Fund Balances	(1,244,743)	(2,000,897)	1,069,742
Fund Balances, Beginning of Year	50,400,644	26,698,615	68,284,707
<b>Fund Balances, End of Year</b>	<b>\$ 49,155,901</b>	<b>\$ 24,697,718</b>	<b>\$ 69,354,449</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, 2014**

**Net Change in Fund Balances - Total Governmental Funds** **\$ 1,069,742**

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	\$ 8,007,262	
Depreciation	(13,227,804)	
Disposition of capital assets	<u>(874,395)</u>	(6,094,937)

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.

(696,148)

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

Principal repayments		
Pollution remediation	200,899	
Obligation under capital leases	285,052	
Notes payable	125,000	
Revenue bonds	1,469,969	
Pension obligation refunding bonds	430,000	
Certificates of participation	330,622	
Debt issued or incurred		
Pollution remediation	(1,781,262)	
Notes payable	(300,000)	
Accreted interest on pension obligation bonds	<u>(443,288)</u>	316,992

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

29,045

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.

321,184

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.

(2,144,471)

Revenues reported as unavailable revenue in the governmental funds and recognized in the statement of activities. These are included in the intergovernmental revenues in the governmental fund activity.

329,756

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.

1,791,354

**Change in Net Position of Governmental Activities**

**\$ (5,077,483)**

# 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 POSITION  
 PROPRIETARY FUNDS  
 JUNE 30, 2014

Business-Type Activities  
 Enterprise Funds

	Water	Sewer	Refuse
<b>Assets:</b>			
Current:			
Cash and investments	\$ 28,573,487	\$ 7,869,996	\$ 2,573,253
Receivables (net):			
Accounts	7,834,693	1,216,402	2,392,122
Interest	25,555	6,378	2,006
Prepaid costs	9,000	-	-
Due from other governments	-	-	39,574
Inventories	305,665	-	-
Restricted:			
Cash	23,774,342	8,950,811	-
<b>Total Current Assets</b>	<b>60,522,742</b>	<b>18,043,587</b>	<b>5,006,955</b>
Noncurrent:			
Advances to other funds	5,000,000	-	-
Other Investments	9,000	-	-
Capital assets, not being depreciated	24,512,508	2,819,089	-
Capital assets, net of depreciation	98,506,959	25,183,324	4,708,468
<b>Total Noncurrent Assets</b>	<b>128,028,467</b>	<b>28,002,413</b>	<b>4,708,468</b>
<b>Total Assets</b>	<b>188,551,209</b>	<b>46,046,000</b>	<b>9,715,423</b>
<b>Deferred Outflows of Resources:</b>			
Deferred charges on refunding	1,180,357	611,050	-
<b>Total Deferred Outflows of Resources</b>	<b>1,180,357</b>	<b>611,050</b>	<b>-</b>
<b>Total Assets and Deferred Outflows of Resources</b>	<b>\$ 189,731,566</b>	<b>\$ 46,657,050</b>	<b>\$ 9,715,423</b>
<b>Liabilities and Net Position:</b>			
<b>Liabilities:</b>			
Current:			
Accounts payable	\$ 2,439,094	\$ 714,450	\$ 309,371
Payroll payable	174,449	26,319	41,150
Accrued liabilities	152,004	28,015	-
Interest payable	836,477	102,948	66,731
Deposits payable	3,444,779	-	-
Compensated absences	469,000	71,000	115,000
Claims and judgments	-	-	-
Bonds, notes, and capital leases	1,295,000	385,000	560,297
<b>Total Current Liabilities</b>	<b>8,810,803</b>	<b>1,327,732</b>	<b>1,092,549</b>
Noncurrent:			
Advances from other funds	-	-	-
Compensated absences	552,371	44,662	90,021
Claims and judgments	-	-	-
Bonds, notes, and capital leases	104,975,426	27,260,000	3,004,392
<b>Total Noncurrent Liabilities</b>	<b>105,527,797</b>	<b>27,304,662</b>	<b>3,094,413</b>
<b>Total Liabilities</b>	<b>114,338,600</b>	<b>28,632,394</b>	<b>4,186,962</b>
<b>Net Position:</b>			
Net Investment in capital assets	34,773,771	7,878,958	1,143,779
Restricted for capital projects	16,844,373	6,910,496	-
Restricted for debt service	6,929,969	2,040,315	-
Unrestricted	16,844,853	1,194,887	4,384,682
<b>Total Net Position</b>	<b>75,392,966</b>	<b>18,024,656</b>	<b>5,528,461</b>
<b>Total Liabilities and Net Position</b>	<b>\$ 189,731,566</b>	<b>\$ 46,657,050</b>	<b>\$ 9,715,423</b>

**Reconciliation of Net Position to the  
 Statement of Net Position**

Net Position per Statement of Net Position - Proprietary Funds  
 Prior years' accumulated adjustment to reflect the consolidation of  
 internal service funds activities related to the enterprise funds  
 Current years' adjustments to reflect the consolidation of internal  
 service activities related to enterprise funds

**Net Position per Statement of Net Position**

CITY OF POMONA

STATEMENT OF NET POSITION  
 PROPRIETARY FUNDS  
 JUNE 30, 2014

	Business-Type Activities Enterprise Funds		Governmental Activities
	Canon Water Company - February 28, 2014	Total	Internal Service Funds
<b>Assets:</b>			
Current:			
Cash and investments	\$ 244,558	\$ 39,261,294	\$ 11,054,575
Receivables (net):			
Accounts	64,221	11,507,438	-
Interest	-	33,939	4,297
Prepaid costs	-	9,000	-
Due from other governments	-	39,574	-
Inventories	-	305,665	359,693
Restricted:			
Cash	-	32,725,153	-
<b>Total Current Assets</b>	<b>308,779</b>	<b>83,882,063</b>	<b>11,418,565</b>
Noncurrent:			
Advances to other funds	-	5,000,000	-
Other Investments	-	9,000	-
Capital assets, not being depreciated	-	27,331,597	-
Capital assets, net of depreciation	28,716	128,427,467	147,277
<b>Total Noncurrent Assets</b>	<b>28,716</b>	<b>160,768,064</b>	<b>147,277</b>
<b>Total Assets</b>	<b>337,495</b>	<b>244,650,127</b>	<b>11,565,842</b>
<b>Deferred Outflows of Resources:</b>			
Deferred charges on refunding	-	1,791,407	-
<b>Total Deferred Outflows of Resources</b>	<b>-</b>	<b>1,791,407</b>	<b>-</b>
<b>Total Assets and Deferred Outflows of Resources</b>	<b>\$ 337,495</b>	<b>\$ 246,441,534</b>	<b>\$ 11,565,842</b>
<b>Liabilities and Net Position:</b>			
<b>Liabilities:</b>			
Current:			
Accounts payable	\$ 2,292	\$ 3,465,207	\$ 1,798,623
Payroll payable	-	241,918	43,999
Accrued liabilities	-	180,019	-
Interest payable	-	1,006,156	-
Deposits payable	-	3,444,779	-
Compensated absences	-	655,000	149,000
Claims and judgments	-	-	2,026,000
Bonds, notes, and capital leases	-	2,240,297	-
<b>Total Current Liabilities</b>	<b>2,292</b>	<b>11,233,376</b>	<b>4,017,622</b>
Noncurrent:			
Advances from other funds	-	-	5,000,000
Compensated absences	-	687,054	64,459
Claims and judgments	-	-	14,153,444
Bonds, notes, and capital leases	-	135,239,818	-
<b>Total Noncurrent Liabilities</b>	<b>-</b>	<b>135,926,872</b>	<b>19,217,903</b>
<b>Total Liabilities</b>	<b>2,292</b>	<b>147,160,248</b>	<b>23,235,525</b>
<b>Net Position:</b>			
Net Investment in capital assets	28,716	43,825,224	147,277
Restricted for capital projects	-	23,754,869	-
Restricted for debt service	-	8,970,284	-
Unrestricted	306,487	22,730,909	(11,816,960)
<b>Total Net Position</b>	<b>335,203</b>	<b>99,281,286</b>	<b>(11,669,683)</b>
<b>Total Liabilities and Net Position</b>	<b>\$ 337,495</b>	<b>\$ 246,441,534</b>	<b>\$ 11,565,842</b>
		\$ 99,281,286	
		357,614	
		56,160	
		<u>\$ 99,695,060</u>	

## CITY OF POMONA

**STATEMENT OF REVENUES, EXPENSES,  
AND CHANGES IN NET POSITION  
PROPRIETARY FUNDS  
YEAR ENDED JUNE 30, 2014**

	<b>Business-Type Activities Enterprise Funds</b>		
	<b>Water</b>	<b>Sewer</b>	<b>Refuse</b>
<b>Operating Revenues:</b>			
Charges for services	\$ 30,098,992	\$ 4,684,934	\$ 9,560,728
Miscellaneous	-	117,000	953
<b>Total Operating Revenues</b>	<b>30,098,992</b>	<b>4,801,934</b>	<b>9,561,681</b>
<b>Operating Expenses:</b>			
Personnel services	6,865,371	1,007,978	1,702,365
Operations	14,345,271	1,037,867	6,099,121
Claims expense	77,008	114,127	23,796
Insurance	206,639	27,667	66,042
Amortization of deferred loss on refunding	78,691	58,195	-
Depreciation	2,756,770	590,260	565,974
<b>Total Operating Expenses</b>	<b>24,329,750</b>	<b>2,836,094</b>	<b>8,457,298</b>
Operating Income (Loss)	5,769,242	1,965,840	1,104,383
<b>Nonoperating Revenues (Expenses):</b>			
Intergovernmental	-	-	42,833
Interest revenue	69,170	52,122	4,401
Interest expense	(4,941,475)	(1,262,289)	(85,976)
Sale of surplus water	1,512,150	-	-
Gain (loss) on disposal of capital assets	(333,349)	(114,093)	70
<b>Total Nonoperating Revenues (Expenses)</b>	<b>(3,693,504)</b>	<b>(1,324,260)</b>	<b>(38,672)</b>
Income (Loss) Before Transfers	2,075,738	641,580	1,065,711
Transfers in	30,687	403,520	149,889
Transfers out	(683,094)	(439,373)	-
Changes in Net Position	<b>\$ 1,423,331</b>	<b>\$ 605,727</b>	<b>\$ 1,215,600</b>
<b>Net Position:</b>			
Beginning of year, as originally reported	\$ 75,475,622	\$ 17,816,861	\$ 4,312,861
Restatements	(1,505,987)	(397,932)	-
Beginning of year, as restated	73,969,635	17,418,929	4,312,861
Changes in Net Position	1,423,331	605,727	1,215,600
<b>End of Year</b>	<b>\$ 75,392,966</b>	<b>\$ 18,024,656</b>	<b>\$ 5,528,461</b>

**Reconciliation of Changes in Net Position to the Statement of Activities:**

Changes in Net Position, per the Statement of Revenues,  
Expenses and Changes in Net Position - Proprietary Funds

Adjustment to reflect the consolidation of current fiscal year  
internal service funds activities related to enterprise funds

**Changes in Net Position of Business-Type Activities per  
Statement of Activities**

CITY OF POMONA

STATEMENT OF REVENUES, EXPENSES,  
AND CHANGES IN NET POSITION  
PROPRIETARY FUNDS  
YEAR ENDED JUNE 30, 2014

	<u>Business-Type Activities</u> <u>Enterprise Funds</u>		<u>Governmental</u> <u>Activities</u>
	<u>Canon Water</u> <u>Company -</u> <u>February 28, 2014</u>	<u>Total</u>	<u>Internal</u> <u>Service Funds</u>
<b>Operating Revenues:</b>			
Charges for services	\$ 64,221	\$ 44,408,875	\$ 10,585,393
Miscellaneous	-	117,953	280,120
<b>Total Operating Revenues</b>	<b>64,221</b>	<b>44,526,828</b>	<b>10,865,513</b>
<b>Operating Expenses:</b>			
Personnel services	-	9,575,714	1,312,321
Operations	15,483	21,497,742	3,473,657
Claims expense	-	214,931	3,851,631
Insurance	-	300,348	41,744
Amortization of deferred loss on refunding	-	136,886	-
Depreciation	2,671	3,915,675	23,053
<b>Total Operating Expenses</b>	<b>18,154</b>	<b>35,641,296</b>	<b>8,702,406</b>
Operating Income (Loss)	46,067	8,885,532	2,163,107
<b>Nonoperating Revenues (Expenses):</b>			
Intergovernmental	-	42,833	-
Interest revenue	3	125,696	10,261
Interest expense	-	(6,289,740)	-
Sale of surplus water	-	1,512,150	-
Gain (loss) on disposal of capital assets	-	(447,372)	-
<b>Total Nonoperating Revenues (Expenses)</b>	<b>3</b>	<b>(5,056,433)</b>	<b>10,261</b>
Income (Loss) Before Transfers	46,070	3,829,099	2,173,368
Transfers in	-	584,096	-
Transfers out	-	(1,122,467)	(325,854)
Changes in Net Position	<u>\$ 46,070</u>	<u>\$ 3,290,728</u>	<u>\$ 1,847,514</u>
<b>Net Position:</b>			
Beginning of year, as originally reported	\$ 289,133	\$ 97,894,477	\$ (13,517,197)
Restatements	-	(1,903,919)	-
Beginning of year, as restated	289,133	95,990,558	(13,517,197)
Changes in Net Position	46,070	3,290,728	1,847,514
<b>End of Year</b>	<b><u>\$ 335,203</u></b>	<b><u>\$ 99,281,286</u></b>	<b><u>\$ (11,669,683)</u></b>
		\$ 3,290,728	
		<u>56,160</u>	
		<b><u>\$ 3,346,888</u></b>	

## CITY OF POMONA

**STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS  
 YEAR ENDED JUNE 30, 2014**

	<b>Business-Type Activities Enterprise Funds</b>		
	<b>Water</b>	<b>Sewer</b>	<b>Refuse</b>
<b>Cash Flows from Operating Activities:</b>			
Cash received from customers and users	\$ 30,550,242	\$ 4,616,937	\$ 9,340,156
Cash received from/(paid for) other	-	117,000	953
Cash paid to suppliers for goods and services	(15,160,454)	(506,698)	(6,095,061)
Cash paid for general and administrative expenses	(6,900,059)	(1,019,051)	(1,804,669)
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>8,489,729</b>	<b>3,208,188</b>	<b>1,441,379</b>
<b>Cash Flows from Non-Capital Financing Activities:</b>			
Cash transfers in	30,687	403,520	149,889
Cash transfers out	(683,094)	(439,373)	-
Proceeds from sale of surplus water	1,512,150	-	-
Grant subsidy	-	-	43,551
<b>Net Cash Provided (Used) by Non-Capital Financing Activities</b>	<b>859,743</b>	<b>(35,853)</b>	<b>193,440</b>
<b>Cash Flows from Capital and Related Financing Activities:</b>			
Acquisition and construction of capital assets	(1,751,018)	(2,222,402)	(64,889)
Principal paid on capital debt	(1,240,000)	(370,000)	(547,486)
Interest paid on capital debt	(5,098,992)	(1,263,530)	(96,225)
Proceeds from sales of capital assets	9,750	-	70
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	<b>(8,080,260)</b>	<b>(3,855,932)</b>	<b>(708,530)</b>
<b>Cash Flows from Investing Activities:</b>			
Purchase of investments	(9,000)	-	-
Interest received	59,473	50,005	3,343
<b>Net Cash Provided (Used) by Investing Activities</b>	<b>50,473</b>	<b>50,005</b>	<b>3,343</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>1,319,685</b>	<b>(633,592)</b>	<b>929,632</b>
Cash and Cash Equivalents, Beginning of Year	51,028,144	17,454,399	1,643,621
<b>Cash and Cash Equivalents, End of Year</b>	<b>\$ 52,347,829</b>	<b>\$ 16,820,807</b>	<b>\$ 2,573,253</b>

CITY OF POMONA

STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS  
 YEAR ENDED JUNE 30, 2014

	Business-Type Activities Enterprise Funds		
	Water	Sewer	Refuse
<b>Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:</b>			
Operating income (loss)	\$ 5,769,242	\$ 1,965,840	\$ 1,104,383
<b>Adjustments to reconcile operating income (loss) net cash provided (used) by operating activities:</b>			
Depreciation	2,756,770	590,260	565,974
Amortization	78,691	58,195	-
(Increase) decrease in accounts receivable	451,250	(67,997)	(220,572)
(Increase) decrease in inventory	(13,368)	-	-
Increase (decrease) in accounts payable	(940,907)	617,281	27,856
Increase (decrease) in payroll payable	36,014	6,598	8,011
Increase (decrease) in accrued liabilities	55,733	28,015	-
Increase (decrease) in deposits payable	160,367	-	-
Increase (decrease) in claims and judgments	-	-	-
Increase (decrease) in compensated absences	135,937	9,996	(44,273)
<b>Total Adjustments</b>	<b>2,720,487</b>	<b>1,242,348</b>	<b>336,996</b>
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$ 8,489,729</b>	<b>\$ 3,208,188</b>	<b>\$ 1,441,379</b>
<b>Non-Cash Investing, Capital, and Financing Activities:</b>			
Amortization of bond premium/discount	\$ 148,782	\$ -	\$ -
Amortization of deferred charges on refunding	78,690	58,195	-
Loss on disposal of capital assets	343,099	114,093	-



## CITY OF POMONA

**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**YEAR ENDED JUNE 30, 2014**

	<b>Business-Type Activities</b>		<b>Governmental</b>
	<b>Enterprise Funds</b>		<b>Activities</b>
	<b>Canon Water</b>		<b>Internal</b>
	<b>Company -</b>		<b>Service Funds</b>
	<b>February 28, 2014</b>	<b>Total</b>	
<b>Cash Flows from Operating Activities:</b>			
Cash received from customers and users	\$ 85,628	\$ 44,592,963	\$ 10,585,393
Cash received from/(paid for) other	-	117,953	280,120
Cash paid to suppliers for goods and services	(14,975)	(21,777,188)	(9,133,789)
Cash paid for general and administrative expenses	-	(9,723,779)	(1,304,535)
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>70,653</b>	<b>13,209,949</b>	<b>427,189</b>
<b>Cash Flows from Non-Capital</b>			
<b>Financing Activities:</b>			
Cash transfers in	-	584,096	-
Cash transfers out	-	(1,122,467)	(325,854)
Proceeds from sale of surplus water	-	1,512,150	-
Grant subsidy	-	43,551	5,994
<b>Net Cash Provided (Used) by</b>			
<b>Non-Capital Financing Activities</b>	<b>-</b>	<b>1,017,330</b>	<b>(319,860)</b>
<b>Cash Flows from Capital</b>			
<b>and Related Financing Activities:</b>			
Acquisition and construction of capital assets	-	(4,038,309)	-
Principal paid on capital debt	-	(2,157,486)	-
Interest paid on capital debt	-	(6,458,747)	-
Proceeds from sales of capital assets	-	9,820	-
<b>Net Cash Provided (Used) by</b>			
<b>Capital and Related Financing Activities</b>	<b>-</b>	<b>(12,644,722)</b>	<b>-</b>
<b>Cash Flows from Investing Activities:</b>			
Purchase of investments	-	(9,000)	-
Interest received	3	112,824	8,816
<b>Net Cash Provided (Used) by</b>			
<b>Investing Activities</b>	<b>3</b>	<b>103,824</b>	<b>8,816</b>
<b>Net Increase (Decrease) in Cash</b>			
<b>and Cash Equivalents</b>	<b>70,656</b>	<b>1,686,381</b>	<b>116,145</b>
Cash and Cash Equivalents, Beginning of Year	173,902	70,300,066	10,938,430
<b>Cash and Cash Equivalents, End of Year</b>	<b>\$ 244,558</b>	<b>\$ 71,986,447</b>	<b>\$ 11,054,575</b>

CITY OF POMONA

STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS  
 YEAR ENDED JUNE 30, 2014

	Business-Type Activities Enterprise Funds		Governmental Activities
	Canon Water Company - February 28, 2014	Total	Internal Service Funds
<b>Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:</b>			
Operating income (loss)	\$ 46,067	\$ 8,885,532	\$ 2,163,107
<b>Adjustments to reconcile operating income (loss) net cash provided (used) by operating activities:</b>			
Depreciation	2,671	3,915,675	23,053
Amortization	-	136,886	-
(Increase) decrease in accounts receivable	21,407	184,088	-
(Increase) decrease in inventory	-	(13,368)	(22,163)
Increase (decrease) in accounts payable	508	(295,262)	1,102,620
Increase (decrease) in payroll payable	-	50,623	11,943
Increase (decrease) in accrued liabilities	-	83,748	-
Increase (decrease) in deposits payable	-	160,367	-
Increase (decrease) in claims and judgments	-	-	(2,852,122)
Increase (decrease) in compensated absences	-	101,660	751
<b>Total Adjustments</b>	<b>24,586</b>	<b>4,324,417</b>	<b>(1,735,918)</b>
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$ 70,653</b>	<b>\$ 13,209,949</b>	<b>\$ 427,189</b>
<b>Non-Cash Investing, Capital, and Financing Activities:</b>			
Amortization of bond premium/discount	\$ -	\$ 148,782	\$ -
Amortization of deferred charges on refunding	-	136,885	-
Loss on disposal of capital assets	-	457,192	-

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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 Fund** is used by the City to account for the assets and liabilities of the former Redevelopment Agency and the receipt of funds 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.

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CITY OF POMONA

STATEMENT OF FIDUCIARY NET POSITION  
 FIDUCIARY FUNDS  
 JUNE 30, 2014

	Agency Funds	Private- Purpose Trust Fund
		Successor Agency of the Former RDA
<b>Assets:</b>		
Cash and investments	\$ 4,397,367	\$ 9,085,523
Receivables (net):		
Accounts	11,072	703,281
Notes and loans	-	9,051,660
Interest	474	2,984
Prepaid items	-	-
Deposits	-	600
Due from other governments	12,493	-
Land held for resale	-	20,457,009
Restricted assets:		
Cash	-	52,729,503
Capital assets:		
Capital assets, not being depreciated	-	125,423
Capital assets, net of depreciation	-	80,300
<b>Total Assets</b>	<b>\$ 4,421,406</b>	<b>92,236,283</b>
<b>Deferred Outflows of Resources:</b>		
Deferred charge on refunding		892,025
<b>Total Deferred Outflows of Resources</b>		<b>892,025</b>
<b>Liabilities:</b>		
Accounts payable	\$ 1,896,485	148,101
Payroll payable	-	6,192
Interest payable	-	3,598,916
Unearned revenues	-	4,051,660
Deposits payable	2,301,709	182,540
Due to external parties/other agencies	223,212	-
Long-term liabilities:		
Due within one year	-	6,442,037
Due in more than one year	-	215,105,333
<b>Total Liabilities</b>	<b>\$ 4,421,406</b>	<b>229,534,779</b>
<b>Net Position:</b>		
Held in trust for other purposes		(136,406,471)
<b>Total Net Position</b>		<b>\$ (136,406,471)</b>

CITY OF POMONA

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
 FIDUCIARY FUNDS  
 YEAR ENDED JUNE 30, 2014

	<u>Private-Purpose Trust Fund Successor Agency of the Former RDA</u>
<b>Additions:</b>	
Taxes	\$ 12,724,370
Intergovernmental	3,545,419
Interest and rentals	969,545
Miscellaneous	<u>501,871</u>
<b>Total Additions</b>	<b><u>17,741,205</u></b>
<b>Deductions:</b>	
Personnel services	183,929
Operations	1,934,883
Interest and fiscal charges	12,190,015
Depreciation expense	<u>12,951</u>
<b>Total Deductions</b>	<b><u>14,321,778</u></b>
Extraordinary gain/(loss) on dissolution of Redevelopment Agency (Note 18)	<u>144,397</u>
Changes in Net Position	<b><u>\$ 3,563,824</u></b>
<b>Net Position:</b>	
Beginning of year, as originally reported	\$ (138,650,468)
Restatement	<u>(1,319,827)</u>
Beginning of year, as restated	(139,970,295)
Changes in Net Position	<u>3,563,824</u>
<b>End of year</b>	<b><u>\$ (136,406,471)</u></b>

# **NOTES TO FINANCIAL STATEMENTS**

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INDEX TO NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2014

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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, library, recreational 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:

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

**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 City Council members of the City.

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

**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 former Redevelopment Agency of the City of Pomona (Agency) and the former 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, 2014, except for Canon Water Company, which had a fiscal year ended February 28, 2014.

Since the governing boards for these entities were composed of either City Council members or City employees, 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 Position and a Statement of Activities and Changes in Net Position. These statements present summaries of governmental and business-type activities for the City accompanied by a total column. Fiduciary activities of the City are not included in these statements.

These basic financial statements are presented on an "economic resources" measurement focus and the accrual basis of accounting. Economic resources measurement focus considers all of the assets available for the purpose of providing goods and services and reports all inflows, outflows, and balances affecting or reflecting an entity's net position. 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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2014

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

accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned and 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 regard to interfund activities. All internal balances in the Statement of Net Position 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

In fiscal year 2013-14, the City implemented GASB Statement 65, *Items Previously Reported as Assets and Liabilities*. GASB 65, among other things, amends prior guidance with respect to the treatment of debt issuance costs. Debt issuance costs should be recognized in the period incurred rather than reported on the statement of net position as deferred charges and recognized systematically over the life of the debt. The accounting changes of this statement should be applied retroactive and therefore the City has reported a restatement of beginning net position for any unamortized debt issuance costs previously reported on the statement of net position to conform.

**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 fund balance as presented in these statements to the net position presented in the government-wide financial statements. The City has presented all major funds that met the applicable criteria.

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.



NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2014

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

- The Housing Authority Fund accounts for grant revenues received for the acquisition, rehabilitation and administration of properties used to provide affordable rental housing and the low and moderate income housing functions of the former Redevelopment Agency.
- 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 it is 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 it is 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, 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.

Unavailable 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 it, 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 unavailable revenue and unearned revenue are removed from the balance sheet and revenue is recognized.

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

**Proprietary Fund Financial Statements**

Proprietary fund financial statements include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Net Position, and a Statement of Cash Flows for all proprietary funds.

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

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 and recycled water.
- 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 residential refuse collection, curbside collection of recycling materials, and various related programs.
- The Canon Water Company Enterprise Fund accounts for the activities of the Canon Water Company.

The Internal Service Funds account for the maintenance and repair of City vehicles and equipment, risk management (general liability, workers' compensation and unemployment), information technology and printing/mail service 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 Position. The Statement of Revenues, Expenses and Changes in Net Position presents increases (revenues) and decreases (expenses) in total net position. 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 Position and a Statement of Changes in Fiduciary Net Position. 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 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, cash guarantees (deposits) collected by the City for various construction improvement 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.

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

The Private-purpose trust fund is 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 the revenue is 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 receipt of funds to make 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 Position 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, 2014**

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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 to/from 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 its 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:

<u>Assets</u>	<u>Years</u>
Buildings and building improvements	10-50
Improvements other than buildings	10-75
Machinery and equipment	5-100
Furniture and fixtures	5-10
Autos and trucks	5-10
Equipment under capitalized lease	5-15
Infrastructure	25-75

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

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

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

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

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

**Land Held for Resale**

Land purchased for resale is capitalized as inventory at acquisition costs.

**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 are amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable premium or discount.

**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

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

proprietary funds are recorded as an expense and liability of those funds as the benefits accrue to employees. The compensated absences liability will be liquidated through the General Fund for governmental activities and through the proprietary funds for the business-type activities.

**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 Unavailable 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.

Unavailable 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.

**Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The government report deferred charges on refunding as deferred outflows of resources.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has one type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from various sources such as grant reimbursement, development fees and housing loans. These amounts are recognized as an inflow of resources in the period that the amounts become available.

**Net Position**

In the government-wide financial statements, net position is classified in the following:

Net Investment in Capital Assets – 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.

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

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

Unrestricted Net Position – This amount is all net position that does not meet the definition of “net investment in capital assets” or “restricted net position.”

**Net position flow assumption**

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government’s policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

**Fund Balances**

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. Only the General Fund can report positive unassigned fund balance. All other funds fund balance have been restricted, committed or assigned for the purpose of that particular fund.

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 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.

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

Fund balance flow assumptions

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied.

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.

**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 it 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 prior to the passage of Proposition 13 in 1978.

**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, if applicable, 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.



CITY OF POMONA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2014

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

**Summary of Cash and Investments**

The following is a summary of cash and investments at June 30, 2014:

	Governmental Activities	Business-Type Activities	Fiduciary Funds	Total
Cash and investments	\$ 47,660,870	\$ 39,261,294	\$ 13,482,890	\$ 100,405,054
Restricted cash	19,189,064	32,725,153	52,729,503	104,643,720
Total	<u>\$ 66,849,934</u>	<u>\$ 71,986,447</u>	<u>\$ 66,212,393</u>	<u>\$ 205,048,774</u>

Cash and investments is comprised of the following at June 30, 2014:

Cash and cash equivalents:	
Petty cash and change funds	\$ 11,179
Demand deposit	2,766,894
Total cash and cash equivalents	<u>2,778,073</u>
Investments:	
Local Agency Investment Fund	81,616,299
US Government Securities	16,010,682
Total investments	<u>97,626,981</u>
	<u>\$ 100,405,054</u>

**Deposits**

The carrying amounts of the City's cash deposits were \$2,778,073 at June 30, 2014. Bank balances at June 30, 2014, were \$3,448,761 which were fully insured or collateralized with securities held by the pledging financial institutions in the City's name as discussed below. The \$670,688 difference represents outstanding checks and other reconciling items.

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

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

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

**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
- Local Agency Investment Fund (LAIF)

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

**Investment in Local Agency Investment Funds**

The City is a participant in LAIF which is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The City's investments with LAIF at June 30, 2014, 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, 2014, the City had \$81,616,299 invested in LAIF, which had invested 1.86% of the pool investment funds in Structured Notes and Asset-Backed Securities. The LAIF fair value factor of 1.000298750 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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2014

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

At June 30, 2014, the City had the following investment maturities:

Investments	1 Year or Less	2 to 3 Years	Total
Local Agency Investment Fund	\$ 81,616,299	\$ -	\$ 81,616,299
Federal Home Loan Bank	-	8,007,254	8,007,254
Freddie Mac	-	8,003,428	8,003,428
	<u>\$ 81,616,299</u>	<u>\$ 16,010,682</u>	<u>\$ 97,626,981</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.

Investments in U.S. Treasury securities are not considered to have credit risk; therefore, their credit quality is not disclosed. As of June 30, 2014, the City's investments in external investment pools and money market mutual funds are unrated.

	Moody's	Standard & Poor's
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 \$3,198,761 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, \$104,643,720 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, 2014.

**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

CITY OF POMONA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2014

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

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, 2014, 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 Public Financing 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 \$3,750,000 as an investment at June 30, 2014. The investment is held by the fiscal agent.

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

At June 30, 2014, the City's net loans receivable consisted of the following:

	Balance July 1, 2013	Additions	Deletions	Balance June 30, 2014
Section 108 Loans	\$ 575,000	\$ -	\$ -	\$ 575,000
Deferred Home Improvement Loans	8,187,973	237,887	385,087	8,040,773
Prototype Loans	1,175,470	28,422	-	1,203,892
ADDI Loans	60,196	2,432	-	62,628
Rental Rehabilitation Loans	476,912	7,043	-	483,955
CHDO	771,621	170,524	-	942,145
HOPE 3 Loans	434,681	13,841	88,144	360,378
Shield of Faith	4,344,431	111,450	31,053	4,424,828
Manufactured Housing Rehabilitation Loans	2,105,826	25,000	17,025	2,113,801
Occupied Rehabilitation Loans	335,488	662,253	3,000	994,741
MAP Loans, net	4,392,394	1,010,957	59,470	5,343,881
NIP Loans	3,315,503	68,981	243,390	3,141,094
Owner Participation Agreement (OPA)	944,828	96,716	763,300	278,244
First Time Home Buyer Program	15,339	40,000	2,889	52,450
Multi-Family	720,000	-	-	720,000
Telacu	759,816	36,765	-	796,581
Total	<u>\$ 28,615,478</u>	<u>\$ 2,512,271</u>	<u>\$ 1,593,358</u>	<u>\$ 29,534,391</u>

CITY OF POMONA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2014

**Note 4: Interfund Transactions**

**Government-Wide Financial Statements**

**Internal Balances** - At June 30, 2014, the City had the following internal receivable and payable.

<u>Internal Payable</u>	<u>Internal Receivable</u> Business-Type Activities
Governmental Activities	<u>\$ 5,413,774</u>

The purpose of the internal balance was a \$5.0 million advance to the Internal Service Fund to establish the Self-Insurance Fund and the accumulation of \$413,774 to consolidate the internal service funds activities related to the enterprise funds.

**Transfers** - At June 30, 2014, the City had the following transfers. The purpose of the transfers was for debt service payments and to reimburse a construction project.

<u>Transfers In</u>	<u>Transfers Out</u> Business-Type Activities
Governmental Activities	<u>\$ 538,371</u>

**Fund Financial Statements**

**Due To/Due From** - At June 30, 2014, the City had the following short-term interfund receivables and payables.

<u>Transfers Out</u>	<u>Transfers In</u>		<u>Total</u>
	<u>Governmental Funds</u>	<u>Non Major Governmental Funds</u>	
General Debt Service	General Debt Service	Non Major Governmental Funds	Total
Governmental Funds:			
General Fund	<u>\$ 1,569,620</u>	<u>\$ 66,905</u>	<u>\$ 1,636,525</u>

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

Due to the General Fund from the Non-Major Funds was to cover negative cash deficit at the end of the fiscal year.

CITY OF POMONA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2014

**Note 4: Interfund Transactions (Continued)**

**Long-Term Advances** - At June 30, 2014, the City had the following interfund long-term advances:

Advances to Other Funds	Advance from Other Funds			
	Governmental Funds		Proprietary	
	General Fund	General Debt Service	Internal Service Funds	Total
Governmental Funds:				
Public Financing Authority	\$ -	\$ 44,085,000	\$ -	\$ 44,085,000
Non-Major Governmental Funds	304,435	-	-	304,435
Proprietary Funds:				
Water	-	-	5,000,000	5,000,000
Total	<u>\$ 304,435</u>	<u>\$ 44,085,000</u>	<u>\$ 5,000,000</u>	<u>\$ 49,389,435</u>

Long-term advances between the Public Financing Authority and the General Debt Service Fund are loan proceeds used to fund projects.

The Water Utility advanced \$5,000,000 to the Internal Service Fund to establish the Self-Insurance Fund in 2010.

**Transfers** - At June 30, 2014, the City had the following transfers:

Transfers Out	Transfers In							
	Governmental Funds				Proprietary Funds			
	General Fund	Miscellaneous Grants	General Debt Service	Non-Major Governmental Funds	Water	Sewer	Refuse	Total
Governmental Funds:								
General Fund	\$ -	\$ 75,010	\$ 4,299,418	\$ 254,850	\$ -	\$ -	\$ -	\$ 4,629,278
Miscellaneous Grants	-	-	-	140,000	-	-	-	140,000
Non-Major Governmental Funds	35,413	65,239	215,000	2,182,520	8,314	403,520	85,000	2,995,006
Total Government Funds	<u>35,413</u>	<u>140,249</u>	<u>4,514,418</u>	<u>2,577,370</u>	<u>8,314</u>	<u>403,520</u>	<u>85,000</u>	<u>7,764,284</u>
Proprietary Funds:								
Water	-	-	600,000	18,205	-	-	64,889	683,094
Sewer	-	-	417,000	-	22,373	-	-	439,373
Total Proprietary Funds	<u>-</u>	<u>-</u>	<u>1,017,000</u>	<u>18,205</u>	<u>22,373</u>	<u>-</u>	<u>64,889</u>	<u>1,122,467</u>
Internal Service Funds:								
Self Insurance Fund	-	-	-	325,854	-	-	-	325,854
Total Internal Service Funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>325,854</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>325,854</u>
Total	<u>\$ 35,413</u>	<u>\$ 140,249</u>	<u>\$ 5,531,418</u>	<u>\$ 2,921,429</u>	<u>\$ 30,687</u>	<u>\$ 403,520</u>	<u>\$ 149,889</u>	<u>\$ 9,212,605</u>

The transfer of \$4,299,418 between the General Fund and the General Debt Service Fund was for Series AG, AN / AP, AU / AV, and AR debt service payments.

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

**CITY OF POMONA**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2014**

**Note 5: Due from Other Governments**

At June 30, 2014, the City's due from other governments consisted of the following:

	Governmental Activities	Business-Type Activities
Federal government	\$ 843,181	\$ -
State of California	3,964,048	39,574
County of Los Angeles	1,527,082	-
Local government entities	57,627	-
Total	<u>\$ 6,391,938</u>	<u>\$ 39,574</u>

**Note 6: Land Held for Resale**

At June 30, 2014, land held for resale in the amount of \$7,005,975 is recorded at cost in the Housing Authority Fund.

**Note 7: Capital Assets**

**Government-Wide Financial Statements**

At June 30, 2014, the City's capital assets consisted of the following:

	Governmental Activities	Business-Type Activities	Total
<b>Non-depreciable assets</b>			
Land	\$ 80,360,320	\$ 9,089,782	\$ 89,450,102
Construction in process	19,004,938	18,241,815	37,246,753
Total non-depreciable assets	<u>99,365,258</u>	<u>27,331,597</u>	<u>126,696,855</u>
<b>Depreciable assets:</b>			
Buildings and building improvements	14,941,552	3,482,783	18,424,335
Improvements other than buildings	60,003,395	286,638	60,290,033
Machinery and equipment	20,020,840	197,417,808	217,438,648
Furniture and fixtures	1,014,456	5,105	1,019,561
Autos and trucks	10,894,922	4,554,565	15,449,487
Equipment under capitalized leases	1,037,970	4,257,381	5,295,351
Infrastructure	379,331,983	-	379,331,983
Total depreciable assets, at cost	<u>487,245,118</u>	<u>210,004,280</u>	<u>697,249,398</u>
<b>Less accumulated depreciation:</b>			
Buildings and building improvements	11,642,514	3,282,309	14,924,823
Improvements other than buildings	23,130,649	108,742	23,239,391
Machinery and equipment	15,235,202	74,764,708	89,999,910
Furniture and fixtures	764,827	5,105	769,932
Autos and trucks	8,448,734	2,990,211	11,438,945
Equipment under capitalized leases	107,056	425,738	532,794
Infrastructure	249,506,863	-	249,506,863
Total accumulated depreciation	<u>308,835,845</u>	<u>81,576,813</u>	<u>390,412,658</u>
Total depreciable assets, net	<u>178,409,273</u>	<u>128,427,467</u>	<u>306,836,740</u>
Total capital assets	<u>\$ 277,774,531</u>	<u>\$ 155,759,064</u>	<u>\$ 433,533,595</u>

CITY OF POMONA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2014

Note 7: Capital Assets (Continued)

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

	Balance July 1, 2013	Additions	Deletions	Transfers	Balance June 30, 2014
Non-depreciable assets:					
Land	\$ 80,592,235	\$ -	\$ 231,915	\$ -	\$ 80,360,320
Construction in process	17,225,764	6,119,467	-	(4,340,293)	19,004,938
Total non-depreciable assets	<u>97,817,999</u>	<u>6,119,467</u>	<u>231,915</u>	<u>(4,340,293)</u>	<u>99,365,258</u>
Depreciable assets:					
Buildings and building improvements	14,584,537	-	-	357,015	14,941,552
Improvements other than buildings	60,003,395	-	-	-	60,003,395
Machinery and equipment	19,108,585	1,176,198	263,943	-	20,020,840
Furniture and fixtures	1,014,456	-	-	-	1,014,456
Autos and trucks	11,992,194	179,659	1,276,931	-	10,894,922
Equipment under capitalized leases	506,032	531,938	-	-	1,037,970
Infrastructure	378,726,778	-	3,378,073	3,983,278	379,331,983
Total depreciable assets, at cost	<u>485,935,977</u>	<u>1,887,795</u>	<u>4,918,947</u>	<u>4,340,293</u>	<u>487,245,118</u>
Less accumulated depreciation:					
Buildings and building improvements	11,350,570	291,944	-	-	11,642,514
Improvements other than buildings	21,563,502	1,567,147	-	-	23,130,649
Machinery and equipment	13,778,635	1,556,279	258,464	158,752	15,235,202
Furniture and fixtures	713,658	47,959	-	3,210	764,827
Autos and trucks	8,898,924	540,797	1,187,224	196,237	8,448,734
Equipment under capitalized leases	390,109	75,146	-	(358,199)	107,056
Infrastructure	243,166,057	9,171,585	2,830,779	-	249,506,863
Total accumulated depreciation	<u>299,861,455</u>	<u>13,250,857</u>	<u>4,276,467</u>	<u>-</u>	<u>308,835,845</u>
Total depreciable assets, net	<u>186,074,522</u>	<u>(11,363,062)</u>	<u>642,480</u>	<u>4,340,293</u>	<u>178,409,273</u>
Total capital assets	<u>\$ 283,892,521</u>	<u>\$ (5,243,595)</u>	<u>\$ 874,395</u>	<u>\$ -</u>	<u>\$ 277,774,531</u>

Depreciation expense for capital assets of the governmental activities for the year ended June 30, 2014, is as follows:

General government	\$ 563,518
Public safety	1,582,616
Urban development	9,895,563
Community services	1,186,107
Internal service funds	23,053
Total	<u>\$ 13,250,857</u>



**CITY OF POMONA**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2014**

**Note 7: Capital Assets (Continued)**

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

	Balance July 1, 2013	Additions	Deletions	Transfers	Balance June 30, 2014
<b>Non-depreciable assets:</b>					
Land	\$ 9,089,782	\$ -	\$ -	\$ -	\$ 9,089,782
Construction in process	18,015,402	4,351,795	421,594	(3,703,788)	18,241,815
Total non-depreciable assets	<u>27,105,184</u>	<u>4,351,795</u>	<u>421,594</u>	<u>(3,703,788)</u>	<u>27,331,597</u>
<b>Depreciable assets:</b>					
Buildings and building improvements	3,469,883	12,900	-	-	3,482,783
Improvements other than buildings	286,638	-	-	-	286,638
Machinery and equipment	194,558,671	95,823	940,474	3,703,788	197,417,808
Furniture and fixtures	5,105	-	-	-	5,105
Autos and trucks	5,155,387	-	600,822	-	4,554,565
Equipment under capitalized leases	4,257,381	-	-	-	4,257,381
Total depreciable assets, at cost	<u>207,733,065</u>	<u>108,723</u>	<u>1,541,296</u>	<u>3,703,788</u>	<u>210,004,280</u>
<b>Less accumulated depreciation:</b>					
Buildings and building improvements	3,273,553	8,756	-	-	3,282,309
Improvements other than buildings	98,032	10,710	-	-	108,742
Machinery and equipment	72,025,951	3,221,424	482,667	-	74,764,708
Furniture and fixtures	5,105	-	-	-	5,105
Autos and trucks	3,341,986	249,047	600,822	-	2,990,211
Equipment under capitalized lease	-	425,738	-	-	425,738
Total accumulated depreciation	<u>78,744,627</u>	<u>3,915,675</u>	<u>1,083,489</u>	<u>-</u>	<u>81,576,813</u>
Total depreciable assets, net	<u>128,988,438</u>	<u>(3,806,952)</u>	<u>457,807</u>	<u>3,703,788</u>	<u>128,427,467</u>
Total capital assets	<u>\$ 156,093,622</u>	<u>\$ 544,843</u>	<u>\$ 879,401</u>	<u>\$ -</u>	<u>\$ 155,759,064</u>

Depreciation expense for capital assets of the business-type activities for the year ended June 30, 2014, is as follows:

Water	\$ 2,756,770
Sewer	590,260
Refuse	565,974
Canon Water Company	<u>2,671</u>
Total	<u>\$ 3,915,675</u>

**Note 8: Other Investments**

Other investments in the Water Enterprise fund represent one-quarter of share of the San Antonio Water Company for a cost of \$9,000.

**CITY OF POMONA**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2014**

**Note 9: Long-Term Debt**

The following is a summary of long-term debt for the year ended June 30, 2014:

	Balance July 1, 2013	Accreted / Accrued Interest	Additions	Deletions	Balance June 30, 2014	Due Within One Year
<b>Governmental Activities:</b>						
Pollution remediation obligations	\$ -	\$ -	\$ 1,781,262	\$ 200,899	\$ 1,580,363	\$ 1,580,363
Obligation under capital leases	1,164,337	-	-	285,052	879,285	292,990
Notes payable	700,000	-	300,000	125,000	875,000	220,000
Revenue bonds	42,587,000	-	-	1,477,000	41,110,000	1,546,000
Pension obligation refunding bonds	44,400,752	443,288	-	430,000	44,414,040	520,000
Certificates of participation	12,012,435	-	-	330,622	11,681,813	315,000
Subtotal	100,864,524	443,288	2,081,262	2,848,573	100,540,501	4,474,353
Compensated absences	7,315,006	-	3,414,033	3,734,466	6,994,573	3,415,000
Claims payable	19,031,566	-	2,024,844	4,876,966	16,179,444	2,026,000
OPEB obligations	15,523,781	-	5,252,076	3,107,605	17,668,252	-
<b>Total governmental activities</b>	<b>\$ 142,734,877</b>	<b>\$ 443,288</b>	<b>\$ 12,772,215</b>	<b>\$ 14,567,610</b>	<b>\$ 141,382,770</b>	<b>\$ 9,915,353</b>
<b>Business-Type Activities:</b>						
Obligations under capital leases	\$ 4,112,175	\$ -	\$ -	\$ 547,486	\$ 3,564,689	\$ 560,297
Revenue bonds	135,674,210	-	-	1,758,784	133,915,426	1,680,000
Subtotal	139,786,385	-	-	2,306,270	137,480,115	2,240,297
Compensated absences	1,240,394	-	653,410	551,750	1,342,054	655,000
<b>Total business-type activities</b>	<b>\$ 141,026,779</b>	<b>\$ -</b>	<b>\$ 653,410</b>	<b>\$ 2,858,020</b>	<b>\$ 138,822,169</b>	<b>\$ 2,895,297</b>

**Governmental Activities Long-Term Debt**

**Pollution Remediation Obligations**

The City acquired properties which were determined to have soil and groundwater contamination. Therefore, the City is responsible for the investigation, characterization and remediation of the soil and groundwater from the contamination. The City had a remediation study performed to determine any potential harm to the surrounding areas. The pollution remediation costs were estimated at \$1,781,262. During the current fiscal year, the City spent \$200,899 on clean-up cost. The outstanding liability as of June 30, 2014, is \$1,580,363.

**Obligations under Capital Leases**

At June 30, 2014, obligations under capital leases consisted of the following:

	Balance July 1, 2013	Additions	Deletions	Balance June 30, 2014	Due Within One Year
PPF #1	\$ 303,961	\$ -	\$ 73,243	\$ 230,718	\$ 75,045
PPF #2	165,376	-	81,792	83,584	83,584
HCC #2	695,000	-	130,017	564,983	134,361
Total	<u>\$ 1,164,337</u>	<u>\$ -</u>	<u>\$ 285,052</u>	<u>\$ 879,285</u>	<u>\$ 292,990</u>

The City has 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 as capital assets.

CITY OF POMONA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2014

**Note 9: Long-Term Debt (Continued)**

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

	<u>June 30, 2014</u>
Machinery and equipment	\$ 260,616
Autos and trucks	<u>777,354</u>
Equipment under capitalized leases, at cost	1,037,970
Accumulated depreciation	<u>(107,055)</u>
Equipment under capitalized leases, net	<u>\$ 930,915</u>

The depreciation expense for equipment under capitalized leases was \$75,146 for the year ended June 30, 2014.

The rates of interest on the lease purchase agreements range from 2.19% to 3.30% per annum. The annual debt service requirement outstanding at June 30, 2014, is as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014-2015	\$ 292,990	\$ 24,499	\$ 317,489
2015-2016	215,741	16,334	232,075
2016-2017	222,272	9,803	232,075
2017-2018	<u>148,282</u>	<u>3,071</u>	<u>151,353</u>
Total	<u>\$ 879,285</u>	<u>\$ 53,707</u>	<u>\$ 932,992</u>

**Notes Payable**

At June 30, 2014, notes payable consisted of the following:

	<u>Balance</u> <u>July 1, 2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2014</u>	<u>Due Within</u> <u>One Year</u>
HUD Section 108 Loan	\$ 700,000	\$ -	\$ 125,000	\$ 575,000	\$ 145,000
City of Claremont	<u>-</u>	<u>300,000</u>	<u>-</u>	<u>300,000</u>	<u>75,000</u>
	<u>\$ 700,000</u>	<u>\$ 300,000</u>	<u>\$ 125,000</u>	<u>\$ 875,000</u>	<u>\$ 220,000</u>

**HUD Section 108 Loan**

The City has three notes guaranteed by the United States 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. The notes were made to Casa Herrera (\$2,375,000) on February 1, 1998; Village Car Wash (\$100,000) on September 17, 2012; and Freddie's Auto Repair (\$100,000) on August 20, 2012. On June 30, 2010, the balance of the original loan for Casa Herrera was defeased to refinance the loan at a lower interest rate. The new interest rate for Casa Herrera ranges from 4.96% to 5.77%, with new loan terms beginning on February 1, 2011 and maturing August 1, 2016. The interest rate for both Village Car Wash and Freddie's Auto Repair is variable and equal to 20 basis points (0.2%) above the applicable London Interbank Offered Rates (LIBOR), currently at 2.5%, with loan terms beginning on

CITY OF POMONA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2014

**Note 9: Long-Term Debt (Continued)**

July 1, 2013 and maturing on August 1, 2023. Casa Herrera is responsible for the principal payment on its note and the City is responsible for the interest payment. Village Car Wash and Freddie's Auto Repair are responsible for principal and interest payments on its notes. Again, all notes are guaranteed by CDBG funds; thus, in the event of default, the City's CDBG entitlement funds may be used to cover any outstanding debt.

The annual debt service requirement at June 30, 2014, is as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014-2015	\$ 145,000	\$ 12,200	\$ 157,200
2015-2016	145,000	9,200	154,200
2016-2017	145,000	5,663	150,663
2017-2018	20,000	3,500	23,500
2018-2019	20,000	3,000	23,000
2019-2024	100,000	7,500	107,500
Total	<u>\$ 575,000</u>	<u>\$ 41,063</u>	<u>\$ 616,063</u>

City of Claremont

On July 2, 2013, the City entered into a loan agreement with the City of Claremont for \$300,000 to improve storm drain facilities within the City of Pomona. The loan requires repayment with 2% interest over a period of four (4) years.

The annual debt service requirement at June 30, 2014, is as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014-2015	\$ 75,000	\$ 3,750	\$ 78,750
2015-2016	75,000	3,750	78,750
2016-2017	75,000	3,750	78,750
2017-2018	75,000	3,750	78,750
Total	<u>\$ 300,000</u>	<u>\$ 15,000</u>	<u>\$ 315,000</u>

**Revenue Bonds**

At June 30, 2014, revenue bonds consisted of the following:

	Balance July 1, 2013	Additions	Deletions	Balance June 30, 2014	Due Within One Year
2005 Subordinate Revenue Bonds, Series AL	\$ 4,820,000	\$ -	\$ 445,000	\$ 4,375,000	\$ 460,000
2005 Reassessment and Refunding Bonds, Series AM	4,087,000	-	337,000	3,750,000	361,000
2005 Lease Revenue Bonds, Series AN	19,540,000	-	55,000	19,485,000	65,000
2005 Taxable Lease Revenue Bonds, Series AP	1,510,000	-	485,000	1,025,000	500,000
2006 Lease Revenue Bonds, Series AU	2,370,000	-	30,000	2,340,000	30,000
2006 Taxable Lease Revenue Bonds, Series AV	10,260,000	-	125,000	10,135,000	130,000
Total	<u>\$ 42,587,000</u>	<u>\$ -</u>	<u>\$ 1,477,000</u>	<u>\$ 41,110,000</u>	<u>\$ 1,546,000</u>
Unamortized Deferred Loss on Refunding 2006 Taxable Lease Revenue Bonds, Series AV	<u>\$ (140,622)</u>	<u>\$ -</u>	<u>\$ (7,031)</u>	<u>\$ (133,591)</u>	

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2014**

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**Note 9: Long-Term Debt (Continued)**

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

On February 1, 2005, the Public Financing Authority issued \$11,370,000 in 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.

The annual debt service requirement for the 2005 Subordinate Revenue Bonds, Series AL outstanding at June 30, 2014, is as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014-2015	\$ 460,000	\$ 202,288	\$ 662,288
2015-2016	480,000	180,658	660,658
2016-2017	505,000	157,385	662,385
2017-2018	530,000	132,672	662,672
2018-2019	555,000	106,424	661,424
2019-2022	<u>1,845,000</u>	<u>142,990</u>	<u>1,987,990</u>
Total	<u>\$ 4,375,000</u>	<u>\$ 922,417</u>	<u>\$ 5,297,417</u>

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

On February 1, 2005, the City issued \$9,524,000 in 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 requirement for the 2005 Reassessment and Refunding Revenue Bonds, Series AM outstanding at June 30, 2014, is as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014-2015	\$ 361,000	\$ 257,718	\$ 618,718
2015-2016	386,000	230,751	616,751
2016-2017	415,000	201,835	616,835
2017-2018	449,000	170,645	619,645
2018-2019	482,000	137,036	619,036
2019-2022	<u>1,657,000</u>	<u>184,940</u>	<u>1,841,940</u>
Total	<u>\$ 3,750,000</u>	<u>\$ 1,182,925</u>	<u>\$ 4,932,925</u>

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2014**
**Note 9: Long-Term Debt (Continued)**

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

On May 1, 2005, the Public Financing Authority issued \$19,910,000 in 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.

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 requirement for the 2005 Lease Revenue Bonds, Series AN outstanding at June 30, 2014, is as follows:

	Principal	Interest	Total
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
2017-2018	650,000	869,173	1,519,173
2018-2019	675,000	842,998	1,517,998
2019-2024	3,815,000	3,769,687	7,584,687
2024-2029	4,725,000	2,826,661	7,551,661
2029-2034	6,015,000	1,493,875	7,508,875
2034-2036	2,850,000	144,250	2,994,250
Total	<u>\$ 19,485,000</u>	<u>\$ 12,656,307</u>	<u>\$ 32,141,307</u>

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

On May 1, 2005, the Public Financing Authority issued \$4,385,000 in 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 requirement for the 2005 Taxable Lease Revenue Bonds, Series AP outstanding at June 30, 2014, is as follows:

	Principal	Interest	Total
2014-2015	\$ 500,000	\$ 37,781	\$ 537,781
2015-2016	525,000	12,797	537,797
Total	<u>\$ 1,025,000</u>	<u>\$ 50,578</u>	<u>\$ 1,075,578</u>

CITY OF POMONA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2014

**Note 9: Long-Term Debt (Continued)**

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

On December 6, 2006, the Public Financing Authority issued \$2,540,000 in 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 requirement for the 2006 Lease Revenue Bonds, Series AU outstanding at June 30, 2014, is as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014-2015	\$ 30,000	\$ 99,330	\$ 129,330
2015-2016	35,000	98,280	133,280
2016-2017	30,000	97,056	127,056
2017-2018	35,000	95,976	130,976
2018-2019	35,000	94,680	129,680
2019-2024	205,000	451,294	656,294
2024-2029	245,000	406,230	651,230
2029-2034	355,000	347,256	702,256
2034-2039	475,000	259,982	734,982
2039-2044	585,000	146,564	731,564
2044-2045	310,000	13,562	323,562
Total	<u>\$ 2,340,000</u>	<u>\$ 2,110,210</u>	<u>\$ 4,450,210</u>

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

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

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

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2014**
**Note 9: Long-Term Debt (Continued)**

The annual debt service requirement for the 2006 Taxable Lease Revenue Bonds, Series AV outstanding at June 30, 2014, is as follows:

	Principal	Interest	Total
2014-2015	\$ 130,000	\$ 571,420	\$ 701,420
2015-2016	135,000	564,920	699,920
2016-2017	145,000	558,170	703,170
2017-2018	150,000	550,920	700,920
2018-2018	160,000	542,520	702,520
2019-2024	940,000	2,568,400	3,508,400
2024-2029	1,235,000	2,273,840	3,508,840
2029-2034	1,620,000	1,886,820	3,506,820
2034-2039	2,135,000	1,371,706	3,506,706
2039-2044	2,820,000	689,702	3,509,702
2044-2045	665,000	37,906	702,906
Total	<u>\$ 10,135,000</u>	<u>\$ 11,616,324</u>	<u>\$ 21,751,324</u>

The following is a summary of unamortized deferred loss on refunding outstanding at June 30, 2014:

Balance July 1, 2013	Additions	Deletions	Balance June 30, 2014
<u>\$ (140,622)</u>	<u>\$ -</u>	<u>\$ 7,031</u>	<u>\$ (133,591)</u>

Amortization expense was \$7,031 for June 30, 2014.

**Pension Obligation Refunding Bonds**

	Balance July 1, 2013	Accreted Interest	Deletions	Balance June 30, 2014	Due Within One Year
2006 Pension Obligation Bonds, Series AR	<u>\$ 44,400,752</u>	<u>\$ 443,288</u>	<u>\$ 430,000</u>	<u>\$ 44,414,040</u>	<u>\$ 520,000</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 the current year general fund contribution with PERS (see Note 10 for more information on the PERS pension plan). In 2006, the City issued \$42,280,684 in Pension Obligation Refunding Bonds, Series AR to refinance the City's outstanding Pension Obligation Refunding Bonds, Series 2004 AJ and Series 2004 AK. The refunding achieved net present value savings of \$868,932, or 2.3% of refunded par.

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

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



CITY OF POMONA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2014

**Note 9: Long-Term Debt (Continued)**

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

The annual debt service requirement outstanding at June 30, 2014, is as follows:

	Principal	Interest	Accreted Interest	Total
2014-2015	\$ 520,000	\$ 2,099,240	\$ -	\$ 2,619,240
2015-2016	582,688	2,099,240	32,312	2,714,240
2016-2017	677,463	2,089,629	37,537	2,804,629
2017-2018	770,736	2,068,759	64,264	2,903,759
2018-2019	865,885	2,044,731	99,115	3,009,731
2019-2024	5,809,710	9,725,439	1,185,290	16,720,439
2024-2029	8,517,241	8,452,967	2,882,759	19,852,967
2029-2034	16,845,317	5,599,596	849,683	23,294,596
2034-2036	9,825,000	586,261	-	10,411,261
Total	<u>\$ 44,414,040</u>	<u>\$ 34,765,862</u>	<u>\$ 5,150,960</u>	<u>\$ 84,330,862</u>

**Certificates of Participation**

	Balance July 1, 2013	Additions	Deletions	Balance June 30, 2014	Due Within One Year
2003 Certificate of Participation, Series AG	\$ 11,400,000	\$ -	\$ 300,000	\$ 11,100,000	\$ 315,000
Unamortized Bond Premium	612,435	-	30,622	581,813	-
Total	<u>\$ 12,012,435</u>	<u>\$ -</u>	<u>\$ 330,622</u>	<u>\$ 11,681,813</u>	<u>\$ 315,000</u>

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

On July 1, 2003, the City issued \$13,985,000 Certificates of Participation, 2003 Series AG, to provide funds 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.

CITY OF POMONA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2014

**Note 9: Long-Term Debt (Continued)**

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.

The annual debt service requirement outstanding at June 30, 2014, is as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014-2015	\$ 315,000	\$ 610,500	\$ 925,500
2015-2016	335,000	593,176	928,176
2016-2017	355,000	574,750	929,750
2017-2018	375,000	555,226	930,226
2018-2019	395,000	534,600	929,600
2019-2024	2,320,000	2,322,926	4,642,926
2024-2029	3,040,000	1,609,852	4,649,852
2029-2034	3,965,000	677,604	4,642,604
Total	<u>\$ 11,100,000</u>	<u>\$ 7,478,634</u>	<u>\$ 18,578,634</u>

The following is a summary of the 2003 Certificate of Participation, Series AG unamortized premium outstanding at June 30, 2014:

<u>Balance July 1, 2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2014</u>
\$ 612,435	\$ -	\$ 30,622	\$ 581,813

**Compensated Absences**

The following is a summary of compensated absences outstanding as of June 30, 2014:

<u>Balance July 1, 2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2014</u>	<u>Due Within One Year</u>
\$ 7,315,006	\$ 3,414,033	\$ 3,734,466	\$ 6,994,573	\$ 3,415,000

For the governmental activities, the majority of the liability will be paid by the General Fund.

**Claims Payable**

The following is a summary of the claims payable outstanding as of June 30, 2014:

<u>Balance July 1, 2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2014</u>	<u>Due Within One Year</u>
\$ 19,031,566	\$ 2,024,844	\$ 4,876,966	\$ 16,179,444	\$ 2,026,000

Claims payable will be liquidated from the Self-Insurance Fund.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2014

**Note 9: 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, 2014:

Balance July 1, 2013	Additions	Deletions	Balance June 30, 2014
\$ 15,523,781	\$ 5,252,076	\$ 3,107,605	\$ 17,668,252

**Business-Type Activities**

**Obligations under Capital Leases**

	Balance July 1, 2013	Additions	Deletions	Balance June 30, 2014	Due Within One Year
HCC #1	\$ 4,112,175	\$ -	\$ 547,486	\$ 3,564,689	\$ 560,297

The City has entered into numerous equipment lease-purchase agreements with a leasing company whereby the lessor acquired certain equipment and leased it to the City with an option to purchase. The related assets have been capitalized in the capital assets account.

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

	June 30, 2014
Autos and trucks	\$ 4,112,175
Equipment under capitalized lease, at cost	4,112,175
Accumulated depreciation	(425,738)
Equipment under capitalized lease, net	\$ 3,686,437

The annual debt service requirement outstanding at June 30, 2014, is as follows:

	Principal	Interest	Total
2014-2015	\$ 560,297	\$ 83,414	\$ 643,711
2015-2016	573,408	70,303	643,711
2016-2017	586,826	56,886	643,712
2017-2018	600,558	43,154	643,712
2018-2019	614,610	29,100	643,710
2019-2020	628,990	14,717	643,707
Total	\$ 3,564,689	\$ 297,574	\$ 3,862,263

CITY OF POMONA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2014

**Note 9: Long-Term Debt (Continued)**

**Revenue Bonds**

	Balance July 1, 2013	Additions	Deletions	Balance June 30, 2014	Due Within One Year
2002 Refunding Revenue Bonds, Series AF	\$ 12,975,000	\$ -	\$ 210,000	\$ 12,765,000	\$ 220,000
2007 Revenue Bonds, Series AY	96,610,000	-	995,000	95,615,000	1,035,000
Unamortized Bond Premium	4,984,210	-	148,784	4,835,426	-
2007 Taxable Revenue Refunding Bonds, Series AZ	6,065,000	-	245,000	5,820,000	260,000
2007 Revenue Bonds, Series BA	15,040,000	-	160,000	14,880,000	165,000
Total	<u>\$ 135,674,210</u>	<u>\$ -</u>	<u>\$ 1,758,784</u>	<u>\$ 133,915,426</u>	<u>\$ 1,680,000</u>
Unamortized Deferred Loss on Refunding					
2002 Refunding Revenue Bonds, Series AF	\$ (669,245)	\$ -	\$ 58,195	\$ (611,050)	
2007 Revenue Bonds, Series AY	(1,259,049)	-	78,692	(1,180,357)	
Total	<u>\$ (1,928,294)</u>	<u>\$ -</u>	<u>\$ 136,887</u>	<u>\$ (1,791,407)</u>	

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

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

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

The annual debt service requirement outstanding at June 30, 2014, is as follows:

	Principal	Interest	Total
2014-2015	\$ 220,000	\$ 594,110	\$ 814,110
2015-2016	225,000	585,988	810,988
2016-2017	240,000	577,176	817,176
2017-2018	245,000	567,626	812,626
2018-2019	260,000	557,396	817,396
2019-2024	1,480,000	2,603,773	4,083,773
2024-2029	1,875,000	2,228,090	4,103,090
2029-2034	2,330,000	1,755,552	4,085,552
2034-2039	2,955,000	1,117,625	4,072,625
2039-2043	2,935,000	302,625	3,237,625
Total	<u>\$ 12,765,000</u>	<u>\$ 10,889,961</u>	<u>\$ 23,654,961</u>

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.

CITY OF POMONA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2014

**Note 9: Long-Term Debt (Continued)**

The following is a summary of unamortized deferred loss on refunding outstanding at June 30, 2014:

Balance July 1, 2013	Additions	Deletions	Balance June 30, 2014
\$ (669,245)	\$ -	\$ 58,195	\$ (611,050)

Amortization expense was \$58,195 for June 30, 2014.

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

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

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

The annual debt service requirement outstanding at June 30, 2014, is as follows:

	Principal	Interest	Total
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
2017-2018	1,175,000	4,580,250	5,755,250
2018-2019	1,235,000	4,521,500	5,756,500
2019-2024	6,990,000	21,783,750	28,773,750
2024-2029	8,870,000	19,900,000	28,770,000
2029-2034	14,560,000	17,141,500	31,701,500
2034-2039	18,575,000	13,118,750	31,693,750
2039-2044	23,705,000	7,987,500	31,692,500
2044-2047	17,265,000	1,754,750	19,019,750
Total	\$ 95,615,000	\$ 104,813,250	\$ 200,428,250

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2014**


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**Note 9: Long-Term Debt (Continued)**

The following is a summary of the 2007 Revenue Bonds, Series AY unamortized premium outstanding at June 30, 2014:

Balance July 1, 2013	Additions	Deletions	Balance June 30, 2014
<u>\$ 4,984,210</u>	<u>\$ -</u>	<u>\$ 148,784</u>	<u>\$ 4,835,426</u>

Amortization expense was \$148,784 for June 30, 2014.

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, 2014:

Balance July 1, 2013	Additions	Deletions	Balance June 30, 2014
<u>\$ (1,259,049)</u>	<u>\$ -</u>	<u>\$ 78,692</u>	<u>\$ (1,180,357)</u>

Amortization expense was \$78,691 for June 30, 2014.

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

On January 1, 2007, the Public Financing Authority issued \$6,930,000 in 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, 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 Water Enterprise Fund of the City in trust under the Installment Sale Agreement.

CITY OF POMONA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2014

**Note 9: Long-Term Debt (Continued)**

The annual debt service requirement outstanding at June 30, 2014, is as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014-2015	\$ 260,000	\$ 325,690	\$ 585,690
2015-2016	275,000	311,996	586,996
2016-2017	285,000	297,510	582,510
2017-2018	300,000	282,500	582,500
2018-2019	320,000	265,550	585,550
2019-2024	1,890,000	1,035,364	2,925,364
2028-2029	2,490,000	437,594	2,927,594
Total	<u>\$ 5,820,000</u>	<u>\$ 2,956,204</u>	<u>\$ 8,776,204</u>

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

On January 1, 2007, the Public Financing Authority issued \$15,575,000 in 2007 Revenue Bonds, Series BA, to provide funds to finance certain improvements to the City's Sewer Enterprise. Interest on the bonds is payable semiannually on each June 1 and December 1. The rates of interest range from 3.625% to 5.000% per annum. Principal is payable in annual installments ranging from \$110,000 to \$1,595,000. The bonds are secured by an Installment Sale Agreement, dated as of January 1, 2007 between the City and the Authority. The Installment Payments are a special limited obligation of the City, payable from and secured by a pledge of and first lien on all Net Revenues, subject to the parity lien securing the Authority's 2002 Refunding Revenue Bonds, Series AF, and of any additional obligations as provided for in the Installment Sale Agreement, in the Sewer Enterprise Fund held by the City in trust under the Installment Sale Agreement.

The annual debt service requirement outstanding at June 30, 2014, is as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014-2015	\$ 165,000	\$ 653,765	\$ 818,765
2015-2016	175,000	645,703	820,703
2016-2017	175,000	638,594	813,594
2017-2018	185,000	631,999	816,999
2018-2019	190,000	624,966	814,966
2019-2024	1,060,000	3,004,947	4,064,947
2024-2029	1,285,000	2,764,366	4,049,366
2029-2034	1,625,000	2,444,065	4,069,065
2034-2039	2,035,000	2,033,889	4,068,889
2039-2044	3,410,000	1,497,829	4,907,829
2044-2047	4,575,000	315,116	4,890,116
Total	<u>\$ 14,880,000</u>	<u>\$ 15,255,239</u>	<u>\$ 30,135,239</u>

CITY OF POMONA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2014

**Note 9: Long-Term Debt (Continued)**

**Compensated Absences**

In the enterprise funds, the liability for vested and unpaid compensated absences (accrued vacation, sick pay, executive leave, and comp time) is reported in the fund as the benefits are earned and vest. The compensated absences accrued in the enterprise funds amounted to \$1,342,054 at June 30, 2014.

<u>Balance</u> <u>July 1, 2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2014</u>	<u>Due Within</u> <u>One Year</u>
\$ 1,240,394	\$ 653,410	\$ 551,750	\$ 1,342,054	\$ 655,000

For the business-type activities, the liabilities will be paid in future years from the propriety funds.

**Pledged Revenue**

The City has pledged certain tax revenue to the repayment of its Water and Sewer Enterprise Fund bonds through final maturity on May 1, 2047, or earlier. These bonds were issued to refinance Series Q, Series AA/AC and finance certain public improvements of the City. All net available revenues are irrevocably pledged by the City to the repayment of the bond's debt services. In 2014, the Water and Sewer Enterprise Funds have net available revenues of \$9,327,427 and total debt service paid was \$7,813,764. The bonds required 84% of net revenue. Annual principal and interest payments on the bonds are expected to require roughly 76% of future net revenue. The total principal and interest remaining to be paid at June 30, 2014, on the Bonds is \$262,994,654.

<u>Debt Issue</u>	<u>Remaining Balance</u>
2002 Series AF Bonds	\$ 23,654,961
2007 Series AY Bonds	200,428,250
2007 Series AZ Bonds	8,776,204
2007 Series BA Bonds	30,135,239
Total	<u>\$ 262,994,654</u>

<u>Revenue</u>	<u>2013-2014</u> <u>Revenue</u>
Net available revenues; excluding debt service	<u>\$ 9,327,427</u>



NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2014

**Note 9: Long-Term Debt (Continued)**

**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, 2014, of capital assets related debt.

**Governmental Activities:**

	Outstanding Principal on Capital Related Debt
2003 Certificates of Participation, Series AG	\$ 11,369,795
2005 Lease Revenue Bonds, Series AN	18,055,149
2005 Taxable Lease Revenue Bonds, Series AP	1,025,000
2006 Lease Revenue Bonds, Series AU	2,269,346
2006 Taxable Lease Revenue Bonds, Series AV	4,313,214
Capital Lease Obligations	<u>879,285</u>
Total	<u>\$ 37,911,789</u>

**Business-Type Activities:**

	Outstanding Principal on Capital Related Debt
Water	
2007 Revenue Bonds, Series AY	\$ 83,606,053
2007 Taxable Revenue Refunding Bonds, Series AZ	4,639,643
Subtotal	<u>88,245,696</u>
Sewer	
2002 Refunding Revenue Bonds, Series AF	8,683,044
2007 Revenue Bonds, Series BA	11,440,411
Subtotal	<u>20,123,455</u>
Refuse	
Capital Lease Obligation	<u>3,564,689</u>
Total	<u>\$ 111,933,840</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2014

**Note 10: 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 Successor Agency, the State of California or any political subdivision thereof, is pledged for payment of these bonds. Accordingly, since this debt does not constitute an obligation of the City, it is not reflected as long-term debt in the accompanying basic financial statements. The City is acting only as an agent.

**Mortgage Revenue Bonds**

Single family and multifamily housing revenue bonds were 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, 2014, is as follows:

Mortgage Revenue Bonds	Balance June 30, 2014
Single Family, Series 1983 A (Southwest Project Bonds)	\$ 700,000
Single Family Mortgage Refunding Bonds 90A	31,880,000
Single Family Mortgage Refunding Bonds 90B	13,785,000
	\$ 46,365,000

**Note 11: 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 its Executive Office located at 400 P Street, Sacramento, California 95814.

**Funding Policy**

Active classic plan members are required by State statute to contribute 7% for miscellaneous and 9% for safety employees of their annual covered salary. For the year ended June 30, 2014, these amounts were \$1,458,309 and \$1,350,384 respectively.

The City employer is required to contribute, for fiscal year 2013-2014, at an actuarially determined rate of 14.890% and 36.657% of annual covered payroll for miscellaneous and safety employees respectively which amounted to \$3,004,858 and \$5,409,489 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 and now State Code.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2014**

**Note 11: Retirement Plan (Continued)****Annual Pension Cost**

For fiscal year 2013-2014, the City's annual pension cost of \$3,004,858 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 is as follows:

	Total
Annual required contribution	\$ 5,409,489
Interest on net PERS pension asset	(1,148,598)
Adjustment to annual required contribution	<u>1,844,746</u>
Annual PERS cost (expense)	6,105,637
Contributions made	<u>5,409,489</u>
Decrease in net PERS pension asset	(696,148)
Net PERS pension asset - beginning of year	<u>24,181,003</u>
Net PERS pension asset - end of year	<u><u>\$ 23,484,855</u></u>

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

Valuation Date	June 30, 2013
Actuarial Cost Method	Entry Age Normal Cost Method
Amortization Method	Level Percentage of Payroll
Asset Valuation Method	Market Value
Actuarial Assumptions	
Discount Rate	7.50% (net of administrative expenses)
Projected Salary Increases	Miscellaneous Plan: 3.30% to 14.20% depending on age, service, and type of employment Safety Plan: 3.30% to 14.20% depending on age, service, and type of employment
Inflation	2.75%
Payroll Growth	3.00%
Individual Salary Growth	A merit scale varying by duration of employment coupled with an assumed annual inflation growth of 2.75% and an annual production growth of 0.25%

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

**Miscellaneous Employee's Retirement Plan**  
**Schedule of Employer Contributions**

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2012	\$ 3,009,467	100%	\$ -
6/30/2013	2,762,068	100%	-
6/30/2014	3,004,858	100%	-

CITY OF POMONA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2014

Note 11: Retirement Plan (Continued)

Safety Employee's Retirement Plan Schedule of Employer Contributions			
Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2012	\$ 4,924,002	87.1%	\$ 24,845,584
6/30/2013	5,309,435	87.5%	24,181,003
6/30/2014	6,105,637	88.6%	23,484,855

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 Position 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, 2014, the unamortized portion of the pension asset is \$23,484,855. See Note 11 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
6/30/2011	\$ 200,995,811	\$ 224,309,938	\$ (23,314,127)	89.6%	\$ 23,667,462	98.5%
6/30/2012	204,106,673	231,289,438	(27,182,765)	88.2%	23,046,877	117.9%
6/30/2013 *	183,795,478	235,600,974	(51,805,496)	78.0%	21,207,342	244.3%

\* Beginning with the 6/30/2013 valuation, Actuarial Value of Assets equal Market Value of Assets per CalPERS Direct Rate Smoothing Policy.

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
6/30/2011	\$ 247,194,400	\$ 284,367,753	\$ (37,173,353)	86.9%	\$ 14,355,116	259.0%
6/30/2012	246,260,028	289,143,930	(42,883,902)	85.2%	14,559,931	294.5%
6/30/2013 *	219,262,450	296,565,370	(77,302,920)	73.9%	14,740,505	524.4%

\* Beginning with the 6/30/2013 valuation, Actuarial Value of Assets equal Market Value of Assets per CalPERS Direct Rate Smoothing Policy.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2014

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

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 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 12: Collateral Benefits Plan**

**Plan Description**

The Collateral Benefits Plan provides a supplemental retirement benefit to City employees upon resigning from the City and concurrently retiring with CalPERS. 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 Officers' Association, City Employees' Association, 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 Executive Management Group A employees and are required to have at least one year of City service upon retiring after July 1, 1991. Employees hired after July 1, 2011, are not eligible for this plan.

**Eligibility**

Bargaining Group	City Service
Executive Management Group B, Mid-Management/Confidential Employees' Association, City Employees' Association, Police Officers' Association	20 Years
Executive Management Group A	1 Year
Police Management	Not Eligible

There are 88 participants receiving collateral benefits at June 30, 2014.

**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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2014

**Note 12: Collateral Benefits Plan (Continued)**

**Annual Pension Cost**

For the year ending June 30, 2014, the City's annual pension cost for the Collateral Benefits Plan of \$110,032 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, 2012
Actuarial Cost Method	Entry Age Normal Cost Method
Amortization Method	Level Dollar
Average Remaining Period	Closed-12.5 Years as of July 1, 2013
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 for the Collateral Benefits Plan:

Year Ending	Annual Pension Cost(APC)	Percentage of APC Contributed	Net Pension Obligation (Asset)
6/30/2012	\$ 92,391	100%	\$ -
6/30/2013	92,391	100%	-
6/30/2014	110,032	100%	-

**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
07/01/2012	220,801	976,744	(755,943)	22.6%	n/a	n/a

Actuarial valuation is performed every three years.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2014**

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**Note 13: 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 and 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, with the maximum contribution limited for individual retirees based on bargaining groups as listed below:

<u>Bargaining Group</u>	<u>Benefit</u>
Pomona City Council Members	\$ 700
Pomona Executive Management Group	700
Pomona Mid-Management/Confidential Employees' Association	700
Pomona City Employees' Association	700
Pomona Police Managers' Association	700
Pomona Police Officers' Association	700
Firefighters (Pre-Merger with Los Angeles County Fire District)	465

Police Management retirees with at least 22 years of service as a Police Officer receive up to 90% contribution towards the most expensive 2-party CalPERS plan premium. This benefit terminates once the retiree is eligible for Medicare (age 65). This provision has been eliminated for employees hired or promoted to the unit after July 1, 2011.

**Eligibility**

There are 481 employees eligible to receive or are receiving post-employment benefits at June 30, 2014.

**Funding Policy**

The required contribution of the City is based on a pay-as-you-go financing requirement. For fiscal year 2014, the City contributed \$3,107,605 to the retiree health 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 30 years.

**CITY OF POMONA**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2014**

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**Note 13: Other Post Employment Benefits (Continued)**

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	\$ 5,348,542
Interest on net OPEB obligation	659,761
Adjustment to annual required contribution	<u>(756,227)</u>
Annual OPEB cost (expense)	5,252,076
Contributions made	<u>3,107,605</u>
Increase in net OPEB obligation	2,144,471
Net OPEB obligation - beginning of year	<u>15,523,781</u>
Net OPEB obligation - end of year	<u><u>\$ 17,668,252</u></u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2014 is as follows:

<u>Fiscal Year</u> <u>Ended</u>	<u>Annual OPEB</u> <u>Cost</u>	<u>Annual</u> <u>Contribution</u>	<u>% of Annual OPEB</u> <u>Cost Contributed</u>	<u>Net OPEB</u> <u>Obligation</u>
6/30/2012	\$ 5,205,707	\$3,216,666	61.8%	\$ 13,009,068
6/30/2013	5,743,900	3,229,187	56.2%	15,523,781
6/30/2014	5,252,076	3,107,605	59.2%	17,668,252

**Funded Status and Funding Progress**

As of January 1, 2014, the most recent actuarial valuation date, the plan was zero percent funded. The Actuarial Accrued Liability (AAL) for benefits was \$76,618,515 and the actuarial value of assets was \$0 resulting in an Unfunded Actuarial Accrued Liability (UAAL) of \$76,618,515. The covered payroll (annual payroll of active employees covered by the plan) was \$40,318,000 and the ratio of UAAL to the covered payroll was 190%.

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.



**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2014**

**Note 13: Other Post Employment Benefits (Continued)**

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
1/1/2010	\$ -	\$ 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%
1/1/2014	-	76,618,515	(76,618,515)	0.0%	40,318,000	190.0%

Actuarial valuation is performed every two years.

**Actuarial Methods and Assumptions**

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

In the January 1, 2014, 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 7.5% and 7.0% for PPO and HMO respectively and reduced to an ultimate rate of 5.0% thereafter. The actuarial assumption for inflation was 2.75%. 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, 2014, was 24 years. As of the actuarial valuation date of January 1, 2014, the City had 502 active eligible participants and 657 eligible retired participants and beneficiaries.

**Note 14: Joint Powers Agreements****Alameda Corridor-East Construction Authority**

The City approved and adopted a Joint Exercise of Powers Agreement in November 2012. The Alameda Corridor East Construction Authority (ACE) is a single purpose construction authority created by the San Gabriel Council of Governments in 1998 to mitigate the impacts of significant increases in rail traffic over 70 miles of mainline railroad in the San Gabriel Valley. The ACE Project consists of multiple construction projects to improve safety at various rail crossings as well as at various grade separations in the San Gabriel Valley.

**Note 14: Joint Powers Agreements (Continued)**

**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.

**California Municipal Finance Authority**

In February 2008, the City Council approved membership in the California Municipal Finance Authority (CMFA). The Authority was created to promote economic, cultural and community development through the financing of economic and charitable activities throughout California. The CMFA assists local governments, non-profit organizations and businesses with the issuance of taxable and tax-exempt bonds aimed at improving the standard of living in California.

**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 various member counties and various public entity organizations. The governing board consists of one representative from each member county and seven members elected by the public entity membership.

**Foothill Air Support Team**

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

**Foothill Transit**

The City is a member of the Foothill Transit Joint Powers Agreement. The JPA is comprised of 20 cities and the County of Los Angeles. The purpose of the authority is to provide a more efficient and cost effective local transportation service for the area. Each member city has one representative and three members are appointed by the Board of Supervisors.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2014**


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**Note 14: Joint Powers Agreements (Continued)**

Below are the most currently available condensed audited financial statements of the JPA as of June 30, 2014. Separate financial statements of Foothill Transit are available from its offices located in West Covina, CA.

	<u>Total</u>
Assets	\$ 278,504,464
Liabilities	<u>70,516,219</u>
Net Position	<u>\$ 207,988,245</u>
Revenues	\$ 19,907,140
Expenses	<u>88,037,934</u>
Operating income	(68,130,794)
Nonoperating revenue (expenses)	<u>45,949,812</u>
Net income	(22,180,982)
Capital contributions	55,888,599
Net Position - July 1, 2013	<u>174,280,628</u>
Net Position - June 30, 2014	<u>\$ 207,988,245</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, Ontario, Montclair, Irwindale, Pomona, San Dimas, Monrovia, Pasadena, and South Pasadena, and the San Bernardino Associated Governments (SANBAG). 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 initial dues (first payments were due October 1, 2003) and each member will be held liable for its share of operating costs.

The City paid the joint venture \$0 during the year ended June 30, 2014. Assets are divided based on the proportionate equity share at the time the joint venture dissolves, which is currently not significant to the City.

**Interagency Communications Interoperability System**

The City participates in the Interagency Communications Interoperability System (ICIS) joint powers authority which became effective September 2003. The intent of ICIS is to provide public safety agencies with a formalized governance structure through which the participants may share resources to construct and manage a system for wide-area 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, 2014.

**Note 14: Joint Powers Agreements (Continued)**

**Los Angeles Area Regional Agency**

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 various municipalities members of LARA.

**Los Angeles County Area Integrated Waste**

A joint powers agreement was approved by the City Council in October 2002. The purpose of the joint powers is to combine disposal and diversion quantities for determining compliance with AB939, to allow for the efficient operation of diversion programs on a region wide basis and to allow for the development of Regional Integrated Waste Management Plans. AB939 mandates cities to divert at least 75% of its waste from landfills by the year 2020.

**Los Angeles County 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 \$7,498 for the fiscal year ending June 30, 2014.

**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. Per Council action on June 16, 2014, the City is no longer a member as of November 24, 2014.

**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.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2014**


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**Note 14: Joint Powers Agreements (Continued)**

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. Because the City also has an ongoing financial responsibility for continued funding of the PVTA, the City is able to influence operations. As a result, the PVTA uses its resources on behalf of the City.

Following are the most currently available condensed audited financial statements of the PVTA as of June 30, 2014. Separate financial statements of the PVTA are available from its offices located in La Verne, California.

	<u>Total</u>
Assets	<u>\$ 3,364,364</u>
Liabilities	\$ 1,641,292
Contributed capital	603,150
Retained earnings	<u>1,119,922</u>
Total liabilities and fund equity	<u>\$ 3,364,364</u>
Operating revenues	\$ 268,086
Operating expenses	<u>4,183,939</u>
Operating (income)	(3,915,853)
Non-operating revenue	<u>3,935,351</u>
Net income	19,498
Retained earnings - July 1, 2013	<u>1,100,424</u>
Retained earnings - June 30, 2014	<u>\$ 1,119,922</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 \$5,224,354 during the year ended June 30, 2014, which is comprised of \$5,014,844 for water use and \$209,510 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, 2014, was \$663,124.

**CITY OF POMONA**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2014**

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**Note 14: Joint Powers Agreements (Continued)**

As of June 30, 2014, the three participants had the following approximate ownership equity interest:

Member	Percentages	Agreement Balance
City of Pomona	28%	\$ 663,124
Walnut Valley Water District	43%	1,018,367
Rowland Water District	28%	663,124
Unallocated	1%	23,682
Total	100%	\$ 2,368,297

The Commission's basic financial statements for the fiscal year ended June 30, 2014, reflect the implementation of GASB 34 and include the following:

Total Assets	\$ 6,737,742
Total Liabilities	4,369,445
Net Position	\$ 2,368,297

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 \$20,224,212 compared to total operating revenues of \$20,220,911 in fiscal year 2014. Complete financial statements can be obtained from the Pomona-Walnut-Rowland Joint Water Line Commission, P.O. Box 8460, Rowland Heights, CA 91748.

**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, 2014.

**Southern California Library Cooperative**

The City became a member of the Southern California Library Cooperative (SCLC) in October 2003. SCLC includes various cities, counties 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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2014

**Note 14: Joint Powers Agreements (Continued)**

member libraries. The governing board consists of one member, generally the library director, from each of the various member agencies. The City paid \$0 in annual dues for the fiscal year ending June 30, 2014.

**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, 2014.

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

Below are the most currently available condensed audited financial statements of the Center as of June 30, 2014. Separate financial statements of the Center are available from its offices located in Pomona, California.

	<u>Total</u>
Assets	\$ 29,934,247
Liabilities	15,829,571
Deferred inflow of resources	<u>6,185,724</u>
Net Position	<u>\$ 7,918,952</u>
Revenues	\$ 5,389,069
Expenses	<u>15,439,851</u>
Operating income	(10,050,782)
Non-operating revenue (expenses)	<u>12,876,744</u>
Net income	2,825,962
Special items	58,282
Net Position - July 1, 2013	<u>5,034,708</u>
Net Position - June 30, 2014	<u>\$ 7,918,952</u>

**Note 15: Risk Management**

The Self-Insurance Internal Service Fund is part of the City's self-insurance program for general liability, workers compensation, and unemployment insurance. 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 and its worker's compensation program. Additionally, the City purchases catastrophic excess liability coverage that provides an additional \$25 million in coverage.

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.

CITY OF POMONA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2014

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**Note 15: Risk Management (Continued)**

As of June 30, 2014, claims payable amounted to \$16,179,444.

The estimated claims payable reported at June 30, 2014, 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 three fiscal years:

	Claims Payable			
	Beginning Balance	Expenses and Changes in Estimates	Claims Payments	Ending Balance
2011-2012	\$ 16,895,344	\$ 6,459,291	\$ 3,696,718	\$ 19,657,917
2012-2013	19,657,917	3,775,783	4,402,134	19,031,566
2013-2014	19,031,566	2,024,844	4,876,966	16,179,444

**Note 16: 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. Additionally, the contract provides the City with up to 2/3 of the supply of water from the plant which can then be sold by the City to other customers. The City receives discounted rates on water during the first 12 years of the agreement.

**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. Final payment was issued in 2013-14.



NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2014

**Note 16: Commitments and Contingencies (Continued)**

**Contractual Commitments**

The following schedule summarizes the major capital project contractual commitments of the City as of June 30, 2014:

Major Commitments and Contracts for Professional Services:

Gentry Bros	\$ 2,865,863
E2 Managetech, Inc	968,460
Steiny & Co	508,280
PTM General Engineering	449,140
Vasilj, Inc	430,720
A&B Electric	350,198
Valley Construction Management	205,215
RKA Consulting Group	137,234
Tait & Associates, Inc	136,286
SA Associates, Inc	125,758
Seating Component Mfg	109,197
Ludwig Engineering	102,062
All other commitments	<u>985,559</u>
Total	<u><u>\$ 7,373,972</u></u>

**Lawsuits**

The City is a defendant in certain other legal actions arising in the normal course of operations. As of June 30, 2014, in the opinion of City management, there were no additional outstanding matters that would have a significant effect on the financial position of the funds of the City.

**Note 17: Net Position and Fund Balance**

**Government-Wide Financial Statements**

**Net Investment in Capital Assets**

The following is a calculation of net the investment in capital assets at June 30, 2014:

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
Capital assets, net of accumulated depreciation	\$ 277,774,531	\$ 155,759,064	\$ 433,533,595
Less: Outstanding principal on capital related debt	<u>(37,911,789)</u>	<u>(111,933,840)</u>	<u>(149,845,629)</u>
Net investment in capital assets	<u><u>\$ 239,862,742</u></u>	<u><u>\$ 43,825,224</u></u>	<u><u>\$ 283,687,966</u></u>

**CITY OF POMONA**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2014**

**Note 17: Net Position and Fund Balance (Continued)**

**Unrestricted Net Position**

The unrestricted net position for governmental activities has a deficit balance of \$66,485,308 at June 30, 2014.

**Fund Financial Statements**

**Net Investment in Capital Assets**

The following is a calculation of net investment in capital assets, for the Proprietary Funds at June 30, 2014:

	Enterprise Funds				Total	Governmental
	Water	Sewer	Refuse	Canon Water		Internal Service Funds
Capital assets, net of accumulated depreciation	\$ 123,019,467	\$ 28,002,413	\$ 4,708,468	\$ 28,716	\$ 155,759,064	\$ 147,277
Less: Outstanding principal on capital related debt	(88,245,696)	(20,123,455)	(3,564,689)	-	(111,933,840)	-
Net investment in capital assets	<u>\$ 34,773,771</u>	<u>\$ 7,878,958</u>	<u>\$ 1,143,779</u>	<u>\$ 28,716</u>	<u>\$ 43,825,224</u>	<u>\$ 147,277</u>

**Deficit Fund Balance**

At June 30, 2014, the following funds had fund balance deficits:

Fund	Fund Type	Deficit
General Debt Service	Major Governmental Fund	\$ (41,134,968)
Self-Insurance Funds	Internal Service Fund	(12,477,858)

The General Debt Service Fund deficit is the result of the issuance of bonds and the Self-Insurance Fund deficit is due to unfunded outstanding claim liabilities. The City will eliminate these deficits with future revenue.

**Net Position Restatement**

Beginning net position in the governmental activities, Water Fund, Sewer Fund and Successor Agency has been restated by \$(2,617,150), \$(1,505,987), \$(397,932) and \$(1,319,827) respectively to write off deferred cost of issuance on long-term debt as a result of the implementation of GASB Statement No. 65.

**Note 18: Successor Agency Trust for Assets of Former Redevelopment Agency**

On June 28, 2011, Governor Jerry Brown signed into law two bills that amended California Community Redevelopment Law in order to address the state's ongoing budget deficit. ABx1 26 ("the Bill") dissolved all California redevelopment agencies (RDAs) effective October 1, 2011. This legislation prevented RDAs from engaging in new activities and outlined a process for winding down the RDA's financial affairs. It also set forth a process for distributing funds from the former RDAs to other local taxing entities. A companion bill, ABx1 27, was also passed, which allowed individual RDAs to avoid dissolution if they agreed to make substantial annual payments into a Special District Allocation Fund and Educational Revenue Augmentation Fund.

**Note 18: Successor Agency Trust for Assets of Former Redevelopment Agency (Continued)**

In response, the California Redevelopment Association, the League of California Cities and other parties filed petitions with the California Supreme Court challenging the constitutionality of both ABx1 26 and ABx1 27. On December 29, 2011, the California Supreme Court upheld the constitutionality of ABX1 26, while striking down ABx1 27 as unconstitutional. The ruling in California Redevelopment Association v. Matosantos also extended some of the deadlines stipulated in ABx1 26 due to delays caused by the litigation. As a result, approximately 400 RDAs were dissolved on February 1, 2012, with the assets and liabilities transferred to Successor Agencies and Successor Housing Agencies pursuant to ABx1 26. The California State Legislature made additional changes to the dissolution process when Governor Jerry Brown signed AB 1484 into law on June 27, 2012. This legislation made a variety of substantive amendments to the original Dissolution Act. These actions impacted the reporting entity of the City of Pomona that previously had reported a redevelopment agency within the report entity of the City as a blended component unit.

The Bill provide that upon dissolution of a redevelopment agency, either the city or another unit of local government would agree to serve as the “successor agency” to hold the assets until the assets were distributed to other units of state and local government. On January 9, 2012, the City Council adopted resolution number 2012-8 electing to assume the responsibility of Successor Agency for the former Pomona Redevelopment Agency.

After enactment of the law, redevelopment agencies in the State of California could not enter into new projects, obligations or commitments. Subject to the control of an established oversight board, remaining assets can only be used to pay enforceable obligations in existence at the date of dissolution.

Subsequent to the dissolution, Successor Agencies are only allocated revenue up to the amount necessary to pay the estimated annual installment payments on enforceable obligation of the former redevelopment agency until all enforceable obligations have been paid in full and all assets have been liquidated.

The Bill directed 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 was not contractually committed to a third party for the expenditure or encumbrance of those assets, the State Controller was required to order the available assets to be transferred to the public body designated as the successor agency by the Bill. The State completed its required audit and provided the Successor Agency its report on November 26, 2014

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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2014

**Note 18: Successor Agency Trust for Assets of Former Redevelopment Agency (Continued)**

**Cash and Investments**

The following is a summary of cash and investments of the Successor Agency at June 30, 2014:

Cash and investments	\$ 9,085,523
Restricted cash	<u>52,729,503</u>
Total	<u>\$ 61,815,026</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 average monthly 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.

**Loans Receivable (Net)**

At June 30, 2014, the Successor Agency's net loans receivable consisted of the following:

	Balance July 1, 2013	Additions	Deletions	Balance June 30, 2014
Business Assistance Loans	\$ 1,352,000	\$ 50,000	\$ -	\$ 1,402,000
Guadalajara Market	210,600	-	-	210,600
Pomona Fox Theater	1,300,000	-	10,940	1,289,060
Pomona Fox Theater	1,150,000	-	-	1,150,000
Garey Village Complex	5,000,000	-	-	5,000,000
Total	<u>\$ 9,012,600</u>	<u>\$ 50,000</u>	<u>\$ 10,940</u>	<u>\$ 9,051,660</u>

**Land Held for Resale**

At June 30, 2014, land held for resale in the amount of \$20,457,009 is recorded at cost in the Successor Agency Trust Fund.

CITY OF POMONA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2014

**Note 18: 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, 2014:

	Balance July 1, 2013	Additions	Deletions	Balance June 30, 2014
Non-depreciable assets:				
Land	\$ 125,423	\$ -	\$ -	\$ 125,423
Total non-depreciable assets	125,423	-	-	125,423
Depreciable assets:				
Buildings and building improvements	63,126	-	-	63,126
Improvements other than buildings	148,995	-	-	148,995
Machinery and equipment	728,372	-	299,193	429,179
Furniture and fixtures	8,361	-	-	8,361
Autos and trucks	19,513	-	-	19,513
Total depreciable assets, at cost	968,367	-	299,193	669,174
Less accumulated depreciation				
Buildings and building improvements	11,363	1,263	-	12,626
Improvements other than buildings	113,237	5,960	-	119,197
Machinery and equipment	724,594	3,777	299,193	429,178
Furniture and fixtures	8,360	-	-	8,360
Autos and trucks	17,562	1,951	-	19,513
Total accumulated depreciation	875,116	12,951	299,193	588,874
Total depreciable assets, net	93,251	(12,951)	-	80,300
Total capital assets	\$ 218,674	\$ (12,951)	\$ -	\$ 205,723

**Long-Term Debt**

The following summary of debts of the Successor Agency as of June 30, 2014, follows:

	Balance July 1, 2013	Accreted/ Accrued Interest	Additions	Deletions	Balance June 30, 2014	Due Within One Year
County deferred tax loans	\$ 41,666,253	\$ 2,883,153	\$ 429,665	\$ -	\$ 44,979,071	\$ -
ERAF loan	350,000	-	-	170,000	180,000	180,000
Notes payable	3,387,342	-	-	27,991	3,359,351	29,037
Tax allocation bonds	8,500,000	-	-	510,000	7,990,000	535,000
Advances from the Public Financing Authority	166,385,000	-	-	5,450,000	160,935,000	5,680,000
Advance from the Housing Authority - SERAF loan	4,000,000	-	-	-	4,000,000	-
Compensated absences	181,694	-	17,331	95,077	103,948	18,000
Total	\$ 224,470,289	\$ 2,883,153	\$ 446,996	\$ 6,253,068	\$ 221,547,370	\$ 6,442,037

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2014**
**Note 18: Successor Agency Trust for Assets of Former Redevelopment Agency (Continued)**
**County Deferred Tax Loans**

At June 30, 2014, the County deferred tax loans consisted of the following:

	Balance July 1, 2013	Accrued Interest	Additions	Deletions	Balance June 30, 2014
Southwest Pomona Project Area	\$ 35,898,452	\$ 2,512,892	\$ -	\$ -	\$ 38,411,344
South Garey/Freeway Corridor Project Area	<u>5,767,801</u>	<u>370,261</u>	<u>429,665</u>	<u>-</u>	<u>6,567,727</u>
Total	<u>\$ 41,666,253</u>	<u>\$ 2,883,153</u>	<u>\$ 429,665</u>	<u>\$ -</u>	<u>\$ 44,979,071</u>

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

**ERAF Loan**

	Balance July 1, 2013	Additions	Deletions	Balance June 30, 2014	Due Within One Year
ERAF loan	<u>\$ 350,000</u>	<u>\$ -</u>	<u>\$ 170,000</u>	<u>\$ 180,000</u>	<u>\$ 180,000</u>

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 semi-annually 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, 2014, is as follows:

	Principal	Interest	Total
2014-2015	<u>\$ 180,000</u>	<u>\$ 9,018</u>	<u>\$ 189,018</u>

**Notes Payable**

	Balance July 1, 2013	Additions	Deletions	Balance June 30, 2014	Due Within One Year
Mission Promenade, LLC	\$ 2,378,080	\$ -	\$ -	\$ 2,378,080	\$ -
PVEF Note	167,129	-	-	167,129	-
US Bank Loans	<u>842,133</u>	<u>-</u>	<u>27,991</u>	<u>814,142</u>	<u>29,037</u>
Total	<u>\$ 3,387,342</u>	<u>\$ -</u>	<u>\$ 27,991</u>	<u>\$ 3,359,351</u>	<u>\$ 29,037</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2014

**Note 18: Successor Agency Trust for Assets of Former Redevelopment Agency (Continued)**

Mission Promenade, LLC

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. 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, 2014, is \$2,378,080. Due to insufficient Successor Agency funds available and thus the inability to pay the note, the Successor Agency will not report a due within one year.

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. Due to insufficient Successor Agency funds available and thus the inability to pay the note, the Successor Agency will not report a due within one year.

The annual debt service requirements outstanding at June 30, 2014, is as follows:

	Principal	Interest	Total
2014-2015	\$ -	\$ -	\$ -
2015-2016	108,634	27,161	135,795
2016-2017	33,426	8,357	41,783
2017-2018	25,069	6,264	31,333
Total	<u>\$ 167,129</u>	<u>\$ 41,782</u>	<u>\$ 208,911</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, 2014**

**Note 18: Successor Agency Trust for Assets of Former Redevelopment Agency (Continued)**

The annual debt service requirements at June 30, 2014, is as follows:

	<u>Principal</u>	<u>* Interest</u>	<u>Total</u>
2014-2015	\$ 29,037	\$ 25,029	\$ 54,066
2015-2016	29,957	24,108	54,065
2016-2017	30,907	23,158	54,065
2017-2018	31,887	22,178	54,065
2018-2019	32,898	21,168	54,066
2019-2024	180,810	89,517	270,327
2024-2029	211,346	58,981	270,327
2024-2034	247,038	23,289	270,327
2034-2035	20,262	151	20,413
Total	<u>\$ 814,142</u>	<u>\$ 287,579</u>	<u>\$ 1,101,721</u>

\* Interest rate is adjustable and was calculated using two separate interest rates 3.125% and 3.250% as of December 2013.

**Tax Allocation Bonds**

	<u>Balance</u> <u>July 1, 2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2014</u>	<u>Due Within</u> <u>One Year</u>
1998 Tax Allocation Bonds, Series X	\$ 1,760,000	\$ -	\$ 300,000	\$ 1,460,000	\$ 315,000
1998 Tax Allocation Bonds, Series Y	6,740,000	-	210,000	6,530,000	220,000
Total	<u>\$ 8,500,000</u>	<u>\$ -</u>	<u>\$ 510,000</u>	<u>\$ 7,990,000</u>	<u>\$ 535,000</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 in 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, 2014**

**Note 18: Successor Agency Trust for Assets of Former Redevelopment Agency (Continued)**

The annual debt service requirements outstanding at June 30, 2014, is as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014-2015	\$ 315,000	\$ 69,914	\$ 384,914
2015-2016	335,000	52,527	387,527
2016-2017	350,000	34,203	384,203
2017-2018	45,000	23,625	68,625
218-2019	50,000	21,060	71,060
2019-2024	295,000	60,885	355,885
2024-2025	70,000	1,890	71,890
Total	<u>\$ 1,460,000</u>	<u>\$ 264,104</u>	<u>\$ 1,724,104</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 in 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, 2014, is as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014-2015	\$ 220,000	\$ 358,076	\$ 578,076
2015-2016	235,000	346,086	581,086
2016-2017	245,000	333,278	578,278
2017-2018	260,000	319,926	579,926
2018-2019	275,000	305,756	580,756
2019-2024	1,615,000	1,287,170	2,902,170
2024-2029	2,115,000	791,726	2,906,726
2029-2032	1,565,000	175,176	1,740,176
Total	<u>\$ 6,530,000</u>	<u>\$ 3,917,194</u>	<u>\$ 10,447,194</u>

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2014**

**Note 18: 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, subsequently the 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, 2014, of the long-term debts issued through the Public Financing Authority with proceeds advanced to the Successor Agency:

	Balance July 1, 2013	Additions	Deletions	Balance June 30, 2014	Due Within One Year
1998 Revenue Refunding Bonds, Series W	\$ 36,610,000	\$ -	\$ 405,000	\$ 36,205,000	\$ 425,000
2001 Revenue Refunding Bonds, Series AD	34,245,000	-	1,925,000	32,320,000	2,020,000
2003 Revenue Refunding Bonds, Series AH	21,145,000	-	1,275,000	19,870,000	1,325,000
2005 Taxable Housing Tax Revenue Bonds, Series AQ	8,565,000	-	280,000	8,285,000	295,000
2006 Revenue Bonds, Series AS	26,045,000	-	90,000	25,955,000	80,000
2006 Taxable Revenue Bonds, Series AT	7,655,000	-	380,000	7,275,000	400,000
2007 Subordinate Revenue Bonds, Series AW	7,895,000	-	255,000	7,640,000	260,000
2006 Subordinate Revenue Bonds, Series AX	24,225,000	-	840,000	23,385,000	875,000
	<u>\$ 166,385,000</u>	<u>\$ -</u>	<u>\$ 5,450,000</u>	<u>\$ 160,935,000</u>	<u>\$ 5,680,000</u>

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

On March 1, 1998, the Public Financing Authority issued \$52,335,000 in 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, 2014**
**Note 18: 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, 2014, is as follows:

	Principal	Interest	Total
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
2017-2018	495,000	1,743,000	2,238,000
2018-2019	520,000	1,718,250	2,238,250
2019-2024	11,955,000	7,531,500	19,486,500
2024-2029	17,785,000	3,780,750	21,565,750
2029-2030	4,105,000	205,250	4,310,250
Total	<u>\$ 36,205,000</u>	<u>\$ 20,344,500</u>	<u>\$ 56,549,500</u>

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

On April 1, 2001, the Public Financing Authority issued \$39,165,000 in 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, 2014, is as follows:

	Principal	Interest	Total
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
2017-2018	2,350,000	1,303,500	3,653,500
2018-2019	2,470,000	1,186,000	3,656,000
2019-2024	8,340,000	4,433,500	12,773,500
2024-2029	8,805,000	2,328,750	11,133,750
2029-2033	4,105,000	418,000	4,523,000
Total	<u>\$ 32,320,000</u>	<u>\$ 14,212,750</u>	<u>\$ 46,532,750</u>

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2014**

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**Note 18: 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 in 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, 2014, is as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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
2017-2018	1,520,000	785,938	2,305,938
2018-2019	1,540,000	706,138	2,246,138
2019-2024	3,370,000	2,647,236	6,017,236
2024-2029	2,545,000	2,071,484	4,616,484
2029-2034	<u>6,750,000</u>	<u>778,390</u>	<u>7,528,390</u>
Total	<u>\$ 19,870,000</u>	<u>\$ 9,686,194</u>	<u>\$ 29,556,194</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 in 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, 2014**
**Note 18: 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, 2014, is as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014-2015	\$ 295,000	\$ 503,254	\$ 798,254
2015-2016	310,000	487,826	797,826
2016-2017	325,000	471,612	796,612
2017-2018	345,000	451,300	796,300
2018-2019	365,000	429,738	794,738
2019-2024	2,205,000	1,775,250	3,980,250
2024-2029	2,980,000	1,000,112	3,980,112
2029-2031	1,460,000	132,600	1,592,600
Total	<u>\$ 8,285,000</u>	<u>\$ 5,251,692</u>	<u>\$ 13,536,692</u>

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

On December 1, 2006, the Public Financing Authority issued \$26,305,000 in 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, 2014, is as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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
2017-2018	105,000	1,242,504	1,347,504
2018-2019	165,000	1,238,436	1,403,436
2019-2024	1,580,000	6,023,644	7,603,644
2024-2029	3,580,000	5,657,538	9,237,538
2029-2034	13,805,000	3,652,500	17,457,500
2034-2039	4,815,000	1,048,052	5,863,052
2039-2041	1,690,000	104,850	1,794,850
Total	<u>\$ 25,955,000</u>	<u>\$ 22,710,302</u>	<u>\$ 48,665,302</u>

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2014**

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**Note 18: Successor Agency Trust for Assets of Former Redevelopment Agency (Continued)**

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

On December 1, 2006, the Public Financing Authority issued \$8,355,000 in 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, 2014, is as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014-2015	\$ 400,000	\$ 410,580	\$ 810,580
2015-2016	420,000	389,424	809,424
2016-2017	440,000	367,210	807,210
2017-2018	465,000	343,938	808,938
218-2019	490,000	317,350	807,350
2019-2024	2,900,000	1,133,022	4,033,022
2024-2027	<u>2,160,000</u>	<u>251,590</u>	<u>2,411,590</u>
Total	<u>\$ 7,275,000</u>	<u>\$ 3,213,114</u>	<u>\$ 10,488,114</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, 2014**

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**Note 18: 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, 2014, is as follows:

	Principal	Interest	Total
2014-2015	\$ 260,000	\$ 381,434	\$ 641,434
2015-2016	275,000	369,994	644,994
2016-2017	285,000	357,618	642,618
2017-2018	305,000	344,794	649,794
2018-2019	320,000	330,306	650,306
2019-2024	1,910,000	1,398,280	3,308,280
2024-2029	2,250,000	884,576	3,134,576
2029-2033	2,035,000	246,258	2,281,258
Total	<u>\$ 7,640,000</u>	<u>\$ 4,313,260</u>	<u>\$ 11,953,260</u>

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

On December 1, 2006, the Public Financing Authority issued \$25,865,000 in 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.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2014**

**Note 18: Successor Agency Trust for Assets of Former Redevelopment Agency (Continued)**

The annual debt service requirements for the 2006 Subordinate Revenue Bonds, Series AX outstanding at June 30, 2014, is as follows:

	Principal	Interest	Total
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
2017-2018	925,000	1,004,486	1,929,486
2018-2019	970,000	964,710	1,934,710
2019-2024	5,200,000	4,156,660	9,356,660
2024-2029	6,350,000	2,791,500	9,141,500
2029-2034	5,770,000	1,100,250	6,870,250
2034-2039	1,085,000	258,250	1,343,250
2039-2041	380,000	26,250	406,250
Total	<u>\$ 23,385,000</u>	<u>\$ 13,546,558</u>	<u>\$ 36,931,558</u>

**Advances from the Housing Authority**

	Balance July 1, 2013	Additions	Deletions	Balance June 30, 2014	Due Within One Year
ERAF loan	<u>\$ 4,000,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,000,000</u>	<u>\$ -</u>

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 its budget. The former Redevelopment Agency of the City of Pomona's share of SERAF obligation was \$8,264,547 in Fiscal Year 2009-10 and \$1.7 million in Fiscal Year 2010-11. Health and Safety Code Section 33690(c) provides that a redevelopment agency, which made a finding that insufficient monies were 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, the Redevelopment Agency Board authorized a loan of \$5,000,000 from the Low-Mod Fund to provide partial funding for the balance of the SERAF payment due. The Successor Agency's outstanding balance on the note as of June 30, 2014, is \$4,000,000.

**Compensated Absences**

The following is a summary of compensated absences outstanding as of June 30, 2014:

Balance July 1, 2013	Additions	Deletions	Balance June 30, 2014	Due Within One Year
<u>\$ 181,694</u>	<u>\$ 17,331</u>	<u>\$ 95,077</u>	<u>\$ 103,948</u>	<u>\$ 18,000</u>



**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2014**

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**Note 18: Successor Agency Trust for Assets of Former Redevelopment Agency (Continued)**

**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, 2047, 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 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 \$16,269,789 and the debt service obligation on the bonds was \$14,888,228.

Remaining balance on the debt at June 30, 2014, is as follows:

<u>Debt Issue</u>	<u>Remaining Balance</u>
County of LA Agreement	\$ 44,979,071
ERAF Loan	189,018
1998 Series W	56,549,500
1998 Series X	1,724,104
1998 Series Y	10,447,194
2001 Series AD	46,532,750
2003 Series AH	29,556,194
2005 Series AQ	13,536,692
2006 Series AS	48,665,302
2006 Series AT	10,488,114
2007 Series AW	11,953,260
2006 Series AX	36,931,558
Total	<u>\$ 311,552,757</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.

**Note 18: Successor Agency Trust for Assets of Former Redevelopment Agency (Continued)**

**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 2013-14, the Successor Agency received a grant in the amount of \$3,545,419, which was recorded as intergovernmental revenue.

**Note 19: Subsequent Events**

On February 22, 2012 the former Redevelopment Agency of the City of Pomona sold Garey Village to Velocity Investment Group/Jellick-Rowland LLC for \$6,870,000 and carried back a \$5,000,000 Promissory Note due on August 14, 2014. Jellick-Rowland LLC has failed to make the required payment; therefore, the Successor Agency has listed estimated costs related to the foreclosure process of the Garey Village Note on the 2014-15 Recognized Obligation Payments Schedules (ROPS).

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## **REQUIRED SUPPLEMENTARY INFORMATION**

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# **REQUIRED SUPPLEMENTARY INFORMATION**

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**CITY OF POMONA**

**BUDGETARY INFORMATION  
JUNE 30, 2014**

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**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 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, 2014**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 7,426,718	\$ 7,426,718	\$ 7,426,718	\$ -
<b>Resources (Inflows):</b>				
Taxes	72,580,500	72,580,500	74,341,949	1,761,449
Licenses and permits	3,836,790	3,836,790	4,797,126	960,336
Intergovernmental	164,000	164,000	121,942	(42,058)
Charges for services	2,481,574	2,583,365	2,790,058	206,693
Interest and rentals	299,008	299,008	300,833	1,825
Fines and forfeitures	1,790,850	1,790,850	2,106,227	315,377
Miscellaneous	331,300	331,300	360,719	29,419
Transfers in	-	-	35,413	35,413
Proceeds from sale of capital assets	-	-	1,041,849	1,041,849
<b>Amounts Available for Appropriations</b>	<b>88,910,740</b>	<b>89,012,531</b>	<b>93,322,834</b>	<b>4,310,303</b>
<b>Charges to Appropriation (Outflows):</b>				
General government	3,150,820	3,074,898	3,102,523	(27,625)
Public safety	61,687,862	61,665,043	61,402,778	262,265
Urban development	8,260,752	8,285,528	8,231,564	53,964
Neighborhood services	3,449,144	3,609,186	3,271,204	337,982
Capital outlay	-	168,364	75,473	92,891
Debt service:				
Principal retirement	211,809	211,809	211,809	-
Interest and fiscal charges	23,605	23,605	24,960	(1,355)
Transfers out	4,584,928	4,629,278	4,629,278	-
<b>Total Charges to Appropriations</b>	<b>81,368,920</b>	<b>81,667,711</b>	<b>80,949,589</b>	<b>718,122</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 7,541,820</b>	<b>\$ 7,344,820</b>	<b>\$ 12,373,245</b>	<b>\$ 5,028,425</b>

CITY OF POMONA

**BUDGETARY COMPARISON SCHEDULE  
HOUSING AUTHORITY  
YEAR ENDED JUNE 30, 2014**

	<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	\$23,351,251	\$23,351,251	\$ 23,351,251	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	12,621,994	12,621,994	11,804,489	(817,505)
Charges for services	30,000	30,000	22,631	(7,369)
Interest and rentals	212,978	509,580	649,907	140,327
Miscellaneous	12,700	12,700	114,468	101,768
<b>Amounts Available for Appropriations</b>	<b>36,228,923</b>	<b>36,525,525</b>	<b>35,942,746</b>	<b>(582,779)</b>
<b>Charges to Appropriation (Outflows):</b>				
Urban development	13,076,751	13,373,353	13,372,684	669
Extraordinary gain/loss on dissolution of Redevelopment Agency (Note 17)	-	-	144,397	(144,397)
<b>Total Charges to Appropriations</b>	<b>13,076,751</b>	<b>13,373,353</b>	<b>13,517,081</b>	<b>(143,728)</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$23,152,172</b>	<b>\$23,152,172</b>	<b>\$ 22,425,665</b>	<b>\$ (726,507)</b>

CITY OF POMONA

**BUDGETARY COMPARISON SCHEDULE  
MISCELLANEOUS GRANTS  
YEAR ENDED JUNE 30, 2014**

	<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	\$ 1,997,115	\$ 1,997,115	\$ 1,997,115	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	6,319,826	12,145,647	5,781,183	(6,364,464)
Charges for services	228,776	435,033	500,439	65,406
Interest and rentals	52,300	-	392,270	392,270
Miscellaneous	176,894	939,053	826,529	(112,524)
Transfers in	75,010	240,010	140,249	(99,761)
<b>Amounts Available for Appropriations</b>	<b>8,849,921</b>	<b>15,756,858</b>	<b>9,637,785</b>	<b>(6,119,073)</b>
<b>Charges to Appropriation (Outflows):</b>				
Public safety	1,333,940	1,859,583	1,563,473	296,110
Urban development	4,925,424	11,170,303	5,618,281	5,552,022
Neighborhood services	397,910	397,910	301,234	96,676
Capital outlay	20,000	424,678	177,909	246,769
Transfers out	-	140,000	140,000	-
<b>Total Charges to Appropriations</b>	<b>6,677,274</b>	<b>13,992,474</b>	<b>7,800,897</b>	<b>6,191,577</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 2,172,647</b>	<b>\$ 1,764,384</b>	<b>\$ 1,836,888</b>	<b>\$ 72,504</b>

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

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# NON-MAJOR GOVERNMENTAL FUNDS

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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 **Asset Forfeiture Fund** accounts for the City's share of assets seized by law enforcement agencies. The monies are used for law enforcement purposes.

The **Traffic Offender Fund** accounts for the fees collected for the impoundment of vehicles and expenditures shall be for the enforcement, education and prosecution of drivers with a suspended or revoked license as well as unlicensed drivers operating a motor vehicle.

The **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 **Special Fees Fund** accounts for fee analysis rate review and Public Arts fees.

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

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

CITY OF POMONA

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2014

	<u>Special Revenue Funds</u>			
	<u>Community Development Block Grant</u>	<u>State Gas Tax</u>	<u>Proposition A</u>	<u>Proposition C</u>
<b>Assets:</b>				
Cash and investments	\$ 307,203	\$ 1,838,760	\$ 1,316,130	\$ 7,710,229
Receivables (net):				
Accounts	-	1,210	-	-
Notes and loans	2,303,846	-	-	-
Interest	171	1,000	1,011	5,690
Prepaid costs	-	-	-	-
Due from other governments	174,715	709,500	358,420	-
Advances to other funds	-	-	-	-
Restricted assets:				
Cash	-	-	-	-
<b>Total Assets</b>	<b><u>\$ 2,785,935</u></b>	<b><u>\$ 2,550,470</u></b>	<b><u>\$ 1,675,561</u></b>	<b><u>\$ 7,715,919</u></b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 52,296	\$ 609,351	\$ 117,081	\$ 592,252
Payroll payable	29,568	21,796	2,152	6,232
Accrued liabilities	-	39,074	-	28,457
Deposits payable	-	-	-	-
Due to other funds	-	-	-	-
<b>Total Liabilities</b>	<b><u>81,864</u></b>	<b><u>670,221</u></b>	<b><u>119,233</u></b>	<b><u>626,941</u></b>
<b>Deferred inflows of resources:</b>				
Unavailable revenues	1,928,846	-	349,421	-
<b>Total Deferred inflows of Resources</b>	<b><u>1,928,846</u></b>	<b><u>-</u></b>	<b><u>349,421</u></b>	<b><u>-</u></b>
<b>Fund Balances:</b>				
<b>Nonspendable</b>				
Prepaid costs	-	-	-	-
Notes and loans	375,000	-	-	-
<b>Restricted</b>				
Urban development	400,225	1,880,249	1,206,907	7,088,978
Public safety	-	-	-	-
Neighborhood services	-	-	-	-
Capital projects	-	-	-	-
Assessment district improvement	-	-	-	-
<b>Total Fund Balances</b>	<b><u>775,225</u></b>	<b><u>1,880,249</u></b>	<b><u>1,206,907</u></b>	<b><u>7,088,978</u></b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b><u>\$ 2,785,935</u></b>	<b><u>\$ 2,550,470</u></b>	<b><u>\$ 1,675,561</u></b>	<b><u>\$ 7,715,919</u></b>

## CITY OF POMONA

**COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2014**

(CONTINUED)

	<b>Special Revenue Funds</b>			
	<b>Vehicle Parking District</b>	<b>Air Quality Improvement</b>	<b>Traffic Congestion Relief</b>	<b>Landscape Maintenance District</b>
<b>Assets:</b>				
Cash and investments	\$ 3,047,759	\$ 700,659	\$ 1,817	\$ 806,915
Receivables (net):				
Accounts	6,890	-	-	-
Notes and loans	-	-	-	-
Interest	2,467	550	2	666
Prepaid costs	-	-	-	-
Due from other governments	1,229	48,628	-	13,860
Advances to other funds	304,435	-	-	-
Restricted assets:				
Cash	-	-	-	-
<b>Total Assets</b>	<b>\$ 3,362,780</b>	<b>\$ 749,837</b>	<b>\$ 1,819</b>	<b>\$ 821,441</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 24,116	\$ 187,415	\$ -	\$ 237,953
Payroll payable	6,475	844	-	3,713
Accrued liabilities	-	10,743	-	-
Deposits payable	3,084	-	-	-
Due to other funds	-	-	-	-
<b>Total Liabilities</b>	<b>33,675</b>	<b>199,002</b>	<b>-</b>	<b>241,666</b>
<b>Deferred inflows of resources:</b>				
Unavailable revenues	71,600	-	-	-
<b>Total Deferred inflows of Resources</b>	<b>71,600</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances:</b>				
<b>Nonspendable</b>				
Prepaid costs	-	-	-	-
Notes and loans	-	-	-	-
<b>Restricted</b>				
Urban development	3,257,505	550,835	1,819	-
Public safety	-	-	-	-
Neighborhood services	-	-	-	579,775
Capital projects	-	-	-	-
Assessment district improvement	-	-	-	-
<b>Total Fund Balances</b>	<b>3,257,505</b>	<b>550,835</b>	<b>1,819</b>	<b>579,775</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 3,362,780</b>	<b>\$ 749,837</b>	<b>\$ 1,819</b>	<b>\$ 821,441</b>



CITY OF POMONA

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2014

	Special Revenue Funds			
	Asset Forfeiture	Traffic Offender	Measure R	General Sanitation Fees Operations
<b>Assets:</b>				
Cash and investments	\$ 2,486,644	\$ 444,518	\$ 1,943,558	\$ -
Receivables (net):				
Accounts	-	-	-	346,450
Notes and loans	-	-	-	-
Interest	2,162	352	1,879	223
Prepaid costs	15,941	-	-	-
Due from other governments	-	-	-	-
Advances to other funds	-	-	-	-
Restricted assets:				
Cash	-	-	-	-
<b>Total Assets</b>	<b>\$ 2,504,747</b>	<b>\$ 444,870</b>	<b>\$ 1,945,437</b>	<b>\$ 346,673</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 110,870	\$ 2,425	\$ 85,454	\$ 252,407
Payroll payable	20,485	3,465	13,992	17,636
Accrued liabilities	-	-	-	-
Deposits payable	-	-	-	-
Due to other funds	-	-	-	66,905
<b>Total Liabilities</b>	<b>131,355</b>	<b>5,890</b>	<b>99,446</b>	<b>336,948</b>
<b>Deferred inflows of resources:</b>				
Unavailable revenues	-	-	-	-
<b>Total Deferred inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances:</b>				
<b>Nonspendable</b>				
Prepaid costs	15,941	-	-	-
Notes and loans	-	-	-	-
<b>Restricted</b>				
Urban development	-	-	1,845,991	9,725
Public safety	2,357,451	438,980	-	-
Neighborhood services	-	-	-	-
Capital projects	-	-	-	-
Assessment district improvement	-	-	-	-
<b>Total Fund Balances</b>	<b>2,373,392</b>	<b>438,980</b>	<b>1,845,991</b>	<b>9,725</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 2,504,747</b>	<b>\$ 444,870</b>	<b>\$ 1,945,437</b>	<b>\$ 346,673</b>

CITY OF POMONA

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2014

	Special Revenue Fund	Capital Projects Funds		
	Special Fees Fund	Capital Outlay	Assessment District Improvement	Total Non-Major Governmental Funds
<b>Assets:</b>				
Cash and investments	\$ 186,934	\$ 502,464	\$ 54,830	\$ 21,348,420
Receivables (net):				
Accounts	-	625,945	-	980,495
Notes and loans	-	-	-	2,303,846
Interest	-	866	82	17,121
Prepaid costs	-	-	-	15,941
Due from other governments	-	110,518	-	1,416,870
Advances to other funds	-	-	-	304,435
Restricted assets:				
Cash	-	3,258,215	206,886	3,465,101
<b>Total Assets</b>	<b>\$ 186,934</b>	<b>\$ 4,498,008</b>	<b>\$ 261,798</b>	<b>\$ 29,852,229</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ 195,909	\$ -	\$ 2,467,529
Payroll payable	-	8,282	228	134,868
Accrued liabilities	-	43,417	-	121,691
Deposits payable	-	10,567	-	13,651
Due to other funds	-	-	-	66,905
<b>Total Liabilities</b>	<b>-</b>	<b>258,175</b>	<b>228</b>	<b>2,804,644</b>
<b>Deferred inflows of resources:</b>				
Unavailable revenues	-	-	-	2,349,867
<b>Total Deferred inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,349,867</b>
<b>Fund Balances:</b>				
<b>Nonspendable</b>				
Prepaid costs	-	-	-	15,941
Notes and loans	-	-	-	375,000
<b>Restricted</b>				
Urban development	-	-	-	16,242,234
Public safety	-	-	-	2,796,431
Neighborhood services	186,934	-	-	766,709
Capital projects	-	4,239,833	-	4,239,833
Assessment district improvement	-	-	261,570	261,570
<b>Total Fund Balances</b>	<b>186,934</b>	<b>4,239,833</b>	<b>261,570</b>	<b>24,697,718</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 186,934</b>	<b>\$ 4,498,008</b>	<b>\$ 261,798</b>	<b>\$ 29,852,229</b>

## CITY OF POMONA

**COMBINING STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2014**

	<b>Special Revenue Funds</b>			
	<b>Community Development Block Grant</b>	<b>State Gas Tax</b>	<b>Proposition A</b>	<b>Proposition C</b>
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	1,864,784	5,305,175	2,561,756	2,130,345
Charges for services	37,970	104,609	-	-
Interest and rentals	48,072	2,465	2,378	13,459
Fines and forfeitures	-	-	-	-
Miscellaneous	14,070	31,064	14,000	-
<b>Total Revenues</b>	<b>1,964,896</b>	<b>5,443,313</b>	<b>2,578,134</b>	<b>2,143,804</b>
<b>Expenditures:</b>				
Current:				
General government	-	-	-	-
Public safety	116,821	-	-	-
Urban development	1,644,297	5,808,840	2,031,278	834,200
Neighborhood services	-	-	-	-
Capital outlay	-	36,218	-	-
Debt service:				
Principal retirement	125,000	-	-	-
Interest and fiscal charges	10,081	-	-	-
<b>Total Expenditures</b>	<b>1,896,199</b>	<b>5,845,058</b>	<b>2,031,278</b>	<b>834,200</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	68,697	(401,745)	546,856	1,309,604
<b>Other Financing Sources (Uses):</b>				
Transfers in	-	645,622	-	653,279
Transfers out	(188,099)	(658,891)	(101,081)	(275,130)
Notes and loans issued	-	300,000	-	-
Proceeds from sale of capital assets	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>(188,099)</b>	<b>286,731</b>	<b>(101,081)</b>	<b>378,149</b>
Net Change in Fund Balances	(119,402)	(115,014)	445,775	1,687,753
Fund Balances, Beginning of Year	894,627	1,995,263	761,132	5,401,225
<b>Fund Balances, End of Year</b>	<b>\$ 775,225</b>	<b>\$ 1,880,249</b>	<b>\$ 1,206,907</b>	<b>\$ 7,088,978</b>

## CITY OF POMONA

COMBINING STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2014

(CONTINUED)

	Special Revenue Funds			
	Vehicle Parking District	Air Quality Improvement	Traffic Congestion Relief	Landscape Maintenance District
<b>Revenues:</b>				
Taxes	\$ 13,679	\$ -	\$ -	\$ -
Special assessments	-	-	-	1,193,067
Licenses and permits	-	-	-	-
Intergovernmental	-	187,465	-	-
Charges for services	158,408	-	-	-
Interest and rentals	529,456	1,245	-	1,335
Fines and forfeitures	405	-	-	-
Miscellaneous	-	-	-	-
<b>Total Revenues</b>	<b>701,948</b>	<b>188,710</b>	<b>-</b>	<b>1,194,402</b>
<b>Expenditures:</b>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Urban development	880,197	323,993	1,909	-
Neighborhood services	-	-	-	1,176,501
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	73,243	-	-	-
Interest and fiscal charges	7,477	-	-	-
<b>Total Expenditures</b>	<b>960,917</b>	<b>323,993</b>	<b>1,909</b>	<b>1,176,501</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(258,969)	(135,283)	(1,909)	17,901
<b>Other Financing Sources (Uses):</b>				
Transfers in	-	70,000	1,081	-
Transfers out	-	(152,302)	-	-
Notes and loans issued	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>(82,302)</b>	<b>1,081</b>	<b>-</b>
Net Change in Fund Balances	(258,969)	(217,585)	(828)	17,901
Fund Balances, Beginning of Year	3,516,474	768,420	2,647	561,874
<b>Fund Balances, End of Year</b>	<b>\$ 3,257,505</b>	<b>\$ 550,835</b>	<b>\$ 1,819</b>	<b>\$ 579,775</b>

## CITY OF POMONA

**COMBINING STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2014**

	<b>Special Revenue Funds</b>			
	<b>Asset Forfeiture</b>	<b>Traffic Offender</b>	<b>Measure R</b>	<b>General Sanitation Fees Operations</b>
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-
Licenses and permits	-	-	-	1,395,225
Intergovernmental	-	-	1,585,804	-
Charges for services	29,999	489,300	-	5,272
Interest and rentals	5,225	881	4,346	466
Fines and forfeitures	-	-	-	13,340
Miscellaneous	546,705	-	-	1,306
<b>Total Revenues</b>	<b>581,929</b>	<b>490,181</b>	<b>1,590,150</b>	<b>1,415,609</b>
<b>Expenditures:</b>				
Current:				
General government	-	-	-	-
Public safety	2,057,116	199,476	-	-
Urban development	-	-	725,833	2,023,539
Neighborhood services	-	-	-	-
Capital outlay	642,083	113,276	27,164	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
<b>Total Expenditures</b>	<b>2,699,199</b>	<b>312,752</b>	<b>752,997</b>	<b>2,023,539</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,117,270)	177,429	837,153	(607,930)
<b>Other Financing Sources (Uses):</b>				
Transfers in	-	-	6,812	564,050
Transfers out	(1,308)	-	(656,346)	-
Notes and loans issued	-	-	-	-
Proceeds from sale of capital assets	5,400	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>4,092</b>	<b>-</b>	<b>(649,534)</b>	<b>564,050</b>
Net Change in Fund Balances	(2,113,178)	177,429	187,619	(43,880)
Fund Balances, Beginning of Year	4,486,570	261,551	1,658,372	53,605
<b>Fund Balances, End of Year</b>	<b>\$ 2,373,392</b>	<b>\$ 438,980</b>	<b>\$ 1,845,991</b>	<b>\$ 9,725</b>

## CITY OF POMONA

**COMBINING STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2014**

	<u>Special Revenue Fund</u>	<u>Capital Projects Funds</u>		<u>Total Non-Major Governmental Funds</u>
	<u>Special Fees Fund</u>	<u>Capital Outlay</u>	<u>Assessment District Improvement</u>	
<b>Revenues:</b>				
Taxes	\$ -	\$ 12,963	\$ -	\$ 26,642
Special assessments	-	-	-	1,193,067
Licenses and permits	100,666	344,151	-	1,840,042
Intergovernmental	-	846,876	-	14,482,205
Charges for services	-	6,328	-	831,886
Interest and rentals	86	3,883	293	613,590
Fines and forfeitures	-	-	-	13,745
Miscellaneous	-	-	-	607,145
<b>Total Revenues</b>	<b>100,752</b>	<b>1,214,201</b>	<b>293</b>	<b>19,608,322</b>
<b>Expenditures:</b>				
Current:				
General government	-	483	-	483
Public safety	-	9,643	-	2,383,056
Urban development	-	1,901,302	281,485	16,456,873
Neighborhood services	-	-	-	1,176,501
Capital outlay	-	588,688	-	1,407,429
Debt service:				
Principal retirement	-	200,899	-	399,142
Interest and fiscal charges	-	-	-	17,558
<b>Total Expenditures</b>	<b>-</b>	<b>2,701,015</b>	<b>281,485</b>	<b>21,841,042</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	100,752	(1,486,814)	(281,192)	(2,232,720)
<b>Other Financing Sources (Uses):</b>				
Transfers in	86,182	894,403	-	2,921,429
Transfers out	-	(961,849)	-	(2,995,006)
Notes and loans issued	-	-	-	300,000
Proceeds from sale of capital assets	-	-	-	5,400
<b>Total Other Financing Sources (Uses)</b>	<b>86,182</b>	<b>(67,446)</b>	<b>-</b>	<b>231,823</b>
Net Change in Fund Balances	186,934	(1,554,260)	(281,192)	(2,000,897)
Fund Balances, Beginning of Year	-	5,794,093	542,762	26,698,615
<b>Fund Balances, End of Year</b>	<b>\$ 186,934</b>	<b>\$ 4,239,833</b>	<b>\$ 261,570</b>	<b>\$ 24,697,718</b>

CITY OF POMONA

**BUDGETARY COMPARISON SCHEDULE  
GENERAL DEBT SERVICE  
YEAR ENDED JUNE 30, 2014**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ (41,589,636)	\$ (41,589,636)	\$ (41,589,636)	\$ -
<b>Resources (Inflows):</b>				
Taxes	655,565	655,565	525,861	(129,704)
Interest and rentals	3,631	3,631	2,881	(750)
Miscellaneous	336,611	336,611	336,611	-
Transfers in	5,535,074	5,535,074	5,531,418	(3,656)
<b>Amounts Available for Appropriations</b>	<b>(35,058,755)</b>	<b>(35,058,755)</b>	<b>(35,192,865)</b>	<b>(134,110)</b>
<b>Charges to Appropriation (Outflows):</b>				
General government	32,018	32,018	466,005	(433,987)
Debt service:				
Principal retirement	627,551	627,551	767,000	(139,449)
Interest and fiscal charges	4,848,547	4,848,547	4,709,098	139,449
Transfers out	995,000	995,000	-	995,000
<b>Total Charges to Appropriations</b>	<b>6,503,116</b>	<b>6,503,116</b>	<b>5,942,103</b>	<b>561,013</b>
<b>Budgetary Fund Balance, June 30</b>	<b><u><u>\$ (41,561,871)</u></u></b>	<b><u><u>\$ (41,561,871)</u></u></b>	<b><u><u>\$ (41,134,968)</u></u></b>	<b><u><u>\$ 426,903</u></u></b>

CITY OF POMONA

**BUDGETARY COMPARISON SCHEDULE  
PUBLIC FINANCING AUTHORITY DEBT SERVICE  
YEAR ENDED JUNE 30, 2014**

	<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	\$ 50,400,644	\$ 50,400,644	\$ 50,400,644	\$ -
<b>Resources (Inflows):</b>				
Interest and rentals	24,657,646	24,657,646	334,862	(24,322,784)
Miscellaneous	-	-	83,619	83,619
Transfers in	995,000	995,000	-	(995,000)
<b>Amounts Available for Appropriations</b>	<b>76,053,290</b>	<b>76,053,290</b>	<b>50,819,125</b>	<b>(25,234,165)</b>
<b>Charges to Appropriation (Outflows):</b>				
General government	4,220	4,220	795	3,425
Debt service:				
Principal retirement	8,500,000	8,500,000	1,440,000	7,060,000
Interest and fiscal charges	17,147,941	17,147,941	222,429	16,925,512
<b>Total Charges to Appropriations</b>	<b>25,652,161</b>	<b>25,652,161</b>	<b>1,663,224</b>	<b>23,988,937</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 50,401,129</b>	<b>\$ 50,401,129</b>	<b>\$ 49,155,901</b>	<b>\$ (1,245,228)</b>



CITY OF POMONA

**BUDGETARY COMPARISON SCHEDULE  
COMMUNITY DEVELOPMENT BLOCK GRANT  
YEAR ENDED JUNE 30, 2014**

	<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	\$ 894,627	\$ 894,627	\$ 894,627	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	2,404,323	2,914,990	1,864,784	(1,050,206)
Charges for services	118,000	30,608	37,970	7,362
Interest and rentals	-	-	48,072	48,072
Miscellaneous	150,050	150,050	14,070	(135,980)
<b>Amounts Available for Appropriations</b>	<b>3,567,000</b>	<b>3,990,275</b>	<b>2,859,523</b>	<b>(1,130,752)</b>
<b>Charges to Appropriation (Outflows):</b>				
Public safety	116,900	116,900	116,821	79
Urban development	2,396,260	1,700,634	1,644,297	56,337
Debt service:				
Principal retirement	149,000	149,000	125,000	24,000
Interest and fiscal charges	10,213	10,213	10,081	132
Transfers out	-	745,191	188,099	557,092
<b>Total Charges to Appropriations</b>	<b>2,672,373</b>	<b>2,721,938</b>	<b>2,084,298</b>	<b>637,640</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 894,627</b>	<b>\$ 1,268,337</b>	<b>\$ 775,225</b>	<b>\$ (493,112)</b>

CITY OF POMONA

BUDGETARY COMPARISON SCHEDULE  
 STATE GAS TAX  
 YEAR ENDED JUNE 30, 2014

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 1,995,263	\$ 1,995,263	\$ 1,995,263	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	4,741,570	4,741,570	5,305,175	563,605
Charges for services	-	115,081	104,609	(10,472)
Interest and rentals	1,870	1,870	2,465	595
Miscellaneous	1,500	1,500	31,064	29,564
Notes and loans issued	-	-	300,000	300,000
Transfers in	210,500	365,454	645,622	280,168
<b>Amounts Available for Appropriations</b>	<b>6,950,703</b>	<b>7,220,738</b>	<b>8,384,198</b>	<b>1,163,460</b>
<b>Charges to Appropriation (Outflows):</b>				
Urban development	3,131,311	3,087,438	5,808,840	(2,721,402)
Capital outlay	-	903,659	36,218	867,441
Transfers out	1,406,074	1,465,979	658,891	807,088
<b>Total Charges to Appropriations</b>	<b>4,537,385</b>	<b>5,457,076</b>	<b>6,503,949</b>	<b>(1,046,873)</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 2,413,318</b>	<b>\$ 1,763,662</b>	<b>\$ 1,880,249</b>	<b>\$ 116,587</b>

CITY OF POMONA

**BUDGETARY COMPARISON SCHEDULE  
PROPOSITION A  
YEAR ENDED JUNE 30, 2014**

	<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	\$ 761,132	\$ 761,132	\$ 761,132	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	2,320,530	2,355,530	2,561,756	206,226
Interest and rentals	-	-	2,378	2,378
Miscellaneous	9,000	9,000	14,000	5,000
<b>Amounts Available for Appropriations</b>	<b>3,090,662</b>	<b>3,125,662</b>	<b>3,339,266</b>	<b>213,604</b>
<b>Charges to Appropriation (Outflows):</b>				
Urban development	2,011,561	2,042,052	2,031,278	10,774
Capital outlay	200,000	235,000	-	235,000
Transfers out	-	100,000	101,081	(1,081)
<b>Total Charges to Appropriations</b>	<b>2,211,561</b>	<b>2,377,052</b>	<b>2,132,359</b>	<b>244,693</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 879,101</b>	<b>\$ 748,610</b>	<b>\$ 1,206,907</b>	<b>\$ 458,297</b>

CITY OF POMONA

BUDGETARY COMPARISON SCHEDULE  
 PROPOSITION C  
 YEAR ENDED JUNE 30, 2014

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 5,401,225	\$ 5,401,225	\$ 5,401,225	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	1,924,820	1,984,820	2,130,345	145,525
Interest and rentals	10,000	10,000	13,459	3,459
Transfers in	200,000	975,000	653,279	(321,721)
<b>Amounts Available for Appropriations</b>	<b>7,536,045</b>	<b>8,371,045</b>	<b>8,198,308</b>	<b>(172,737)</b>
<b>Charges to Appropriation (Outflows):</b>				
Urban development	77,023	77,023	834,200	(757,177)
Capital outlay	1,500,000	1,388,000	-	1,388,000
Transfers out	430,000	1,980,000	275,130	1,704,870
<b>Total Charges to Appropriations</b>	<b>2,007,023</b>	<b>3,445,023</b>	<b>1,109,330</b>	<b>2,335,693</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 5,529,022</b>	<b>\$ 4,926,022</b>	<b>\$ 7,088,978</b>	<b>\$ 2,162,956</b>

CITY OF POMONA

**BUDGETARY COMPARISON SCHEDULE  
VEHICLE PARKING DISTRICT  
YEAR ENDED JUNE 30, 2014**

	<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	\$3,516,474	\$ 3,516,474	\$ 3,516,474	\$ -
<b>Resources (Inflows):</b>				
Taxes	12,164	12,164	13,679	1,515
Charges for services	113,000	113,000	158,408	45,408
Interest and rentals	714,000	714,000	529,456	(184,544)
Fines and forfeitures	-	-	405	405
<b>Amounts Available for Appropriations</b>	<b>4,355,638</b>	<b>4,355,638</b>	<b>4,218,422</b>	<b>(137,216)</b>
<b>Charges to Appropriation (Outflows):</b>				
Urban development	757,982	857,982	880,197	(22,215)
Debt service:				
Principal retirement	73,243	73,243	73,243	-
Interest and fiscal charges	7,477	7,477	7,477	-
<b>Total Charges to Appropriations</b>	<b>838,702</b>	<b>938,702</b>	<b>960,917</b>	<b>(22,215)</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$3,516,936</b>	<b>\$ 3,416,936</b>	<b>\$ 3,257,505</b>	<b>\$ (159,431)</b>

CITY OF POMONA

**BUDGETARY COMPARISON SCHEDULE  
AIR QUALITY IMPROVEMENT  
YEAR ENDED JUNE 30, 2014**

	<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	\$ 768,420	\$ 768,420	\$ 768,420	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	186,000	186,000	187,465	1,465
Interest and rentals	1,750	1,750	1,245	(505)
Transfers in	-	-	70,000	70,000
<b>Amounts Available for Appropriations</b>	<b>956,170</b>	<b>956,170</b>	<b>1,027,130</b>	<b>70,960</b>
<b>Charges to Appropriation (Outflows):</b>				
Urban development	126,853	126,853	323,993	(197,140)
Capital outlay	76,716	76,716	-	76,716
Transfers out	-	115,000	152,302	(37,302)
<b>Total Charges to Appropriations</b>	<b>203,569</b>	<b>318,569</b>	<b>476,295</b>	<b>(157,726)</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 752,601</b>	<b>\$ 637,601</b>	<b>\$ 550,835</b>	<b>\$ (86,766)</b>

CITY OF POMONA

BUDGETARY COMPARISON SCHEDULE  
 LANDSCAPE MAINTENANCE DISTRICT  
 YEAR ENDED JUNE 30, 2014

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 561,874	\$ 561,874	\$ 561,874	\$ -
<b>Resources (Inflows):</b>				
Special assessments	1,210,440	1,210,440	1,193,067	(17,373)
Interest and rentals	450	450	1,335	885
<b>Amounts Available for Appropriations</b>	<b>1,772,764</b>	<b>1,772,764</b>	<b>1,756,276</b>	<b>(16,488)</b>
<b>Charges to Appropriation (Outflows):</b>				
Neighborhood services	1,098,699	1,197,603	1,176,501	21,102
<b>Total Charges to Appropriations</b>	<b>1,098,699</b>	<b>1,197,603</b>	<b>1,176,501</b>	<b>21,102</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 674,065</b>	<b>\$ 575,161</b>	<b>\$ 579,775</b>	<b>\$ 4,614</b>

CITY OF POMONA

**BUDGETARY COMPARISON SCHEDULE  
ASSET FORFEITURE  
YEAR ENDED JUNE 30, 2014**

	<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	\$4,486,570	\$ 4,486,570	\$ 4,486,570	\$ -
<b>Resources (Inflows):</b>				
Charges for services	60,000	60,000	29,999	(30,001)
Interest and rentals	20,000	20,000	5,225	(14,775)
Miscellaneous	1,500,000	1,500,000	546,705	(953,295)
Proceeds from sale of capital assets	-	-	5,400	5,400
<b>Amounts Available for Appropriations</b>	<b>6,066,570</b>	<b>6,066,570</b>	<b>5,073,899</b>	<b>(992,671)</b>
<b>Charges to Appropriation (Outflows):</b>				
Public safety	3,014,693	3,017,828	2,057,116	960,712
Capital outlay	-	671,149	642,083	29,066
Transfers out	1,310,284	900,000	1,308	898,692
<b>Total Charges to Appropriations</b>	<b>4,324,977</b>	<b>4,588,977</b>	<b>2,700,507</b>	<b>1,888,470</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 1,741,593</b>	<b>\$ 1,477,593</b>	<b>\$ 2,373,392</b>	<b>\$ 895,799</b>



CITY OF POMONA

**BUDGETARY COMPARISON SCHEDULE  
TRAFFIC OFFENDER  
YEAR ENDED JUNE 30, 2014**

	<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	\$ 261,551	\$ 261,551	\$ 261,551	\$ -
<b>Resources (Inflows):</b>				
Charges for services	330,000	330,000	489,300	159,300
Interest and rentals	-	-	881	881
<b>Amounts Available for Appropriations</b>	<b>591,551</b>	<b>591,551</b>	<b>751,732</b>	<b>160,181</b>
<b>Charges to Appropriation (Outflows):</b>				
Public safety	203,855	203,855	199,476	4,379
Capital outlay	-	113,276	113,276	-
<b>Total Charges to Appropriations</b>	<b>203,855</b>	<b>317,131</b>	<b>312,752</b>	<b>4,379</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 387,696</b>	<b>\$ 274,420</b>	<b>\$ 438,980</b>	<b>\$ 164,560</b>

CITY OF POMONA

**BUDGETARY COMPARISON SCHEDULE  
MEASURE R  
YEAR ENDED JUNE 30, 2014**

	<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	\$ 1,658,372	\$ 1,658,372	\$ 1,658,372	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	1,443,630	1,443,630	1,585,804	142,174
Interest and rentals	-	-	4,346	4,346
Transfers in	60,000	60,000	6,812	(53,188)
<b>Amounts Available for Appropriations</b>	<b>3,162,002</b>	<b>3,162,002</b>	<b>3,255,334</b>	<b>93,332</b>
<b>Charges to Appropriation (Outflows):</b>				
Urban development	1,020,536	984,281	725,833	258,448
Capital outlay	60,000	96,255	27,164	69,091
Transfers out	453,567	858,567	656,346	202,221
<b>Total Charges to Appropriations</b>	<b>1,534,103</b>	<b>1,939,103</b>	<b>1,409,343</b>	<b>529,760</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 1,627,899</b>	<b>\$ 1,222,899</b>	<b>\$ 1,845,991</b>	<b>\$ 623,092</b>

CITY OF POMONA

**BUDGETARY COMPARISON SCHEDULE  
GENERAL SANITATION FEES OPERATIONS  
YEAR ENDED JUNE 30, 2014**

	<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	\$ 53,605	\$ 53,605	\$ 53,605	\$ -
<b>Resources (Inflows):</b>				
Licenses and permits	1,384,260	1,384,260	1,395,225	10,965
Charges for services	-	-	5,272	5,272
Interest and rentals	-	-	466	466
Fines and forfeitures	19,100	19,100	13,340	(5,760)
Miscellaneous	800	800	1,306	506
Transfers in	971,028	971,028	564,050	(406,978)
<b>Amounts Available for Appropriations</b>	<b>2,428,793</b>	<b>2,428,793</b>	<b>2,033,264</b>	<b>(395,529)</b>
<b>Charges to Appropriation (Outflows):</b>				
Urban development	2,375,188	2,380,220	2,023,539	356,681
<b>Total Charges to Appropriations</b>	<b>2,375,188</b>	<b>2,380,220</b>	<b>2,023,539</b>	<b>356,681</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 53,605</b>	<b>\$ 48,573</b>	<b>\$ 9,725</b>	<b>\$ (38,848)</b>

CITY OF POMONA

BUDGETARY COMPARISON SCHEDULE  
 CAPITAL OUTLAY  
 YEAR ENDED JUNE 30, 2014

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 5,794,093	\$ 5,794,093	\$ 5,794,093	\$ -
<b>Resources (Inflows):</b>				
Taxes	-	-	12,963	12,963
Licenses and permits	-	-	344,151	344,151
Intergovernmental	-	-	846,876	846,876
Charges for services	-	241,000	6,328	(234,672)
Interest and rentals	-	-	3,883	3,883
Miscellaneous	1,000	1,000	-	(1,000)
Transfers in	2,430,284	2,447,040	894,403	(1,552,637)
<b>Amounts Available for Appropriations</b>	<b>8,225,377</b>	<b>8,483,133</b>	<b>7,902,697</b>	<b>(580,436)</b>
<b>Charges to Appropriation (Outflows):</b>				
General government	-	-	483	(483)
Public safety	-	-	9,643	(9,643)
Urban development	-	62,500	1,901,302	(1,838,802)
Capital outlay	2,497,043	284,215	588,688	(304,473)
Debt service:				
Principal retirement	-	-	200,899	(200,899)
Transfers out	784,570	2,359,312	961,849	1,397,463
<b>Total Charges to Appropriations</b>	<b>3,281,613</b>	<b>2,706,027</b>	<b>3,662,864</b>	<b>(956,837)</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 4,943,764</b>	<b>\$ 5,777,106</b>	<b>\$ 4,239,833</b>	<b>\$ (1,537,273)</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, workers' compensation, information technology, and printing and mail services provided to other departments or agencies of the City.

## CITY OF POMONA

**COMBINING STATEMENT OF NET POSITION  
INTERNAL SERVICE FUNDS  
JUNE 30, 2014**

	<u>Self- Insurance Funds</u>	<u>Equipment Maintenance</u>	<u>Information Technology</u>	<u>Printing/Mail Services</u>
<b>Assets:</b>				
Current:				
Cash and investments	\$ 10,242,231	\$ 783,288	\$ 27,037	\$ 2,019
Receivables (net):				
Interest	4,297	-	-	-
Inventories	-	359,693	-	-
<b>Total Current Assets</b>	<b>10,246,528</b>	<b>1,142,981</b>	<b>27,037</b>	<b>2,019</b>
Noncurrent:				
Capital assets, net of depreciation	-	147,277	-	-
<b>Total Noncurrent Assets</b>	<b>-</b>	<b>147,277</b>	<b>-</b>	<b>-</b>
<b>Total Assets</b>	<b>\$ 10,246,528</b>	<b>\$ 1,290,258</b>	<b>\$ 27,037</b>	<b>\$ 2,019</b>
<b>Liabilities and Net Position:</b>				
<b>Liabilities:</b>				
Current:				
Accounts payable	\$ 1,533,612	\$ 241,599	\$ 21,393	\$ 2,019
Payroll payable	11,330	27,025	5,644	-
Compensated absences	-	149,000	-	-
Claims and judgments	2,026,000	-	-	-
<b>Total Current Liabilities</b>	<b>3,570,942</b>	<b>417,624</b>	<b>27,037</b>	<b>2,019</b>
Noncurrent:				
Advances from other funds	5,000,000	-	-	-
Compensated absences	-	64,459	-	-
Claims and judgments	14,153,444	-	-	-
<b>Total Noncurrent Liabilities</b>	<b>19,153,444</b>	<b>64,459</b>	<b>-</b>	<b>-</b>
<b>Total Liabilities</b>	<b>22,724,386</b>	<b>482,083</b>	<b>27,037</b>	<b>2,019</b>
<b>Net Position:</b>				
Net investment in capital assets	-	147,277	-	-
Unrestricted	(12,477,858)	660,898	-	-
<b>Total Net Position</b>	<b>(12,477,858)</b>	<b>808,175</b>	<b>-</b>	<b>-</b>
<b>Total Liabilities and Net Position</b>	<b>\$ 10,246,528</b>	<b>\$ 1,290,258</b>	<b>\$ 27,037</b>	<b>\$ 2,019</b>

CITY OF POMONA

COMBINING STATEMENT OF NET POSITION  
INTERNAL SERVICE FUNDS  
JUNE 30, 2014

	<u>Total</u>
<b>Assets:</b>	
Current:	
Cash and investments	\$ 11,054,575
Receivables (net):	
Interest	4,297
Inventories	<u>359,693</u>
<b>Total Current Assets</b>	<b><u>11,418,565</u></b>
Noncurrent:	
Capital assets, net of depreciation	<u>147,277</u>
<b>Total Noncurrent Assets</b>	<b><u>147,277</u></b>
<b>Total Assets</b>	<b><u>\$ 11,565,842</u></b>
<b>Liabilities and Net Position:</b>	
<b>Liabilities:</b>	
Current:	
Accounts payable	\$ 1,798,623
Payroll payable	43,999
Compensated absences	149,000
Claims and judgments	<u>2,026,000</u>
<b>Total Current Liabilities</b>	<b><u>4,017,622</u></b>
Noncurrent:	
Advances from other funds	5,000,000
Compensated absences	64,459
Claims and judgments	<u>14,153,444</u>
<b>Total Noncurrent Liabilities</b>	<b><u>19,217,903</u></b>
<b>Total Liabilities</b>	<b><u>23,235,525</u></b>
<b>Net Position:</b>	
Net investment in capital assets	147,277
Unrestricted	<u>(11,816,960)</u>
<b>Total Net Position</b>	<b><u>(11,669,683)</u></b>
<b>Total Liabilities and Net Position</b>	<b><u>\$ 11,565,842</u></b>



CITY OF POMONA

**COMBINING STATEMENT OF REVENUES, EXPENSES,  
AND CHANGES IN NET POSITION  
INTERNAL SERVICE FUNDS  
YEAR ENDED JUNE 30, 2014**

	<u>Self- Insurance Funds</u>	<u>Equipment Maintenance</u>	<u>Information Technology</u>	<u>Printing/Mail Services</u>
<b>Operating Revenues:</b>				
Charges for services	\$ 5,329,300	\$ 3,716,786	\$ 1,512,977	\$ 26,330
Miscellaneous	280,120	-	-	-
<b>Total Operating Revenues</b>	<b><u>5,609,420</u></b>	<b><u>3,716,786</u></b>	<b><u>1,512,977</u></b>	<b><u>26,330</u></b>
<b>Operating Expenses:</b>				
Personnel services	-	1,064,915	247,406	-
Operations	-	2,186,951	1,260,376	26,330
Claims expense	3,387,120	464,511	-	-
Insurance	-	36,549	5,195	-
Depreciation	-	23,053	-	-
<b>Total Operating Expenses</b>	<b><u>3,387,120</u></b>	<b><u>3,775,979</u></b>	<b><u>1,512,977</u></b>	<b><u>26,330</u></b>
Operating Income (Loss)	<u>2,222,300</u>	<u>(59,193)</u>	<u>-</u>	<u>-</u>
<b>Nonoperating Revenues (Expenses):</b>				
Interest revenue	<u>10,261</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Nonoperating Revenues (Expenses)</b>	<b><u>10,261</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>
Income (Loss) Before Transfers	2,232,561	(59,193)	-	-
Transfers out	<u>(325,854)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Changes in Net Position	1,906,707	(59,193)	-	-
<b>Net Position:</b>				
Beginning of Year	<u>(14,384,565)</u>	<u>867,368</u>	<u>-</u>	<u>-</u>
<b>End of Year</b>	<b><u>\$(12,477,858)</u></b>	<b><u>\$ 808,175</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>

CITY OF POMONA

COMBINING STATEMENT OF REVENUES, EXPENSES,  
AND CHANGES IN NET POSITION  
INTERNAL SERVICE FUNDS  
YEAR ENDED JUNE 30, 2014

	<u>Total</u>
<b>Operating Revenues:</b>	
Charges for services	\$ 10,585,393
Miscellaneous	280,120
	<u>10,865,513</u>
<b>Total Operating Revenues</b>	<b>10,865,513</b>
<b>Operating Expenses:</b>	
Personnel services	1,312,321
Operations	3,473,657
Claims expense	3,851,631
Insurance	41,744
Depreciation	23,053
	<u>8,702,406</u>
<b>Total Operating Expenses</b>	<b>8,702,406</b>
Operating Income (Loss)	<u>2,163,107</u>
<b>Nonoperating Revenues (Expenses):</b>	
Interest revenue	<u>10,261</u>
	<u>10,261</u>
<b>Total Nonoperating Revenues (Expenses)</b>	<b>10,261</b>
Income (Loss) Before Transfers	2,173,368
Transfers out	<u>(325,854)</u>
Changes in Net Position	1,847,514
<b>Net Position:</b>	
Beginning of Year	<u>(13,517,197)</u>
<b>End of Year</b>	<b><u><u>\$(11,669,683)</u></u></b>

## CITY OF POMONA

**COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
YEAR ENDED JUNE 30, 2014**

	<b>Self- Insurance Funds</b>	<b>Equipment Maintenance</b>	<b>Information Technology</b>	<b>Printing/Mail Services</b>
<b>Cash Flows from Operating Activities:</b>				
Cash received from customers and users	\$ 5,329,300	\$ 3,716,786	\$ 1,512,977	\$ 26,330
Cash received from (paid for) other	280,120	-	-	-
Cash paid to suppliers for goods and services	(5,192,843)	(2,654,261)	(1,261,147)	(25,538)
Cash paid for general and administrative expenses	-	(1,058,151)	(246,384)	-
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>416,577</b>	<b>4,374</b>	<b>5,446</b>	<b>792</b>
<b>Cash Flows from Non-Capital Financing Activities:</b>				
Cash transfers out	(325,854)	-	-	-
Due from other governments	5,848	146	-	-
<b>Net Cash Provided (Used) by Non-Capital Financing Activities</b>	<b>(320,006)</b>	<b>146</b>	<b>-</b>	<b>-</b>
<b>Cash Flows from Investing Activities:</b>				
Interest received	8,816	-	-	-
<b>Net Cash Provided (Used) by Investing Activities</b>	<b>8,816</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>105,387</b>	<b>4,520</b>	<b>5,446</b>	<b>792</b>
Cash and Cash Equivalents, Beginning of Year	10,136,844	778,768	21,591	1,227
<b>Cash and Cash Equivalents, End of Year</b>	<b>\$ 10,242,231</b>	<b>\$ 783,288</b>	<b>\$ 27,037</b>	<b>\$ 2,019</b>
<b>Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:</b>				
Operating income (loss)	\$ 2,222,300	\$ (59,193)	\$ -	\$ -
<b>Adjustments to reconcile operating income (loss) net cash provided (used) by operating activities:</b>				
Depreciation	-	23,053	-	-
(Increase) decrease in inventories	-	(22,163)	-	-
Increase (decrease) in accounts payable	1,041,491	55,913	4,424	792
Increase (decrease) in payroll payable	4,908	6,013	1,022	-
Increase (decrease) in claims and judgments	(2,852,122)	-	-	-
Increase (decrease) in compensated absences	-	751	-	-
<b>Total Adjustments</b>	<b>(1,805,723)</b>	<b>63,567</b>	<b>5,446</b>	<b>792</b>
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$ 416,577</b>	<b>\$ 4,374</b>	<b>\$ 5,446</b>	<b>\$ 792</b>

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

During fiscal year 2013-2014, there was no non-cash investing, capital and financing activities.

CITY OF POMONA

**COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
YEAR ENDED JUNE 30, 2014**

	<u>Total</u>
<b>Cash Flows from Operating Activities:</b>	
Cash received from customers and users	\$ 10,585,393
Cash received from (paid for) other	280,120
Cash paid to suppliers for goods and services	(9,133,789)
Cash paid for general and administrative expenses	<u>(1,304,535)</u>
<b>Net Cash Provided (Used) by Operating Activities</b>	<b><u>427,189</u></b>
<b>Cash Flows from Non-Capital Financing Activities:</b>	
Cash transfers out	(325,854)
Due from other governments	<u>5,994</u>
<b>Net Cash Provided (Used) by Non-Capital Financing Activities</b>	<b><u>(319,860)</u></b>
<b>Cash Flows from Investing Activities:</b>	
Interest received	<u>8,816</u>
<b>Net Cash Provided (Used) by Investing Activities</b>	<b><u>8,816</u></b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>116,145</b>
Cash and Cash Equivalents, Beginning of Year	<u>10,938,430</u>
<b>Cash and Cash Equivalents, End of Year</b>	<b><u>\$ 11,054,575</u></b>
<b>Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:</b>	
Operating income (loss)	<u>\$ 2,163,107</u>
<b>Adjustments to reconcile operating income (loss) net cash provided (used) by operating activities:</b>	
Depreciation	23,053
(Increase) decrease in inventories	(22,163)
Increase (decrease) in accounts payable	1,102,620
Increase (decrease) in payroll payable	11,943
Increase (decrease) in claims and judgments	(2,852,122)
Increase (decrease) in compensated absences	<u>751</u>
<b>Total Adjustments</b>	<b><u>(1,735,918)</u></b>
<b>Net Cash Provided (Used) by Operating Activities</b>	<b><u>\$ 427,189</u></b>

**Non-Cash Investing, Capital, and Financing Activities:**  
During fiscal year 2013-2014, there was no non-cash inve

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## FIDUCIARY FUNDS

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

CITY OF POMONA

COMBINING BALANCE SHEET  
 AGENCY FUNDS  
 JUNE 30, 2014

	<u>Assessment Districts</u>	<u>Engineers' Revolving</u>	<u>Construction Guarantee</u>	<u>Municipal Revolving</u>
<b>Assets:</b>				
Cash and investments	\$ 223,032	\$ 567,509	\$ 860,960	\$ 936,043
Receivables:				
Accounts	-	-	-	11,072
Interest	180	294	-	-
Due from other governments	10,044	-	-	2,449
<b>Total Assets</b>	<b><u>\$ 233,256</u></b>	<b><u>\$ 567,803</u></b>	<b><u>\$ 860,960</u></b>	<b><u>\$ 949,564</u></b>
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ -	\$ 15,828	\$ 70,834
Deposits payable	10,044	567,803	845,132	878,730
Due to external parties/other agencies	223,212	-	-	-
<b>Total Liabilities</b>	<b><u>\$ 233,256</u></b>	<b><u>\$ 567,803</u></b>	<b><u>\$ 860,960</u></b>	<b><u>\$ 949,564</u></b>

CITY OF POMONA

COMBINING BALANCE SHEET  
 AGENCY FUNDS  
 JUNE 30, 2014

	<u>Employee Benefits/ Deductions</u>	<u>Settlement SBOE</u>	<u>Total</u>
<b>Assets:</b>			
Cash and investments	\$ 1,432,904	\$ 376,919	\$ 4,397,367
Receivables:			
Accounts	-	-	11,072
Interest	-	-	474
Due from other governments	-	-	12,493
<b>Total Assets</b>	<b><u>\$ 1,432,904</u></b>	<b><u>\$ 376,919</u></b>	<b><u>\$ 4,421,406</u></b>
<b>Liabilities:</b>			
Accounts payable	\$ 1,432,904	\$ 376,919	\$ 1,896,485
Deposits payable	-	-	2,301,709
Due to external parties/other agencies	-	-	223,212
<b>Total Liabilities</b>	<b><u>\$ 1,432,904</u></b>	<b><u>\$ 376,919</u></b>	<b><u>\$ 4,421,406</u></b>



## CITY OF POMONA

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 AGENCY FUNDS  
 YEAR ENDED JUNE 30, 2014**

	Balance 7/1/2013	Additions	Deductions	Balance 6/30/2014
<b><u>Assessment Districts</u></b>				
<b>Assets:</b>				
Cash and investments	\$ 250,229	\$ 771,609	\$ 798,806	\$ 223,032
Receivables:				
Interest	125	180	125	180
Due from other governments	4,841	10,044	4,841	10,044
<b>Total Assets</b>	<b>\$ 255,195</b>	<b>\$ 781,833</b>	<b>\$ 803,772</b>	<b>\$ 233,256</b>
<b>Liabilities:</b>				
Accounts payable	\$ 25,609	\$ -	\$ 25,609	\$ -
Deposits payable	4,841	10,044	4,841	10,044
Due to external parties/other agencies	224,745	-	1,533	223,212
<b>Total Liabilities</b>	<b>\$ 255,195</b>	<b>\$ 10,044</b>	<b>\$ 31,983</b>	<b>\$ 233,256</b>
<b><u>Engineers' Revolving</u></b>				
<b>Assets:</b>				
Cash and investments	\$ 566,953	\$ 556	\$ -	\$ 567,509
Receivables:				
Interest	203	294	203	294
<b>Total Assets</b>	<b>\$ 567,156</b>	<b>\$ 850</b>	<b>\$ 203</b>	<b>\$ 567,803</b>
<b>Liabilities:</b>				
Deposits payable	\$ 567,156	\$ 647	\$ -	\$ 567,803
<b>Total Liabilities</b>	<b>\$ 567,156</b>	<b>\$ 647</b>	<b>\$ -</b>	<b>\$ 567,803</b>
<b><u>Construction Guarantee</u></b>				
<b>Assets:</b>				
Cash and investments	\$ 788,545	\$ 97,485	\$ 25,070	\$ 860,960
<b>Total Assets</b>	<b>\$ 788,545</b>	<b>\$ 97,485</b>	<b>\$ 25,070</b>	<b>\$ 860,960</b>
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ 15,828	\$ -	\$ 15,828
Deposits payable	788,545	56,587	-	845,132
<b>Total Liabilities</b>	<b>\$ 788,545</b>	<b>\$ 72,415</b>	<b>\$ -</b>	<b>\$ 860,960</b>
<b><u>Municipal Revolving</u></b>				
<b>Assets:</b>				
Cash and investments	\$ 850,404	\$ 2,895,340	\$ 2,809,701	\$ 936,043
Receivables:				
Accounts	9,542	11,072	9,542	11,072
Due from other governments	3,638	2,449	3,638	2,449
<b>Total Assets</b>	<b>\$ 863,584</b>	<b>\$ 2,908,861</b>	<b>\$ 2,822,881</b>	<b>\$ 949,564</b>
<b>Liabilities:</b>				
Accounts payable	\$ 23,893	\$ 70,834	\$ 23,893	\$ 70,834
Deposits payable	839,691	39,039	-	878,730
<b>Total Liabilities</b>	<b>\$ 863,584</b>	<b>\$ 109,873</b>	<b>\$ 23,893</b>	<b>\$ 949,564</b>

## CITY OF POMONA

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 AGENCY FUNDS  
 YEAR ENDED JUNE 30, 2014**

	<u>Balance 7/1/2013</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance 6/30/2014</u>
<b><u>Employee Benefits/Deductions</u></b>				
<b>Assets:</b>				
Cash and investments	\$ 1,627,901	\$ 31,264,254	\$ 31,459,251	\$ 1,432,904
<b>Total Assets</b>	<b>\$ 1,627,901</b>	<b>\$ 31,264,254</b>	<b>\$ 31,459,251</b>	<b>\$ 1,432,904</b>
<b>Liabilities:</b>				
Accounts payable	\$ 1,627,901	\$ 31,264,254	\$ 31,459,251	\$ 1,432,904
<b>Total Liabilities</b>	<b>\$ 1,627,901</b>	<b>\$ 31,264,254</b>	<b>\$ 31,459,251</b>	<b>\$ 1,432,904</b>
<b><u>Settlement SBOE</u></b>				
<b>Assets:</b>				
Pooled cash and investments	\$ 690,101	\$ 5,685,316	\$ 5,998,498	\$ 376,919
<b>Total Assets</b>	<b>\$ 690,101</b>	<b>\$ 5,685,316</b>	<b>\$ 5,998,498</b>	<b>\$ 376,919</b>
<b>Liabilities:</b>				
Accounts payable	\$ 690,101	\$ 376,919	\$ 690,101	\$ 376,919
<b>Total Liabilities</b>	<b>\$ 690,101</b>	<b>\$ 376,919</b>	<b>\$ 690,101</b>	<b>\$ 376,919</b>
<b><u>Total - All Agency Funds</u></b>				
<b>Assets:</b>				
Cash and investments	\$ 4,774,133	\$ 40,714,560	\$ 41,091,326	\$ 4,397,367
Receivables:				
Accounts	9,542	11,072	9,542	11,072
Interest	328	474	328	474
Prepaid costs	-	-	-	-
Due from other governments	8,479	12,493	8,479	12,493
<b>Total Assets</b>	<b>\$ 4,792,482</b>	<b>\$ 40,738,599</b>	<b>\$ 41,109,675</b>	<b>\$ 4,421,406</b>
<b>Liabilities:</b>				
Accounts payable	\$ 2,367,504	\$ 31,727,835	\$ 32,198,854	\$ 1,896,485
Deposits payable	2,200,233	106,317	4,841	2,301,709
Due to external parties/other agencies	224,745	-	1,533	223,212
<b>Total Liabilities</b>	<b>\$ 4,792,482</b>	<b>\$ 31,834,152</b>	<b>\$ 32,205,228</b>	<b>\$ 4,421,406</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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**Financial Trends** - *These schedules contain information to help the reader to understand how the City's financial performance and well-being have changed over time.*

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

	Fiscal Year				
	2005	2006	2007	2008	2009
<b>Governmental activities:</b>					
Net investment in capital assets	\$ 95,062,872	\$ 271,540,388	\$ 283,153,069	\$ 266,292,700	\$ 266,710,638
Restricted	162,563,670	113,101,903	121,330,491	126,440,546	130,746,703
Unrestricted	<u>(198,364,012)</u>	<u>(179,150,706)</u>	<u>(182,279,410)</u>	<u>(188,834,296)</u>	<u>(213,456,367)</u>
<b>Total governmental activities net position</b>	<u>\$ 59,262,530</u>	<u>\$ 205,491,585</u>	<u>\$ 222,204,150</u>	<u>\$ 203,898,950</u>	<u>\$ 184,000,974</u>
<b>Business-type activities:</b>					
Net investment in capital assets	\$ 55,380,677	\$ 54,100,219	\$ 52,018,893	\$ 58,437,024	\$ 68,860,850
Restricted	19,373,600	2,986,079	4,049,389	3,015,084	2,940,659
Unrestricted	<u>10,349,393</u>	<u>27,474,990</u>	<u>28,867,217</u>	<u>32,851,495</u>	<u>32,957,936</u>
<b>Total business-type activities net position</b>	<u>\$ 85,103,670</u>	<u>\$ 84,561,288</u>	<u>\$ 84,935,499</u>	<u>\$ 94,303,603</u>	<u>\$ 104,759,445</u>
<b>Primary government:</b>					
Net investment in capital assets	\$ 150,443,549	\$ 325,640,607	\$ 335,171,962	\$ 324,729,724	\$ 335,571,488
Restricted	181,937,270	116,087,982	125,379,880	129,455,630	133,687,362
Unrestricted	<u>(188,014,619)</u>	<u>(151,675,716)</u>	<u>(153,412,193)</u>	<u>(155,982,801)</u>	<u>(180,498,431)</u>
<b>Total primary government net position</b>	<u>\$ 144,366,200</u>	<u>\$ 290,052,873</u>	<u>\$ 307,139,649</u>	<u>\$ 298,202,553</u>	<u>\$ 288,760,419</u>

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

**Schedule 1**

	Fiscal Year				
	2010	2011	2012	2013	2014
<b>Governmental activities:</b>					
Net investment in capital assets	\$ 259,501,244	\$ 257,218,882	\$ 272,949,495	\$ 266,340,326	\$ 239,862,742
Restricted	134,747,514	138,810,197	94,261,171	94,797,810	91,110,197
Unrestricted	(227,480,138)	(232,125,172)	(99,699,617)	(88,955,872)	(66,485,308)
<b>Total governmental activities net position</b>	<b>\$ 166,768,620</b>	<b>\$ 163,903,907</b>	<b>\$ 267,511,049</b>	<b>\$ 272,182,264</b>	<b>\$ 264,487,631</b>
<b>Business-type activities:</b>					
Net investment in capital assets	\$ 62,252,632	\$ 53,012,960	\$ 46,811,318	\$ 40,774,712	\$ 43,825,224
Restricted	2,225,388	7,660,879	13,544,047	14,805,693	32,725,153
Unrestricted	34,455,240	36,095,478	39,600,817	42,671,686	23,144,683
<b>Total business-type activities net position</b>	<b>\$ 98,933,260</b>	<b>\$ 96,769,317</b>	<b>\$ 99,956,182</b>	<b>\$ 98,252,091</b>	<b>\$ 99,695,060</b>
<b>Primary government:</b>					
Net investment in capital assets	\$ 321,753,876	\$ 310,231,842	\$ 319,760,813	\$ 307,115,038	\$ 283,687,966
Restricted	136,972,902	146,471,076	107,805,218	109,603,503	123,835,350
Unrestricted	(193,024,898)	(196,029,694)	(60,098,800)	(46,284,186)	(43,340,625)
<b>Total primary government net position</b>	<b>\$ 265,701,880</b>	<b>\$ 260,673,224</b>	<b>\$ 367,467,231</b>	<b>\$ 370,434,355</b>	<b>\$ 364,182,691</b>

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

	Fiscal Year				
	2005	2006	2007	2008	2009
<b>Expenses</b>					
Governmental activities:					
General government	\$ 8,502,072	\$ 4,566,737	\$ 5,374,997	\$ 7,799,411	\$ 11,325,897
Public safety	61,493,317	62,314,546	66,368,961	71,782,018	76,866,332
Urban development	39,149,792	68,802,603	70,071,752	58,907,290	68,405,205
Neighborhood services	13,511,242	14,817,177	12,761,215	21,517,903	10,418,491
Interest on long-term debt	24,678,827	25,274,237	25,372,308	30,865,822	27,731,312
<b>Total governmental activities</b>	<b>147,335,250</b>	<b>175,775,300</b>	<b>179,949,233</b>	<b>190,872,444</b>	<b>194,747,237</b>
Business-type activities:					
Water	19,210,002	19,172,107	23,845,899	22,807,789	18,980,506
Sewer	2,542,545	2,458,616	3,915,545	2,920,219	2,963,196
Refuse	7,967,320	8,488,309	8,921,093	8,837,471	9,805,894
Canon Water Company	48,563	52,345	17,472	96,255	16,681
<b>Total business-type activities</b>	<b>29,768,430</b>	<b>30,171,377</b>	<b>36,700,009</b>	<b>34,661,734</b>	<b>31,766,277</b>
<b>Total primary government expenses</b>	<b>\$ 177,103,680</b>	<b>\$ 205,946,677</b>	<b>\$ 216,649,242</b>	<b>\$ 225,534,178</b>	<b>\$ 226,513,514</b>
<b>Program Revenues</b>					
Governmental activities:					
Charges for services:					
Police revenues	\$ 2,141,662	\$ 2,423,540	\$ 1,723,534	\$ 2,126,363	\$ 3,046,908
Plan check fees	939,836	988,874	543,317	924,010	410,451
Building permits	1,330,168	1,336,527	927,771	1,287,216	730,510
Graffiti abatement	617,619	609,228	530,399	560,006	566,197
Street sweeping fees	520,018	512,819	423,356	471,387	476,351
Maintenance assessment fees	1,178,638	1,227,281	1,208,338	1,172,825	1,242,240
All other	9,456,166	9,849,392	9,357,921	6,331,014	11,442,772
Operating contributions and grants	22,516,819	22,656,450	27,319,477	24,171,583	17,838,374
Capital contributions and grants	10,040,740	6,718,223	7,154,035	12,395,251	12,020,471
<b>Total governmental activities program revenues</b>	<b>48,741,666</b>	<b>46,322,334</b>	<b>49,188,148</b>	<b>49,439,655</b>	<b>47,774,274</b>
Business-type activities:					
Charges for services:					
Water	22,454,752	22,689,164	26,210,565	27,155,086	27,857,381
Sewer	2,601,847	2,853,610	3,384,966	4,008,291	4,189,672
Refuse	7,234,940	7,395,141	7,326,324	7,733,411	8,661,142
Canon Water Company	-	-	-	-	-
Operating contributions and grants	156,781	68,966	145,820	126,471	64,841
Capital contributions and grants	264,506	23,100	97,420	4,004,312	850
<b>Total business-type activities program revenues</b>	<b>32,712,826</b>	<b>33,029,981</b>	<b>37,165,095</b>	<b>43,027,571</b>	<b>40,773,886</b>
<b>Total primary government program revenues</b>	<b>\$ 81,454,492</b>	<b>\$ 79,352,315</b>	<b>\$ 86,353,243</b>	<b>\$ 92,467,226</b>	<b>\$ 88,548,160</b>

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

**Schedule 2**

	Fiscal Year				
	2005	2006	2007	2008	2009
<b>Net (Expense)/Revenue</b>					
Governmental activities	\$ (98,593,584)	\$ (129,452,966)	\$ (130,761,085)	\$ (141,432,789)	\$ (146,972,963)
Business-type activities	2,944,396	2,858,604	465,086	8,365,837	9,007,609
<b>Total primary government net expense</b>	<b>\$ (95,649,188)</b>	<b>\$ (126,594,362)</b>	<b>\$ (130,295,999)</b>	<b>\$ (133,066,952)</b>	<b>\$ (137,965,354)</b>
<b>General Revenues and Other Changes in Net Position</b>					
Governmental activities:					
Taxes:					
Property taxes	\$ 46,538,436	\$ 53,239,617	\$ 51,952,231	\$ 56,246,496	\$ 65,303,064
Sales taxes	11,683,923	14,710,345	19,072,975	17,200,015	10,628,900
Motor vehicle licenses	1,025,393	1,109,390	874,237	718,936	555,277
Transient occupancy taxes	1,473,711	1,865,001	1,727,097	1,718,607	1,450,270
Property transfer taxes	-	-	2,152,388	1,189,405	1,020,258
Franchise taxes	4,360,394	5,397,384	5,871,860	5,776,052	6,861,266
Utility users taxes	16,774,747	17,576,969	18,290,416	18,154,259	17,732,063
Business licenses	-	-	2,844,503	2,977,865	3,051,371
Other taxes	786,421	678,897	2,459,714	1,973,674	17,579
Investment earnings/(expenses)	16,833,110	17,819,663	19,509,780	19,956,964	17,219,062
Miscellaneous	7,748,110	5,832,425	2,240,671	2,568,179	3,246,127
Extraordinary gain/(loss) on dissolution of Redevelopment Agency	-	-	-	-	-
Transfers	957,958	1,743,417	716,025	(1,753,920)	(10,250)
<b>Total governmental activities</b>	<b>108,182,203</b>	<b>119,973,108</b>	<b>127,711,897</b>	<b>126,726,532</b>	<b>127,074,987</b>
Business-type activities:					
Investment earnings/(expenses)	(1,816,793)	(1,991,603)	108,433	(1,696,056)	(563,393)
Miscellaneous	289,625	334,034	516,717	944,403	2,001,376
Income (loss) on sale of capital assets	(14,987)	-	-	-	-
Transfers	(957,958)	(1,743,417)	(716,025)	1,753,920	10,250
<b>Total business-type activities</b>	<b>(2,500,113)</b>	<b>(3,400,986)</b>	<b>(90,875)</b>	<b>1,002,267</b>	<b>1,448,233</b>
<b>Total primary government</b>	<b>\$ 105,682,090</b>	<b>\$ 116,572,122</b>	<b>\$ 127,621,022</b>	<b>\$ 127,728,799</b>	<b>\$ 128,523,220</b>
<b>Changes in Net Position</b>					
Governmental activities	\$ 9,588,619	\$ (9,479,858)	\$ (3,049,188)	\$ (14,706,257)	\$ (19,897,976)
Business-type activities	444,283	(542,382)	374,211	9,368,104	10,455,842
<b>Total primary government</b>	<b>\$ 10,032,902</b>	<b>\$ (10,022,240)</b>	<b>\$ (2,674,977)</b>	<b>\$ (5,338,153)</b>	<b>\$ (9,442,134)</b>



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

**(Continued)**

	Fiscal Year				
	2010	2011	2012	2013	2014
<b>Expenses</b>					
Governmental activities:					
General government	\$ 6,492,505	\$ 6,064,138	\$ 5,248,291	\$ 7,499,578	\$ 5,583,709
Public safety	71,238,620	63,110,539	63,470,704	62,632,820	66,570,974
Urban development	87,717,680	77,538,633	94,480,470	36,407,420	47,913,493
Neighborhood services	8,228,099	7,082,135	6,771,751	14,858,140	6,181,264
Interest on long-term debt	29,442,106	29,390,035	21,834,146	7,997,227	5,364,960
Total governmental activities	<u>203,119,010</u>	<u>183,185,480</u>	<u>191,805,362</u>	<u>129,395,185</u>	<u>131,614,400</u>
Business-type activities:					
Water	27,457,755	29,408,125	25,909,880	28,242,875	29,585,491
Sewer	3,838,426	5,733,464	5,192,272	8,544,029	4,164,990
Refuse	8,598,275	8,762,936	8,732,864	8,403,397	8,562,818
Canon Water Company	11,787	13,927	13,219	25,163	18,154
Total business-type activities	<u>39,906,243</u>	<u>43,918,452</u>	<u>39,848,235</u>	<u>45,215,464</u>	<u>42,331,453</u>
<b>Total primary government expenses</b>	<u>\$ 243,025,253</u>	<u>\$ 227,103,932</u>	<u>\$ 231,653,597</u>	<u>\$ 174,610,649</u>	<u>\$ 173,945,853</u>
<b>Program Revenues</b>					
Governmental activities:					
Charges for services:					
Police revenues	\$ 2,691,660	\$ 2,053,307	\$ 2,493,299	\$ 3,066,121	\$ 3,316,768
Plan check fees	297,073	354,575	408,563	1,017,684	816,046
Building permits	599,818	466,567	687,783	937,070	1,107,049
Graffiti abatement	561,363	564,531	563,935	552,417	567,499
Street sweeping fees	468,575	473,614	472,717	462,461	475,665
Maintenance assessment fees	1,214,568	1,214,829	1,229,707	1,229,659	1,193,066
All other	14,816,018	7,249,221	731,866	9,066,076	6,014,243
Operating contributions and grants	30,034,337	23,115,271	18,896,518	20,548,119	19,501,511
Capital contributions and grants	16,368,968	24,908,628	18,512,640	15,442,436	12,758,089
Total governmental activities program revenues	<u>67,052,380</u>	<u>60,400,543</u>	<u>43,997,028</u>	<u>52,322,043</u>	<u>45,749,936</u>
Business-type activities:					
Charges for services:					
Water	27,084,809	27,898,709	29,405,992	30,633,205	31,611,142
Sewer	4,271,176	4,342,682	4,528,346	4,461,575	4,684,934
Refuse	9,883,142	9,046,619	9,273,301	9,107,603	9,561,681
Canon Water Company	-	-	-	64,221	64,221
Operating contributions and grants	65,721	109,165	880	46,588	42,833
Capital contributions and grants	-	-	388,000	-	-
Total business-type activities program revenues	<u>41,304,848</u>	<u>41,397,175</u>	<u>43,596,519</u>	<u>44,313,192</u>	<u>45,964,811</u>
<b>Total primary government program revenues</b>	<u>\$ 108,357,228</u>	<u>\$ 101,797,718</u>	<u>\$ 87,593,547</u>	<u>\$ 96,635,235</u>	<u>\$ 91,714,747</u>

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

**Schedule 2**

**(Continued)**

	Fiscal Year				
	2010	2011	2012	2013	2014
<b>Net (Expense)/Revenue</b>					
Governmental activities	\$ (136,066,630)	\$ (122,784,937)	\$ (147,808,334)	\$ (77,073,142)	\$ (85,864,464)
Business-type activities	1,398,605	(2,521,277)	3,748,284	(902,272)	3,633,358
<b>Total primary government net expense</b>	<b>\$ (134,668,025)</b>	<b>\$ (125,306,214)</b>	<b>\$ (144,060,050)</b>	<b>\$ (77,975,414)</b>	<b>\$ (82,231,106)</b>
<b>General Revenues and Other Changes in Net Position</b>					
Governmental activities:					
Taxes:					
Property taxes	\$ 60,772,676	\$ 58,116,765	\$ 41,754,679	\$ 32,143,878	\$ 33,630,550
Sales taxes	11,224,835	9,507,105	10,804,554	12,354,719	12,040,357
Motor vehicle licenses	479,477	829,147	83,907	69,443	-
Transient occupancy taxes	1,300,209	1,266,721	1,359,064	1,473,662	1,560,682
Property transfer taxes	1,114,825	987,363	1,111,530	1,475,856	1,430,195
Franchise taxes	6,094,548	5,910,791	5,961,105	5,671,708	6,029,371
Utility users taxes	17,165,968	17,718,623	17,374,682	16,941,444	17,311,594
Business licenses	2,890,920	2,730,397	3,065,405	3,123,120	3,171,919
Other taxes	10,356	4,008	69,575	20,966	12,963
Investment earnings/(expenses)	14,542,222	23,775,050	13,432,247	4,363,428	2,304,604
Miscellaneous	2,193,630	2,547,071	6,703,775	2,347,387	2,900,772
Extraordinary gain/(loss) on dissolution of Redevelopment Agency	-	-	149,004,835	804,048	(144,397)
Transfers	1,044,610	(220,346)	690,118	954,698	538,371
<b>Total governmental activities</b>	<b>118,834,276</b>	<b>123,172,695</b>	<b>251,415,476</b>	<b>81,744,357</b>	<b>80,786,981</b>
Business-type activities:					
Investment earnings/(expenses)	(6,192,697)	133,255	126,449	41,890	125,696
Miscellaneous	12,517	3,733	2,250	31,677	117,000
Income (loss) on sale of capital assets	-	-	-	79,312	9,205
Transfers	(1,044,610)	220,346	(690,118)	(954,698)	(538,371)
<b>Total business-type activities</b>	<b>(7,224,790)</b>	<b>357,334</b>	<b>(561,419)</b>	<b>(801,819)</b>	<b>(286,470)</b>
<b>Total primary government</b>	<b>\$ 111,609,486</b>	<b>\$ 123,530,029</b>	<b>\$ 250,854,057</b>	<b>\$ 80,942,538</b>	<b>\$ 80,500,511</b>
<b>Changes in Net Position</b>					
Governmental activities	\$ (17,232,354)	\$ 387,758	\$ 103,607,142	\$ 4,671,215	\$ (5,077,483)
Business-type activities	(5,826,185)	(2,163,943)	3,186,865	(1,704,091)	3,346,888
<b>Total primary government</b>	<b>\$ (23,058,539)</b>	<b>\$ (1,776,185)</b>	<b>\$ 106,794,007</b>	<b>\$ 2,967,124</b>	<b>\$ (1,730,595)</b>

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

	Fiscal Year				
	2005	2006	2007	2008	2009
<b>General Fund:</b>					
Reserved	\$ 8,976,671	\$ 7,907,817	\$ 6,888,120	\$ 4,459,873	\$ 4,365,820
Unreserved	7,843,760	10,914,430	13,903,948	10,809,579	4,430,794
Non-spendable	-	-	-	-	-
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
<b>Total General Fund</b>	<b>\$ 16,820,431</b>	<b>\$ 18,822,247</b>	<b>\$ 20,792,068</b>	<b>\$ 15,269,452</b>	<b>\$ 8,796,614</b>
<b>All Other Governmental Funds:</b>					
Reserved	\$ 281,404,289	\$ 279,513,977	\$ 329,767,481	\$ 293,334,925	\$ 305,411,945
Unreserved, designated	-	6,877,406	2,570,640	-	-
Unreserved, reported in:					
Special revenue funds	31,519,944	18,048,054	21,518,821	12,653,645	5,729,977
Debt service funds	(173,774,677)	(182,032,654)	(182,023,917)	(198,469,799)	(155,935,490)
Capital projects funds	29,471,016	54,561,328	1,421,840	60,383,675	2,288,382
Non-spendable	-	-	-	-	-
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
<b>Total All Other Governmental Funds</b>	<b>\$ 168,620,572</b>	<b>\$ 176,968,111</b>	<b>\$ 173,254,865</b>	<b>\$ 167,902,446</b>	<b>\$ 157,494,814</b>

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

**Schedule 3**

	Fiscal Year				
	2010	2011	2012	2013	2014
<b>General Fund:</b>					
Reserved	\$ 4,270,613	\$ -	\$ -	\$ -	\$ -
Unreserved	2,265,028	-	-	-	-
Non-spendable	-	126,089	140,834	109,949	112,436
Restricted	-	-	-	-	-
Committed	-	5,563,011	2,007,185	7,316,769	12,260,809
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
<b>Total General Fund</b>	<b>\$ 6,535,641</b>	<b>\$ 5,689,100</b>	<b>\$ 2,148,019</b>	<b>\$ 7,426,718</b>	<b>\$ 12,373,245</b>
<b>All Other Governmental Funds:</b>					
Reserved	\$ 289,165,426	\$ -	\$ -	\$ -	\$ -
Unreserved, designated	-	-	-	-	-
Unreserved, reported in:					
Special revenue funds	18,753,085	-	-	-	-
Debt service funds	(160,398,749)	-	-	-	-
Capital projects funds	(1,497,507)	-	-	-	-
Non-spendable	-	259,577,717	60,310,838	13,880,356	11,996,916
Restricted	-	81,339,275	41,875,382	88,633,395	86,119,256
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	(202,261,861)	(43,208,211)	(41,655,762)	(41,134,968)
<b>Total All Other Governmental Funds</b>	<b>\$ 146,022,255</b>	<b>\$ 138,655,131</b>	<b>\$ 58,978,009</b>	<b>\$ 60,857,989</b>	<b>\$ 56,981,204</b>

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

	Fiscal Year				
	2005	2006	2007	2008	2009
<b>Revenues:</b>					
Taxes	\$ 82,643,024	\$94,577,603	\$ 105,245,421	\$ 113,490,746	\$ 109,044,092
Special assessments	1,192,248	1,197,805	1,166,719	1,172,826	1,220,222
Licenses and permits	8,423,121	8,440,517	6,690,241	6,261,842	7,350,264
Intergovernmental	32,557,559	29,364,673	34,431,013	27,091,322	25,673,807
Charges for services	1,483,414	1,989,303	2,296,395	2,755,212	2,080,651
Interest and rentals	16,833,110	17,815,895	19,509,672	19,954,480	17,115,029
Fines and forfeitures	2,657,108	3,280,587	2,647,955	3,364,372	4,108,850
Loans repaid	618,306	2,039,449	912,428	235,265	253,064
Contributions and donations	-	-	3,344,179	257,000	-
Miscellaneous	7,035,771	5,832,425	2,240,671	2,629,419	4,888,034
<b>Total Revenues</b>	<b>153,443,661</b>	<b>164,538,257</b>	<b>178,484,694</b>	<b>177,212,484</b>	<b>171,734,013</b>
<b>Expenditures:</b>					
General government	5,379,898	4,323,332	5,000,827	5,054,617	4,104,160
Public safety	59,866,150	61,675,869	64,735,812	70,637,275	72,729,944
Urban development	50,026,817	59,638,945	58,373,543	59,624,349	69,119,619
Neighborhood services	13,001,693	13,122,353	12,120,611	20,816,615	8,823,294
Capital outlay	2,182,578	1,055,369	19,944,715	2,246,951	5,462,154
Debt service:					
Principal retirement	13,749,122	3,357,630	9,251,232	8,078,448	4,127,225
Interest and fiscal charges	21,459,762	22,819,282	27,328,302	27,092,737	26,855,452
Debt issuance costs	1,551,787	2,447,589	1,253,413	241,350	-
<b>Total Expenditures</b>	<b>167,217,807</b>	<b>168,440,369</b>	<b>198,008,455</b>	<b>193,792,342</b>	<b>191,221,848</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(13,774,146)	(3,902,112)	(19,523,761)	(16,579,858)	(19,487,835)
<b>Other Financing Sources (Uses):</b>					
Notes and loans issued	28,233,416	76,825,100	74,207,460	8,805,595	533,765
Bond premium	980,972	-	1,087,257	57,600	-
Payments to escrow agent	-	(53,255,000)	(59,750,000)	-	-
Proceeds from capital leases	582,200	1,343,850	1,714,407	304,646	2,048,956
Proceeds from sale of capital assets	40,385	36,037	110,148	980,368	34,894
Gain/Loss - sale of land held for resale	-	-	(654,961)	(101,238)	-
Transfers in	29,039,524	47,308,301	71,510,464	35,568,008	29,592,084
Transfers out	(28,081,566)	(47,422,755)	(70,794,439)	(39,460,156)	(29,602,334)
<b>Total Other Financing Sources (Uses)</b>	<b>30,794,931</b>	<b>24,835,533</b>	<b>17,430,336</b>	<b>6,154,823</b>	<b>2,607,365</b>
Extraordinary gain/(loss) on dissolution of Redevelopment Agency	-	-	-	-	-
<b>Net Change in Fund Balances</b>	<b>\$ 17,020,785</b>	<b>\$20,933,421</b>	<b>\$ (2,093,425)</b>	<b>\$ (10,425,035)</b>	<b>\$ (16,880,470)</b>
Debt service as a percentage of noncapital expenditures	22.27%	17.10%	21.25%	18.49%	16.68%

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

**Schedule 4**

	Fiscal Year				
	2010	2011	2012	2013	2014
<b>Revenues:</b>					
Taxes	\$ 98,510,896	\$ 95,691,191	\$ 79,677,392	\$ 72,063,654	\$ 74,894,452
Special assessments	1,214,569	1,214,829	1,229,707	1,229,658	1,193,067
Licenses and permits	4,297,116	3,333,417	4,234,901	5,770,483	6,637,168
Intergovernmental	48,689,417	50,654,510	38,432,208	35,229,918	32,189,819
Charges for services	8,855,789	3,625,992	3,637,583	4,619,080	4,145,014
Interest and rentals	14,542,222	15,732,587	13,417,141	4,364,959	2,294,343
Fines and forfeitures	2,065,041	1,784,123	1,820,973	1,960,621	2,119,972
Loans repaid	46,814	-	-	-	-
Contributions and donations	-	-	-	-	-
Miscellaneous	3,401,802	4,663,782	5,223,877	5,040,269	2,329,091
<b>Total Revenues</b>	<b>181,623,666</b>	<b>176,700,431</b>	<b>147,673,782</b>	<b>130,278,642</b>	<b>125,802,926</b>
<b>Expenditures:</b>					
General government	4,046,274	3,073,323	2,385,778	4,388,871	3,569,806
Public safety	67,888,838	61,574,218	61,362,969	62,362,342	65,349,307
Urban development	88,899,216	83,925,250	59,708,273	45,707,873	43,679,402
Neighborhood services	7,121,480	5,889,207	5,577,913	5,007,798	4,748,939
Capital outlay	2,969,473	2,644,383	1,835,062	2,040,791	1,660,811
Debt service:					
Principal retirement	4,338,517	5,480,210	8,123,605	2,437,533	2,817,951
Interest and fiscal charges	27,311,933	26,522,841	25,243,568	7,358,464	4,974,045
Debt issuance costs	-	-	-	-	-
<b>Total Expenditures</b>	<b>202,575,731</b>	<b>189,109,432</b>	<b>164,237,168</b>	<b>129,303,672</b>	<b>126,800,261</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(20,952,065)	(12,409,001)	(16,563,386)	974,970	(997,335)
<b>Other Financing Sources (Uses):</b>					
Notes and loans issued	533,765	649,425	-	200,000	300,000
Bond premium	-	-	-	-	-
Payments to escrow agent	-	-	-	-	-
Proceeds from capital leases	-	-	620,860	695,000	-
Proceeds from sale of capital assets	5,640,158	1,764,196	271,938	4,529,370	1,047,249
Gain/Loss - sale of land held for resale	-	-	-	-	-
Transfers in	21,194,695	25,487,284	15,766,850	16,654,519	8,628,509
Transfers out	(20,150,085)	(29,524,748)	(15,076,732)	(15,699,821)	(7,764,284)
<b>Total Other Financing Sources (Uses)</b>	<b>7,218,533</b>	<b>(1,623,843)</b>	<b>1,582,916</b>	<b>6,379,068</b>	<b>2,211,474</b>
Extraordinary gain/(loss) on dissolution of Redevelopment Agency	-	-	(68,237,733)	(195,359)	(144,397)
<b>Net Change in Fund Balances</b>	<b><u>\$(13,733,532)</u></b>	<b><u>\$(14,032,844)</u></b>	<b><u>\$(83,218,203)</u></b>	<b><u>\$ 7,158,679</u></b>	<b><u>\$ 1,069,742</u></b>
Debt service as a percentage of noncapital expenditures	15.86%	17.16%	20.55%	7.70%	6.23%

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

**Schedule 5**

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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
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	10,805	84	1,359	1,112	5,961	17,375	3,065	70	81,586
2013	32,144	12,355	69	1,474	1,476	5,672	16,941	3,123	20	73,274
2014	33,631	12,040	-	1,561	1,430	6,029	17,312	3,172	13	75,188



**City of Pomona**  
**Assessed Value and Estimated Actual Value of Taxable Property**  
**Last Ten Fiscal Years (in thousands of dollars)**

Fiscal Year Ended June 30	Residential Property	Commercial Property	Industrial Property	Other	Unitary Values	Unsecured Property
2003	\$ 3,636,134	\$ 631,521	\$ 683,240	\$ 470,652	\$ 6,386	\$ 389,125
2004	3,939,524	662,050	735,782	521,226	7,163	402,393
2005	4,302,735	701,661	797,451	510,119	8,204	379,197
2006	4,871,752	753,876	875,823	548,455	7,077	383,627
2007	5,555,560	850,046	927,732	619,284	5,880	376,178
2008	6,175,439	946,442	1,012,035	690,821	790	372,791
2009	6,486,480	1,019,941	1,104,778	754,630	790	384,081
2010	5,759,284	1,039,418	1,197,842	830,321	788	381,397
2011	5,441,493	1,034,597	1,244,142	885,973	788	352,403
2012	5,571,482	998,040	1,226,077	905,772	655	360,777
2013	5,679,812	1,019,770	1,178,211	884,418	655	350,896
2014	5,932,623	1,059,762	1,233,924	869,787	374	372,621

Source: Los Angeles County Assessor data, MuniServices, LLC

Prior Year values have been restated for consistency and compliance with GASB No. 44 guidelines

- (1) Exemptions are exclusive of home owner exemptions.
- (2) Total direct tax rate is the voter approved taxes over and above the 1% Proposition 13 tax for TRA 007-790.
- (3) Estimated Actual Value is derived from a series of calculations comparing median assessed values from 1940 to current median sale prices. Based on these calculations a multiplier value was extrapolated and applied to current assessed values.

Less: Tax Exempt Property (1)	Total Taxable Assessed Value	Total Direct Tax Rate (2)	Estimated Actual Taxable Value (3)	Factor of Taxable Assessed Value (3)
\$ 265,883	\$ 5,551,175	1.15046	\$ -	\$ -
309,797	5,958,341	1.14814	-	-
333,693	6,365,674	1.14988	-	-
359,681	7,080,929	1.15134	-	-
274,419	8,060,261	1.15214	-	-
429,662	8,768,656	1.13719	-	-
447,378	9,303,322	0.14340	8,726,237	0.937970
459,461	8,749,589	0.17547	8,691,272	1.004839
538,120	8,421,276	0.20728	8,288,686	0.984255
652,301	8,410,502	0.20375	8,637,468	1.026986
678,279	8,435,483	0.21734	9,148,296	1.084502
647,264	8,821,827	0.18781	11,575,340	1.312125

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

*Schedule 7*

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Basic City and County Levy:										
City of Pomona	0.000000	0.000000	0.000000	0.000000	0.233504	0.310821	0.233504	0.233504	0.233504	0.233504
Other taxing agencies	0.000000	0.000000	0.000000	0.000000	0.766496	0.689179	0.766496	0.766496	0.766496	0.766496
Total	<u>1.000000</u>	<u>1.000000</u>	<u>1.000000</u>	<u>1.000000</u>	<u>1.000000</u>	<u>1.000000</u>	<u>1.000000</u>	<u>1.000000</u>	<u>1.000000</u>	<u>1.000000</u>
Override Assessments:										
County	0.000000	0.000790	0.000660	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
Unified Schools	0.129100	0.124880	0.124010	0.113790	0.115771	0.145455	0.177212	0.173636	0.184882	0.164074
Community College	0.014730	0.021220	0.021840	0.017500	0.023326	0.025710	0.026363	0.026415	0.028957	0.020231
Flood Control	0.000250	0.000050	0.000050	0.001400	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
Metro Water District	0.005800	0.005200	0.004700	0.004500	0.004300	0.004300	0.003700	0.003700	0.003500	0.003500
Total	<u>0.149880</u>	<u>0.152140</u>	<u>0.151260</u>	<u>0.137190</u>	<u>0.143397</u>	<u>0.175465</u>	<u>0.207275</u>	<u>0.203751</u>	<u>0.217339</u>	<u>0.187805</u>
Total Tax Rate	<u>1.149880</u>	<u>1.152140</u>	<u>1.151260</u>	<u>1.137190</u>	<u>1.143397</u>	<u>1.175465</u>	<u>1.207275</u>	<u>1.203751</u>	<u>1.217339</u>	<u>1.187805</u>

Source: Los Angeles County Auditor/Controller data, MuniServices, LLC  
2007-08 and prior: prior year CAFR reports  
For presentation purposes, TRA 007-790 is represented

**City of Pomona  
Principal Property Taxpayers  
Current Fiscal Year and Nine Years Ago**

**Schedule 8**

Taxpayer	2014			2005		
	Taxable Assessed Valuation	Rank	Percent of Total City Taxable Assessed Value	Taxable Assessed Valuation	Rank	Percent of Total City Taxable Assessed Value
Crest Financing LP	\$ 81,685,318	1	0.94%			
Realty Associates	65,376,351	2	0.75%	\$ 31,637,153	2	0.51%
Casa Colina Centers for Rehabilitation	42,356,580	3	0.49%			
KTR Pomona LLC	37,724,400	4	0.43%			
LBA Realty Fund III	29,929,726	5	0.34%			
Fairplex	29,329,205	6	0.34%			
Ripon Cogeneration LLC	28,923,583	7	0.33%			
CMC Dragon LP	28,412,960	8	0.33%			
Pine Club Apts LLC	24,040,940	9	0.28%			
F D S Mfg Co	23,403,184	10	0.27%	18,005,478	10	0.29%
Essex Crest LP				60,656,659	1	0.97%
Pomona Gateway Partners LLC				31,299,104	3	0.50%
Sheraton Suites Fairplex				25,681,250	4	0.41%
Rockwell Collins Inc.				24,865,537	5	0.40%
Coca Cola Co				22,589,566	6	0.36%
Devry University				21,429,183	7	0.34%
CH Realty III				21,000,000	8	0.34%
Smurfit Newsprint Corp				19,974,389	9	0.32%

Source: Los Angeles County Assessor data, MuniServices, LLC

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

**Schedule 9**

2014	2005
Allstar KIA	Arco AM/PM Mini Marts
Arco AM/PM Mini Marts	Barretts Equine Sales
Barretts Equine Sales	Car Pros KIA
Cardenas Market	Chevron Service Stations
Chevron Service Stations [1]	Circuit City
Chevron Service Stations [2]	Construction Hardware
Chevron Service Stations [3]	Graphic Distributors
Construction Hardware	Grossmans Warehouse
Cornucopia Foods	GTE Communication Systems Corp
CVS Pharmacy	Home Depot
Ferguson Enterprises	Howard & Sons Building Materials
Global Rental Company	Huntington Hardware
HD Supply Repair & Remodel	Jammin Chrysler Jeep Dodge
Home Depot	Myers Tire Supply
Huntington Hardware	Puma Oil
Mar-Co Equipment Company	Rancho Valley Chevrolet/Geo
Mike Thompson's Recreational	Rio Rancho Buick/Pontiac/GMC
Phenix Enterprises	Rohr Steel
Ralph's Grocery Company	Sav-On Drug Stores
Rohr Steel	Stator Bros Markets
Sheraton Hotel	Sylvania Lighting Services
Superior Duct Fabrication	Texaco Service Stations
Target Stores	Toys R Us
USA Service Stations	Wal-Mart Stores
Wal-Mart Stores	West Coast RV's

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
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%
2013	12,528,234	12,434,130	99.2%	349,337	12,783,467	102.0%
2014	13,596,705	13,442,112	98.9%	637,832	14,079,944	103.6%

Source: Los Angeles County Auditor/Controller, 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	
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	2,379,277	102,847,895
2013	-	42,446,378	44,400,752	12,012,435	1,864,337	100,723,902
2014	-	41,110,000	44,414,040	11,681,813	3,334,648	100,540,501

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			
\$ 63,575,000	\$ 4,049,424	\$ 67,624,424	\$ 380,968,504	n/a	\$ 2,369
62,285,000	3,581,475	65,866,475	392,085,272	n/a	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	239,053,051	n/a	1,468
135,674,210	4,112,175	139,786,385	240,510,287	n/a	1,593
133,915,426	3,564,689	137,480,115	238,020,616	n/a	1,569



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

**Schedule 12**

Fiscal Year Ended June 30	General Bonded Debt Outstanding					Restricted * for Debt Service	Net Bonded Debt	Percentage of Actual Value of Property (1)	Per Capita (2)
	Revenue Bonds	Tax Allocation Bonds	Pension Obligation Ref Bonds	Certificates of Participation	Total				
2005	\$ 195,413	\$ 11,875	\$ 38,000	\$ 22,002	\$ 267,290	\$ 57,798	\$ 209,492	4.2%	\$ 1,662
2006	216,256	11,510	42,281	18,622	288,669	2	288,667	4.1%	1,783
2007	227,448	9,815	42,281	13,802	293,346	7,031	286,315	3.9%	1,809
2008	229,692	9,730	42,281	13,521	295,224	14,073	281,151	3.6%	1,807
2009	227,390	9,645	42,281	13,235	292,551	13,233	279,318	3.1%	1,790
2010	224,932	9,555	42,209	12,944	289,640	17,589	272,051	3.3%	1,779
2011	222,313	9,460	44,114	12,644	288,531	29,115	259,416	3.4%	1,933
2012	43,836	-	44,299	12,333	100,468	51,855	48,613	1.2%	670
2013	42,446	-	44,401	12,012	98,859	50,439	48,420	1.2%	655
2014	41,110	-	44,414	11,682	97,206	49,229	47,977	1.1%	640

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

(1) See Schedule 6 for property value data.

(2) Population data can be found in Schedule 17.

\* Includes bond reserves and unspent bond proceeds

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

**Schedule 13**

OVERLAPPING DEBT 06/30/2014:	Total Debt 6/30/2014	% Applicable (1)	City's Share of Debt 06/30/2014
Los Angeles County Flood Control District	\$ 17,480,000	0.812%	\$ 141,938
Metropolitan Water District	132,275,000	0.404%	534,391
Citrus Community College District	94,242,553	1.272%	1,198,765
Mount San Antonio Community College District	367,870,367	11.952%	43,967,866
Bonita Unified School District	129,392,395	0.117%	151,389
Claremont Unified School District	32,270,000	6.300%	2,033,010
Pomona Unified School District	202,359,426	75.307%	152,390,813
City of Pomona 1915 Act Bonds	3,750,000	100.000%	3,750,000
Los Angeles County Regional Park and Open Space Assessment District	113,615,000	0.774%	879,380
Pollution Remediation Obligations	1,580,363	100.000%	1,580,363
Obligations Under Capital Leases	879,285	100.000%	879,285
Notes Payable	875,000	100.000%	875,000
Revenue Bonds	37,360,000	100.000%	37,360,000
Pension Obligation Refunding Bonds	44,414,040	100.000%	44,414,040
Certificates of Participation	11,681,813	100.000%	11,681,813
<b>TOTAL OVERLAPPING DEBT</b>	<b>\$ 1,190,045,242</b>		<b>\$ 301,838,053</b>

OVERLAPPING DEBT 06/30/2005:	Total Debt 6/30/2005	% Applicable (1)	City's Share of Debt 06/30/2005
Los Angeles County	\$ 23,470,000	0.651%	\$ 152,790
Los Angeles County Flood Control District	121,880,000	0.661%	805,627
Metropolitan Water District	418,190,000	0.333%	1,392,573
Citrus Community College District	22,000,000	1.558%	342,760
Mount San Antonio Community College District	102,795,000	10.768%	11,068,966
Bonita Unified School District	30,000,000	0.204%	61,200
Claremont Unified School District	44,730,000	6.578%	2,942,339
Pomona Unified School District	133,290,000	70.857%	94,445,295
City of Pomona 1915 Act Bonds	11,050,000	100.000%	11,050,000
Los Angeles County Regional Park & Open Space Assessment District	349,690,000	0.651%	2,276,482
Participation Agreement	654,113	100.000%	654,113
County Deferred Tax Loan	21,737,760	100.000%	21,737,760
Obligations Under Capital Leases	3,540,466	100.000%	3,540,466
Notes Payable	2,955,000	100.000%	2,955,000
Revenue Bonds	184,363,124	100.000%	184,363,124
Tax Allocation Bonds	11,875,000	100.000%	11,875,000
Pension Obligation Refunding Bonds	38,000,000	100.000%	38,000,000
Certificates of Participation	22,002,468	100.000%	22,002,468
<b>TOTAL OVERLAPPING DEBT</b>	<b>\$ 1,542,222,931</b>		<b>\$ 409,665,963</b>

Source: MuniServices, LLC and prior year CAFR

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)**

	2005	2006	2007	2008	2009
Assessed valuation	\$ 6,365,674	\$ 7,080,929	\$ 8,060,261	\$ 8,768,656	\$ 9,303,322
Debt limit percentage	15.00%	15.00%	15.00%	15.00%	15.00%
Debt limit	\$ 954,851	\$ 1,062,139	\$ 1,209,039	\$ 1,315,298	\$ 1,395,498
Amount of debt applicable to debt limit	-	-	-	-	-
Legal debt margin	\$ 954,851	\$ 1,062,139	\$ 1,209,039	\$ 1,315,298	\$ 1,395,498
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 2014**

Assessed Value	\$ 8,821,827
Debt Limit 15%	1,323,274
Debt applicable to debt limit	-
Legal Debt Margin	<u>\$ 1,323,274</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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2010	2011	2012	2013	2014
\$ 8,749,589	\$ 8,421,276	\$ 8,410,502	\$ 8,435,483	\$ 8,821,827
15.00%	15.00%	15.00%	15.00%	15.00%
\$ 1,312,438	\$ 1,263,191	\$ 1,261,575	\$ 1,265,322	\$ 1,323,274
-	-	-	-	-
<u>\$ 1,312,438</u>	<u>\$ 1,263,191</u>	<u>\$ 1,261,575</u>	<u>\$ 1,265,322</u>	<u>\$ 1,323,274</u>

0.00%      0.00%      0.00%      0.00%      0.00%

**City of Pomona  
Pledged Revenue Coverage - Water  
Last Nine Fiscal Years**

**Schedule 15**

Fiscal Year Ended June 30	Water Revenue Bonds						Coverage
	Water Revenue	Less Operating Expenses	Net Available Revenue	Debt Service		Total	
				Principal	Interest		
2006	\$ 22,704,347	\$ 18,684,358	\$ 4,019,989	\$ 1,125,000	\$ 2,305,960	\$ 3,430,960	1.2
2007	32,745,372	30,868,171	1,877,201	-	616,981	616,981	3.0
2008	26,282,806	21,557,482	4,725,324	-	-	-	N/A
2009	27,750,167	22,229,863	5,520,304	-	5,106,170	5,106,170	1.1
2010	27,071,134	20,970,174	6,100,960	200,000	5,099,665	5,299,665	1.2
2011	27,087,846	19,041,122	8,046,724	1,095,000	5,087,935	6,182,935	1.3
2012	27,735,841	18,961,467	8,774,374	1,140,000	5,041,155	6,181,155	1.4
2013	28,794,435	20,836,902	7,957,533	1,190,000	4,992,405	6,182,405	1.3
2014	29,734,402	22,343,608	7,390,794	1,240,000	4,941,475	6,181,475	1.2

Ten years of data is not available

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

Prior Year information has been restated for consistency and compliance with GASB No. 44 guidelines.

No ratio calculation for 2008 due to bond refunding.

**City of Pomona  
Pledged Revenue Coverage - Sewer  
Last Nine Fiscal Years**

**Schedule 16**

Fiscal Year Ended June 30	Sewer Revenue Bonds						Coverage
	Sewer Revenue	Less Operating Expenses	Net Available Revenue	Debt Service		Total	
				Principal	Interest		
2006	\$ 3,007,259	\$ 2,189,272	\$ 817,987	\$ 165,000	\$ 637,757	\$ 802,757	1.0
2007	3,745,389	2,671,343	1,074,046	175,000	827,787	1,002,787	1.1
2008	4,368,532	2,356,508	2,012,024	180,000	1,295,540	1,475,540	1.4
2009	4,424,826	2,426,368	1,998,458	180,000	1,302,305	1,482,305	1.3
2010	4,348,448	2,530,093	1,818,355	295,000	1,310,465	1,605,465	1.1
2011	4,400,436	2,444,519	1,955,917	325,000	1,301,753	1,626,753	1.2
2012	4,570,662	2,445,349	2,125,313	340,000	1,290,216	1,630,216	1.3
2013	4,497,533	2,511,043	1,986,490	355,000	1,277,020	1,632,020	1.2
2014	4,736,852	2,800,219	1,936,633	370,000	1,262,289	1,632,289	1.2

Ten years of data is not available

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

Prior Year information has been restated for consistency and compliance with GASB No. 44 guidelines.

**City of Pomona  
Demographic and Economic Statistics  
Last Ten Fiscal Years**

**Schedule 17**

<u>Fiscal Year</u>	<u>Population (1)</u>	<u>Personal Income (2) (in thousands)</u>	<u>Per Capita Personal Income (2)</u>	<u>Median Age</u>	<u>Public School Enrollment (3)</u>	<u>Unemployment Rate (4)</u>
2005	160,815	\$ 1,729,113	\$ 10,752	n/a	34,657	5.3%
2006	161,850	n/a	n/a	26.5	33,294	4.8%
2007	162,140	2,398,683	14,794	26.5	33,683	5.8%
2008	163,405	2,398,683	14,679	26.5	33,683	5.8%
2009	163,408	2,747,869	16,816	28.7	30,032	8.4%
2010	162,817	2,728,162	16,756	28.7	31,864	12.9%
2011	149,243	2,651,969	17,769	28.6	28,298	14.7%
2012	149,950	2,533,677	16,897	28.1	27,737	13.2%
2013	150,942	2,593,902	17,185	29.5	27,186	12.2%
2014	151,713	2,392,059	15,767	30.2	26,264	11.0%

Source: 2008-09, 2009-10, 2011-12, 2012-13, and 2013-14: MuniServices, LLC

Source: 2010-11, 2008-09 and prior: prior year previous CAFR reports.

(1) Population Projections are provided by California Department of Finance Projections.

(2) Income Data is provided by the United States Census Data and is adjusted for inflation.

(3) Public School Enrollment reflects the total number of students enrolled in Pomona Unified School District only, per school district data.

(4) Unemployment rates are provided by the Employment Development Department, Bureau of Labor and Statistics Department.

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

**Schedule 18**

Employer	2014			2006		
	Number of Employees	Rank	Percentage of Total City Employment	Number of Employees	Rank	Percentage of Total City Employment
Pomona Valley Hospital	2,991	1	4.9%	3,089	2	4.7%
Pomona Unified School District	2,764	2	4.5%	3,406	1	5.1%
California State Polytechnic University	2,039	3	3.3%			
Fairplex	954	4	1.5%			
Casa Colina Rehabilitation Center	775	5	1.3%	600	6	0.9%
City of Pomona	662	6	1.1%	870	4	1.3%
Verizon	596	7	1.0%	596	7	0.9%
Lanterman Developmental Center	547	8	0.9%	1,780	3	2.7%
County of Los Angeles Department of Social Services	400	9	0.6%	378	9	0.6%
First Transit	346	10	0.6%	311	11	0.5%
Inland Valley Care & Rehab	334	11	0.5%	270	15	0.4%
Kittrich Corporation	250	12	0.4%			
Hayward Industries Inc	242	13	0.4%	351	10	0.5%
Walmart Stores Inc	213	14	0.3%	284	13	0.4%
Consolidated Foundries	208	15	0.3%			
California Acrylic Industries				650	5	1.0%
Royal Cabinets				450	8	0.7%
Interstate Brands West Corp				300	12	0.5%
Pioneer Electronics				280	14	0.4%

Nine years of data is not available

Source: City of Pomona business license data and Businesses; 2006 CAFR

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



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

*Schedule 19*

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Function	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Government	36	37	36	36	29	26	24	20	19	19
Support Services	47	45	46	52	44	36	33	32	32	32
Police	333	332	345	348	342	335	271	270	269	270
Public Works	77	87	88	87	81	199	184	184	170	169
Community Development	56	40	40	40	40	38	47	40	38	40
Utility Services	132	126	127	128	127	0	0	0	0	0
Community Services & Library	79	76	78	80	78	32	21	21	11	9
<b>Total</b>	<b>760</b>	<b>743</b>	<b>760</b>	<b>771</b>	<b>741</b>	<b>666</b>	<b>580</b>	<b>567</b>	<b>539</b>	<b>539</b>

Various departments were consolidated in 2009-2010

Source: City of Pomona Finance Department

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

	2005	2006	2007	2008	2009
Apparel Stores	\$ 6,056	\$ 6,277	\$ 7,929	\$ 9,884	\$ 8,210
General Merchandise	48,039	50,144	49,839	49,203	48,733
Food Stores	63,619	69,894	71,838	72,852	70,991
Eating and Drinking Places	115,373	117,108	121,796	124,146	119,631
Building Materials	220,011	306,092	283,287	234,707	189,624
Auto Dealers and Supplies	322,086	251,894	217,924	178,694	91,100
Service Stations	181,428	185,542	194,850	207,178	161,684
Other Retail Stores	130,299	136,855	130,933	148,426	115,747
All Other Outlets	703,916	509,377	544,522	343,162	284,376
Drug Stores	-	-	-	-	-
Home Furnishing	-	-	-	-	-
Packaged Liquor Store	-	-	-	-	-
Total	<u>\$ 1,790,827</u>	<u>\$ 1,633,183</u>	<u>\$ 1,622,918</u>	<u>\$ 1,368,252</u>	<u>\$ 1,090,096</u>

Source: MuniServices, LLC

2010	2011	2012	2013	2014
\$ 12,239	\$ 12,339	\$ 12,581	\$ 13,953	\$ 15,277
43,655	42,089	41,037	43,478	52,726
71,379	66,041	63,376	65,447	68,432
117,873	115,634	121,730	128,363	135,882
160,244	146,146	163,013	185,123	207,681
77,879	58,177	67,975	75,686	78,793
158,016	196,602	216,063	201,642	195,460
115,538	132,188	137,444	165,937	127,969
263,940	279,060	301,495	316,419	308,980
-	-	-	-	14,704
-	-	-	-	16,848
-	-	-	-	7,321
<u>\$ 1,020,763</u>	<u>\$ 1,048,276</u>	<u>\$ 1,124,714</u>	<u>\$ 1,196,048</u>	<u>\$ 1,230,073</u>

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

**Schedule 21**

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Police:</b>										
Felony Arrests	4,428	4,276	4,234	3,686	3,584	3,150	2,825	2,713	3,145	3,105
Misdemeanor Arrests	8,747	8,591	8,886	8,042	7,824	6,686	5,557	5,780	5,821	5,876
Parking Citations	12,492	13,000	14,670	24,293	26,223	24,305	22,685	21,462	36,718	30,145
Moving Citations	12,510	5,774	18,663	18,470	25,305	18,412	11,554	10,452	9,179	9,791
<b>Fire:</b>										
Incidents	11,989	12,892	12,557	12,393	12,171	12,317	12,239	11,807	12,447	13,675
<b>Urban development:</b>										
Residential building permits issued	3,052	3,174	3,039	2,111	1,372	1,314	655	720	622	722
Inspections	12,907	14,585	20,877	23,235	17,278	6,918	5,378	5,645	4,054	6,050
Asphalt repaired (square feet)	18,000	19,500	16,600	31,862	23,911	26,489	38,842	9,222	19,400	36,068
Sidewalk repaired (square feet)	24,500	26,000	16,859	14,977	6,328	12,508	18,700	12,415	7,285	1,500
<b>Community services:</b>										
Community Center participants	528,255	556,000	919,153	899,611	409,595	335,931	502,674	572,270	520,157	501,727
Senior Program participants	108,250	110,240	185,285	244,000	145,851	101,104	120,095	121,165	108,086	100,703
Youth program participants	278,654	280,000	286,925	234,648	263,744	254,827	381,280	403,617	362,217	337,180
Other program participants	56,365	66,200	70,329	72,345	47,043	64,574	36,296	42,343	49,854	66,743
Sports participants	250,350	450,300	376,614	348,618	206,853	314,405	254,989	311,201	309,795	366,978
Facility rentals	420	466	424	273	220	248	310	547	635	687
<b>Library:</b>										
Program attendance (all programs)	18,131	17,650	11,514	10,711	12,350	10,855	8,857	8,568	1,770	2,578
Literacy instruction (hours)	1,048	1,500	762	639	871	968	709	749	-	-
<b>Water:</b>										
New connections	121	166	47	152	23	10	5	7	17	9
Average daily consumption (thousands of gallons)	21,179	19,990	23,028	22,086	20,693	18,487	17,719	17,865	18,670	19,615
<b>Refuse:</b>										
Curbside Collection (in tons)	41,279	42,000	42,884	41,638	39,407	37,436	38,068	36,472	37,246	36,593
Recycle Collection (in tons)	9,448	9,500	9,380	8,871	8,003	7,512	7,108	6,801	6,896	6,907
Greenwaste Collection (in tons)	n/a	n/a	14,687	13,259	13,267	13,975	14,280	13,234	12,510	11,934

Source: Various City Departments

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

**Schedule 22**

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Police:</b>										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	45	45	45	45	44	44	44	42	58	51
<b>Fire:</b>										
Fire stations	8	8	8	8	8	8	8	8	8	8
<b>Public works:</b>										
Streets (miles)	n/a	296	297	388	388	388	388	388	388	388
Streetlights	n/a	9933	9,939	7,645	7,645	7,645	7,645	7,645	7,701	7,721
Traffic signals	n/a	n/a	175	175	176	180	180	161	162	164
<b>Community services:</b>										
Parks	25	25	25	26	26	26	26	26	26	26
Park Acreage	210	210	210	210	221	221	221	221	221	221
Baseball fields	14	14	14	14	14	14	14	14	14	14
Soccer fields	11	11	11	13	17	17	17	17	17	17
Basketball courts	17	17	18	22	22	22	22	22	22	22
Tennis courts	9	9	9	9	9	9	9	9	9	9
Community centers	7	7	12	13	13	13	14	14	14	14
Libraries	1	1	1	1	1	1	1	1	1	1
<b>Water:</b>										
Water mains (miles)	435	435	436	439	439	439	467	457	457	457
<b>Sewer:</b>										
Sanitary sewers (miles)	293	313	313	313	313	313	357	305	305	305
Storm drains (miles)	120	120	120	120	120	120	120	120	120	120

Source: Various City Departments

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