

CITY OF POMONA

California



Comprehensive Annual Financial Report



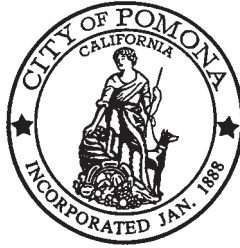
For the Year Ended June 30, 2015

CITY OF POMONA, CALIFORNIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2015

CITY OF POMONA, CALIFORNIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2015

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CITY OF POMONA, CALIFORNIA



COMPREHENSIVE ANNUAL FINANCIAL REPORT

Year Ended June 30, 2015

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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COMPREHENSIVE ANNUAL FINANCIAL REPORT

JUNE 30, 2015
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December 16, 2015

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, 2015 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, 2015. 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, Senior Accountant, 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 152,419 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, Los Angeles County Fair Association (Fairplex) and the newly opened

Target store. As a regional healthcare hub, Pomona boasts a premier facility in the Pomona Valley Hospital Medical Center and the non-profit Casa Colina Centers for Rehabilitation.

Per 2015 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 62,700 workers.

Retail Sales and Use Tax remains an extremely significant source of revenue, and activity now is still on the rebound from levels depressed by the so-called "Great Recession," with annual taxable retail sales of more than \$1.57 billion dollars during Fiscal Year 2014-15 based on actual revenues received. 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.

Current assessed valuation for the City of Pomona including redevelopment areas is \$9,840,105,629 according to the Office of the Los Angeles County Auditor-Controller. Based on the City assessed valuation (excluding redevelopment areas) of \$5,539,772,104, overall property tax receipts (secured, unsecured, transfer tax, in-lieu, etc.) were 31.5% of the 2014-15 General Fund revenues, while sales tax and related line items were 20.4% 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 2014-15 General Fund expenditure and fund balance numbers, the General Fund has already exceeded the final goal of 17%.

OUTLOOK FOR THE FUTURE

As the City looks ahead to 2015-16, 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 2015-16 General Fund budget is balanced and reflects estimated revenues of \$91.3 million which is a 3.2% increase from the previous fiscal year receipts.

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, 2015 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, 2014. The City of Pomona has received a Certificate of Achievement for the last twenty-two consecutive years (1993-2014). 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, 2015. 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

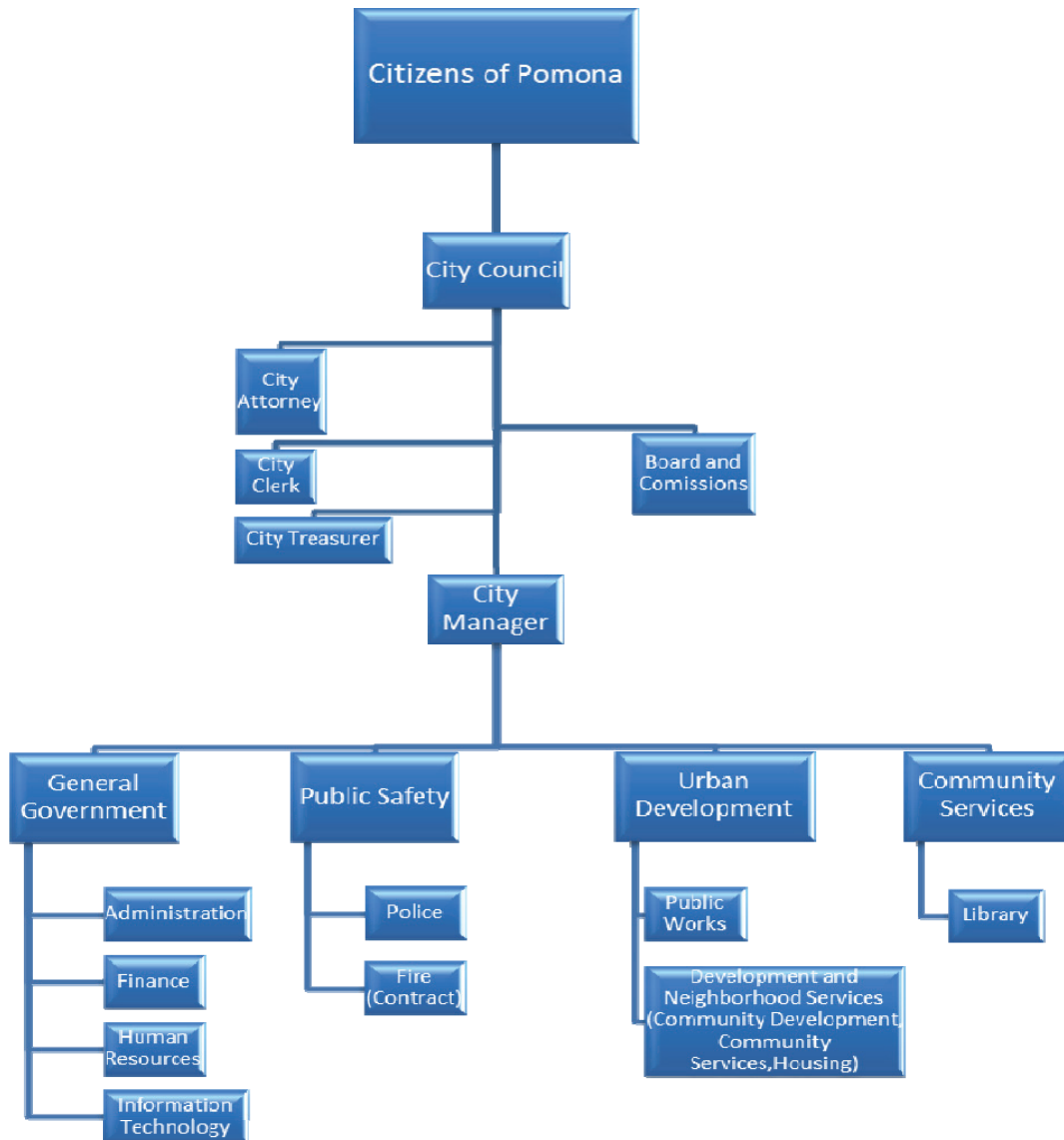
June 30, 2014

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

Executive Director/CEO

CITY OF POMONA

Organizational Chart



CITY OF POMONA
DIRECTORY OF CITY OFFICIALS

at June 30, 2015

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 ManagerLinda Lowry
City Attorney Arnold Alvarez-Glasman
City Clerk Eva M. Buice
City Treasurer 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
Water/Wastewater (effective 7/1/15)..... Darron Poulsen

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INDEPENDENT AUDITORS' REPORT

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

Report on the 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, 2015, 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 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, 2015, 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, in 2015 the City adopted new accounting guidance, GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27* as amended by GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*.

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 schedules for the General Fund, Housing Authority and Miscellaneous Grant Fund, the schedules of changes in net pension liability and related ratios, and the schedules of plan contributions 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 16, 2015 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.

Brea California
December 16, 2015

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MANAGEMENT'S DISCUSSION AND ANALYSIS

Fiscal Year Ended June 30, 2015

The following Management's Discussion and Analysis (MD&A) of the City of Pomona's financial performance provides an introduction and overview to the financial activities of the City for the fiscal year ended June 30, 2015. This narrative discussion and analysis focuses on the fiscal year 2014-15 activities, resulting changes and current known facts; therefore, the information presented here should be considered in conjunction with additional information furnished in the transmittal letter and the accompanying basic financial statements.

FINANCIAL HIGHLIGHTS

- The assets of the City exceeded its liabilities at the close of the fiscal year by \$202 million.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$95.8 million.
- At the end of the current fiscal year, committed fund balance for fiscal sustainability in the General Fund was \$14.5 million, which is 17% of total general fund expenditures, including transfers out.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis portion of the annual financial report is intended to serve as an introduction to, and provide the reader with a fundamental understanding of, the Comprehensive Annual Financial Report (CAFR) for the City of Pomona. The CAFR is divided into four main sections. First is the Introductory Section which provides the letter of transmittal, an organizational chart, and a list of City officials. The Introductory Section is followed by the Financial Section, which contains the independent auditor's report, the management's discussion and analysis, and finally the basic financial statements. These statements contain the "core" financial information for the City of Pomona. The basic financial statements include the government-wide financial statements, followed by the fund financial statements, and finally, the notes to the financial statements. The Financial Section is followed by the Supplemental Data portion of the report, which provides individual fund and combining information that rolls up into the amounts shown in the basic financial statements. The final portion of the CAFR is the Statistical Section. This section presents selected financial and demographic information, generally presented on a multi-year basis.

Government-wide financial statements. The government-wide financial statements are designed to provide the reader with a broad overview of the City of Pomona's finances, in a manner similar to a private sector business. Information contained within the government-wide statements includes the entire City government (except fiduciary funds) and the City's component units. These statements use the accrual basis of accounting with the measurement focus on that of economic resources. All assets and liabilities, both financial and capital, short-term and long-term, are included. All revenues and expenses during the year, regardless of when cash is received or disbursed, are reported. The government-wide financial statements include the Statement of Net Position and the Statement of Activities.

The *Statement of Net Position* presents information on all of the City of Pomona's assets and liabilities, with the difference between the two reported as "net position". Increases or decreases in net position may serve as a useful indicator as to whether the financial condition of the City of Pomona is improving or deteriorating over time.

The *Statement of Activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event causing the change occurs, regardless of when cash is actually received or disbursed. This means that revenues and expenses in

this statement are recorded when earned or a liability is incurred. Thus, items such as the value of earned but unused vacation leave will be recorded as an expense of the current period, even though the actual use of the vacation time may not be until subsequent periods.

Both of the government-wide statements distinguish between functions of the City of Pomona that are principally supported by taxes or intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City of Pomona include general government, public safety, urban development, neighborhood services, and interest and fiscal charges. The business-type activities of the City of Pomona include water, sewer, refuse and Canon Water Company operations.

Fund financial statements. A "fund" is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Pomona, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. The fund financial statements provide more detailed information about the City's most significant funds, not the City as a whole. All of the funds of the City of Pomona can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds include activities of the City that are not proprietary or fiduciary. These funds are used to account for, essentially, the same functions reported as "governmental activities" in the government-wide financial statements. Unlike the government-wide financial statements, however, governmental fund financial statements use the modified accrual basis of accounting and focus on near-term inflows and outflows of spendable resources, as well as the balances of spendable resources available at the end of the fiscal year. Only assets expected to be used and liabilities that come due during the year or soon thereafter are reported on the Balance Sheet. No capital assets are included. Revenues for which cash is received during or soon after the end of the year, and expenditures for goods and services that have actually been received during the year, are included within the Statement of Revenues, Expenditures, and Changes in Fund Balance.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds in the fund financial statements with similar information presented for "governmental activities" in the government-wide financial statements. By doing so, the reader may better understand the long-term impact of the City's near-term financing decisions. Both the Governmental Fund Balance Sheet and the Statement of Revenues, Expenditures, and Changes in Fund Balance provide a reconciliation to facilitate this comparison.

The City of Pomona maintains 20 individual governmental funds. Individual fund information is presented for the "major" funds in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance. The major funds presented include the General Fund, the Housing Authority Fund, the Miscellaneous Grants Fund, the General Debt Service Fund, and the Public Financing Authority Debt Service Fund. Information for the remaining governmental funds is combined into a single "other governmental funds" column on the face of the financial statements. Individual fund data for each of these non-major governmental funds is provided in the form of "combining statements" presented in the Supplemental Data portion of the report.

Proprietary funds are used to report two types of funds: enterprise funds and internal service funds. Enterprise funds report the same functions presented as "business-type" activities in the government-wide financial statements. These include activities that the City operates similar to a private business. The City of Pomona uses enterprise funds to account for the operations of the City and Canon Water Company all of which are considered "major" funds. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City of Pomona uses internal service funds to account for its self-insurance activities, equipment maintenance activities, information technology activities, and printing/mail service activities. Because these four services predominately benefit governmental rather than business-type functions, the activity has have been included within "governmental activities" in the government-wide financial statements. All internal service funds are combined into a single aggregated column presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements presented in the Supplemental Data portion of the report.

Management's Discussion and Analysis, Continued
 Year Ended June 30, 2015

Proprietary funds use the accrual basis of accounting and focus on the accumulation and use of economic resources. 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. All assets and liabilities, both financial and capital, short and long-term are included within these statements. All revenues earned and expenses incurred during the year are also included, regardless of when cash is actually received or paid.

Fiduciary funds are used to account for resources held for the benefit of parties outside of the government. Fiduciary funds are not reflected in the government-wide financial statements because the funds are custodial in nature, and therefore, these resources are not available to fund the City of Pomona programs.

Notes to the financial statements. The notes to the financial statements provide additional information that is essential to a full understanding of the information contained in the government-wide and fund financial statements.

The combining statements referred to earlier in connection with non-major governmental funds and internal service funds are presented immediately following the notes to the financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position. As mentioned earlier, net position may serve over time as a useful indicator of a government's financial position. Total net position has decreased when compared to the prior year. Below is a summary schedule showing the components that make up the City's net position (in millions) at June 30, 2015 and 2014.

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Current and other assets	\$ 117.4	\$ 137.6	\$ 88.2	\$ 89.3	\$ 205.6	\$ 226.9
Capital assets	273.5	277.8	156.5	155.8	430.0	433.6
Total assets	<u>390.9</u>	<u>415.4</u>	<u>244.7</u>	<u>245.1</u>	<u>635.6</u>	<u>660.5</u>
Deferred outflows of resources						
Deferred charge	0.1	0.1	1.7	1.8	1.8	1.9
Deferred pension related items	7.9	-	1.1	-	9.0	-
Total deferred outflows of resources	<u>8.0</u>	<u>0.1</u>	<u>2.8</u>	<u>1.8</u>	<u>10.8</u>	<u>1.9</u>
Current and other liabilities	7.4	9.6	6.8	8.4	14.2	18.0
Long-term liabilities outstanding	248.6	141.4	150.0	138.8	398.6	280.2
Total liabilities	<u>256.0</u>	<u>151.0</u>	<u>156.8</u>	<u>147.2</u>	<u>412.8</u>	<u>298.2</u>
Deferred inflows of resources						
Deferred pension related items	27.3	-	4.2	-	31.5	-
Total deferred inflows of resources	<u>27.3</u>	<u>-</u>	<u>4.2</u>	<u>-</u>	<u>31.5</u>	<u>-</u>
Net Position:						
Net Investment in capital assets	236.5	239.9	42.1	43.8	278.6	283.7
Restricted	102.5	91.1	28.9	32.7	131.4	123.8
Unrestricted	(223.4)	(66.5)	15.6	23.2	(207.8)	(43.3)
Total net position	<u>\$ 115.6</u>	<u>\$ 264.5</u>	<u>\$ 86.6</u>	<u>\$ 99.7</u>	<u>\$ 202.2</u>	<u>\$ 364.2</u>

For the City of Pomona, total assets exceeded total liabilities by \$202 million at June 30, 2015. As the table above shows, an amount of \$274.3 million is reported as *net investment in capital assets*. This amount represents those capital assets (land, buildings, improvements, equipment, and work in progress), some of which have been acquired over time and financed by the issuance of long-term debt. The City of Pomona uses these capital assets to provide services to the citizens of the City, and the assets are therefore not available for meeting current financial obligations. Although net investment in capital assets is reported net of related debt, it

CITY OF POMONA

Management's Discussion and Analysis, Continued
 Year Ended June 30, 2015

should be noted that the resources needed to repay the debt must come from other operating sources, since the capital assets themselves cannot be used to make debt service payments.

An additional portion of net position, in the amount of \$131.4 million, reported as *restricted* net position represents resources that are subject to external restrictions on how it may be used. Restrictions include assets that are legally set aside for future capital development, capital projects, housing-related activities, debt service reserves, and other legally restricted amounts. The remaining balance is *unrestricted* net position of \$(207.8 million).

Changes in net position. The statement of net position provides a snapshot at a given point in time of the assets and liabilities of the City. The other citywide statement provided is the *Statement of Activities*. This statement provides the reader with information regarding the revenues, expenses, and changes in net position over the fiscal year. Generally, all changes to the City's net position from one fiscal year to the next flow through the statement of activities. 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. The following is a summary schedule showing the components that make up the City's changes in net position (in millions) for the years ended June 30, 2015 and 2014.

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Revenues:						
Program Revenues:						
Charges for services	\$ 14.3	\$ 13.5			\$ 14.3	\$ 13.5
Water	-	-	\$ 29.9	\$ 31.6	29.9	31.6
Sewer	-	-	4.7	4.7	4.7	4.7
Refuse	-	-	9.6	9.6	9.6	9.6
Operating contributions and grants	17.6	19.5	-	-	17.6	19.5
Capital contributions and grants	12.6	12.8	-	-	12.6	12.8
General Revenues:						
Taxes:						
Property taxes	36.4	33.6	-	-	36.4	33.6
Sales taxes	13.5	12.0	-	-	13.5	12.0
Motor vehicle licenses	0.1	-	-	-	0.1	-
Transient occupancy taxes	1.6	1.6	-	-	1.6	1.6
Property transfer taxes	1.6	1.4	-	-	1.6	1.4
Franchises taxes	6.5	6.0	-	-	6.5	6.0
Utility users taxes	17.5	17.3	-	-	17.5	17.3
Business licenses (nonregulatory)	3.3	3.2	-	-	3.3	3.2
Other taxes	0.1	-	-	-	0.1	-
Interest and rentals	2.1	2.3	0.1	0.1	2.2	2.4
Miscellaneous	3.5	2.9	0.1	0.1	3.6	3.0
Gain on sale of capital assets	-	-	-	-	-	-
Extraordinary gain (loss) on RDA dissolution	0.8	-	-	-	0.8	-
Total revenues	<u>\$ 131.5</u>	<u>\$ 126.1</u>	<u>\$ 44.4</u>	<u>\$ 46.1</u>	<u>\$ 175.9</u>	<u>\$ 172.2</u>

CITY OF POMONA

Management's Discussion and Analysis, Continued
Year Ended June 30, 2015

Expenses:

General government	\$ 5.6	\$ 5.6	\$ -	\$ -	\$ 5.6	\$ 5.6
Public safety	67.6	66.6	-	-	67.6	66.6
Urban development	42.1	47.9	-	-	42.1	47.9
Community services	6.2	6.2	-	-	6.2	6.2
Interest on long-term debt	5.2	5.4	-	-	5.2	5.4
Water	-	-	27.1	29.5	27.1	29.5
Sewer	-	-	3.9	4.1	3.9	4.1
Refuse	-	-	8.5	8.6	8.5	8.6
Canon Water Company	-	-	-	-	-	-
Total expenses	<u>126.7</u>	<u>131.7</u>	<u>39.5</u>	<u>42.2</u>	<u>166.2</u>	<u>173.9</u>
Increase in net position before transfers	4.9	(5.6)	4.9	3.9	9.8	(1.7)
Transfers	1.0	0.5	(1.0)	(0.5)	-	-
Increase (decrease) in net position	<u>5.9</u>	<u>(5.1)</u>	<u>3.9</u>	<u>3.4</u>	<u>9.8</u>	<u>(1.7)</u>
Net position at beginning of year	264.5	269.6	99.7	96.3	364.2	365.9
Restatement of Net Position	(154.8)	-	(17.0)	-	(171.8)	-
Net position at end of year	<u>\$ 115.6</u>	<u>\$ 264.5</u>	<u>\$ 86.6</u>	<u>\$ 99.7</u>	<u>\$ 202.2</u>	<u>\$ 364.2</u>

Governmental Activities - The City had a \$5.9 million increase in net position from governmental activities (see Financial Analysis of the City's Funds – General Fund for explanation) in 2014-15. The cost of all governmental activities this year was \$126.7 million. However, as shown above in the changes in net position, the amount taxpayers ultimately financed for these activities was \$82.2 million since some of the cost was paid by those who directly benefited from the programs (\$14.3 million), or by other governments and organizations that subsidized certain programs with operating contributions and grants (\$17.6 million), and capital contributions and grants (\$12.6 million). Overall, the City's program revenues were \$44.5 million. The City paid for the remaining "public benefit" portion of governmental activities with \$80.6 million in taxes (some of which is restricted for certain programs).

Business Type Activities - The cost of all business-type activities in 2014-15 was \$39.5 million. As shown above in the changes in net position, the amount of revenue received was \$44.4 million. Total resources available during the year to finance business-type activities were \$127.1 million consisting of Net Position at July 1, 2014 of \$82.7 million, after a restatement of \$(17 million) due to implementation of GASB 68, revenues of \$44.4 million, expenditures of \$39.5 million and consideration of \$(1 million) in transfers; thus net position increased by \$3.9 million. The increase was primarily due to the reduction in expenses in the Water Fund primarily due to the decrease in purchase of water when compared to the prior year. The City and its residents made a conscious effort to reduce water usage due to the drought and imposed water restrictions.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

The City uses governmental fund accounting to ensure compliance with budgetary allocations and to maintain control over resources that are legally, or otherwise, restricted for specific purposes. Following is a discussion of the individual "major" funds as shown on the Balance Sheet for Governmental Funds in the basic financial statements.

General Fund - The General Fund is used to account for the general operations of the City. It is used to account for all financial resources, except those required to be accounted for in another fund. The General Fund is always reported as a "major fund". The General Fund reported \$90.0 million in revenues and \$80.5 million in expenditures resulting in revenues over expenditures in the amount of \$9.5 million before accounting for net other financing uses of \$4.6 million, resulting in the General Fund fund balance to increase by \$4.9 million for the fiscal year. Total fund balance at June 30, 2015 was \$17.3 million, composed of \$22.5 million in assets combined with \$2.9 million in liabilities and \$2.3 million in deferred inflows and resources. Total fund balance includes \$0.1 million in nonspendable fund balance, which represents that portion of fund balance that is not available for appropriation. Committed fund balance totals \$14.5 million for fiscal sustainability. The City has a

fiscal sustainability policy that was adopted by resolution 2011-49 for the purpose of guiding the City's financial planning to meet financial obligations while providing high quality services. The policy states that 17% of the general fund operating expenditures including transfers out is to be committed for fiscal sustainability. The committed portion of fund balance can only be used for specific purposes pursuant to constraints imposed by formal action of the City Council, and remains in-place unless removed in the same manner. The remaining portion of fund balance is considered unassigned. General fund revenues increased \$5.2 million in the fiscal year when compared to the prior year which was due to an increase in tax revenues. All tax revenues increased across the board due to the economic upturn during the fiscal year. General fund expenditures increased by \$4.2 million mainly due to the City ending employee furloughs which increased personnel costs.

Housing Authority Fund – The Housing Authority Fund accounts for grant revenues for housing assistance program payments and acquisition, rehabilitation, and administration of properties used to provide affordable rental housing. The Housing Authority fund has historically been a “major” fund based on criterion set forth by GASB 34. For the fiscal year the Housing Authority reported \$9.9 million in revenues and \$13.1 million in expenditures, resulting in a net change in fund balance in the amount of \$(3.1 million). Although the net change in fund balance was negative, the fund balance for the fiscal year increased to \$27.3 million due to an \$8 million dollar restatement. The restatement was due to the implementation of GASB 65. The Housing Authority fund is made up of \$28.9 million in assets, combined with \$0.2 million in liabilities and \$1.4 million in deferred inflows and resources resulting in \$27.3 million in fund balance. Of the \$27.3 million in fund balance, \$19.7 million is nonspendable relating to prepaid cost, land held for resale, notes and loans and advances. The remaining portion of fund balance is restricted for Urban Development. Housing Authority fund revenues decreased by \$2.6 million in the fiscal year when compared to the prior year due to decreased funding from the Department of Housing and Urban Development. Housing Authority expenditures decreased 2% when compared to the prior year.

Miscellaneous Grants Fund – The Miscellaneous Grants fund accounts for the revenues received and expenditures made for federal, state and or county approved programs and projects. The Miscellaneous Grants fund has historically been a “major” fund based on criterion set forth by GASB 34. For the fiscal year, the Miscellaneous Grants fund reported \$6.8 million in revenues and \$6.9 in expenditures resulting in a deficiency of revenues under expenditures of \$0.1 million. After a total other financing sources of \$0.2 million, the resulting net change in fund balance totals \$0.1 million. The fund is made up of \$22 million in assets combined with \$0.7 million in liabilities and \$2.9 million in deferred inflows and resources resulting in \$18.4 million in fund balance. The nonspendable portion of fund balance amounts to \$19.3 million which offsets the notes and loans receivables with the remaining portion being negative unassigned fund balance. Miscellaneous Grants revenue and expenditures decreased 9% and 10% respectively.

Non-Major Funds - The Non-Major Governmental Funds show a net increase of \$0.4 million in fund balance which was the result of a restatement increasing fund balance of \$1.9 million due to the requirement of reclassing unavailable revenue to fund balance (see footnote 16) and a decrease in fund balance of \$1.5 due to revenues being less than expenditures. The primary reason for the decrease in fund balance was due to the increased level of construction costs relating to citywide Major Street Rehabilitation project funded by the Proposition C fund.

The following funds were reported as “major” funds on the Statement of Net Position for Proprietary Funds in the basic financial statements:

Water Fund – The Water Fund is used to account for all activities associated with the distribution and transmission of potable water as well as reclaimed water to users. The Water Fund reported \$29 million in operating revenues and operating expenses of \$22.3 million resulting in operating income of \$6.7 million. After consideration of non-operating revenues, expenses and transfers the total change in net position is \$1.8 million with total revenues in excess of expenses. The beginning net position was \$75.4 million but there was a restatement in the amount of \$(12.4 million) due to the implementation of GASB 68 which recognized the unfunded pension liability thus decreasing the beginning net position to \$63 million. The Water Fund is made up of \$58.8 million in current assets, \$128.9 in non-current assets, \$1.9 million in deferred outflows of resources, \$8.2 million in current liabilities, \$113.6 in non-current liabilities and \$3 million in deferred inflow of resources resulting in net position of \$64.8 million.

Sewer Fund – The Sewer Fund is used to account for the operation and maintenance of the City's sewer network. The Sewer Fund reported \$4.8 million in operating revenues and operating expenses of \$2.8 million resulting in operating income of \$2 million. After consideration of non-operating revenues, non-operating expenses and transfers the total change in net position is \$0.4 million with total revenues in excess of expenses. The beginning net position of \$18 million was restated to \$16.1 due to the implementation of GASB 68 which recognized the unfunded pension liability thus decreasing the beginning net position. The Sewer Fund is made up of \$17.1 million in current assets, \$28.3 in non-current assets, \$0.7 million in deferred outflows of resources, \$0.7 million in current liabilities, \$28.4 in non-current liabilities and \$0.5 million in deferred inflow of resources resulting in net position of \$16.5 million.

Refuse Fund – The Refuse Fund is used to account for all activities associated with residential refuse collection, and curbside collection of recycling materials. The Refuse Fund reported \$9.6 million in operating revenues and operating expenses of \$8.5 million resulting in operating income of \$1 million. After consideration of non-operating revenues, non-operating expenses and transfers the total change in net position is \$1 million with total revenues in excess of expenses. The beginning net position of \$5.5 million was restated to \$2.8 million due to the implementation of GASB 68 which recognized the unfunded pension liability thus decreasing the beginning net position. The Refuse Fund is made up of \$6.1 million in current assets, \$4.1 in non-current assets, \$0.2 million in deferred outflows of resources, \$1.2 million in current liabilities, \$4.6 in non-current liabilities and \$0.7 million in deferred inflow of resources resulting in net position of \$3.9 million.

Canon Water Company – The Canon Water Company Fund is used to account for the activities of the Canon Water Company. The Canon Water Company was elected as a major fund by the City. The fund reported \$0.07 million in operating revenues and operating expenses of \$0.03 million resulting in operating income of \$0.04 million. After consideration of non-operating revenues the total change in net position is \$0.04 million with total revenues in excess of expenses. The Canon Water Company Fund is made up of \$0.35 million in current assets and \$0.03 in non-current assets resulting in net position of \$0.38 million.

GENERAL FUND BUDGETARY INFORMATION

The originally adopted General Fund budget contained \$86.2 million in appropriations to fund operations and services. This amount increased to \$88.6 million by the end of the fiscal year through City Council approved budget amendments. This increase in the amount of \$2.4 million consisted primarily of:

- \$1.745 million for increased personnel costs due to changes in Memorandums of Understanding (MOU's).
- \$330,245 for providing police services for the LA County Fair Association "Hard Day of the Dead 14 event".

General Fund expenditures were under budget at the completion of the fiscal year. All General Fund revenue budget category estimates were exceeded by the actual revenues except for License and Permits, Charges for services, and miscellaneous revenues.

DEBT ADMINISTRATION

At the end of the fiscal year, the City and its component units (Pomona Public Financing Authority and Pomona Housing Authority) had total long-term debt outstanding of \$398.6 million.

	Governmental Activities	Business-Type Activities	Total
Pollution remediation obligations	\$ 960,809	\$ -	\$ 960,809
Obligations under capital leases	586,295	3,004,393	3,590,688
Notes payable	655,000	-	655,000
Revenue bonds	39,564,000	132,086,644	171,650,644
Pension obligation refunding bonds	44,333,953	-	44,333,953
Certificates of participation	11,336,191	-	11,336,191
Compensated absences	7,118,226	1,302,207	8,420,433
Claims payable	12,101,548	-	12,101,548
Net pension liability	112,127,525	13,618,760	125,746,285
OPEB obligations	19,802,228	-	19,802,228
Total	\$ 248,585,775	\$ 150,012,004	\$ 398,597,779

Additional information on the City's long-term debt may 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, 2015, net capital assets of the governmental activities totaled \$273.6 million and the net capital assets of the business-type activities totaled \$156.5 million. Depreciation on capital assets is recognized in the government-wide financial statements.

Description	Original Cost	Accumulated Depreciation	Book Value
Capital Assets - Governmental Activities			
Land	\$ 81,168,660	\$ -	\$ 81,168,660
Construction in progress	22,682,709	-	22,682,709
Buildings and improvements	14,941,552	11,968,419	2,973,133
Improvements other than buildings	60,003,395	24,683,385	35,320,010
Machinery and equipment	20,754,160	16,466,672	4,287,488
Furniture and fixtures	1,014,456	812,785	201,671
Autos and trucks	10,756,126	8,283,866	2,472,260
Equipment under capital leases	1,037,970	288,588	749,382
Infrastructure	380,805,974	257,167,573	123,638,401
Total	\$ 593,165,002	\$ 319,671,288	\$ 273,493,714

CITY OF POMONA

Management's Discussion and Analysis, Continued
 Year Ended June 30, 2015

Description	Original Cost	Accumulated Depreciation	Book Value
Capital Assets - Business -Type Activities			
Land	\$ 9,089,782	\$ -	\$ 9,089,782
Construction in progress	19,965,564	-	19,965,564
Buildings and improvements	3,482,783	3,291,986	190,797
Improvements other than buildings	286,638	119,452	167,186
Machinery and equipment	200,002,139	77,715,074	122,287,065
Furniture and fixtures	5,105	5,105	-
Autos and trucks	4,510,802	3,165,780	1,345,022
Equipment under capital leases	4,257,381	851,476	3,405,905
Total	\$ 241,600,194	\$ 85,148,873	\$ 156,451,321

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

ECONOMIC FACTORS

The City of Pomona's total Fiscal Year 2014-15 General Fund revenues grew by \$5.2 million (approximately 6.09%) versus prior year actuals. That being said, there were both increases and decreases across all revenues, with several in particular worth noting. All property tax related revenue grew by \$1.99 million as a reflection of continued improvement in the local real estate market. Sales and Use Tax increased \$1.6 million also as a reflection of the continued improvement of the local economy in the City. 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 residents, 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. Questions about this report, separate reports of the City's component units, or need any additional financial information, should be directed to 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, 2015

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets:			
Cash and investments	\$ 51,716,498	\$ 43,045,107	\$ 94,761,605
Receivables (net):			
Accounts	4,029,051	10,114,942	14,143,993
Notes and loans	32,519,927	-	32,519,927
Interest	44,598	15,251	59,849
Internal balances	(5,953,677)	5,953,677	-
Prepaid costs	45,100	15,025	60,125
Due from other governments	6,852,944	-	6,852,944
Inventories	470,309	218,824	689,133
Land held for resale	4,503,277	-	4,503,277
Advances to Successor Agency	4,000,000	-	4,000,000
Restricted assets:			
Cash	18,587,051	28,900,238	47,487,289
Other investments	600,000	9,000	609,000
Capital assets, not being depreciated	103,851,369	29,055,346	132,906,715
Capital assets, net of depreciation	169,642,345	127,395,975	297,038,320
Total Assets	390,908,792	244,723,385	635,632,177
Deferred Outflows of Resources:			
Deferred charge on refunding	126,560	1,654,520	1,781,080
Deferred pension related items	7,869,167	1,105,399	8,974,566
Total Deferred Outflows of Resources	7,995,727	2,759,919	10,755,646
Liabilities:			
Accounts payable	3,371,786	1,833,842	5,205,628
Payroll payable	1,579,337	311,094	1,890,431
Accrued liabilities	220,170	99,888	320,058
Interest payable	1,762,319	992,143	2,754,462
Unearned revenues	405,556	-	405,556
Deposits payable	24,301	3,502,810	3,527,111
Due to other governments	115	-	115
Noncurrent liabilities:			
Due within one year	10,214,550	3,353,408	13,567,958
Due in more than one year	106,441,472	133,039,836	239,481,308
Net pension liability	112,127,525	13,618,760	125,746,285
Other post employment benefits liability	19,802,228	-	19,802,228
Total Liabilities	255,949,359	156,751,781	412,701,140
Deferred Inflows of Resources:			
Deferred pension related items	27,318,103	4,179,097	31,497,200
Total Deferred Inflows of Resources	27,318,103	4,179,097	31,497,200
Net Position:			
Net investment in capital assets	236,554,708	42,085,623	278,640,331
Restricted for:			
Community development projects	35,830,906	-	35,830,906
Special projects	3,697,200	-	3,697,200
Capital projects	15,102,380	19,071,352	34,173,732
Debt service	47,845,352	9,828,886	57,674,238
Unrestricted	(223,393,489)	15,566,565	(207,826,924)
Total Net Position	\$ 115,637,057	\$ 86,552,426	\$ 202,189,483

CITY OF POMONA

STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2015

	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Contributions and Grants</u>	<u>Capital Contributions and Grants</u>
Functions/Programs				
Primary Government:				
Governmental Activities:				
General government	\$ 5,555,565	\$ 1,825,171	\$ 51,581	\$ -
Public safety	67,614,849	4,124,878	1,873,236	-
Urban development	42,139,207	7,830,415	15,375,775	12,627,464
Neighborhood services	6,151,817	712,551	264,214	-
Interest on long-term debt	5,252,517	-	-	-
Total Governmental Activities	126,713,955	14,493,015	17,564,806	12,627,464
Business-Type Activities:				
Water	27,125,628	29,888,243	-	-
Sewer	3,962,091	4,733,661	-	-
Refuse	8,467,884	9,523,134	42,052	-
Canon Water Company - February 28, 2015	26,747	64,221	-	-
Total Business-Type Activities	39,582,350	44,209,259	42,052	-
Total Primary Government	\$ 166,296,305	\$ 58,702,274	\$ 17,606,858	\$ 12,627,464

General Revenues:

Taxes:

- Property taxes
- Sales taxes
- Motor vehicle licenses
- 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

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

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

Governmental Activities	Business-Type Activities	Total
\$ (3,678,813)	\$ -	\$ (3,678,813)
(61,616,735)	-	(61,616,735)
(6,305,553)	-	(6,305,553)
(5,175,052)	-	(5,175,052)
(5,252,517)	-	(5,252,517)
(82,028,670)	-	(82,028,670)
-	2,762,615	2,762,615
-	771,570	771,570
-	1,097,302	1,097,302
-	37,474	37,474
-	4,668,961	4,668,961
(82,028,670)	4,668,961	(77,359,709)
36,408,806	-	36,408,806
13,544,946	-	13,544,946
67,079	-	67,079
1,568,387	-	1,568,387
1,581,039	-	1,581,039
6,563,245	-	6,563,245
17,465,816	-	17,465,816
3,346,851	-	3,346,851
59,221	-	59,221
2,109,735	92,349	2,202,084
3,461,354	121,408	3,582,762
-	1,965	1,965
808,340	-	808,340
1,011,800	(1,011,800)	-
87,996,619	(796,078)	87,200,541
5,967,949	3,872,883	9,840,832
264,487,631	99,695,060	364,182,691
(154,818,523)	(17,015,517)	(171,834,040)
\$ 115,637,057	\$ 86,552,426	\$ 202,189,483

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FUND FINANCIAL STATEMENTS

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

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GOVERNMENTAL FUND FINANCIAL STATEMENTS

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

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

The **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, 2015**

	Special Revenue Funds			Debt Service Fund
	General	Housing Authority	Miscellaneous Grants	General Debt Service
Assets:				
Cash and investments	\$ 12,482,973	\$ 2,014,616	\$ 1,937,878	\$ 1,419,204
Receivables (net):				
Accounts	3,446,859	-	30,936	-
Notes and loans	-	11,237,230	19,260,274	-
Interest	14,649	2,371	1,760	1,416
Prepaid costs	16,089	640	-	-
Due from other governments	4,710,463	217,393	780,778	-
Due from other funds	1,736,087	-	-	-
Advances to other funds	-	-	-	-
Advances to Successor Agency	-	4,000,000	-	-
Inventories	86,191	-	-	-
Land held for resale	-	4,503,277	-	-
Other investments	-	600,000	-	-
Restricted assets:				
Cash	41,258	6,337,683	-	4,507,465
Total Assets	\$ 22,534,569	\$ 28,913,210	\$ 22,011,626	\$ 5,928,085
Liabilities, Deferred Inflow of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ 1,323,928	\$ 23,931	\$ 208,822	\$ 7,400
Payroll payable	1,254,742	40,575	42,621	-
Accrued liabilities	12,915	145,715	-	-
Unearned revenues	-	-	405,556	-
Deposits payable	-	10,000	-	-
Due to other governments	-	-	-	-
Due to other funds	-	-	-	1,664,620
Interest payable	-	-	-	1,294,255
Advances from other funds	304,435	-	-	43,045,000
Total Liabilities	2,896,020	220,221	656,999	46,011,275
Deferred Inflows of Resources:				
Unavailable revenues	2,350,446	1,367,626	2,908,450	-
Total Deferred Inflows of Resources	2,350,446	1,367,626	2,908,450	-
Fund Balances:				
Nonspendable				
Inventories	86,191	-	-	-
Prepaid costs	16,089	640	-	-
Land held for resale	-	4,503,277	-	-
Notes and loans	-	11,237,230	19,260,274	-
Advances to other funds	-	-	-	-
Advances to Successor Agency	-	4,000,000	-	-
Restricted				
Urban development	-	7,584,216	1,921,664	-
Public safety	-	-	244,524	-
Neighborhood services	-	-	-	-
Capital projects	-	-	-	-
Assessment district improvement	-	-	-	-
Debt service	-	-	-	-
Committed				
Fiscal sustainability	14,467,914	-	-	-
Unassigned	2,717,909	-	(2,980,285)	(40,083,190)
Total Fund Balances	17,288,103	27,325,363	18,446,177	(40,083,190)
Total Liabilities, Deferred Inflow of Resources and Fund Balances	\$ 22,534,569	\$ 28,913,210	\$ 22,011,626	\$ 5,928,085

CITY OF POMONA

**BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2015**

	Debt Service		
	Fund		
	Public		
	Financing Authority Debt Service	Non-Major Governmental Funds	Total Governmental Funds
Assets:			
Cash and investments	\$ 97,366	\$ 20,182,328	\$ 38,134,365
Receivables (net):			
Accounts	-	551,165	4,028,960
Notes and loans	-	2,022,423	32,519,927
Interest	82	17,757	38,035
Prepaid costs	-	23,891	40,620
Due from other governments	-	1,144,310	6,852,944
Due from other funds	-	-	1,736,087
Advances to other funds	43,045,000	304,435	43,349,435
Advances to Successor Agency	-	-	4,000,000
Inventories	-	-	86,191
Land held for resale	-	-	4,503,277
Other investments	-	-	600,000
Restricted assets:			
Cash	4,627,120	3,073,525	18,587,051
Total Assets	\$ 47,769,568	\$ 27,319,834	\$ 154,476,892
Liabilities, Deferred Inflow of Resources, and Fund Balances:			
Liabilities:			
Accounts payable	\$ -	\$ 1,426,662	\$ 2,990,743
Payroll payable	1,057	162,019	1,501,014
Accrued liabilities	-	61,540	220,170
Unearned revenues	-	-	405,556
Deposits payable	-	14,301	24,301
Due to other governments	-	115	115
Due to other funds	-	67,980	1,732,600
Interest payable	-	-	1,294,255
Advances from other funds	-	-	43,349,435
Total Liabilities	1,057	1,732,617	51,518,189
Deferred Inflows of Resources:			
Unavailable revenues	-	496,407	7,122,929
Total Deferred Inflows of Resources	-	496,407	7,122,929
Fund Balances:			
Nonspendable			
Inventories	-	-	86,191
Prepaid costs	-	23,891	40,620
Land held for resale	-	-	4,503,277
Notes and loans	-	2,022,423	32,519,927
Advances to other funds	43,045,000	304,435	43,349,435
Advances to Successor Agency	-	-	4,000,000
Restricted			
Urban development	-	15,471,932	24,977,812
Public safety	-	2,533,164	2,777,688
Neighborhood services	-	1,075,440	1,075,440
Capital projects	-	3,402,033	3,402,033
Assessment district improvement	-	257,492	257,492
Debt service	4,723,511	-	4,723,511
Committed			
Fiscal sustainability	-	-	14,467,914
Unassigned	-	-	(40,345,566)
Total Fund Balances	47,768,511	25,090,810	95,835,774
Total Liabilities, Deferred Inflow of Resources and Fund Balances	\$ 47,769,568	\$ 27,319,834	\$ 154,476,892

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CITY OF POMONA

**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2015**

Fund Balances of Governmental Funds **\$ 95,835,774**

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. 273,106,225

Deferred outflows related to pension related items are not included in the governmental fund activity:
Contributions made after the measurement date 7,869,167

Deferred inflows related to pension related items are not included in the governmental fund activity:
Difference between projected and actual earnings on pension plans investments (27,318,103)

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

Pollution remediation	\$ (960,809)	
Obligation under capital leases	(586,295)	
Notes payable	(655,000)	
Revenue bonds	(39,564,000)	
Deferred charges on refunding	126,560	
Pension obligation refunding bonds	(44,333,953)	
Certificates of participation	(11,336,191)	
Compensated absences	(6,886,111)	
Net pension liability	<u>(112,127,525)</u>	(216,323,324)

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. (19,802,228)

Accrued interest payable for the current portion of interest due on bonds has not been reported in the governmental funds. (468,064)

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. 7,122,929

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. (4,385,319)

Net Position of Governmental Activities **\$ 115,637,057**

CITY OF POMONA

**STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2015**

	Special Revenue Funds			Debt Service Fund
	General	Housing Authority	Miscellaneous Grants	General Debt Service
Revenues:				
Taxes	\$ 78,607,713	\$ -	\$ -	\$ 642,854
Special assessments	-	-	-	-
Licenses and permits	4,566,429	-	-	-
Intergovernmental	352,160	9,387,818	6,174,869	-
Charges for services	3,246,764	43,580	50,952	-
Interest and rentals	447,838	429,594	229,564	2,758
Fines and forfeitures	2,051,647	-	-	-
Contributions	51,581	-	-	-
Miscellaneous	663,195	124,948	361,890	335,448
Total Revenues	89,987,327	9,985,940	6,817,275	981,060
Expenditures:				
Current:				
General government	3,978,320	-	-	38,352
Public safety	65,116,912	-	1,378,650	-
Urban development	7,809,025	13,106,038	4,966,659	-
Neighborhood services	3,160,848	-	336,929	-
Capital outlay	105,557	18,182	246,813	-
Debt service:				
Principal retirement	292,945	-	-	881,000
Interest and fiscal charges	20,136	-	-	4,641,092
Total Expenditures	80,483,743	13,124,220	6,929,051	5,560,444
Excess (Deficiency) of Revenues Over (Under) Expenditures	9,503,584	(3,138,280)	(111,776)	(4,579,384)
Other Financing Sources (Uses):				
Transfers in	80	-	284,123	5,631,162
Transfers out	(4,621,636)	-	(80)	-
Proceeds from sale of capital assets	32,830	-	-	-
Total Other Financing Sources (Uses)	(4,588,726)	-	284,043	5,631,162
Net Change in Fund Balances	\$ 4,914,858	\$ (3,138,280)	\$ 172,267	\$ 1,051,778
Fund Balances:				
Beginning of year, as originally reported	\$ 12,373,245	\$ 22,425,665	\$ 1,836,888	\$ (41,134,968)
Restatements	-	8,037,978	16,437,022	-
Beginning of year, as restated	12,373,245	30,463,643	18,273,910	(41,134,968)
Net change in fund balances	4,914,858	(3,138,280)	172,267	1,051,778
End of Year	\$ 17,288,103	\$ 27,325,363	\$ 18,446,177	\$ (40,083,190)

CITY OF POMONA

**STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2015**

	Debt Service Fund		
	Public Financing Authority Debt Service	Non-Major Governmental Funds	Total Governmental Funds
Revenues:			
Taxes	\$ -	\$ 74,651	\$ 79,325,218
Special assessments	-	1,213,093	1,213,093
Licenses and permits	-	2,003,018	6,569,447
Intergovernmental	-	14,372,902	30,287,749
Charges for services	-	668,330	4,009,626
Interest and rentals	314,326	675,036	2,099,116
Fines and forfeitures	-	11,770	2,063,417
Contributions	-	-	51,581
Miscellaneous	8,628	1,680,937	3,175,046
Total Revenues	322,954	20,699,737	128,794,293
Expenditures:			
Current:			
General government	8,055	12,725	4,037,452
Public safety	-	1,904,872	68,400,434
Urban development	-	15,172,966	41,054,688
Neighborhood services	-	1,205,018	4,702,795
Capital outlay	-	3,427,012	3,797,564
Debt service:			
Principal retirement	1,500,000	220,045	2,893,990
Interest and fiscal charges	202,289	13,704	4,877,221
Total Expenditures	1,710,344	21,956,342	129,764,144
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,387,390)	(1,256,605)	(969,851)
Other Financing Sources (Uses):			
Transfers in	-	3,484,886	9,400,251
Transfers out	-	(3,766,735)	(8,388,451)
Proceeds from sale of capital assets	-	2,700	35,530
Total Other Financing Sources (Uses)	-	(279,149)	1,047,330
Net Change in Fund Balances	\$ (1,387,390)	\$ (1,535,754)	\$ 77,479
Fund Balances:			
Beginning of year, as originally reported	\$ 49,155,901	\$ 24,697,718	\$ 69,354,449
Restatements	-	1,928,846	26,403,846
Beginning of year, as restated	49,155,901	26,626,564	95,758,295
Net change in fund balances	(1,387,390)	(1,535,754)	77,479
End of Year	\$ 47,768,511	\$ 25,090,810	\$ 95,835,774

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, 2015**

Net Change in Fund Balances - Total Governmental Funds	\$ 77,479
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	\$ 7,820,754
Depreciation	(12,932,510)
Disposition of capital assets	<u>(217,613)</u>
	(5,329,369)
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	619,554
Obligation under capital leases	292,990
Notes payable	220,000
Revenue bonds	1,538,969
Pension obligation refunding bonds	520,000
Certificates of participation	345,622
Accrued interest on pension obligation bonds	<u>(439,913)</u>
	3,097,222
Accrued interest for long-term liabilities. This is the net change in accrued interest for the current period.	
	41,353
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.	
	(104,997)
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.	
	(2,133,976)
Pension obligation expenses is an expenditure in the governmental funds, but reduce the Net Pension Liability in the statement of net position.	
	(301,968)
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.	
	2,056,852
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.	
	7,757,013
Extraordinary gains and losses relating to land transferred to the Successor Agency are reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported in the governmental funds.	
Land	<u>808,340</u>
Change in Net Position of Governmental Activities	<u>\$ 5,967,949</u>

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, 2015

	Business-Type Activities Enterprise Funds		
	Water	Sewer	Refuse
Assets:			
Current:			
Cash and investments	\$ 30,665,542	\$ 8,328,451	\$ 3,772,365
Receivables (net):			
Accounts	6,601,690	1,129,785	2,319,246
Interest	4,577	7,567	3,107
Prepaid costs	11,355	-	-
Inventories	218,824	-	-
Restricted:			
Cash	21,258,852	7,641,386	-
Total Current Assets	58,760,840	17,107,189	6,094,718
Noncurrent:			
Advances to other funds	5,000,000	-	-
Other Investments	9,000	-	-
Capital assets, not being depreciated	27,223,490	1,831,856	-
Capital assets, net of depreciation	96,735,496	26,491,941	4,142,494
Total Noncurrent Assets	128,967,986	28,323,797	4,142,494
Total Assets	187,728,826	45,430,986	10,237,212
Deferred Outflows of Resources:			
Deferred charges on refunding	1,101,665	552,855	-
Deferred pension related items	803,686	123,385	178,328
Total Deferred Outflows of Resources	1,905,351	676,240	178,328
Total Assets and Deferred Outflows of Resources	\$ 189,634,177	\$ 46,107,226	\$ 10,415,540

CITY OF POMONA

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 JUNE 30, 2015

	Business-Type Activities Enterprise Funds		Governmental Activities
	Canon Water Company - February 28, 2015	Total	Internal Service Funds
Assets:			
Current:			
Cash and investments	\$ 278,749	\$ 43,045,107	\$ 13,582,133
Receivables (net):			
Accounts	64,221	10,114,942	91
Interest	-	15,251	6,563
Prepaid costs	3,670	15,025	4,480
Inventories	-	218,824	384,118
Restricted:			
Cash	-	28,900,238	-
Total Current Assets	346,640	82,309,387	13,977,385
Noncurrent:			
Advances to other funds	-	5,000,000	-
Other Investments	-	9,000	-
Capital assets, not being depreciated	-	29,055,346	-
Capital assets, net of depreciation	26,044	127,395,975	387,489
Total Noncurrent Assets	26,044	161,460,321	387,489
Total Assets	372,684	243,769,708	14,364,874
Deferred Outflows of Resources:			
Deferred charges on refunding	-	1,654,520	-
Deferred pension related items	-	1,105,399	201,452
Total Deferred Outflows of Resources	-	2,759,919	201,452
Total Assets and Deferred Outflows of Resources	\$ 372,684	\$ 246,529,627	\$ 14,566,326

CITY OF POMONA

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 JUNE 30, 2015

	Business-Type Activities Enterprise Funds		
	Water	Sewer	Refuse
Liabilities, Deferred Inflows of Resources and Net Position:			
Liabilities:			
Current:			
Accounts payable	\$ 1,485,238	\$ 23,503	\$ 325,101
Payroll payable	226,441	31,264	53,389
Accrued liabilities	99,888	-	-
Interest payable	827,345	101,622	63,176
Deposits payable	3,502,810	-	-
Due to other funds	-	-	-
Compensated absences	749,000	118,000	163,000
Claims and judgments	-	-	-
Bonds, notes, and capital leases	1,350,000	400,000	573,408
Total Current Liabilities	8,240,722	674,389	1,178,074
Noncurrent:			
Advances from other funds	-	-	-
Compensated absences	208,559	12,665	50,983
Claims and judgments	-	-	-
Net pension liability	9,901,595	1,520,127	2,197,038
Bonds, notes, and capital leases	103,476,644	26,860,000	2,430,985
Total Noncurrent Liabilities	113,586,798	28,392,792	4,679,006
Total Liabilities	121,827,520	29,067,181	5,857,080
Deferred Inflows of Resources:			
Deferred pension related items	3,038,436	466,471	674,190
Total Deferred Inflows of Resources	3,038,436	466,471	674,190
Net Position:			
Net Investment in capital assets	34,561,369	6,360,109	1,138,101
Restricted for capital projects	14,327,814	4,743,538	-
Restricted for debt service	6,931,038	2,897,848	-
Unrestricted	8,948,000	2,572,079	2,746,169
Total Net Position	64,768,221	16,573,574	3,884,270
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 189,634,177	\$ 46,107,226	\$ 10,415,540

CITY OF POMONA

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 JUNE 30, 2015

	Business-Type Activities Enterprise Funds		Governmental Activities
	Canon Water Company - February 28, 2015	Total	Internal Service Funds
Liabilities, Deferred Inflows of Resources and Net Position:			
Liabilities:			
Current:			
Accounts payable	\$ -	\$ 1,833,842	\$ 381,043
Payroll payable	-	311,094	78,323
Accrued liabilities	-	99,888	-
Interest payable	-	992,143	-
Deposits payable	-	3,502,810	-
Due to other funds	-	-	3,487
Compensated absences	-	1,030,000	115,000
Claims and judgments	-	-	1,805,000
Bonds, notes, and capital leases	-	2,323,408	-
Total Current Liabilities	-	10,093,185	2,382,853
Noncurrent:			
Advances from other funds	-	-	5,000,000
Compensated absences	-	272,207	117,115
Claims and judgments	-	-	10,296,548
Net pension liability	-	13,618,760	2,481,935
Bonds, notes, and capital leases	-	132,767,629	-
Total Noncurrent Liabilities	-	146,658,596	17,895,598
Total Liabilities	-	156,751,781	20,278,451
Deferred Inflows of Resources:			
Deferred pension related items	-	4,179,097	761,614
Total Deferred Inflows of Resources	-	4,179,097	761,614
Net Position:			
Net Investment in capital assets	26,044	42,085,623	387,489
Restricted for capital projects	-	19,071,352	-
Restricted for debt service	-	9,828,886	-
Unrestricted	346,640	14,612,888	(6,861,228)
Total Net Position	372,684	85,598,749	(6,473,739)
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 372,684	\$ 246,529,627	\$ 14,566,326

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

Net Position per Statement of Net Position - Proprietary Funds	\$ 85,598,749
Prior years' accumulated adjustment to reflect the consolidation of internal service funds activities related to the enterprise funds	413,774
Current years' adjustments to reflect the consolidation of internal service activities related to enterprise funds	539,903
Net Position per Statement of Net Position	\$ 86,552,426

CITY OF POMONA

**STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2015**

	Business-Type Activities Enterprise Funds		
	Water	Sewer	Refuse
Operating Revenues:			
Charges for services	\$ 29,076,093	\$ 4,733,661	\$ 9,522,122
Miscellaneous	-	54,558	67,862
Total Operating Revenues	29,076,093	4,788,219	9,589,984
Operating Expenses:			
Personnel services	7,151,904	1,067,952	1,817,744
Operations	12,241,670	1,051,538	5,459,960
Claims expense	16,297	50,442	157,154
Insurance	216,658	33,686	62,477
Amortization of deferred loss on refunding	78,691	58,195	-
Franchise Fees	-	-	478,528
Depreciation	2,605,803	580,345	565,974
Total Operating Expenses	22,311,023	2,842,158	8,541,837
Operating Income (Loss)	6,765,070	1,946,061	1,048,147
Nonoperating Revenues (Expenses):			
Intergovernmental	-	-	42,052
Interest revenue	37,258	50,097	4,987
Interest expense	(4,888,375)	(1,246,550)	(79,859)
Sale of surplus water	812,150	-	-
Gain (loss) on disposal of capital assets	(99,548)	(84,691)	500
Total Nonoperating Revenues (Expenses)	(4,138,515)	(1,281,144)	(32,320)
Income (Loss) Before Transfers	2,626,555	664,917	1,015,827
Transfers in	37,455	231,526	85,000
Transfers out	(917,530)	(448,251)	-
Changes in Net Position	\$ 1,746,480	\$ 448,192	\$ 1,100,827
Net Position:			
Beginning of year, as originally reported	\$ 75,392,966	\$ 18,024,656	\$ 5,528,461
Restatements	(12,371,225)	(1,899,274)	(2,745,018)
Beginning of year, as restated	63,021,741	16,125,382	2,783,443
Changes in Net Position	1,746,480	448,192	1,100,827
End of Year	\$ 64,768,221	\$ 16,573,574	\$ 3,884,270

CITY OF POMONA

**STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2015**

	Business-Type Activities Enterprise Funds		Governmental Activities
	Canon Water Company - February 28, 2015	Total	Internal Service Funds
Operating Revenues:			
Charges for services	\$ 64,221	\$ 43,396,097	\$ 10,178,573
Miscellaneous	-	122,420	3,641,013
Total Operating Revenues	64,221	43,518,517	13,819,586
Operating Expenses:			
Personnel services	-	10,037,600	1,531,947
Operations	24,076	18,777,244	3,318,752
Claims expense	-	223,893	619,061
Insurance	-	312,821	40,476
Amortization of deferred loss on refunding	-	136,886	-
Franchise Fees	-	478,528	-
Depreciation	2,671	3,754,793	23,053
Total Operating Expenses	26,747	33,721,765	5,533,289
Operating Income (Loss)	37,474	9,796,752	8,286,297
Nonoperating Revenues (Expenses):			
Intergovernmental	-	42,052	-
Interest revenue	7	92,349	10,619
Interest expense	-	(6,214,784)	-
Sale of surplus water	-	812,150	-
Gain (loss) on disposal of capital assets	-	(183,739)	-
Total Nonoperating Revenues (Expenses)	7	(5,451,972)	10,619
Income (Loss) Before Transfers	37,481	4,344,780	8,296,916
Transfers in	-	353,981	-
Transfers out	-	(1,365,781)	-
Changes in Net Position	<u>\$ 37,481</u>	<u>\$ 3,332,980</u>	<u>\$ 8,296,916</u>
Net Position:			
Beginning of year, as originally reported	\$ 335,203	\$ 99,281,286	\$ (11,669,683)
Restatements	-	(17,015,517)	(3,100,972)
Beginning of year, as restated	335,203	82,265,769	(14,770,655)
Changes in Net Position	37,481	3,332,980	8,296,916
End of Year	\$ 372,684	\$ 85,598,749	\$ (6,473,739)
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		\$ 3,332,980	
Adjustment to reflect the consolidation of current fiscal year internal service funds activities related to enterprise funds		539,903	
Changes in Net Position of Business-Type Activities per Statement of Activities		\$ 3,872,883	

CITY OF POMONA

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 YEAR ENDED JUNE 30, 2015

	Business-Type Activities Enterprise Funds		
	Water	Sewer	Refuse
Cash Flows from Operating Activities:			
Cash received from customers and users	\$ 30,309,096	\$ 4,820,278	\$ 9,594,998
Cash received from/(paid for) other	-	54,558	67,862
Cash paid to suppliers for goods and services	(13,121,422)	(1,820,942)	(6,079,912)
Cash paid for general and administrative expenses	(7,615,262)	(1,117,751)	(1,911,138)
Net Cash Provided (Used) by Operating Activities	9,572,412	1,936,143	1,671,810
Cash Flows from Non-Capital Financing Activities:			
Cash transfers in	37,455	231,526	85,000
Cash transfers out	(917,530)	(448,251)	-
Amounts received from other funds	-	-	-
Proceeds from sale of surplus water	812,150	-	-
Grant subsidy	-	-	81,626
Net Cash Provided (Used) by Non-Capital Financing Activities	(67,925)	(216,725)	166,626
Cash Flows from Capital and Related Financing Activities:			
Acquisition and construction of capital assets	(3,644,869)	(986,420)	-
Principal paid on capital debt	(1,295,000)	(385,000)	(560,296)
Interest paid on capital debt	(5,046,289)	(1,247,876)	(83,414)
Proceeds from sales of capital assets	-	-	500
Net Cash Provided (Used) by Capital and Related Financing Activities	(9,986,158)	(2,619,296)	(643,210)
Cash Flows from Investing Activities:			
Interest received	58,236	48,908	3,886
Net Cash Provided (Used) by Investing Activities	58,236	48,908	3,886
Net Increase (Decrease) in Cash and Cash Equivalents	(423,435)	(850,970)	1,199,112
Cash and Cash Equivalents, Beginning of Year	52,347,829	16,820,807	2,573,253
Cash and Cash Equivalents, End of Year	\$ 51,924,394	\$ 15,969,837	\$ 3,772,365

CITY OF POMONA

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 YEAR ENDED JUNE 30, 2015

	Business-Type Activities Enterprise Funds		
	Water	Sewer	Refuse
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:			
Operating income (loss)	\$ 6,765,070	\$ 1,946,061	\$ 1,048,147
Adjustments to reconcile operating income (loss) net cash provided (used) by operating activities:			
Depreciation	2,605,803	580,345	565,974
Amortization	78,691	58,195	-
(Increase) decrease in accounts receivable	1,233,003	86,617	72,876
(Increase) decrease in prepaid expense	(2,355)	-	-
(Increase) decrease in inventory	86,841	-	-
(Increase) decrease in deferred outflows	(159,496)	(24,487)	(35,390)
Increase (decrease) in accounts payable	(953,856)	(690,947)	15,730
Increase (decrease) in payroll payable	51,992	4,945	12,239
Increase (decrease) in accrued liabilities	(52,116)	(28,015)	-
Increase (decrease) in deposits payable	58,031	-	-
Increase (decrease) in compensated absences	(63,812)	15,003	8,962
Increase (decrease) in claims and judgments	-	-	-
Increase (decrease) in net pension liability	(3,113,820)	(478,045)	(690,918)
Increase (decrease) in deferred inflows	3,038,436	466,471	674,190
Total Adjustments	2,807,342	(9,918)	623,663
Net Cash Provided (Used) by Operating Activities	\$ 9,572,412	\$ 1,936,143	\$ 1,671,810
Non-Cash Investing, Capital, and Financing Activities:			
Amortization of bond premium/discount	\$ 148,782	\$ -	\$ -
Amortization of deferred charges on refunding	78,692	58,195	-
Loss (Gain) on disposal of capital assets	99,547	84,691	-

CITY OF POMONA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2015

	Business-Type Activities		Governmental
	Enterprise Funds		Activities
	Canon Water		Internal
	Company -		Service Funds
	February 28, 2015	Total	
Cash Flows from Operating Activities:			
Cash received from customers and users	\$ 64,221	\$ 44,788,593	\$ 10,178,482
Cash received from/(paid for) other	-	122,420	3,641,013
Cash paid to suppliers for goods and services	(30,038)	(21,052,314)	(9,501,917)
Cash paid for general and administrative expenses	-	(10,644,151)	(1,538,595)
Net Cash Provided (Used) by Operating Activities	34,183	13,214,548	2,778,983
Cash Flows from Non-Capital			
Financing Activities:			
Cash transfers in	-	353,981	-
Cash transfers out	-	(1,365,781)	-
Amounts received from other funds	-	-	3,487
Proceeds from sale of surplus water	-	812,150	-
Grant subsidy	-	81,626	-
Net Cash Provided (Used) by			
Non-Capital Financing Activities	-	(118,024)	3,487
Cash Flows from Capital			
and Related Financing Activities:			
Acquisition and construction of capital assets	-	(4,631,289)	(263,265)
Principal paid on capital debt	-	(2,240,296)	-
Interest paid on capital debt	-	(6,377,579)	-
Proceeds from sales of capital assets	-	500	-
Net Cash Provided (Used) by			
Capital and Related Financing Activities	-	(13,248,664)	(263,265)
Cash Flows from Investing Activities:			
Interest received	8	111,038	8,353
Net Cash Provided (Used) by			
Investing Activities	8	111,038	8,353
Net Increase (Decrease) in Cash			
and Cash Equivalents	34,191	(41,102)	2,527,558
Cash and Cash Equivalents, Beginning of Year	244,558	71,986,447	11,054,575
Cash and Cash Equivalents, End of Year	\$ 278,749	\$ 71,945,345	\$ 13,582,133

CITY OF POMONA

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 YEAR ENDED JUNE 30, 2015

	Business-Type Activities Enterprise Funds		Governmental Activities
	Canon Water Company - February 28, 2015	Total	Internal Service Funds
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:			
Operating income (loss)	\$ 37,474	\$ 9,796,752	\$ 8,286,297
Adjustments to reconcile operating income (loss) net cash provided (used) by operating activities:			
Depreciation	2,671	3,754,793	23,053
Amortization	-	136,886	-
(Increase) decrease in accounts receivable	-	1,392,496	(91)
(Increase) decrease in prepaid expense	(3,670)	(6,025)	(4,480)
(Increase) decrease in inventory	-	86,841	(24,425)
(Increase) decrease in deferred outflows	-	(219,373)	(39,980)
Increase (decrease) in accounts payable	(2,292)	(1,631,365)	(1,417,580)
Increase (decrease) in payroll payable	-	69,176	34,324
Increase (decrease) in accrued liabilities	-	(80,131)	-
Increase (decrease) in deposits payable	-	58,031	-
Increase (decrease) in compensated absences	-	(39,847)	18,656
Increase (decrease) in claims and judgments	-	-	(4,077,896)
Increase (decrease) in net pension liability	-	(4,282,783)	(780,509)
Increase (decrease) in deferred inflows	-	4,179,097	761,614
Total Adjustments	(3,291)	3,417,796	(5,507,314)
Net Cash Provided (Used) by Operating Activities	\$ 34,183	\$ 13,214,548	\$ 2,778,983
Non-Cash Investing, Capital, and Financing Activities:			
Amortization of bond premium/discount	\$ -	\$ 148,782	\$ -
Amortization of deferred charges on refunding	-	136,887	-
Loss (Gain) on disposal of capital assets	-	184,238	-

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FIDUCIARY FUND FINANCIAL STATEMENTS

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, 2015

	Agency Funds	Private- Purpose Trust Fund
		Successor Agency of the Former RDA
Assets:		
Cash and investments	\$ 4,296,285	\$ 10,397,238
Receivables (net):		
Accounts	10,037	695,163
Notes and loans	-	9,099,660
Interest	515	4,531
Deposits	-	600
Due from other governments	41,223	-
Land held for resale	-	19,648,669
Restricted assets:		
Cash	-	52,764,660
Capital assets:		
Capital assets, not being depreciated	-	125,423
Capital assets, net of depreciation	-	73,077
Total Assets	\$ 4,348,060	92,809,021
Deferred Outflows of Resources:		
Deferred charge on refunding		850,063
Total Deferred Outflows of Resources		850,063
Liabilities:		
Accounts payable	\$ 1,922,980	149,044
Payroll payable	-	6,963
Interest payable	-	3,438,206
Deposits payable	2,201,435	190,040
Due to external parties/other agencies	223,645	-
Long-term liabilities:		
Due within one year	-	8,373,163
Due in more than one year	-	211,959,912
Total Liabilities	\$ 4,348,060	224,117,328
Net Position:		
Held in trust for other purposes		(130,458,244)
Total Net Position		\$ (130,458,244)

CITY OF POMONA

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 YEAR ENDED JUNE 30, 2015

	<u>Private-Purpose Trust Fund Successor Agency of the Former RDA</u>
Additions:	
Taxes	\$ 16,537,691
Intergovernmental	336,999
Interest and rentals	887,039
Miscellaneous	363,831
Gain on sale of capital assets	20,000
	<u>18,145,560</u>
Total Additions	18,145,560
Deductions:	
Personnel services	406,004
Operations	3,222,671
Interest and fiscal charges	11,805,698
Contributions to other governments	6,280
	<u>15,440,653</u>
Total Deductions	15,440,653
Extraordinary (loss) on dissolution of Redevelopment Agency	<u>(808,340)</u>
Changes in Net Position	<u>\$ 1,896,567</u>
Net Position:	
Beginning of year, as originally reported	\$ (136,406,471)
Restatement	<u>4,051,660</u>
Beginning of year, as restated	(132,354,811)
Changes in Net Position	<u>1,896,567</u>
End of year	<u>\$ (130,458,244)</u>

NOTES TO FINANCIAL STATEMENTS

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 JUNE 30, 2015

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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, these basic financial statements present the City and its component units, entities for which the City is considered to be financially accountable. The following blended component units, although legally separate entities are, in substance, part of the City's operations and data from these units are combined with the data of the City. They are reported as blended for the following reasons: (1) the governing board is substantively the same as the primary government and there is a financial benefit or burden relationship between the primary government and the component unit; (2) the component unit provides services entirely, or almost entirely, to the primary government or otherwise exclusively, or almost exclusively, benefits the primary government even though it does not provide services directly to it; and (3) the component unit's total debt outstanding, including leases, is expected to be repaid entirely or almost entirely with the resources of the primary government.

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 staff.

All component units had a fiscal year ended June 30, 2015, except for Canon Water Company, which had a fiscal year ended February 28, 2015.

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 and on line at www.ci.pomona.us.

Basis of Accounting and Measurement Focus

The accounting policies of the City conform to accounting principles generally accepted in the United States of America 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

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

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.
- 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.

Note 1: Summary of Significant Accounting Policies (Continued)

- 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.

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.

Note 1: Summary of Significant Accounting Policies (Continued)

- 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.

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.

Note 1: Summary of Significant Accounting Policies (Continued)

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.

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."

Note 1: Summary of Significant Accounting Policies (Continued)

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:

Assets	Years
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.

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.

Note 1: Summary of Significant Accounting Policies (Continued)

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.

Long-Term Debt

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method.

Bonds payable are reported net of the applicable bond premium or discount. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenses when incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Compensated Absences

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

Note 1: Summary of Significant Accounting Policies (Continued)

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 and the Governmental Fund Balance Sheet report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position or fund balance that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government reports deferred outflows of resources for pension contributions made after the actuarial measurement date. The government also reports deferred outflows for charges on debt refunding. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the Statement of Financial Position and Governmental Fund Balance Sheet report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The government has one item, which arises only under the modified accrual basis of accounting that qualifies for reporting in this category. The item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: taxes and grant revenues. These amounts are deferred and recognized as an inflow of resources in the period when the amounts become available. In addition, the government has deferred inflows of resources relating to the net pension obligation reported in the government-wide statement of net position and the proprietary funds. These deferred inflows of resources are the result of the net difference between projected and actual earnings on pension plan investments. These amounts are deferred and amortized over a five year period on a straight-line basis.

Net Pension Liability

For purposes of measuring the net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position have been determined on the same basis as they are reported by the CalPERS Financial Office. For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

Note 1: Summary of Significant Accounting Policies (Continued)

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.

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.

Note 1: Summary of Significant Accounting Policies (Continued)

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.

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 base 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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2015

Note 1: Summary of Significant Accounting Policies (Continued)

Effect of New Accounting Standards

During the fiscal year ended June 30, 2015, the City implemented the following Governmental Accounting Standards Board (GASB) standards:

GASB Statement No. 68 – Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement No. 27 improve the decision-usefulness of information in local government employer entity financial reports and enhance its value for assessing accountability and inter-period equity by requiring recognition of the entire net pension liability and a more comprehensive measure of pension expense. Decision-usefulness and accountability are also enhanced through new note disclosures and required supplementary information. The requirements of this statement are effective for financial statements for periods beginning after June 15, 2014.

GASB Statement No. 71 – Pension Transition for Contributions Made Subsequent to the Measurement Date – an Amendment of GASB Statement No. 68. The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68, *Accounting and Financial Reporting for Pensions*. The issue relates to amounts associated with contributions, if any, made by a local government employer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability. The provisions of GASB Statement No. 71 are effective for financial statements beginning after June 15, 2014.

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 quarter-end cash balances of the various funds.

Summary of Cash and Investments

The following is a summary of cash and investments at June 30, 2015:

	Governmental Activities	Business-Type Activities	Fiduciary Funds	Total
Cash and investments	\$ 51,716,498	\$ 43,045,107	\$ 14,693,523	\$ 109,455,128
Restricted cash	18,587,051	28,900,238	52,764,660	100,251,949
Total	<u>\$ 70,303,549</u>	<u>\$ 71,945,345</u>	<u>\$ 67,458,183</u>	<u>\$ 209,707,077</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2015

Note 2: Cash and Investments (Continued)

Cash and investments is comprised of the following at June 30, 2015:

Cash and cash equivalents:	
Petty cash and change funds	\$ 8,679
Demand deposit	<u>2,535,853</u>
Total cash and cash equivalents	<u>2,544,532</u>
Investments:	
Local Agency Investment Fund	98,857,825
US Government Securities	<u>8,052,771</u>
Total investments	<u>106,910,596</u>
	<u>\$ 109,455,128</u>

Deposits

The carrying amounts of the City's cash deposits were \$2,544,532 at June 30, 2015. Bank balances at June 30, 2015, were \$3,522,628 which were fully insured or collateralized with securities held by the pledging financial institutions in the City's name as discussed below. The \$978,096 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 quarter-end cash and investment balances. Interest income from cash and investments with fiscal agents is credited directly to the related fund.

Investments

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

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2015

Note 2: Cash and Investments (Continued)

- 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, 2015, 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, 2015, the City had \$98,857,825 invested in LAIF, which had invested 2.08% of the pool investment funds in Structured Notes and Asset-Backed Securities. The LAIF fair value factor of 1.000375979 was used to calculate the fair value of the investments in LAIF. LAIF is overseen by the Local Agency Investment Advisory Board, which consists of five members, in accordance with State statute.

Interest Rate Risk

As a means of limiting its exposure to fair value losses arising from rising interest rates, the City's investment policy (Policy) limits investments to a maximum maturity of five years. The weighted average days to maturity of the total portfolio shall not exceed the City's anticipated liquidity needs for the next six (6) months. The City is in compliance with this provision of the Policy.

At June 30, 2015, the City had the following investment maturities:

	1 Year or Less	1 to 3 Years	3 to 5 Years	Total
Investments				
Local Agency Investment Fund	\$ 98,857,825	\$ -	\$ -	\$ 98,857,825
Federal Home Loan Bank	-	2,054,544	5,998,227	8,052,771
	<u>\$ 98,857,825</u>	<u>\$ 2,054,544</u>	<u>\$ 5,998,227</u>	<u>\$ 106,910,596</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2015

Note 2: Cash and Investments (Continued)

Credit Risk

The City's Policy limits investments in commercial paper to the highest grade of stand alone or enhanced (prime) commercial paper as rated by Moody's Investor Service, Standard & Poor's Corporation, or Fitch Financial Services and requires that the management company of mutual funds must have attained the highest ranking or the highest letter and numerical rating provided by not less than two nationally recognized statistical rating organizations.

Investments in U.S. Treasury securities are not considered to have credit risk; therefore, their credit quality is not disclosed. As of June 30, 2015, the City's investments in external investment pools and money market mutual funds are unrated.

	<u>Moody's</u>	<u>Standard & Poor's</u>
Local Agency Investment Fund	Not Rated	Not Rated
Federal Home Loan Bank	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 \$3,272,628 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, \$100,251,949 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, 2015.

Concentration of Credit Risk

The City's Policy states that not more than 20% of the portfolio shall be invested in any one entity or any one instrument to protect the City from concentration of credit risk, with the following exceptions: U.S. Treasury Obligations, governmental agencies (i.e. GNMA, FFCB, FHLB, FHLMC, FNMA, etc.), and investment pools (LAIF). In addition, purchases of commercial paper from U.S. corporations must not exceed 15% of the value of the portfolio at any time and single issuer holdings to no more than 10 percent per issuer. The City is in compliance with these provisions of the Policy.

In accordance with GASB Statement No. 40, if the City has invested more than 5% of its investments in any one issuer, it is exposed to credit risk. As of June 30, 2015, none of the City's deposits or investments was exposed to credit risk.

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

CITY OF POMONA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2015

Note 2: Cash and Investments (Continued)

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 \$3,389,000 as an investment at June 30, 2015. The investment is held by the fiscal agent.

Note 3: Loans Receivable (Net)

At June 30, 2015, the City's net loans receivable consisted of the following:

	Balance July 1, 2014	Additions	Deletions	Balance June 30, 2015
Section 108 Loans	\$ 575,000	\$ -	\$ 135,000	\$ 440,000
Deferred Home Improvement Loans	8,040,772	-	177,416	7,863,356
Prototype Loans	1,203,892	28,423	-	1,232,315
ADDI Loans	62,628	-	62,628	-
Rental Rehabilitation Loans	483,955	7,538	-	491,493
CHDO	942,145	-	-	942,145
HOPE 3 Loans	360,378	-	7,638	352,740
Shield of Faith	4,424,827	111,450	36,854	4,499,423
Manufactured Housing Rehabilitation Loans	2,113,801	49,980	25,000	2,138,781
Occupied Rehabilitation Loans	994,741	462,914	16,518	1,441,137
MAP Loans, net	5,343,892	1,143,975	68,373	6,419,494
NIP Loans	3,141,085	64,038	194,734	3,010,389
Owner Participation Agreement (OPA)	278,244	80,000	181,528	176,716
First Time Home Buyer Program	52,450	-	-	52,450
Multi-Family	720,000	-	-	720,000
Holt Ave. Housing Partners LP Loans	-	1,906,142	-	1,906,142
Telacu	796,581	36,765	-	833,346
Total	\$ 29,534,391	\$ 3,891,225	\$ 905,689	\$ 32,519,927

Note 4: Interfund Transactions

Government-Wide Financial Statements

Internal Balances - At June 30, 2015, the City had the following internal receivable and payable.

Internal Payable	Internal Receivable Business-Type Activities
Governmental Activities	\$ 5,953,677

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 \$953,677 to consolidate the internal service funds activities related to the enterprise funds.

CITY OF POMONA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2015

Note 4: Interfund Transactions (Continued)

Transfers - At June 30, 2015, the City had the following transfers. The purpose of the transfers was for debt service payments and to reimburse a construction project.

Transfers In	Transfers Out Business-Type Activities
Governmental Activities	\$ 1,011,800

Fund Financial Statements

Due To/Due From - At June 30, 2015, the City had the following short-term interfund receivables and payables.

	Due to Other Funds			Total
	General Debt Service	Non Major Governmental Funds	Internal Service Funds	
<u>Due from Other Funds</u>				
Governmental Funds:				
General Fund	\$ 1,664,620	\$ 67,980	\$ 3,487	\$ 1,736,087

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.

Long-Term Advances - At June 30, 2015, the City had the following interfund long-term advances:

	Advance from Other Funds			Total
	Governmental Funds	Proprietary		
	General Fund	General Debt Service	Internal Service Funds	
<u>Advances to Other Funds</u>				
Governmental Funds:				
Public Financing Authority	\$ -	\$ 43,045,000	\$ -	\$ 43,045,000
Non-Major Governmental Funds	304,435	-	-	304,435
Proprietary Funds:				
Water	-	-	5,000,000	5,000,000
Total	\$ 304,435	\$ 43,045,000	\$ 5,000,000	\$ 48,349,435

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.

CITY OF POMONA

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2015**

Note 4: Interfund Transactions (Continued)

Transfers - At June 30, 2015, the City had the following transfers:

	Transfer In							
	Governmental Funds				Proprietary Funds			
	General Fund	Miscellaneous Grants	General debt Service	Non-Major Governmental Funds	Water	Sewer	Refuse	Total
Governmental Fund								
General Fund	\$ -	\$ 72,714	\$ 4,396,786	\$ 152,136	\$ -	\$ -	\$ -	\$ 4,621,636
Miscellaneous Grants	80	-	-	-	-	-	-	80
Non-Major Governmental Funds	-	211,409	217,376	3,015,220	6,204	231,526	85,000	3,766,735
Total Governmental Funds	<u>80</u>	<u>284,123</u>	<u>4,614,162</u>	<u>3,167,356</u>	<u>6,204</u>	<u>231,526</u>	<u>85,000</u>	<u>8,388,451</u>
Proprietary Funds								
Water	-	-	600,000	317,530	-	-	-	917,530
Sewer	-	-	417,000	-	31,251	-	-	448,251
Total Proprietary Funds	<u>-</u>	<u>-</u>	<u>1,017,000</u>	<u>317,530</u>	<u>31,251</u>	<u>-</u>	<u>-</u>	<u>1,365,781</u>
Total	<u>\$ 80</u>	<u>\$ 284,123</u>	<u>\$ 5,631,162</u>	<u>\$ 3,484,886</u>	<u>\$ 37,455</u>	<u>\$ 231,526</u>	<u>\$ 85,000</u>	<u>\$ 9,754,232</u>

The transfer of \$4,396,786 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.

Note 5: Due from Other Governments

At June 30, 2015, the City's due from other governments consisted of the following:

	Governmental Activities
Federal government	\$ 1,268,647
State of California	4,298,861
County of Los Angeles	1,186,492
Local government entities	98,944
Total	<u>\$ 6,852,944</u>

Note 6: Land Held for Resale

At June 30, 2015, land held for resale in the amount of \$4,503,277 is recorded at cost in the Housing Authority Fund.

CITY OF POMONA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2015

Note 7: Capital Assets

Government-Wide Financial Statements

At June 30, 2015, the City's capital assets consisted of the following:

	Governmental Activities	Business-Type Activities	Total
Non-depreciable assets			
Land	\$ 81,168,660	\$ 9,089,782	\$ 90,258,442
Construction in process	22,682,709	19,965,564	42,648,273
Total non-depreciable assets	<u>103,851,369</u>	<u>29,055,346</u>	<u>132,906,715</u>
Depreciable assets:			
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	20,754,160	200,002,139	220,756,299
Furniture and fixtures	1,014,456	5,105	1,019,561
Autos and trucks	10,756,126	4,510,802	15,266,928
Equipment under capitalized leases	1,037,970	4,257,381	5,295,351
Infrastructure	380,805,974	-	380,805,974
Total depreciable assets, at cost	<u>489,313,633</u>	<u>212,544,848</u>	<u>701,858,481</u>
Less accumulated depreciation:			
Buildings and building improvements	11,968,419	3,291,986	15,260,405
Improvements other than buildings	24,683,385	119,452	24,802,837
Machinery and equipment	16,466,672	77,715,074	94,181,746
Furniture and fixtures	812,785	5,105	817,890
Autos and trucks	8,283,866	3,165,780	11,449,646
Equipment under capitalized leases	288,588	851,476	1,140,064
Infrastructure	257,167,573	-	257,167,573
Total accumulated depreciation	<u>319,671,288</u>	<u>85,148,873</u>	<u>404,820,161</u>
Total depreciable assets, net	<u>169,642,345</u>	<u>127,395,975</u>	<u>297,038,320</u>
Total capital assets	<u>\$ 273,493,714</u>	<u>\$ 156,451,321</u>	<u>\$ 429,945,035</u>

CITY OF POMONA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2015

Note 7: Capital Assets (Continued)

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

	Balance July 1, 2014	Additions	Deletions	Transfers	Balance June 30, 2015
Non-depreciable assets:					
Land	\$ 80,360,320	\$ 808,340	\$ -	\$ -	\$ 81,168,660
Construction in process	19,004,938	6,799,860	147,541	(2,974,548)	22,682,709
Total non-depreciable assets	<u>99,365,258</u>	<u>7,608,200</u>	<u>147,541</u>	<u>(2,974,548)</u>	<u>103,851,369</u>
Depreciable assets:					
Buildings and building improvements	14,941,552	-	-	-	14,941,552
Improvements other than buildings	60,003,395	-	-	-	60,003,395
Machinery and equipment	20,020,840	721,070	-	12,250	20,754,160
Furniture and fixtures	1,014,456	-	-	-	1,014,456
Autos and trucks	10,894,922	563,089	701,885	-	10,756,126
Equipment under capitalized leases	1,037,970	-	-	-	1,037,970
Infrastructure	379,331,983	-	1,488,307	2,962,298	380,805,974
Total depreciable assets, at cost	<u>487,245,118</u>	<u>1,284,159</u>	<u>2,190,192</u>	<u>2,974,548</u>	<u>489,313,633</u>
Less accumulated depreciation:					
Buildings and building improvements	11,642,514	325,905	-	-	11,968,419
Improvements other than buildings	23,130,649	1,552,736	-	-	24,683,385
Machinery and equipment	15,235,202	1,231,470	-	-	16,466,672
Furniture and fixtures	764,827	47,958	-	-	812,785
Autos and trucks	8,448,734	537,017	701,885	-	8,283,866
Equipment under capitalized leases	107,056	181,532	-	-	288,588
Infrastructure	249,506,863	9,078,945	1,418,235	-	257,167,573
Total accumulated depreciation	<u>308,835,845</u>	<u>12,955,563</u>	<u>2,120,120</u>	<u>-</u>	<u>319,671,288</u>
Total depreciable assets, net	<u>178,409,273</u>	<u>(11,671,404)</u>	<u>70,072</u>	<u>2,974,548</u>	<u>169,642,345</u>
Total capital assets	<u>\$ 277,774,531</u>	<u>\$ (4,063,204)</u>	<u>\$ 217,613</u>	<u>\$ -</u>	<u>\$ 273,493,714</u>

Depreciation expense for capital assets of the governmental activities for the year ended June 30, 2015, is as follows:

General Government	\$ 212,024
Public safety	1,815,313
Urban development	9,744,894
Community Services	1,160,279
Internal service funds	23,053
Total	<u>\$ 12,955,563</u>

CITY OF POMONA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2015

Note 7: Capital Assets (Continued)

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

	Balance July 1, 2014	Additions	Deletions	Transfers	Balance June 30, 2015
Non-depreciable assets:					
Land	\$ 9,089,782	\$ -	\$ -	\$ -	\$ 9,089,782
Construction in process	18,241,815	4,583,427	-	(2,859,678)	19,965,564
Total non-depreciable assets	<u>27,331,597</u>	<u>4,583,427</u>	<u>-</u>	<u>(2,859,678)</u>	<u>29,055,346</u>
Depreciable assets:					
Buildings and building improvements	3,482,783	-	-	-	3,482,783
Improvements other than buildings	286,638	-	-	-	286,638
Machinery and equipment	197,417,808	49,942	325,289	2,859,678	200,002,139
Furniture and fixtures	5,105	-	-	-	5,105
Autos and trucks	4,554,565	-	43,763	-	4,510,802
Equipment under capitalized leases	4,257,381	-	-	-	4,257,381
Total depreciable assets, at cost	<u>210,004,280</u>	<u>49,942</u>	<u>369,052</u>	<u>2,859,678</u>	<u>212,544,848</u>
Less accumulated depreciation:					
Buildings and building improvements	3,282,309	9,677	-	-	3,291,986
Improvements other than buildings	108,742	10,710	-	-	119,452
Machinery and equipment	74,764,708	3,089,336	138,970	-	77,715,074
Furniture and fixtures	5,105	-	-	-	5,105
Autos and trucks	2,990,211	219,332	43,763	-	3,165,780
Equipment under capitalized lease	425,738	425,738	-	-	851,476
Total accumulated depreciation	<u>81,576,813</u>	<u>3,754,793</u>	<u>182,733</u>	<u>-</u>	<u>85,148,873</u>
Total depreciable assets, net	<u>128,427,467</u>	<u>(3,704,851)</u>	<u>186,319</u>	<u>2,859,678</u>	<u>127,395,975</u>
Total capital assets	<u>\$ 155,759,064</u>	<u>\$ 878,576</u>	<u>\$ 186,319</u>	<u>\$ -</u>	<u>\$ 156,451,321</u>

Depreciation expense for capital assets of the business-type activities for the year ended June 30, 2015, is as follows:

Water	\$ 2,605,803
Sewer	580,345
Refuse	565,974
Canon Water Company	<u>2,671</u>
Total	<u>\$ 3,754,793</u>

Note 8: Other Investments

In November 2006, the Housing Authority of the City Pomona acquired a 29.846% membership interest in Mission Promenade I from a member interest holder for a purchase price of \$600,000.

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, 2015**

Note 9: Long-Term Debt

The following is a summary of long-term debt for the year ended June 30, 2015:

	Balance July 1, 2014	Accreted/ Accrued Interest	Additions	Deletions	Balance June 30, 2015	Due Within One Year
Governmental Activities						
Pollution remediation obligations	\$ 1,580,363	\$ -	\$ -	\$ 619,554	\$ 960,809	\$ 960,809
Obligation under capital leases	879,285	-	-	292,990	586,295	215,741
Notes payable	875,000	-	-	220,000	655,000	220,000
Revenue bonds	41,110,000	-	-	1,546,000	39,564,000	1,626,000
Pension obligation refunding bonds	44,414,040	439,913	-	520,000	44,333,953	615,000
Certificates of participation	11,681,813	-	-	345,622	11,336,191	335,000
Subtotal	100,540,501	439,913	-	3,544,166	97,436,248	3,972,550
Compensated absences	6,994,573	-	4,437,032	4,313,379	7,118,226	4,437,000
Claims payable	16,179,444	-	2,029,341	6,107,237	12,101,548	1,805,000
Total governmental activities	<u>\$ 123,714,518</u>	<u>\$ 439,913</u>	<u>\$ 6,466,373</u>	<u>\$ 13,964,782</u>	<u>\$ 116,656,022</u>	<u>\$ 10,214,550</u>
Business-Type Activities						
Obligations under capital leases	\$ 3,564,689	\$ -	\$ -	\$ 560,296	\$ 3,004,393	\$ 573,408
Revenue bonds	133,915,426	-	-	1,828,782	132,086,644	1,750,000
Subtotal	137,480,115	-	-	2,389,078	135,091,037	2,323,408
Compensated absences	1,342,054	-	1,029,412	1,069,259	1,302,207	1,030,000
Total business-type activities	<u>\$ 138,822,169</u>	<u>\$ -</u>	<u>\$ 1,029,412</u>	<u>\$ 3,458,337</u>	<u>\$ 136,393,244</u>	<u>\$ 3,353,408</u>

Governmental Activities Long-Term Debt

Pollution Remediation Obligations

The City acquired properties which were determined to have soil and groundwater contamination. 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 \$619,554 on clean-up cost. The remaining outstanding cost to complete the clean-up is estimated at \$960,809 at June 30, 2015.

Obligations under Capital Leases

At June 30, 2015, obligations under capital leases consisted of the following:

	Balance July 1, 2014	Additions	Deletions	Balance June 30, 2015	Due Within One Year
PPF #1	\$ 230,718	\$ -	\$ 75,045	\$ 155,673	\$ 76,891
PPF #2	83,584	-	83,584	-	-
HCC #2	564,983	-	134,361	430,622	138,850
Total	<u>\$ 879,285</u>	<u>\$ -</u>	<u>\$ 292,990</u>	<u>\$ 586,295</u>	<u>\$ 215,741</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, 2015

Note 9: Long-Term Debt (Continued)

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

	<u>June 30, 2015</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>(288,588)</u>
Equipment under capitalized leases, net	<u>\$ 749,382</u>

The depreciation expense for equipment under capitalized leases was \$181,533 for the year ended June 30, 2015.

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, 2015, is as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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>\$ 586,295</u>	<u>\$ 29,208</u>	<u>\$ 615,503</u>

Notes Payable

At June 30, 2015, notes payable consisted of the following:

	<u>Balance</u> <u>July 1, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2015</u>	<u>Due Within</u> <u>One Year</u>
HUD Section 108 Loan	\$ 575,000	\$ -	\$ 145,000	\$ 430,000	\$ 145,000
City of Claremont	<u>300,000</u>	<u>-</u>	<u>75,000</u>	<u>225,000</u>	<u>75,000</u>
	<u>\$ 875,000</u>	<u>\$ -</u>	<u>\$ 220,000</u>	<u>\$ 655,000</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, 2015

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, 2015, is as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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
2019-2020	20,000	3,000	23,000
2020-2024	<u>80,000</u>	<u>6,000</u>	<u>86,000</u>
Total	<u>\$ 430,000</u>	<u>\$ 30,363</u>	<u>\$ 460,363</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, 2015, is as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015-2016	\$ 75,000	\$ 3,750	\$ 78,750
2016-2017	75,000	3,750	78,750
2017-2018	<u>75,000</u>	<u>3,750</u>	<u>78,750</u>
Total	<u>\$ 225,000</u>	<u>\$ 11,250</u>	<u>\$ 236,250</u>

Revenue Bonds

At June 30, 2015, revenue bonds consisted of the following:

	<u>Balance July 1, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2015</u>	<u>Due Within One Year</u>
2005 Subordinate Revenue Bonds, Series AL	\$ 4,375,000	\$ -	\$ 460,000	\$ 3,915,000	\$ 480,000
2005 Reassessment and Refunding Bonds, Series AM	3,750,000	-	361,000	3,389,000	386,000
2005 Lease Revenue Bonds, Series AN	19,485,000	-	65,000	19,420,000	65,000
2005 Taxable Lease Revenue Bonds, Series AP	1,025,000	-	500,000	525,000	525,000
2006 Lease Revenue Bonds, Series AU	2,340,000	-	30,000	2,310,000	35,000
2006 Taxable Lease Revenue Bonds, Series AV	<u>10,135,000</u>	<u>-</u>	<u>130,000</u>	<u>10,005,000</u>	<u>135,000</u>
Total	<u>\$ 41,110,000</u>	<u>\$ -</u>	<u>\$ 1,546,000</u>	<u>\$ 39,564,000</u>	<u>\$ 1,626,000</u>
Unamortized Deferred Loss on Refunding					
2006 Taxable Lease Revenue Bonds, Series AV	<u>\$ (133,591)</u>	<u>\$ -</u>	<u>\$ (7,031)</u>	<u>\$ (126,560)</u>	

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2015

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, 2015, is as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015-2016	\$ 480,000	\$ 180,659	\$ 660,659
2016-2017	505,000	157,385	662,385
2017-2018	530,000	132,672	662,672
2018-2019	555,000	106,424	661,424
2019-2020	585,000	78,270	663,270
2020-2022	<u>1,260,000</u>	<u>64,718</u>	<u>1,324,718</u>
Total	<u>\$ 3,915,000</u>	<u>\$ 720,128</u>	<u>\$ 4,635,128</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, 2015, is as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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
2019-2020	516,000	101,008	617,008
2020-2022	<u>1,141,000</u>	<u>83,933</u>	<u>1,224,933</u>
Total	<u>\$ 3,389,000</u>	<u>\$ 925,208</u>	<u>\$ 4,314,208</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2015

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, 2015, is as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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
2019-2020	700,000	815,060	1,515,060
2020-2025	3,980,000	3,613,849	7,593,849
2025-2030	4,950,000	2,583,438	7,533,438
2030-2035	6,315,000	1,185,625	7,500,625
2035-2036	1,460,000	36,500	1,496,500
Total	<u>\$ 19,420,000</u>	<u>\$ 11,747,166</u>	<u>\$ 31,167,166</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, 2015, is as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015-2016	\$ 525,000	\$ 12,797	\$ 537,797

CITY OF POMONA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2015

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, 2015, is as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015-2016	\$ 35,000	\$ 98,340	\$ 133,340
2016-2017	30,000	97,115	127,115
2017-2018	35,000	96,035	131,035
2018-2019	35,000	94,740	129,740
2019-2020	35,000	93,410	128,410
2020-2025	215,000	443,379	658,379
2025-2030	255,000	396,195	651,195
2030-2035	385,000	332,468	717,468
2035-2040	495,000	239,688	734,688
2040-2045	790,000	121,107	911,107
Total	<u>\$ 2,310,000</u>	<u>\$ 2,012,477</u>	<u>\$ 4,322,477</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, 2015

Note 9: Long-Term Debt (Continued)

The annual debt service requirement for the 2006 Taxable Lease Revenue Bonds, Series AV outstanding at June 30, 2015, is as follows:

	Principal	Interest	Total
2015-2016	\$ 135,000	\$ 564,920	\$ 699,920
2016-2017	145,000	558,170	703,170
2017-2018	150,000	550,920	700,920
2018-2019	160,000	542,520	702,520
2019-2020	170,000	533,560	703,560
2020-2025	990,000	2,515,760	3,505,760
2025-2030	1,305,000	2,204,680	3,509,680
2030-2035	1,710,000	1,795,400	3,505,400
2035-2040	2,260,000	1,250,010	3,510,010
2040-2045	2,980,000	528,960	3,508,960
Total	<u>\$ 10,005,000</u>	<u>\$ 11,044,900</u>	<u>\$ 21,049,900</u>

The following is a summary of unamortized deferred loss on refunding outstanding at June 30, 2015:

Balance July 1, 2014	Additions	Deletions	Balance June 30, 2015
<u>\$ (133,591)</u>	<u>\$ -</u>	<u>\$ (7,031)</u>	<u>\$ (126,560)</u>

Amortization expense was \$7,031 for June 30, 2015.

Pension Obligation Refunding Bonds

	Balance July 1, 2014	Accreted Interest	Deletions	Balance June 30, 2015	Due Within One Year
2006 Pension Obligation Bonds, Series AR	<u>\$ 44,414,040</u>	<u>\$ 439,913</u>	<u>\$ 520,000</u>	<u>\$ 44,333,953</u>	<u>\$ 615,000</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 and changed the debt structure from variable rate to fixed rate.

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

CITY OF POMONA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2015

Note 9: Long-Term Debt (Continued)

principal amount of \$36,205,000 and as capital appreciation bonds in the original issuance amount of \$6,075,684.

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

The annual debt service requirement outstanding at June 30, 2015, is as follows:

	Principal	Interest	Accreted Interest	Total
2015-2016	\$ 615,000	\$ 2,099,240	\$ -	\$ 2,714,240
2016-2017	695,721	2,089,629	19,279	2,804,629
2017-2018	790,996	2,068,759	44,005	2,903,760
2018-2019	888,650	2,044,732	76,350	3,009,732
2019-2020	987,475	2,017,272	112,525	3,117,272
2020-2025	6,466,380	9,521,325	1,318,620	17,306,325
2025-2030	9,284,731	8,116,181	3,140,267	20,541,179
2030-2035	19,465,000	4,559,603	-	24,024,603
2035-2036	5,140,000	149,882	-	5,289,882
Total	<u>\$ 44,333,953</u>	<u>\$ 32,666,623</u>	<u>\$ 4,711,046</u>	<u>\$ 81,711,622</u>

Certificates of Participation

	Balance July 1, 2014	Additions	Deletions	Balance June 30, 2015	Due Within One Year
2003 Certificate of Participation, Series AG	\$ 11,100,000	\$ -	\$ 315,000	\$ 10,785,000	\$ 335,000
Unamortized Bond Premium	581,813	-	30,622	551,191	-
Total	<u>\$ 11,681,813</u>	<u>\$ -</u>	<u>\$ 345,622</u>	<u>\$ 11,336,191</u>	<u>\$ 335,000</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

CITY OF POMONA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2015

Note 9: Long-Term Debt (Continued)

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

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

The annual debt service requirement outstanding at June 30, 2015, is as follows:

	Principal	Interest	Total
2015-2016	\$ 335,000	\$ 593,175	\$ 928,175
2016-2017	355,000	574,750	929,750
2017-2018	375,000	555,225	930,225
2018-2019	395,000	534,600	929,600
2019-2020	415,000	512,875	927,875
2020-2025	2,450,000	2,195,325	4,645,325
2025-2030	3,205,000	1,442,650	4,647,650
2030-2034	3,255,000	459,525	3,714,525
Total	<u>\$ 10,785,000</u>	<u>\$ 6,868,125</u>	<u>\$ 17,653,125</u>

The following is a summary of the 2003 Certificate of Participation, Series AG unamortized premium outstanding at June 30, 2015:

Balance July 1, 2014	Additions	Deletions	Balance June 30, 2015
<u>\$ 581,813</u>	<u>\$ -</u>	<u>\$ 30,622</u>	<u>\$ 551,191</u>

Compensated Absences

The following is a summary of compensated absences outstanding as of June 30, 2015:

Balance July 1, 2014	Additions	Deletions	Balance June 30, 2015	Due Within One Year
<u>\$ 6,994,573</u>	<u>\$ 4,437,032</u>	<u>\$ 4,313,379</u>	<u>\$ 7,118,226</u>	<u>\$ 4,437,000</u>

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2015

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

The following is a summary of the claims payable outstanding as of June 30, 2015:

Balance July 1, 2014	Additions	Deletions	Balance June 30, 2015	Due Within One Year
<u>\$ 16,179,444</u>	<u>\$ 2,029,341</u>	<u>\$ 6,107,237</u>	<u>\$ 12,101,548</u>	<u>\$ 1,805,000</u>

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

Business-Type Activities**Obligations under Capital Leases**

	Balance July 1, 2014	Additions	Deletions	Balance June 30, 2015	Due Within One Year
HCC #1	<u>\$ 3,564,689</u>	<u>\$ -</u>	<u>\$ 560,297</u>	<u>\$ 3,004,392</u>	<u>\$ 573,408</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 in the capital assets account.

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

	<u>June 30, 2015</u>
Equipment	<u>\$ 4,257,381</u>
Equipment under capitalized lease, at cost	4,257,381
Accumulated depreciation	<u>(851,476)</u>
Equipment under capitalized lease, net	<u>\$ 3,405,905</u>

The depreciation expense for equipment under capitalized leases was \$425,738 for the year ended June 30, 2015.

The annual debt service requirement outstanding at June 30, 2015, is as follows:

	Principal	Interest	Total
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	<u>628,990</u>	<u>14,717</u>	<u>643,707</u>
Total	<u>\$ 3,004,392</u>	<u>\$ 214,160</u>	<u>\$ 3,218,552</u>

CITY OF POMONA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2015

Note 9: Long-Term Debt (Continued)

Revenue Bonds

	Balance July 1, 2014	Additions	Deletions	Balance June 30, 2015	Due Within One Year
2002 Refunding Revenue Bonds, Series AF	\$ 12,765,000	\$ -	\$ 220,000	\$ 12,545,000	\$ 225,000
2007 Revenue Bonds, Series AY	95,615,000	-	1,035,000	94,580,000	1,075,000
Unamortized Bond Premium	4,835,426	-	148,782	4,686,644	-
2007 Taxable Revenue Refunding Bonds, Series AZ	5,820,000	-	260,000	5,560,000	275,000
2007 Revenue Bonds, Series BA	14,880,000	-	165,000	14,715,000	175,000
Total	<u>\$ 133,915,426</u>	<u>\$ -</u>	<u>\$ 1,828,782</u>	<u>\$ 132,086,644</u>	<u>\$ 1,750,000</u>
Unamortized Deferred Loss on Refunding					
2002 Refunding Revenue Bonds, Series AF	\$ (611,050)	\$ -	\$ (58,195)	\$ (552,855)	
2007 Revenue Bonds, Series AY	(1,180,357)	-	(78,692)	(1,101,665)	
Total	<u>\$ (1,791,407)</u>	<u>\$ -</u>	<u>\$ (136,887)</u>	<u>\$ (1,654,520)</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, 2015, is as follows:

	Principal	Interest	Total
2015-2016	\$ 225,000	\$ 585,988	\$ 810,988
2016-2017	240,000	577,175	817,175
2017-2018	245,000	567,625	812,625
2018-2019	260,000	557,395	817,395
2019-2020	270,000	546,395	816,395
2020-2025	1,550,000	2,536,000	4,086,000
2025-2030	1,960,000	2,141,800	4,101,800
2030-2035	2,440,000	1,644,338	4,084,338
2035-2040	3,100,000	966,250	4,066,250
2040-2043	2,255,000	172,875	2,427,875
Total	<u>\$ 12,545,000</u>	<u>\$ 10,295,841</u>	<u>\$ 22,840,841</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, 2015

Note 9: Long-Term Debt (Continued)

The following is a summary of unamortized deferred loss on refunding outstanding at June 30, 2015:

<u>Balance</u> <u>July 1, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2015</u>
\$ (611,050)	\$ -	\$ (58,195)	\$ (552,855)

Amortization expense was \$58,195 for June 30, 2015.

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, 2015, is as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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
2019-2020	1,280,000	4,472,100	5,752,100
2020-2025	7,315,000	21,460,400	28,775,400
2025-2030	9,900,000	19,456,500	29,356,500
2030-2035	15,290,000	16,413,500	31,703,500
2035-2040	19,500,000	12,190,000	31,690,000
2040-2045	24,890,000	6,802,250	31,692,250
2045-2047	11,790,000	891,500	12,681,500
Total	<u>\$ 94,580,000</u>	<u>\$ 100,092,650</u>	<u>\$ 194,672,650</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2015

Note 9: Long-Term Debt (Continued)

The following is a summary of the 2007 Revenue Bonds, Series AY unamortized premium outstanding at June 30, 2015:

Balance July 1, 2014	Additions	Deletions	Balance June 30, 2015
<u>\$ 4,835,426</u>	<u>\$ -</u>	<u>\$ 148,782</u>	<u>\$ 4,686,644</u>

Amortization expense was \$148,782 for June 30, 2015.

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, 2015:

Balance July 1, 2014	Additions	Deletions	Balance June 30, 2015
<u>\$ (1,180,357)</u>	<u>\$ -</u>	<u>\$ (78,692)</u>	<u>\$ (1,101,665)</u>

Amortization expense was \$78,692 for June 30, 2015.

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, 2015

Note 9: Long-Term Debt (Continued)

The annual debt service requirement outstanding at June 30, 2015, is as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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
2019-2020	340,000	247,470	587,470
2020-2025	1,995,000	928,578	2,923,578
2025-2029	2,045,000	296,908	2,341,908
Total	<u>\$ 5,560,000</u>	<u>\$ 2,630,512</u>	<u>\$ 8,190,512</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, 2015, is as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015-2016	\$ 175,000	\$ 649,734	\$ 824,734
2016-2017	175,000	642,148	817,148
2017-2018	185,000	365,296	550,296
2018-2019	190,000	628,483	818,483
2019-2020	195,000	621,260	816,260
2020-2025	1,100,000	2,983,204	4,083,204
2025-2030	1,345,000	2,736,020	4,081,020
2030-2035	1,700,000	2,406,656	4,106,656
2035-2040	2,135,000	1,986,975	4,121,975
2040-2045	4,395,000	1,410,019	5,805,019
2045-2047	3,120,000	228,544	3,348,544
Total	<u>\$ 14,715,000</u>	<u>\$ 14,658,339</u>	<u>\$ 29,373,339</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2015

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 \$1,302,208 at June 30, 2015.

Balance July 1, 2014	Additions	Deletions	Balance June 30, 2015	Due Within One Year
\$ 1,342,054	\$ 1,029,413	\$ 1,069,260	\$ 1,302,207	\$ 1,030,000

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 2015, the Water and Sewer Enterprise Funds have net available revenues of \$9,156,656 and total debt service paid was \$7,974,164. The bonds required 87% of net revenue. Annual principal and interest payments on the bonds are expected to require roughly 92% of future net revenue. The total principal and interest remaining to be paid at June 30, 2015, on the Bonds is as follows:

Debt Issue	Remaining Balance
2002 Series AF Bonds	\$ 22,840,841
2007 Series AY Bonds	194,672,650
2007 Series AZ Bonds	8,190,512
2007 Series BA Bonds	29,373,339
Total	\$ 255,077,342

Revenue	2014-2015 Revenue
Net available revenues; excluding debt service	\$ 9,156,656

CITY OF POMONA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2015

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, 2015, of capital assets related debt.

Governmental Activities:

	Outstanding Principal on Capital Related Debt
2003 Certificates of Participation, Series AG	\$ 11,201,659
2005 Lease Revenue Bonds, Series AN	18,146,779
2005 Taxable Lease Revenue Bonds, Series AP	525,000
2006 Lease Revenue Bonds, Series AU	2,112,496
2006 Taxable Lease Revenue Bonds, Series AV	4,366,777
Capital Lease Obligations	586,295
Total	<u>\$ 36,939,006</u>

Business-Type Activities:

	Outstanding Principal on Capital Related Debt
Water	
2007 Revenue Bonds, Series AY	\$ 84,939,283
2007 Taxable Revenue Refunding Bonds, Series AZ	4,458,334
Subtotal	<u>89,397,617</u>
Sewer	
2002 Refunding Revenue Bonds, Series AF	10,001,177
2007 Revenue Bonds, Series BA	11,962,511
Subtotal	<u>21,963,688</u>
Refuse	
Capital Lease Obligation	3,004,393
Total	<u>\$ 114,365,698</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2015

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, 2015, is as follows:

<u>Mortgage Revenue Bonds</u>	<u>Balance June 30, 2015</u>
Single Family, Series 1983 A (Southwest Project Bonds)	\$ 700,000
Single Family Mortgage Refunding Bonds 90A	29,305,000
Single Family Mortgage Refunding Bonds 90B	12,745,000
	<u>\$ 42,750,000</u>

Note 11: Defined Benefit Pension Plan Obligations

General Information about the Pension Plan

Plan Description

The City contributes to the California Public Employees Retirement System (PERS), an agent multiple-employer public employee defined benefit pension plan. PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. PERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by State statute and City ordinance. Copies of PERS' annual financial report may be obtained from its Executive Office located at 400 P Street, Sacramento, California 95814.

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2015

Note 11: Defined Benefit Pension Plan Obligations (Continued)

	Miscellaneous Plan		
	Tier 1 *	Tier 2*	PEPRA
		On or after	
Hire date	Prior to August 14, 2011	August 14, 2011 but prior to January 1, 2013	On or after January 1, 2013
Benefit formula	2.0% @ 55	2.0% @ 60	2.0% @ 62
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	minimum 50 yrs	minimum 50 yrs	minimum 52 yrs
Monthly benefits, as a % of eligible compensation	1.426% - 2.418%, 50 yrs - 63+ yrs, respectively	1.092% - 2.418%, 50 yrs - 63+ yrs, respectively	1.000% - 2.500%, 52 yrs - 67+ yrs, respectively
Required employee contribution rates	7.000%	7.000%	6.250%
Required employer contribution rates	17.053%	17.053%	17.053%

* Plan is closed to new entrants

	Safety Plan		
	Tier 1 *	Tier 2 *	PEPRA
		On or after	
Hire date	Prior to November 21, 2010	November 21, 2010 but prior to January 1, 2013	On or after January 1, 2013
Benefit formula	3.0% @ 50	3.0% @ 55	2.7% @ 57
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	minimum 50 yrs	minimum 50 yrs	minimum 50 yrs
Monthly benefits, as a % of eligible compensation	3.000%, 50+ yrs	2.400% - 3.000%, 50 yrs - 55+ yrs, respectively	2.000% - 2.700%, 50 yrs - 57+ yrs, respectively
Required employee contribution rates	9.000%	9.000%	12.750%
Required employer contribution rates	40.523%	40.523%	40.523%

* Plan is closed to new entrants

Employees Covered

At June 30, 2014, the following employees were covered by the benefit terms of the plan:

Description	Number of members	
	Miscellaneous	Safety Plan
Active members	351	153
Transferred members	319	22
Terminated members	195	15
Retired members and beneficiaries	805	377
Total	1,670	567

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2015

Note 11: Defined Benefit Pension Plan Obligations (Continued)

Contribution Description

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the year ended June 30, 2015, the employer contributions recognized as a reduction to the net pension liability for all the Miscellaneous Plan and Safety Plan were \$2,691,762 and \$6,210,220 respectively.

Net Pension Liability

The City's net pension liability is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of each of the Plans is measured as of June 30, 2014, using an annual actuarial valuation as of June 30, 2013 rolled forward to June 30, 2014 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

For the measurement period ended June 30, 2014 (the measurement date), the total pension liability was determined by rolling forward the June 30, 2013 total pension liability. The June 30, 2013 and the June 30, 2014 total pension liabilities were based on the following actuarial methods and assumptions:

	<u>Miscellaneous Plan</u>	<u>Safety Plan</u>
Actuarial Cost Method	Entry Age Normal in accordance with the requirements of GASB Statement No. 68	Entry Age Normal in accordance with the requirements of GASB Statement No. 68
Actuarial Assumptions		
Discount Rate	7.50%	7.50%
Inflation	2.75%	2.75%
Salary Increases	Varies by Entry Age and Service	Varies by Entry Age and Service
Investment Rate of Return	7.50% Net of Pension Plan Investment and Administrative Expenses; includes Inflation	7.50% Net of Pension Plan Investment and Administrative Expenses; includes Inflation
Mortality Rate Table (1)	Derived using CalPERS' Membership Data for all Funds	Derived using CalPERS' Membership Data for all Funds
Post Retirement Benefit Increase	Contract COLA up to 2.75% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.75% thereafter	Contract COLA up to 2.75% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.75% thereafter

(1) The mortality table used was developed based on CalPERS' specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. For more details on this table, please refer to the 2014 experience study report.

Note 11: Defined Benefit Pension Plan Obligations (Continued)

All other actuarial assumptions used in the June 30, 2013 valuation were based on the results of an actuarial experience study for the period from 1997 to 2011, including updates to salary increase, mortality and retirement rates. The Experience Study report can be obtained at CalPERS' website under Forms and Publications.

Discount Rate

The discount rate used to measure the total pension liability was 7.50 percent. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate.

Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.50 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long-term expected discount rate of 7.50 percent is applied to all plans in the Public Employees Retirement Fund. The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained at CalPERS' website under the GASB 68 section.

According to Paragraph 30 of Statement 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. The 7.50 percent investment return assumption used in this accounting valuation is net of administrative expenses. Administrative expenses are assumed to be 15 basis points. An investment return excluding administrative expenses would have been 7.65 percent. Using this lower discount rate has resulted in a slightly higher total pension liability and net pension liability. CalPERS determined this difference was deemed immaterial to the Agent Multiple-Employer Defined Benefit Pension Plan. More information can be found on the CalPERS website.

CalPERS is scheduled to review all actuarial assumptions as part of its regular Asset Liability Management review cycle that is scheduled to be completed in February 2018. Any changes to the discount rate will require Board action and proper stakeholder outreach. For these reasons, CalPERS expects to continue using a discount rate net of administrative expenses for GASB 67 and 68 calculations through at least the 2017-18 fiscal year. CalPERS will continue to check the materiality of the difference in calculation until such time as they have changed their methodology.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2015

Note 11: Defined Benefit Pension Plan Obligations (Continued)

calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These geometric rates of return are net of administrative expenses.

<u>Assets Class</u>	<u>New Strategic Allocation</u>	<u>Real Return Years 1 - 10 (1)</u>	<u>Real Return Years 11+ (2)</u>
Global Equity	47.00%	5.25%	5.71%
Global Fixed Income	19.00	0.99	2.43
Inflation Sensitive	6.00	0.45	3.36
Private Equity	12.00	6.83	6.95
Real Estate	11.00	4.50	5.13
Infrastructure and Forestland	3.00	4.50	5.09
Liquidity	2.00	(0.55)	(1.05)

(1) An expected inflation of 2.5% used for this period

(2) An expected inflation of 3.0% used for this period

Changes in the Net Pension Liability

The following table shows the changes in net pension liability recognized over the measurement period.

	<u>Increase (Decrease)</u>		
	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net Pension Liability/(Assets)</u>
Miscellaneous Plan	(a)	(b)	(c)=(a)-(b)
Balance at: 6/30/2013 (Valuation Date) (1)	\$ 245,736,775	\$ 184,143,961	\$ 61,592,814
Changes Recognized for the Measurement Period:			
Service Cost	3,310,829	-	3,310,829
Interest on the Total Pension Liability	18,086,982	-	18,086,982
Changes of Benefit Terms	-	-	-
Difference between Expected and Actual Experience	-	-	-
Changes of Assumptions	-	-	-
Contribution from the Employer	-	3,048,502	(3,048,502)
Contributions from Employees	-	1,640,223	(1,640,223)
Net Investment Income (2)	-	31,444,609	(31,444,609)
Benefit Payments including Refunds of Employee Contributions	(12,464,852)	(12,464,852)	-
Net Changes During 2013-14	8,932,959	23,668,482	(14,735,523)
Balance at: 6/30/2014 (Measurement Date) (1)	\$ 254,669,734	\$ 207,812,443	\$ 46,857,291

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2015
Note 11: Defined Benefit Pension Plan Obligations (Continued)

Safety Plan	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Assets) (c)=(a)-(b)
Balance at: 6/30/2013 (Valuation Date) (1)	\$ 313,905,458	\$ 219,628,065	\$ 94,277,393
Changes Recognized for the Measurement Period:			
Service Cost	4,880,486	-	4,880,486
Interest on the Total Pension Liability	23,069,282	-	23,069,282
Changes of Benefit Terms	-	-	-
Difference between Expected and Actual Experience	-	-	-
Changes of Assumptions	-	-	-
Contribution from the Employer	-	4,480,201	(4,480,201)
Contributions from Employees	-	1,402,077	(1,402,077)
Net Investment Income (2)	-	37,455,889	(37,455,889)
Benefit Payments including Refunds of Employee Contributions	(17,510,572)	(17,510,572)	-
Net Changes During 2013-14	10,439,196	25,827,595	(15,388,399)
Balance at: 6/30/2014 (Measurement Date) (1)	\$ 324,344,654	\$ 245,455,660	\$ 78,888,994

- (1) The fiduciary net position includes receivables for employee service buybacks, deficiency reserves, fiduciary self-insurance and OPEB expense. This may differ from the plan assets reported in the funding actuarial valuation report.
- (2) Net of administrative expenses.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the Plan as of the measurement date, calculated using the discount rate of 7.50 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.50 percent) or 1 percentage-point higher (8.50 percent) than the current rate:

	Discount Rate - 1% (6.50%)	Current Discount Rate (7.5%)	Discount Rate +1% (8.5%)
Miscellaneous Plan's Net Pension Liability/(Assets)	\$ 79,162,664	\$ 46,857,291	\$ 19,798,294
Safety Plan's Net Pension Liability/(Assets)	118,234,605	78,888,994	44,111,975
Total Plans	\$ 197,397,269	\$ 125,746,285	\$ 63,910,269

Pension Plan Fiduciary Net Position

The plan fiduciary net position disclosed in the GASB 68 accounting valuation report may differ from the plan assets reported in the funding actuarial valuation report due to several reasons. First, for the accounting valuations, CalPERS must keep items such as deficiency reserves, fiduciary self-insurance and OPEB expense included as assets. These amounts are excluded for rate setting purposes in the funding actuarial valuation. In addition, differences may result from early Comprehensive Annual Financial Report closing and final reconciled reserves.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2015

Note 11: Defined Benefit Pension Plan Obligations (Continued)

Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions

As of the start of the measurement period (July 1, 2013), the net pension liability was \$155,870,207. For the measurement period ending June 30, 2014 (the measurement date), the City incurred a pension expense/(income) of \$8,901,982 for both the Miscellaneous Plan and Safety Plan.

Note that no adjustments have been made for contributions subsequent to the measurement date. Adequate treatment of any contributions made after the measurement date is the responsibility of the employer.

As of June 30, 2015, the City has deferred outflows and deferred inflows of resources related to pensions as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Current year contributions that occurred after the measurement date of June 30, 2014	\$ 8,974,566	\$ -
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	(31,497,200)
Total	\$ 8,974,566	\$ (31,497,200)

\$8,974,566 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows or deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Measurement Period Ended June 30:	Deferred Outflows/(Inflows) of Resources
2015	\$ (7,874,300)
2016	(7,874,300)
2017	(7,874,300)
2018	(7,874,300)

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2015

Note 12: Other Post Employment Benefits

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, 2015.

Funding Policy

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

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

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

Annual Pension Cost

For the year ending June 30, 2015, the City's annual pension cost for the Collateral Benefits Plan of \$110,032 was equal to the actuarial required contribution.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2015

Note 12: Other Post Employment Benefits (Continued)

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)
6/30/2013	\$ 92,391	100%	\$ -
6/30/2014	110,032	100%	-
6/30/2015	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.

Collateral Benefits 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
1/1/2006	\$ -	\$ 1,172,743	\$ (1,172,743)	0.0%	n/a	n/a
7/1/2009	179,275	954,779	(775,504)	18.8%	n/a	n/a
7/1/2012	220,801	976,744	(755,943)	22.6%	n/a	n/a

Actuarial valuation is performed every three years. As of the date of this report, this is the latest information available.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2015

Note 12: Other Post Employment Benefits (Continued)**Public Employees' Medical and Hospital Care Program (PEMHCA) Plan****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 489 employees eligible to receive or are receiving post-employment benefits at June 30, 2015.

Funding Policy

The required contribution of the City is based on a pay-as-you-go financing requirement. For fiscal year 2015, the City contributed \$3,345,170 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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2015
Note 12: 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	\$ 5,508,998
Interest on net OPEB obligation	749,061
Adjustment to annual required contribution	<u>(778,913)</u>
Annual OPEB cost (expense)	5,479,146
Contributions made	<u>3,345,170</u>
Increase in net OPEB obligation	2,133,976
Net OPEB obligation - beginning of year	<u>17,668,252</u>
Net OPEB obligation - end of year	<u>\$ 19,802,228</u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2015 is as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Annual Contribution</u>	<u>% of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
6/30/2013	\$ 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
6/30/2015	5,479,146	3,345,170	61.1%	19,802,228

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, 2015

Note 12: 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.

Schedule of Funding Progress
Public Employees' Medical and Hospital Care Program Plan

Actuarial Valuation Date	Actuarial Value of Assets (AVA)	Entry Age Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability	Funded Ratio	Annual Covered Payroll	UAAL 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, 2015, was 23 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 13: 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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2015

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

Below are the most currently available condensed audited financial statements of the JPA as of June 30, 2015. Separate financial statements of Foothill Transit are available from its offices located in West Covina, CA.

	<u>Total</u>
Assets	\$ 317,825,782
Liabilities	<u>86,538,577</u>
Net Position	<u>\$ 231,287,205</u>
Revenues	\$ 20,070,304
Expenses	<u>96,020,736</u>
Operating income	(75,950,432)
Nonoperating revenue (expenses)	<u>56,182,236</u>
Net income	(19,768,196)
Capital contributions	43,067,156
Net Position - July 1, 2014	<u>207,988,245</u>
Net Position - June 30, 2015	<u>\$ 231,287,205</u>

Note 13: Joint Powers Agreements (Continued)

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, 2015. 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 \$43,000 in annual dues for the fiscal year ending June 30, 2015.

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, 2015.

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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2015

Note 13: Joint Powers Agreements (Continued)**Pomona Valley Transportation Authority**

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

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

The City does not have an equity interest in the PVTA. However, the City does have an ongoing financial interest. 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, 2015. Separate financial statements of the PVTA are available from its offices located in La Verne, California.

	<u>Total</u>
Assets	<u>\$ 3,168,365</u>
Liabilities	\$ 1,689,898
Contributed capital	411,448
Retained earnings	<u>1,067,019</u>
Total liabilities and fund equity	<u>\$ 3,168,365</u>
Operating revenues	\$ 283,727
Operating expenses	<u>4,428,926</u>
Operating (income)	(4,145,199)
Non-operating revenue	<u>4,092,296</u>
Net income	(52,903)
Retained earnings - July 1, 2014	<u>1,119,922</u>
Retained earnings - June 30, 2015	<u>\$ 1,067,019</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 \$3,757,541 during the year ended June 30, 2015, which is comprised of \$3,489,570 for

CITY OF POMONA

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2015**

Note 13: Joint Powers Agreements (Continued)

water use and \$267,941 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, 2015, was \$672,618.

As of June 30, 2015, the three participants had the following approximate ownership equity interest:

Member	Percentages	Agreement Balance
City of Pomona	28%	\$ 672,618
Walnut Valley Water District	43%	1,032,949
Rowland Water District	28%	672,618
Unallocated	1%	24,022
Total	<u>100%</u>	<u>\$ 2,402,207</u>

The Commission's basic financial statements for the fiscal year ended June 30, 2015, reflect the implementation of GASB 34 and include the following:

Total Assets	\$ 5,239,818
Total Liabilities	<u>2,837,610</u>
Net Position	<u>\$ 2,402,208</u>

The Commission does not recognize income or loss. Net operating expenditures in excess of users' assessments are treated as accounts receivable on the Commission's books and charged to each user's account in the following year. Conversely, user's assessments in excess of net operating expenditures are treated as a liability and credited against each user's account, also in the following year. Under this basis, operating expenses for the Commission totaled \$17,134,901 compared to total operating revenues of \$17,122,934 in fiscal year 2015. 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, 2015.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2015

Note 13: Joint Powers Agreements (Continued)**Tri-City Mental Health Center**

The City is a member of the Tri City Mental Health Center (Center). The Center is a jointly governed organization comprised of three cities and is organized under a Joint Powers Agreement pursuant to the California Government Code. The purpose of the Center is to develop mental health services and facilities to serve persons residing in the three member cities. The City's contribution to the Center was \$43,675 for the year ended June 30, 2015.

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, 2015. Separate financial statements of the Center are available from its offices located in Pomona, California.

	<u>Total</u>
Assets	\$ 34,430,939
Deferred outflows of resources	976,390
Liabilities	16,126,863
Deferred inflows of resources	<u>9,719,890</u>
Net Position	<u>\$ 9,560,576</u>
Revenues	\$ 5,988,257
Expenses	<u>15,491,200</u>
Operating income	(9,502,943)
Non-operating revenue (expenses)	<u>13,442,888</u>
Net income	3,939,945
Special items	683,816
Net Position - July 1, 2014 (as restated)	<u>4,936,815</u>
Net Position - June 30, 2015	<u>\$ 9,560,576</u>

Note 14: 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.

As of June 30, 2015, estimated claims payable amounted to \$12,101,548.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2015
Note 14: Risk Management (Continued)

The estimated claims payable reported at June 30, 2015, 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	\$ 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
2014-2015	16,179,444	2,029,341	6,107,237	12,101,548

Note 15: Commitments and Contingencies**Agency Participation Agreement**

On April 5, 2004, the City entered into a reclaimed water agreement with the Los Angeles County Sanitation District (LACSD). The agreement is for 20 years, beginning on July 1, 2003, and requires the City to sell its interest in the Northside Recycled Water Line, a 20" non-reinforced concrete gravity reclaimed water pipeline to the LACSD for \$441,730. 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.

Contractual Commitments

The following schedule summarizes the major capital project contractual commitments of the City as of June 30, 2015:

Major Commitments and Contracts for Professional Services:

TBU Inc.	\$ 1,367,554
Vasilj, Inc.	966,075
General Pump Co.	595,557
E2 Managetech, Inc.	468,223
Gentry Bros	373,220
A&B Electric	350,198
Tetra Tech	256,748
Civil Source Consulting	208,330
RBF Consulting	175,692
VA Consulting	120,494
All other commitments	167,873
Total	<u>\$ 5,049,964</u>

CITY OF POMONA

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2015**

Note 15: Commitments and Contingencies (Continued)

Lawsuits

The City is a defendant in certain other legal actions arising in the normal course of operations. As of June 30, 2015, 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 16: 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, 2015:

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
Capital assets, net of accumulated depreciation	\$ 273,493,714	\$ 156,451,321	\$ 429,945,035
Less: Outstanding principal on capital related debt	(36,939,006)	(114,365,698)	(151,304,704)
Net investment in capital assets	<u>\$ 236,554,708</u>	<u>\$ 42,085,623</u>	<u>\$ 278,640,331</u>

Unrestricted Net Position

The unrestricted net position for governmental activities has a deficit balance of \$223,563,692 at June 30, 2015.

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, 2015:

	Enterprise Funds				Total	Internal Service Funds
	Water	Sewer	Refuse	Canon Water		
Capital assets, net of accumulated depreciation	\$ 123,958,986	\$ 28,323,797	\$ 4,142,494	\$ 26,044	\$ 156,451,321	\$ 387,489
Less: outstanding principal on capital related debt	(89,397,617)	(21,963,688)	(3,004,393)	-	(114,365,698)	-
	<u>\$ 34,561,369</u>	<u>\$ 6,360,109</u>	<u>\$ 1,138,101</u>	<u>\$ 26,044</u>	<u>\$ 42,085,623</u>	<u>\$ 387,489</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2015

Note 16: Net Position and Fund Balance (Continued)

Deficit Fund Balance

At June 30, 2015, the following funds had fund balance deficits:

Fund	Fund Type	Deficit
General Debt Service	Major Governmental Fund	\$ (40,083,190)
Self-Insurance Funds	Internal Service Fund	(5,177,085)
Equipment Maintenance	Internal Service Fund	(934,018)
Information Technology	Internal Service Fund	(362,636)

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 Equipment Maintenance Fund and the Information Technology Fund deficits are due to the implementation of GASB 68. The City will eliminate these deficits with future revenue.

Net Position and Fund Balances Restatement

Beginning net position and fund balances have been restated as follows:

Governmental Activities		
GASB 68 Implementation		<u><u>\$ (154,818,523)</u></u>
Business Type Activities		
GASB 68 Implementation		<u><u>\$ (17,015,517)</u></u>
Governmental Funds		
Housing Authority Fund		
To reclassify unavailable revenue for prior year principal balance on notes/loans receivable.	\$ 8,037,978	
Miscellaneous Grants Fund		
To reclassify unavailable revenue for prior year principal balance on notes/loans receivable.	16,437,022	
CDBG Fund		
To reclassify unavailable revenue for prior year principal balance on notes/loans receivable.	1,928,846	
Total Governmental Funds		<u><u>\$ 26,403,846</u></u>
Enterprise Funds		
Water Fund		
GASB 68 Implementation	\$ (12,371,225)	
Sewer Fund		
GASB 68 Implementation	(1,899,274)	
Refuse Fund		
GASB 68 Implementation	(2,745,018)	
Total Enterprise Funds		<u><u>\$ (17,015,517)</u></u>
Internal Service Fund		
Self-Insurance Fund		
GASB 68 Implementation	\$ (595,441)	
Equipment Maintenance Fund		
GASB 68 Implementation	(1,954,076)	
Information Technology Fund		
GASB 68 Implementation	(551,455)	
Total Internal Service Funds		<u><u>\$ (3,100,972)</u></u>

Note 17: 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.

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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2015

Note 17: Successor Agency Trust for Assets of Former Redevelopment Agency (Continued)

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.

Cash and Investments

The following is a summary of cash and investments of the Successor Agency at June 30, 2015:

Cash and investments	\$ 10,397,238
Restricted cash	<u>52,764,660</u>
Total	<u>\$ 63,161,898</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 quarterly 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, 2015, the Successor Agency's net loans receivable consisted of the following:

	Balance July 1, 2014	Additions	Deletions	Balance June 30, 2015
Business Assistance Loans	\$ 1,402,000	\$ 48,000	\$ -	\$ 1,450,000
Guadalajara Market	210,600	-	-	210,600
Pomona Fox Theater	1,289,060	-	-	1,289,060
Pomona Fox Theater	1,150,000	-	-	1,150,000
Garey Village Complex	<u>5,000,000</u>	<u>-</u>	<u>-</u>	<u>5,000,000</u>
Total	<u>\$ 9,051,660</u>	<u>\$ 48,000</u>	<u>\$ -</u>	<u>\$ 9,099,660</u>

Land Held for Resale

At June 30, 2015, land held for resale in the amount of \$19,648,669 is recorded at cost in the Successor Agency Trust Fund.

CITY OF POMONA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2015

Note 17: 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, 2015:

	Balance July 1, 2014	Additions	Deletions	Balance June 30, 2015
Non-depreciable assets:				
Land	\$ 125,423	\$ -	\$ -	\$ 125,423
Total non-depreciable assets	<u>125,423</u>	<u>-</u>	<u>-</u>	<u>125,423</u>
Depreciable assets:				
Buildings and building improvements	63,126	-	-	63,126
Improvements other than buildings	148,995	-	-	148,995
Machinery and equipment	429,179	-	-	429,179
Furniture and fixtures	8,361	-	-	8,361
Autos and trucks	19,513	-	-	19,513
Total depreciable assets, at cost	<u>669,174</u>	<u>-</u>	<u>-</u>	<u>669,174</u>
Less accumulated depreciation				
Buildings and building improvements	12,626	1,263	-	13,889
Improvements other than buildings	119,197	5,960	-	125,157
Machinery and equipment	429,178	-	-	429,178
Furniture and fixtures	8,360	-	-	8,360
Autos and trucks	19,513	-	-	19,513
Total accumulated depreciation	<u>588,874</u>	<u>7,223</u>	<u>-</u>	<u>596,097</u>
Total depreciable assets, net	<u>80,300</u>	<u>(7,223)</u>	<u>-</u>	<u>73,077</u>
Total capital assets	<u>\$ 205,723</u>	<u>\$ (7,223)</u>	<u>\$ -</u>	<u>\$ 198,500</u>

Long-Term Debt

The following summary of debts of the Successor Agency as of June 30, 2015, follows:

	Balance July 1, 2014	Accreted/ Accrued Interest	Additions	Deletions	Balance June 30, 2015	Due Within One Year
Pollution remediation obligations	\$ -	\$ -	\$ 1,700,000	\$ -	\$ 1,700,000	\$ 1,700,000
County deferred tax loans	44,979,071	3,172,125	336,998	-	48,488,194	-
ERAF loan	180,000	-	-	180,000	-	-
Notes payable	3,359,351	-	-	28,985	3,330,366	138,163
Tax allocation bonds	7,990,000	-	-	535,000	7,455,000	570,000
Advances from the Public Financing Authority	160,935,000	-	-	5,680,000	155,255,000	5,925,000
Advance from the Housing Authority - SERAF loan	4,000,000	-	-	-	4,000,000	-
Compensated absences	103,948	-	39,211	38,644	104,515	40,000
Total	<u>\$ 221,547,370</u>	<u>\$ 3,172,125</u>	<u>\$ 2,076,209</u>	<u>\$ 6,462,629</u>	<u>\$ 220,333,075</u>	<u>\$ 8,373,163</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2015

Note 17: Successor Agency Trust for Assets of Former Redevelopment Agency (Continued)

Pollution Remediation Obligations

The dissolution law that eliminated all redevelopment agencies in the State requires that all assets of the former Redevelopment Agency be sold, following State approval of the Long Range Property Management Plan (LRPMP). On October 7, 2014, the Successor Agency received State approval for the sale of a property. The property was the location of a former landfill and is subject to remedial action. As of June 30, 2015, the remediation cost is estimated at \$1,700,000. Sale of the property is contingent upon the completion of the remediation.

County Deferred Tax Loans

At June 30, 2015, the County deferred tax loans consisted of the following:

	Balance July 1, 2014	Accrued Interest	Additions	Deletions	Balance June 30, 2015
Southwest Pomona Project Area	\$ 38,411,344	\$ 2,688,794	\$ -	\$ -	\$ 41,100,138
South Garey/Freeway Corridor Project Area	6,567,727	483,331	336,998	-	7,388,056
Total	<u>\$ 44,979,071</u>	<u>\$ 3,172,125</u>	<u>\$ 336,998</u>	<u>\$ -</u>	<u>\$ 48,488,194</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, 2014	Additions	Deletions	Balance June 30, 2015	Due Within One Year
ERAF loan	<u>\$ 180,000</u>	<u>\$ -</u>	<u>\$ 180,000</u>	<u>\$ -</u>	<u>\$ -</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 was paid in full to the fiscal agent before June 30, 2015.

CITY OF POMONA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2015

Note 17: Successor Agency Trust for Assets of Former Redevelopment Agency (Continued)

Notes Payable

	Balance July 1, 2014	Additions	Deletions	Balance June 30, 2015	Due Within One Year
Mission Promenade, LLC	\$ 2,378,080	\$ -	\$ -	\$ 2,378,080	\$ -
PVEF Note	167,129	-	-	167,129	108,634
US Bank Loans	814,142	-	28,985	785,157	29,529
Total	\$ 3,359,351	\$ -	\$ 28,985	\$ 3,330,366	\$ 138,163

Mission Promenade, LLC

In December 2008, the former Redevelopment Agency partially financed the purchase of the Mission Promenade project (MP 1) with a promissory unsecured 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, 2015, 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, 2015, is as follows:

	Principal	Interest	Total
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	\$ 167,129	\$ 41,782	\$ 208,911

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2015

Note 17: Successor Agency Trust for Assets of Former Redevelopment Agency (Continued)

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.

The annual debt service requirements at June 30, 2015, is as follows:

	Principal	* Interest	Total
2015-2016	\$ 29,529	\$ 24,536	\$ 54,065
2016-2017	30,452	23,613	54,065
2017-2018	31,403	22,662	54,065
2018-2019	32,385	21,680	54,065
2019-2020	33,397	20,668	54,065
2020-2025	183,305	87,020	270,325
2025-2030	213,794	56,531	270,325
2030-2035	230,892	20,972	251,864
Total	<u>\$ 785,157</u>	<u>\$ 277,682</u>	<u>\$ 1,062,839</u>

* Interest rate is adjustable and was calculated using two separate interest rates 3.125% as of June 30, 2015.

Tax Allocation Bonds

	Balance July 1, 2014	Additions	Deletions	Balance June 30, 2015	Due Within One Year
1998 Tax Allocation Bonds, Series X	\$ 1,460,000	\$ -	\$ 315,000	\$ 1,145,000	\$ 335,000
1998 Tax Allocation Bonds, Series Y	6,530,000	-	220,000	6,310,000	235,000
Total	<u>\$ 7,990,000</u>	<u>\$ -</u>	<u>\$ 535,000</u>	<u>\$ 7,455,000</u>	<u>\$ 570,000</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, 2015

Note 17: Successor Agency Trust for Assets of Former Redevelopment Agency (Continued)

The annual debt service requirements outstanding at June 30, 2015, is as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015-2016	\$ 335,000	\$ 52,527	\$ 387,527
2016-2017	350,000	34,203	384,203
2017-2018	45,000	23,625	68,625
2018-2019	50,000	21,060	71,060
2019-2020	50,000	18,360	68,360
2020-2025	315,000	44,415	359,415
Total	<u>\$ 1,145,000</u>	<u>\$ 194,190</u>	<u>\$ 1,339,190</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, 2015, is as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015-2016	\$ 235,000	\$ 346,085	\$ 581,085
2016-2017	245,000	333,278	578,278
2017-2018	260,000	319,925	579,925
2018-2019	275,000	305,755	580,755
2019-2020	290,000	290,768	580,768
2020-2025	1,705,000	1,198,803	2,903,803
2025-2030	2,230,000	675,400	2,905,400
2030-2032	1,070,000	89,100	1,159,100
Total	<u>\$ 6,310,000</u>	<u>\$ 3,559,114</u>	<u>\$ 9,869,114</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2015

Note 17: 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 amounts equal to the debt service requirement. The following is a summary of changes for the year ended June 30, 2015, of the long-term debts issued through the Public Financing Authority with proceeds advanced to the Successor Agency:

	Balance July 1, 2014	Additions	Deletions	Balance June 30, 2015	Due Within One Year
1998 Revenue Refunding Bonds, Series W	\$ 36,205,000	\$ -	\$ 425,000	\$ 35,780,000	\$ 450,000
2001 Revenue Refunding Bonds, Series AD	32,320,000	-	2,020,000	30,300,000	2,110,000
2003 Revenue Refunding Bonds, Series AH	19,870,000	-	1,325,000	18,545,000	1,380,000
2005 Taxable Housing Tax Revenue Bonds, Series AQ	8,285,000	-	295,000	7,990,000	310,000
2006 Revenue Bonds, Series AS	25,955,000	-	80,000	25,875,000	70,000
2006 Taxable Revenue Bonds, Series AT	7,275,000	-	400,000	6,875,000	420,000
2007 Subordinate Revenue Bonds, Series AW	7,640,000	-	260,000	7,380,000	275,000
2006 Subordinate Revenue Bonds, Series AX	23,385,000	-	875,000	22,510,000	910,000
	<u>\$ 160,935,000</u>	<u>\$ -</u>	<u>\$ 5,680,000</u>	<u>\$ 155,255,000</u>	<u>\$ 5,925,000</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, 2015

Note 17: 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, 2015, is as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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
2019-2020	545,000	1,692,250	2,237,250
2020-2025	14,630,000	6,933,750	21,563,750
2025-2030	<u>18,670,000</u>	<u>2,891,500</u>	<u>21,561,500</u>
Total	<u>\$ 35,780,000</u>	<u>\$ 18,534,250</u>	<u>\$ 54,314,250</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, 2015, is as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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
2019-2020	2,175,000	1,062,500	3,237,500
2020-2025	7,900,000	4,016,500	11,916,500
2025-2030	8,715,000	1,979,500	10,694,500
2030-2033	<u>2,460,000</u>	<u>212,750</u>	<u>2,672,750</u>
Total	<u>\$ 30,300,000</u>	<u>\$ 12,686,500</u>	<u>\$ 42,986,500</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2015

Note 17: 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, 2015, is as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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
2019-2020	1,805,000	625,288	2,430,288
2020-2025	2,000,000	2,481,125	4,481,125
2025-2030	2,560,000	1,946,425	4,506,425
2030-2034	6,300,000	444,263	6,744,263
Total	<u>\$ 18,545,000</u>	<u>\$ 8,734,333</u>	<u>\$ 27,279,333</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 monies in the Redevelopment Property Tax Trust Fund (RPTTF) monies for the Recognized Obligation Payment Schedules (ROPS).

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2015
Note 17: 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, 2015, is as follows:

	Principal	Interest	Total
2015-2016	\$ 310,000	\$ 487,826	\$ 797,826
2016-2017	325,000	471,613	796,613
2017-2018	345,000	451,300	796,300
2018-2019	365,000	429,738	794,738
2019-2020	390,000	406,925	796,925
2020-2025	2,340,000	1,637,438	3,977,438
2025-2030	3,165,000	818,600	3,983,600
2030-2031	750,000	45,000	795,000
Total	<u>\$ 7,990,000</u>	<u>\$ 4,748,440</u>	<u>\$ 12,738,440</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.

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, 2015, is as follows:

	Principal	Interest	Total
2015-2016	\$ 70,000	\$ 1,246,210	\$ 1,316,210
2016-2017	65,000	1,243,723	1,308,723
2017-2018	105,000	1,240,469	1,345,469
2018-2019	165,000	1,235,218	1,400,218
2019-2020	235,000	1,227,300	1,462,300
2020-2025	1,640,000	5,925,344	7,565,344
2025-2030	4,840,000	5,362,562	10,202,562
2030-2035	13,220,000	2,631,750	15,851,750
2035-2040	4,895,000	709,225	5,604,225
2040-2041	640,000	14,400	654,400
Total	<u>\$ 25,875,000</u>	<u>\$ 20,836,201</u>	<u>\$ 46,711,201</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2015

Note 17: 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, 2015, is as follows:

	Principal	Interest	Total
2015-2016	\$ 420,000	\$ 378,316	\$ 798,316
2016-2017	440,000	355,574	795,574
2017-2018	465,000	330,643	795,643
2018-2019	490,000	303,340	793,340
2019-2020	520,000	274,464	794,464
2020-2025	3,060,000	879,714	3,939,714
2025-2027	1,480,000	85,770	1,565,770
Total	<u>\$ 6,875,000</u>	<u>\$ 2,607,821</u>	<u>\$ 9,482,821</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, 2015

Note 17: 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, 2015, is as follows:

	Principal	Interest	Total
2015-2016	\$ 275,000	\$ 363,806	\$ 638,806
2016-2017	285,000	351,206	636,206
2017-2018	305,000	337,550	642,550
2018-2019	320,000	322,706	642,706
2019-2020	335,000	306,731	641,731
2020-2025	1,940,000	1,254,053	3,194,053
2025-2030	2,415,000	707,378	3,122,378
2030-2033	1,505,000	103,397	1,608,397
Total	<u>\$ 7,380,000</u>	<u>\$ 3,746,827</u>	<u>\$ 11,126,827</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 (now retired), 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, 2015

Note 17: 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, 2015, is as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015-2016	\$ 910,000	\$ 1,063,155	\$ 1,973,155
2016-2017	920,000	1,024,265	1,944,265
2017-2018	925,000	984,598	1,909,598
2018-2019	970,000	943,370	1,913,370
2019-2020	975,000	900,580	1,875,580
2020-2025	5,380,000	3,785,065	9,165,065
2025-2030	6,645,000	2,307,875	8,952,875
2030-2035	4,540,000	698,250	5,238,250
2035-2040	1,100,000	176,500	1,276,500
2040-2041	145,000	3,625	148,625
Total	<u>\$ 22,510,000</u>	<u>\$ 11,887,283</u>	<u>\$ 34,397,283</u>

Advances from the Housing Authority

	<u>Balance July 1, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2015</u>	<u>Due Within One Year</u>
SERAF 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, 2015, is \$4,000,000.

Compensated Absences

The following is a summary of compensated absences outstanding as of June 30, 2015:

<u>Balance July 1, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2015</u>	<u>Due Within One Year</u>
<u>\$ 103,948</u>	<u>\$ 39,211</u>	<u>\$ 38,644</u>	<u>\$ 104,515</u>	<u>\$ 40,000</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2015

Note 17: 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 \$16,537,691 and the debt service obligation on the bonds was \$14,875,126.

Remaining balance on the debt at June 30, 2015, is as follows:

<u>Debt Issue</u>	<u>Remaining Balance</u>
County of LA Agreement	\$ 48,488,194
1998 Series W Bonds	54,314,250
1998 Series X Bonds	1,339,190
1998 Series Y Bonds	9,869,114
2001 Series AD Bonds	42,862,500
2003 Series AH Bonds	27,279,333
2005 Series AQ Bonds	12,738,440
2006 Series AS Bonds	46,711,201
2006 Series AT Bonds	9,482,821
2007 Series AW Bonds	11,126,827
2006 Series AX Bonds	34,397,283
Total	<u>\$ 298,609,153</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 17: 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 2014-15, the Successor Agency received a grant in the amount of \$336,999, which was recorded as intergovernmental revenue.

Net Position Restatement

Beginning net position was restated by \$4,051,660 to reclassify unavailable revenue for prior year principal balance on notes/loans receivable.

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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, 2015**

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 regardless of encumbrances. 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, 2015**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 12,373,245	\$ 12,373,245	\$ 12,373,245	\$ -
Resources (Inflows):				
Taxes	76,043,616	77,093,616	78,607,713	1,514,097
Licenses and permits	5,286,760	5,385,160	4,566,429	(818,731)
Intergovernmental	120,000	120,000	352,160	232,160
Charges for services	2,799,070	3,281,101	3,246,764	(34,337)
Interest and rentals	286,408	286,408	447,838	161,430
Fines and forfeitures	1,802,200	1,660,700	2,051,647	390,947
Contributions	-	50,000	51,581	1,581
Miscellaneous	730,900	733,400	663,195	(70,205)
Transfers in	-	-	80	80
Proceeds from sale of capital assets	-	-	32,830	32,830
Amounts Available for Appropriations	99,442,199	100,983,630	102,393,482	1,409,852
Charges to Appropriations (Outflows):				
General government	4,331,721	4,441,648	3,978,320	463,328
Public safety	65,146,011	66,703,040	65,116,912	1,586,128
Urban development	8,369,560	8,922,490	7,809,025	1,113,465
Neighborhood services	3,455,322	3,483,882	3,160,848	323,034
Capital outlay	52,600	142,317	105,557	36,760
Debt service:				
Principal retirement	217,944	217,944	292,945	(75,001)
Interest and fiscal charges	18,824	18,824	20,136	(1,312)
Transfers out	4,599,781	4,621,636	4,621,636	-
Total Charges to Appropriations	86,191,763	88,551,781	85,105,379	3,446,402
Budgetary Fund Balance, June 30	\$ 13,250,436	\$ 12,431,849	\$ 17,288,103	\$ 4,856,254

CITY OF POMONA

**BUDGETARY COMPARISON SCHEDULE
HOUSING AUTHORITY
YEAR ENDED JUNE 30, 2015**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1, as restated	\$ 30,463,643	\$30,463,643	\$ 30,463,643	\$ -
Resources (Inflows):				
Intergovernmental	12,137,571	12,137,571	9,387,818	(2,749,753)
Charges for services	30,000	30,000	43,580	13,580
Interest and rentals	397,263	397,263	429,594	32,331
Miscellaneous	13,055	13,055	124,948	111,893
Amounts Available for Appropriations	43,041,532	43,041,532	40,449,583	(2,591,949)
Charges to Appropriations (Outflows):				
Urban development	13,173,921	13,389,997	13,106,038	283,959
Capital outlay	22,400	22,400	18,182	4,218
Total Charges to Appropriations	13,196,321	13,412,397	13,124,220	288,177
Budgetary Fund Balance, June 30	\$ 29,845,211	\$29,629,135	\$ 27,325,363	\$ (2,303,772)

CITY OF POMONA

**BUDGETARY COMPARISON SCHEDULE
MISCELLANEOUS GRANTS
YEAR ENDED JUNE 30, 2015**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1, as restated	\$ 18,273,910	\$ 18,273,910	\$ 18,273,910	\$ -
Resources (Inflows):				
Intergovernmental	6,140,880	11,423,268	6,174,869	(5,248,399)
Charges for services	95,000	218,693	50,952	(167,741)
Interest and rentals	-	-	229,564	229,564
Miscellaneous	105,000	352,817	361,890	9,073
Transfers in	71,245	71,245	284,123	212,878
Amounts Available for Appropriations	24,686,035	30,339,933	25,375,308	(4,964,625)
Charges to Appropriations (Outflows):				
Public safety	1,034,470	1,637,667	1,378,650	259,017
Urban development	5,429,184	9,878,938	4,966,659	4,912,279
Neighborhood services	371,369	387,826	336,929	50,897
Capital outlay	134,000	342,111	246,813	95,298
Transfers out	60,000	60,000	80	59,920
Total Charges to Appropriations	7,029,023	12,306,542	6,929,131	5,377,411
Budgetary Fund Balance, June 30	\$ 17,657,012	\$ 18,033,391	\$ 18,446,177	\$ 412,786

CITY OF POMONA

**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
MISCELLANEOUS PLAN - AGENT MULTIPLE-EMPLOYER DEFINED BENEFIT PLAN
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)**

MEASUREMENT PERIOD	<u>2015</u>
TOTAL PENSION LIABILITY	
Service Cost	\$ 3,310,829
Interest	18,086,982
Benefit Payments, Including Refunds of employee Contributions	<u>(12,464,852)</u>
Net Change in Total Pension Liability	\$ 8,932,959
Total Pension Liability - Beginning	<u>245,736,775</u>
Total Pension Liability - Ending (a)	<u>\$ 254,669,734</u>
PLAN FIDUCIARY NET POSITION	
Contribution - Employer	\$ 3,048,502
Contribution - Employee	1,640,223
Net Investment Income	31,444,609
Benefit Payments, Including Refunds of Employee Contributions	<u>(12,464,852)</u>
Net Change in Fiduciary Net Position	\$ 23,668,482
Plan Fiduciary Net Position - Beginning	<u>184,143,961</u>
Plan Fiduciary Net Position - Ending (b)	<u>\$ 207,812,443</u>
Plan Net Pension Liability/(Assets) - Ending (a) - (b)	<u>\$ 46,857,291</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	81.60%
Covered-Employee Payroll	\$ 21,843,562
Plan Net Pension Liability/(Asset) as a Percentage of Covered-Employee Payroll	214.51%

(1) Historical information is required only for measurement for which GASB 68 is applicable. Fiscal Year 2015 was the first year of implementation, therefore only one year is shown.

(2) Net of administrative expenses.

Notes to Schedule:

Benefit Changes: The figures above do not include any liability impact that may have resulted from plan changes which occurred after June 30, 2013. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Changes of Assumptions: There were no changes in assumptions.

CITY OF POMONA

**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
SAFETY PLAN - AGENT MULTIPLE-EMPLOYER DEFINED BENEFIT PLAN
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)**

MEASUREMENT PERIOD	<u>2015</u>
TOTAL PENSION LIABILITY	
Service Cost	\$ 4,880,486
Interest	23,069,282
Benefit Payments, Including Refunds of employee Contributions	<u>(17,510,572)</u>
Net Change in Total Pension Liability	\$ 10,439,196
Total Pension Liability - Beginning	313,905,458
Total Pension Liability - Ending (a)	<u>\$ 324,344,654</u>
PLAN FIDUCIARY NET POSITION	
Contribution - Employer	\$ 4,480,201
Contribution - Employee	1,402,077
Net Investment Income	37,455,889
Benefit Payments, Including Refunds of Employee Contributions	<u>(17,510,572)</u>
Net Change in Fiduciary Net Position	\$ 25,827,595
Plan Fiduciary Net Position - Beginning	219,628,065
Plan Fiduciary Net Position - Ending (b)	<u>\$ 245,455,660</u>
Plan Net Pension Liability/(Assets) - Ending (a) - (b)	<u>\$ 78,888,994</u>
Plan Fiduciary Net Position as a Percentage of the Total	75.68%
Covered-Employee Payroll	\$ 15,182,720
Plan Net Pension Liability/(Asset) as a Percentage of Covered-	519.60%

(1) Historical information is required only for measurement for which GASB 68 is applicable. Fiscal Year 2015 was the first year
(2) Net of administrative expenses.

Notes to Schedule:

Benefit Changes: The figures above do not include any liability impact that may have resulted from plan changes which occurred after June 30, 2013. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Changes of Assumptions: There were no changes in assumptions.

CITY OF POMONA

**SCHEDULE OF PLAN CONTRIBUTIONS
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)**

	<u>2015</u>
<u>Miscellaneous Plan</u>	
Actuarially Determined Contribution	\$ 3,803,283
Contribution in Relation to the Actuarially Determined Contribution	(3,803,283)
Contribution Deficiency (Excess)	<u>\$ -</u>
 Covered-Employee Payroll (3) (4)	 \$ 21,843,562
 Contributions as a Percentage of Covered-Employee Payroll (3)	 17.41%
<u>Safety Plan</u>	
Actuarially Determined Contribution	\$ 5,171,283
Contribution in Relation to the Actuarially Determined Contribution	(5,171,283)
Contribution Deficiency (Excess)	<u>\$ -</u>
 Covered-Employee Payroll (3) (4)	 \$ 15,182,720
 Contributions as a Percentage of Covered-Employee Payroll (3)	 34.06%

(1) Historical information is required only for measurement for which GASB 68 is applicable. Fiscal Year 2015 was the first year of implementation, therefore only one year is shown.

Note to Schedule:

Valuation Date:	June 30, 2012
Methods and assumptions used to determine contribution rates:	
Actuarial cost method	Entry age normal
Amortization method	For details, see June 30, 2011 Funding Valuation Report.
Remaining amortization period	For details, see June 30, 2011 Funding Valuation Report.
Assets valuation method	Actuarial Value of Assets
Inflation	2.75%
Salary Increases	Varies by Entry Age and Service
Investment rate of return	7.50% net of pension investment and administrative expenses; includes inflation.
Retirement age	The probabilities of retirement are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007.
Mortality	The probabilities of mortality are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007. Pre-retirement and post-retirement mortality rates include 5 years of projected mortality improvement using Scale AA published by the Society of Actuaries.

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COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

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NON-MAJOR GOVERNMENTAL FUNDS

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, 2015**

	Special Revenue Funds			
	Community Development Block Grant	State Gas Tax	Proposition A	Proposition C
Assets:				
Cash and investments	\$ 61,568	\$ 2,071,775	\$ 1,819,877	\$ 5,893,671
Receivables (net):				
Accounts	-	26,980	37,000	60,000
Notes and loans	2,022,423	-	-	-
Interest	-	1,738	1,429	5,245
Prepaid costs	-	-	-	-
Due from other governments	535,008	50,045	449,078	-
Advances to other funds	-	-	-	-
Restricted assets:				
Cash	-	-	-	-
Total Assets	\$ 2,618,999	\$ 2,150,538	\$ 2,307,384	\$ 5,958,916
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ 95,347	\$ 183,119	\$ 183,156	\$ 13,076
Payroll payable	30,867	30,081	3,235	1,796
Accrued liabilities	-	41,540	-	20,000
Deposits payable	-	-	-	-
Due to other governments	-	-	-	-
Due to other funds	-	-	-	-
Total Liabilities	126,214	254,740	186,391	34,872
Deferred inflows of resources:				
Unavailable revenues	-	-	439,007	-
Total Deferred inflows of Resources	-	-	439,007	-
Fund Balances:				
Nonspendable				
Prepaid costs	-	-	-	-
Notes and loans	2,022,423	-	-	-
Advances to other funds	-	-	-	-
Restricted				
Urban development	470,362	1,895,798	1,681,986	5,924,044
Public safety	-	-	-	-
Neighborhood services	-	-	-	-
Capital projects	-	-	-	-
Assessment district improvement	-	-	-	-
Total Fund Balances	2,492,785	1,895,798	1,681,986	5,924,044
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 2,618,999	\$ 2,150,538	\$ 2,307,384	\$ 5,958,916

CITY OF POMONA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2015

(CONTINUED)

	Special Revenue Funds			
	Vehicle Parking District	Air Quality Improvement	Traffic Congestion Relief	Landscape Maintenance District
Assets:				
Cash and investments	\$ 2,760,273	\$ 506,638	\$ -	\$ 658,522
Receivables (net):				
Accounts	92,120	-	-	-
Notes and loans	-	-	-	-
Interest	2,388	459	-	576
Prepaid costs	-	-	-	-
Due from other governments	372	49,392	-	22,292
Advances to other funds	304,435	-	-	-
Restricted assets:				
Cash	-	-	-	-
Total Assets	\$ 3,159,588	\$ 556,489	\$ -	\$ 681,390
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ 20,288	\$ 16,973	\$ -	\$ 88,154
Payroll payable	7,260	1,218	-	4,619
Accrued liabilities	-	-	-	-
Deposits payable	2,334	-	-	-
Due to other governments	115	-	-	-
Due to other funds	-	-	-	-
Total Liabilities	29,997	18,191	-	92,773
Deferred inflows of resources:				
Unavailable revenues	57,400	-	-	-
Total Deferred inflows of Resources	57,400	-	-	-
Fund Balances:				
Nonspendable				
Prepaid costs	-	-	-	-
Notes and loans	-	-	-	-
Advances to other funds	304,435	-	-	-
Restricted				
Urban development	2,767,756	538,298	-	-
Public safety	-	-	-	-
Neighborhood services	-	-	-	588,617
Capital projects	-	-	-	-
Assessment district improvement	-	-	-	-
Total Fund Balances	3,072,191	538,298	-	588,617
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 3,159,588	\$ 556,489	\$ -	\$ 681,390

CITY OF POMONA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2015

	Special Revenue Funds			
	Asset Forfeiture	Traffic Offender	Measure R	General Sanitation Fees Operations
Assets:				
Cash and investments	\$ 2,108,099	\$ 613,320	\$ 2,325,232	\$ -
Receivables (net):				
Accounts	-	-	-	330,412
Notes and loans	-	-	-	-
Interest	1,968	527	1,917	-
Prepaid costs	23,891	-	-	-
Due from other governments	-	-	-	-
Advances to other funds	-	-	-	-
Restricted assets:				
Cash	-	-	-	-
Total Assets	\$ 2,133,958	\$ 613,847	\$ 2,327,149	\$ 330,412
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ 162,910	\$ 211	\$ 125,606	\$ 230,581
Payroll payable	20,027	7,602	17,580	22,126
Accrued liabilities	-	-	-	-
Deposits payable	-	-	-	-
Due to other governments	-	-	-	-
Due to other funds	-	-	-	67,980
Total Liabilities	182,937	7,813	143,186	320,687
Deferred inflows of resources:				
Unavailable revenues	-	-	-	-
Total Deferred inflows of Resources	-	-	-	-
Fund Balances:				
Nonspendable				
Prepaid costs	23,891	-	-	-
Notes and loans	-	-	-	-
Advances to other funds	-	-	-	-
Restricted				
Urban development	-	-	2,183,963	9,725
Public safety	1,927,130	606,034	-	-
Neighborhood services	-	-	-	-
Capital projects	-	-	-	-
Assessment district improvement	-	-	-	-
Total Fund Balances	1,951,021	606,034	2,183,963	9,725
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 2,133,958	\$ 613,847	\$ 2,327,149	\$ 330,412

CITY OF POMONA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2015

	Special Revenue Fund	Capital Projects Funds		Total Non-Major Governmental Funds
	Special Fees Fund	Capital Outlay	Assessment District Improvement	
Assets:				
Cash and investments	\$ 486,823	\$ 822,842	\$ 53,688	\$ 20,182,328
Receivables (net):				
Accounts	-	4,653	-	551,165
Notes and loans	-	-	-	2,022,423
Interest	-	1,429	81	17,757
Prepaid costs	-	-	-	23,891
Due from other governments	-	38,123	-	1,144,310
Advances to other funds	-	-	-	304,435
Restricted assets:				
Cash	-	2,869,423	204,102	3,073,525
Total Assets	\$ 486,823	\$ 3,736,470	\$ 257,871	\$ 27,319,834
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ -	\$ 307,241	\$ -	\$ 1,426,662
Payroll payable	-	15,229	379	162,019
Accrued liabilities	-	-	-	61,540
Deposits payable	-	11,967	-	14,301
Due to other governments	-	-	-	115
Due to other funds	-	-	-	67,980
Total Liabilities	-	334,437	379	1,732,617
Deferred inflows of resources:				
Unavailable revenues	-	-	-	496,407
Total Deferred inflows of Resources	-	-	-	496,407
Fund Balances:				
Nonspendable				
Prepaid costs	-	-	-	23,891
Notes and loans	-	-	-	2,022,423
Advances to other funds	-	-	-	304,435
Restricted				
Urban development	-	-	-	15,471,932
Public safety	-	-	-	2,533,164
Neighborhood services	486,823	-	-	1,075,440
Capital projects	-	3,402,033	-	3,402,033
Assessment district improvement	-	-	257,492	257,492
Total Fund Balances	486,823	3,402,033	257,492	25,090,810
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 486,823	\$ 3,736,470	\$ 257,871	\$ 27,319,834

CITY OF POMONA

**COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2015**

	Special Revenue Funds			
	Community Development Block Grant	State Gas Tax	Proposition A	Proposition C
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	2,745,146	4,675,105	2,704,452	2,280,079
Charges for services	48,701	-	-	-
Interest and rentals	109,538	2,537	2,409	9,019
Fines and forfeitures	-	-	-	-
Miscellaneous	1,652	33,585	14,000	-
Total Revenues	2,905,037	4,711,227	2,720,861	2,289,098
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	123,181	-	-	-
Urban development	1,785,654	3,868,451	2,245,782	3,124,512
Neighborhood services	-	-	-	-
Capital outlay	-	7,653	-	-
Debt service:				
Principal retirement	145,000	-	-	-
Interest and fiscal charges	8,029	-	-	-
Total Expenditures	2,061,864	3,876,104	2,245,782	3,124,512
Excess (Deficiency) of Revenues Over (Under) Expenditures	843,173	835,123	475,079	(835,414)
Other Financing Sources (Uses):				
Transfers in	27,224	131,750	-	321,721
Transfers out	(1,081,683)	(951,324)	-	(651,241)
Proceeds from sale of capital assets	-	-	-	-
Total Other Financing Sources (Uses)	(1,054,459)	(819,574)	-	(329,520)
Net Change in Fund Balances	\$ (211,286)	\$ 15,549	\$ 475,079	\$ (1,164,934)
Fund Balances:				
Beginning of year, as originally reported	\$ 775,225	\$ 1,880,249	\$ 1,206,907	\$ 7,088,978
Restatements	1,928,846	-	-	-
Beginning of year, as restated	2,704,071	1,880,249	1,206,907	7,088,978
Net change in fund balances	(211,286)	15,549	475,079	(1,164,934)
End of Year	\$ 2,492,785	\$ 1,895,798	\$ 1,681,986	\$ 5,924,044

CITY OF POMONA

COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2015

(CONTINUED)

	Special Revenue Funds			
	Vehicle Parking District	Air Quality Improvement	Traffic Congestion Relief	Landscape Maintenance District
Revenues:				
Taxes	\$ 15,430	\$ -	\$ -	\$ -
Special assessments	-	-	-	1,213,093
Licenses and permits	-	-	-	-
Intergovernmental	-	188,233	-	-
Charges for services	158,442	-	-	-
Interest and rentals	533,845	686	-	767
Fines and forfeitures	16	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	707,733	188,919	-	1,213,860
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Urban development	781,676	65,966	-	-
Neighborhood services	-	-	-	1,205,018
Capital outlay	30,651	-	-	-
Debt service:				
Principal retirement	75,045	-	-	-
Interest and fiscal charges	5,675	-	-	-
Total Expenditures	893,047	65,966	-	1,205,018
Excess (Deficiency) of Revenues Over (Under) Expenditures	(185,314)	122,953	-	8,842
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	(135,490)	(1,819)	-
Proceeds from sale of capital assets	-	-	-	-
Total Other Financing Sources (Uses)	-	(135,490)	(1,819)	-
Net Change in Fund Balances	\$ (185,314)	\$ (12,537)	\$ (1,819)	\$ 8,842
Fund Balances:				
Beginning of year, as originally reported	\$ 3,257,505	\$ 550,835	\$ 1,819	\$ 579,775
Restatements	-	-	-	-
Beginning of year, as restated	3,257,505	550,835	1,819	579,775
Net change in fund balances	(185,314)	(12,537)	(1,819)	8,842
End of Year	\$ 3,072,191	\$ 538,298	\$ -	\$ 588,617

CITY OF POMONA

**COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2015**

	Special Revenue Funds			
	Asset Forfeiture	Traffic Offender	Measure R	General Sanitation Fees Operations
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-
Licenses and permits	-	-	-	1,390,269
Intergovernmental	-	-	1,661,057	-
Charges for services	79,743	366,726	-	-
Interest and rentals	3,343	888	3,146	-
Fines and forfeitures	-	-	-	11,754
Miscellaneous	1,621,893	-	-	3,528
Total Revenues	1,704,979	367,614	1,664,203	1,405,551
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	1,581,131	200,560	-	-
Urban development	-	-	1,030,524	2,270,401
Neighborhood services	-	-	-	-
Capital outlay	548,919	-	32,913	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	2,130,050	200,560	1,063,437	2,270,401
Excess (Deficiency) of Revenues Over (Under) Expenditures	(425,071)	167,054	600,766	(864,850)
Other Financing Sources (Uses):				
Transfers in	-	-	179,718	864,850
Transfers out	-	-	(442,512)	-
Proceeds from sale of capital assets	2,700	-	-	-
Total Other Financing Sources (Uses)	2,700	-	(262,794)	864,850
Net Change in Fund Balances	\$ (422,371)	\$ 167,054	\$ 337,972	\$ -
Fund Balances:				
Beginning of year, as originally reported	\$ 2,373,392	\$ 438,980	\$ 1,845,991	\$ 9,725
Restatements	-	-	-	-
Beginning of year, as restated	2,373,392	438,980	1,845,991	9,725
Net change in fund balances	(422,371)	167,054	337,972	-
End of Year	\$ 1,951,021	\$ 606,034	\$ 2,183,963	\$ 9,725

CITY OF POMONA

**COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2015**

	<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>	
Revenues:				
Taxes	\$ -	\$ 59,221	\$ -	\$ 74,651
Special assessments	-	-	-	1,213,093
Licenses and permits	299,889	312,860	-	2,003,018
Intergovernmental	-	118,830	-	14,372,902
Charges for services	-	14,718	-	668,330
Interest and rentals	-	8,699	159	675,036
Fines and forfeitures	-	-	-	11,770
Miscellaneous	-	6,279	-	1,680,937
Total Revenues	299,889	520,607	159	20,699,737
Expenditures:				
Current:				
General government	-	12,725	-	12,725
Public safety	-	-	-	1,904,872
Urban development	-	-	-	15,172,966
Neighborhood services	-	-	-	1,205,018
Capital outlay	-	2,802,639	4,237	3,427,012
Debt service:				
Principal retirement	-	-	-	220,045
Interest and fiscal charges	-	-	-	13,704
Total Expenditures	-	2,815,364	4,237	21,956,342
Excess (Deficiency) of Revenues Over (Under) Expenditures	299,889	(2,294,757)	(4,078)	(1,256,605)
Other Financing Sources (Uses):				
Transfers in	-	1,959,623	-	3,484,886
Transfers out	-	(502,666)	-	(3,766,735)
Proceeds from sale of capital assets	-	-	-	2,700
Total Other Financing Sources (Uses)	-	1,456,957	-	(279,149)
Net Change in Fund Balances	\$ 299,889	\$ (837,800)	\$ (4,078)	\$ (1,535,754)
Fund Balances:				
Beginning of year, as originally reported	\$ 186,934	\$ 4,239,833	\$ 261,570	\$ 24,697,718
Restatements	-	-	-	1,928,846
Beginning of year, as restated	186,934	4,239,833	261,570	26,626,564
Net change in fund balances	299,889	(837,800)	(4,078)	(1,535,754)
End of Year	\$ 486,823	\$ 3,402,033	\$ 257,492	\$ 25,090,810

CITY OF POMONA

**BUDGETARY COMPARISON SCHEDULE
GENERAL DEBT SERVICE
YEAR ENDED JUNE 30, 2015**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ (41,134,968)	\$ (41,134,968)	\$ (41,134,968)	\$ -
Resources (Inflows):				
Taxes	668,677	668,677	642,854	(25,823)
Interest and rentals	930	930	2,758	1,828
Miscellaneous	335,448	335,448	335,448	-
Transfers in	3,632,882	5,632,882	5,631,162	(1,720)
Amounts Available for Appropriations	(36,497,031)	(34,497,031)	(34,522,746)	(25,715)
Charges to Appropriation (Outflows):				
General government	33,962	33,962	38,352	(4,390)
Debt service:				
Principal retirement	692,328	692,328	881,000	(188,672)
Interest and fiscal charges	4,829,764	4,829,764	4,641,092	188,672
Transfers out	1,040,000	1,040,000	-	1,040,000
Total Charges to Appropriations	6,596,054	6,596,054	5,560,444	1,035,610
Budgetary Fund Balance, June 30	<u><u>\$(43,093,085)</u></u>	<u><u>\$(41,093,085)</u></u>	<u><u>\$(40,083,190)</u></u>	<u><u>\$ 1,009,895</u></u>

CITY OF POMONA

**BUDGETARY COMPARISON SCHEDULE
PUBLIC FINANCING AUTHORITY DEBT SERVICE
YEAR ENDED JUNE 30, 2015**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 49,155,901	\$ 49,155,901	\$ 49,155,901	\$ -
Resources (Inflows):				
Interest and rentals	305,489	305,489	314,326	8,837
Miscellaneous	-	-	8,628	8,628
Transfers in	1,040,000	1,040,000	-	(1,040,000)
Amounts Available for Appropriations	50,501,390	50,501,390	49,478,855	(1,022,535)
Charges to Appropriation (Outflows):				
General government	4,200	4,200	8,055	(3,855)
Debt service:				
Principal retirement	1,500,000	1,500,000	1,500,000	-
Interest and fiscal charges	202,289	202,289	202,289	-
Total Charges to Appropriations	1,706,489	1,706,489	1,710,344	(3,855)
Budgetary Fund Balance, June 30	\$ 48,794,901	\$ 48,794,901	\$ 47,768,511	\$ (1,026,390)

CITY OF POMONA

**BUDGETARY COMPARISON SCHEDULE
COMMUNITY DEVELOPMENT BLOCK GRANT
YEAR ENDED JUNE 30, 2015**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1, as restated	\$2,704,071	\$ 2,704,071	\$ 2,704,071	\$ -
Resources (Inflows):				
Intergovernmental	2,342,780	2,598,051	2,745,146	147,095
Charges for services	125	48,148	48,701	553
Interest and rentals	-	-	109,538	109,538
Miscellaneous	136,000	136,000	1,652	(134,348)
Transfers in	-	-	27,224	27,224
Amounts Available for Appropriations	5,182,976	5,486,270	5,636,332	150,062
Charges to Appropriations (Outflows):				
Public safety	123,181	123,181	123,181	-
Urban development	1,484,708	1,928,460	1,785,654	142,806
Debt service:				
Principal retirement	146,000	145,000	145,000	-
Interest and fiscal charges	7,200	8,200	8,029	171
Transfers out	717,816	717,816	1,081,683	(363,867)
Total Charges to Appropriations	2,478,905	2,922,657	3,143,547	(220,890)
Budgetary Fund Balance, June 30	\$2,704,071	\$ 2,563,613	\$ 2,492,785	\$ (70,828)

CITY OF POMONA

**BUDGETARY COMPARISON SCHEDULE
STATE GAS TAX
YEAR ENDED JUNE 30, 2015**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 1,880,249	\$ 1,880,249	\$ 1,880,249	\$ -
Resources (Inflows):				
Intergovernmental	4,090,431	4,090,431	4,675,105	584,674
Interest and rentals	1,870	1,870	2,537	667
Miscellaneous	-	-	33,585	33,585
Transfers in	131,750	131,750	131,750	-
Amounts Available for Appropriations	6,104,300	6,104,300	6,723,226	618,926
Charges to Appropriations (Outflows):				
Urban development	3,198,070	3,215,239	3,868,451	(653,212)
Capital outlay	-	(60,299)	7,653	(67,952)
Transfers out	1,060,861	1,095,109	951,324	143,785
Total Charges to Appropriations	4,258,931	4,250,049	4,827,428	(577,379)
Budgetary Fund Balance, June 30	\$ 1,845,369	\$ 1,854,251	\$ 1,895,798	\$ 41,547

CITY OF POMONA

**BUDGETARY COMPARISON SCHEDULE
PROPOSITION A
YEAR ENDED JUNE 30, 2015**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 1,206,907	\$ 1,206,907	\$ 1,206,907	\$ -
Resources (Inflows):				
Intergovernmental	2,355,530	2,355,530	2,704,452	348,922
Interest and rentals	1,592	1,592	2,409	817
Miscellaneous	10,000	10,000	14,000	4,000
Amounts Available for Appropriations	3,574,029	3,574,029	3,927,768	353,739
Charges to Appropriations (Outflows):				
Urban development	2,213,976	2,222,890	2,245,782	(22,892)
Capital outlay	205,000	205,000	-	205,000
Transfers out	100,000	100,000	-	100,000
Total Charges to Appropriations	2,518,976	2,527,890	2,245,782	282,108
Budgetary Fund Balance, June 30	\$ 1,055,053	\$ 1,046,139	\$ 1,681,986	\$ 635,847

CITY OF POMONA

BUDGETARY COMPARISON SCHEDULE
 PROPOSITION C
 YEAR ENDED JUNE 30, 2015

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$7,088,978	\$ 7,088,978	\$ 7,088,978	\$ -
Resources (Inflows):				
Intergovernmental	1,924,820	1,924,820	2,280,079	355,259
Interest and rentals	4,603	4,603	9,019	4,416
Transfers in	-	-	321,721	321,721
Amounts Available for Appropriations	9,018,401	9,018,401	9,699,797	681,396
Charges to Appropriations (Outflows):				
Urban development	108,607	109,681	3,124,512	(3,014,831)
Capital outlay	250,000	250,000	-	250,000
Transfers out	2,740,000	2,740,000	651,241	2,088,759
Total Charges to Appropriations	3,098,607	3,099,681	3,775,753	(676,072)
Budgetary Fund Balance, June 30	\$5,919,794	\$ 5,918,720	\$ 5,924,044	\$ 5,324

CITY OF POMONA

**BUDGETARY COMPARISON SCHEDULE
VEHICLE PARKING DISTRICT
YEAR ENDED JUNE 30, 2015**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 3,257,505	\$ 3,257,505	\$ 3,257,505	\$ -
Resources (Inflows):				
Taxes	12,164	12,164	15,430	3,266
Charges for services	115,000	115,000	158,442	43,442
Interest and rentals	672,325	672,325	533,845	(138,480)
Fines and forfeitures	-	-	16	16
Amounts Available for Appropriations	4,056,994	4,056,994	3,965,238	(91,756)
Charges to Appropriations (Outflows):				
Urban development	785,430	788,913	781,676	7,237
Capital outlay	612,000	615,500	30,651	584,849
Debt service:				
Principal retirement	75,045	75,045	75,045	-
Interest and fiscal charges	5,675	5,675	5,675	-
Total Charges to Appropriations	1,478,150	1,485,133	893,047	592,086
Budgetary Fund Balance, June 30	\$ 2,578,844	\$ 2,571,861	\$ 3,072,191	\$ 500,330

CITY OF POMONA

**BUDGETARY COMPARISON SCHEDULE
AIR QUALITY IMPROVEMENT
YEAR ENDED JUNE 30, 2015**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 550,835	\$ 550,835	\$ 550,835	\$ -
Resources (Inflows):				
Intergovernmental	189,900	189,900	188,233	(1,667)
Interest and rentals	-	-	686	686
Amounts Available for Appropriations	740,735	740,735	739,754	(981)
Charges to Appropriations (Outflows):				
Urban development	200,023	47,102	65,966	(18,864)
Transfers out	-	85,000	135,490	(50,490)
Total Charges to Appropriations	200,023	132,102	201,456	(69,354)
Budgetary Fund Balance, June 30	\$ 540,712	\$ 608,633	\$ 538,298	\$ (70,335)

CITY OF POMONA

**BUDGETARY COMPARISON SCHEDULE
LANDSCAPE MAINTENANCE DISTRICT
YEAR ENDED JUNE 30, 2015**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 579,775	\$ 579,775	\$ 579,775	\$ -
Resources (Inflows):				
Special assessments	1,212,231	1,212,231	1,213,093	862
Interest and rentals	694	694	767	73
Amounts Available for Appropriations	1,792,700	1,792,700	1,793,635	935
Charges to Appropriations (Outflows):				
Neighborhood services	1,242,539	1,360,869	1,205,018	155,851
Total Charges to Appropriations	1,242,539	1,360,869	1,205,018	155,851
Budgetary Fund Balance, June 30	\$ 550,161	\$ 431,831	\$ 588,617	\$ 156,786

CITY OF POMONA

**BUDGETARY COMPARISON SCHEDULE
ASSET FORFEITURE
YEAR ENDED JUNE 30, 2015**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$2,373,392	\$ 2,373,392	\$ 2,373,392	\$ -
Resources (Inflows):				
Charges for services	-	-	79,743	79,743
Interest and rentals	-	-	3,343	3,343
Miscellaneous	1,721,400	1,721,400	1,621,893	(99,507)
Proceeds from sale of capital assets	-	-	2,700	2,700
Amounts Available for Appropriations	4,094,792	4,094,792	4,081,071	(13,721)
Charges to Appropriations (Outflows):				
Public safety	2,561,994	1,922,574	1,581,131	341,443
Capital outlay	-	666,943	548,919	118,024
Total Charges to Appropriations	2,561,994	2,589,517	2,130,050	459,467
Budgetary Fund Balance, June 30	\$ 1,532,798	\$ 1,505,275	\$ 1,951,021	\$ 445,746

CITY OF POMONA

BUDGETARY COMPARISON SCHEDULE
 TRAFFIC OFFENDER
 YEAR ENDED JUNE 30, 2015

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 438,980	\$ 438,980	\$ 438,980	\$ -
Resources (Inflows):				
Charges for services	350,000	350,000	366,726	16,726
Interest and rentals	-	-	888	888
Amounts Available for Appropriations	788,980	788,980	806,594	17,614
Charges to Appropriations (Outflows):				
Public safety	211,155	211,155	200,560	10,595
Capital outlay	120,000	120,000	-	120,000
Total Charges to Appropriations	331,155	331,155	200,560	130,595
Budgetary Fund Balance, June 30	\$ 457,825	\$ 457,825	\$ 606,034	\$ 148,209

CITY OF POMONA

**BUDGETARY COMPARISON SCHEDULE
MEASURE R
YEAR ENDED JUNE 30, 2015**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 1,845,991	\$ 1,845,991	\$ 1,845,991	\$ -
Resources (Inflows):				
Intergovernmental	1,443,000	1,443,000	1,661,057	218,057
Interest and rentals	-	-	3,146	3,146
Transfers in	30,000	30,000	179,718	149,718
Amounts Available for Appropriations	3,318,991	3,318,991	3,689,912	370,921
Charges to Appropriations (Outflows):				
Urban development	967,735	938,159	1,030,524	(92,365)
Capital outlay	30,000	72,119	32,913	39,206
Transfers out	1,038,094	1,741,594	442,512	1,299,082
Total Charges to Appropriations	2,035,829	2,751,872	1,505,949	1,245,923
Budgetary Fund Balance, June 30	\$ 1,283,162	\$ 567,119	\$ 2,183,963	\$ 1,616,844

CITY OF POMONA

**BUDGETARY COMPARISON SCHEDULE
GENERAL SANITATION FEES OPERATIONS
YEAR ENDED JUNE 30, 2015**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 9,725	\$ 9,725	\$ 9,725	\$ -
Resources (Inflows):				
Licenses and permits	1,401,801	1,401,801	1,390,269	(11,532)
Fines and forfeitures	12,093	12,093	11,754	(339)
Miscellaneous	800	800	3,528	2,728
Transfers in	1,010,861	1,049,716	864,850	(184,866)
Amounts Available for Appropriations	2,435,280	2,474,135	2,280,126	(194,009)
Charges to Appropriations (Outflows):				
Urban development	2,433,479	2,487,377	2,270,401	216,976
Total Charges to Appropriations	2,433,479	2,487,377	2,270,401	216,976
Budgetary Fund Balance, June 30	\$ 1,801	\$ (13,242)	\$ 9,725	\$ 22,967

CITY OF POMONA

BUDGETARY COMPARISON SCHEDULE
 CAPITAL OUTLAY
 YEAR ENDED JUNE 30, 2015

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 4,239,833	\$ 4,239,833	\$ 4,239,833	\$ -
Resources (Inflows):				
Taxes	-	-	59,221	59,221
Licenses and permits	-	-	312,860	312,860
Intergovernmental	-	1,001,764	118,830	(882,934)
Charges for services	-	-	14,718	14,718
Interest and rentals	-	-	8,699	8,699
Miscellaneous	-	-	6,279	6,279
Transfers in	4,849,910	5,950,658	1,959,623	(3,991,035)
Amounts Available for Appropriations	9,089,743	11,192,255	6,720,063	(4,472,192)
Charges to Appropriation (Outflows):				
General government	170,000	170,000	12,725	157,275
Urban development	-	-	-	-
Capital outlay	4,849,910	7,703,241	2,802,639	4,900,602
Transfers out	393,096	502,096	502,666	(570)
Total Charges to Appropriations	5,413,006	8,375,337	3,318,030	5,057,307
Budgetary Fund Balance, June 30	\$ 3,676,737	\$ 2,816,918	\$ 3,402,033	\$ 585,115

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INTERNAL SERVICE FUNDS

The **Internal Service Funds** account for the maintenance and repair of City vehicles and equipment, risk management, general liability, 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, 2015**

	<u>Self-Insurance Funds</u>	<u>Equipment Maintenance</u>	<u>Information Technology</u>	<u>Printing/Mail Services</u>
Assets:				
Current:				
Cash and investments	\$ 12,583,421	\$ 856,812	\$ 141,879	\$ 21
Receivables (net):				
Accounts	-	91	-	-
Interest	6,563	-	-	-
Prepaid costs	-	-	-	4,480
Inventories	-	384,118	-	-
Total Current Assets	12,589,984	1,241,021	141,879	4,501
Noncurrent:				
Capital assets, net of depreciation	-	163,093	224,396	-
Total Noncurrent Assets	-	163,093	224,396	-
Total Assets	12,589,984	1,404,114	366,275	4,501
Deferred Outflows of Resources:				
Deferred pension related items	38,682	126,945	35,825	-
Total Deferred Outflows of Resources	38,682	126,945	35,825	-
Total Assets and Deferred Outflows of Resources	\$ 12,628,666	\$ 1,531,059	\$ 402,100	\$ 4,501
Liabilities:				
Current:				
Accounts payable	\$ 69,467	\$ 133,177	\$ 177,550	\$ 849
Payroll payable	11,918	55,864	10,376	165
Due to other funds	-	-	-	3,487
Compensated absences	-	115,000	-	-
Claims and judgments	1,805,000	-	-	-
Total Current Liabilities	1,886,385	304,041	187,926	4,501
Noncurrent:				
Advances from other funds	5,000,000	-	-	-
Compensated absences	-	117,115	-	-
Claims and judgments	10,296,548	-	-	-
Net pension liability	476,575	1,563,990	441,370	-
Total Noncurrent Liabilities	15,773,123	1,681,105	441,370	-
Total Liabilities	17,659,508	1,985,146	629,296	4,501
Deferred Inflows of Resources:				
Deferred pension related items	146,243	479,931	135,440	-
Total Deferred Inflows of Resources	146,243	479,931	135,440	-
Net Position:				
Net investment in capital assets	-	163,093	224,396	-
Unrestricted	(5,177,085)	(1,097,111)	(587,032)	-
Total Net Position	(5,177,085)	(934,018)	(362,636)	-
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 12,628,666	\$ 1,531,059	\$ 402,100	\$ 4,501

CITY OF POMONA

COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2015

	<u>Total</u>
Assets:	
Current:	
Cash and investments	\$ 13,582,133
Receivables (net):	
Accounts	91
Interest	6,563
Prepaid costs	4,480
Inventories	384,118
Total Current Assets	<u>13,977,385</u>
Noncurrent:	
Capital assets, net of depreciation	387,489
Total Noncurrent Assets	<u>387,489</u>
Total Assets	<u>14,364,874</u>
Deferred Outflows of Resources:	
Deferred pension related items	201,452
Total Deferred Outflows of Resources	<u>201,452</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 14,566,326</u>
Liabilities:	
Current:	
Accounts payable	\$ 381,043
Payroll payable	78,323
Due to other funds	3,487
Compensated absences	115,000
Claims and judgments	1,805,000
Total Current Liabilities	<u>2,382,853</u>
Noncurrent:	
Advances from other funds	5,000,000
Compensated absences	117,115
Claims and judgments	10,296,548
Net pension liability	2,481,935
Total Noncurrent Liabilities	<u>17,895,598</u>
Total Liabilities	<u>20,278,451</u>
Deferred Inflows of Resources:	
Deferred pension related items	761,614
Total Deferred Inflows of Resources	<u>761,614</u>
Net Position:	
Net investment in capital assets	387,489
Unrestricted	(6,861,228)
Total Net Position	<u>(6,473,739)</u>
Total Liabilities, Deferred Inflows of Resources and Net Position	<u>\$ 14,566,326</u>

CITY OF POMONA

**COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2015**

	Self- Insurance Funds	Equipment Maintenance	Information Technology	Printing/Mail Services
Operating Revenues:				
Charges for services	\$ 4,633,643	\$ 3,851,396	\$ 1,675,437	\$ 18,097
Miscellaneous	3,641,013	-	-	-
Total Operating Revenues	8,274,656	3,851,396	1,675,437	18,097
Operating Expenses:				
Personnel services	-	1,223,571	308,376	-
Operations	-	2,128,281	1,172,374	18,097
Claims expense	389,061	230,000	-	-
Insurance	-	34,608	5,868	-
Depreciation	-	23,053	-	-
Total Operating Expenses	389,061	3,639,513	1,486,618	18,097
Operating Income (Loss)	7,885,595	211,883	188,819	-
Nonoperating Revenues (Expenses):				
Interest revenue	10,619	-	-	-
Total Nonoperating Revenues (Expenses)	10,619	-	-	-
Income (Loss) Before Transfers	<u>\$ 7,896,214</u>	<u>\$ 211,883</u>	<u>\$ 188,819</u>	<u>\$ -</u>
Net Position:				
Beginning of Year, as originally reported	\$(12,477,858)	\$ 808,175	\$ -	\$ -
Restatements	(595,441)	(1,954,076)	(551,455)	-
Beginning of Fiscal Year, as restated	(13,073,299)	(1,145,901)	(551,455)	-
Changes in Net Position	7,896,214	211,883	188,819	-
End of Year	<u>\$ (5,177,085)</u>	<u>\$ (934,018)</u>	<u>\$ (362,636)</u>	<u>\$ -</u>

CITY OF POMONA

COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2015

	<u>Total</u>
Operating Revenues:	
Charges for services	\$ 10,178,573
Miscellaneous	3,641,013
Total Operating Revenues	<u>13,819,586</u>
Operating Expenses:	
Personnel services	1,531,947
Operations	3,318,752
Claims expense	619,061
Insurance	40,476
Depreciation	23,053
Total Operating Expenses	<u>5,533,289</u>
Operating Income (Loss)	<u>8,286,297</u>
Nonoperating Revenues (Expenses):	
Interest revenue	<u>10,619</u>
Total Nonoperating Revenues (Expenses)	<u>10,619</u>
Income (Loss) Before Transfers	<u><u>\$ 8,296,916</u></u>
Net Position:	
Beginning of Year, as originally reported	\$(11,669,683)
Restatements	<u>(3,100,972)</u>
Beginning of Fiscal Year, as restated	(14,770,655)
Changes in Net Position	<u>8,296,916</u>
End of Year	<u><u>\$ (6,473,739)</u></u>

CITY OF POMONA

**COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2015**

	Self- Insurance Funds	Equipment Maintenance	Information Technology	Printing/Mail Services
Cash Flows from Operating Activities:				
Cash received from customers and users	\$ 4,633,643	\$ 3,851,305	\$ 1,675,437	\$ 18,097
Cash received from (paid for) other	3,641,013	-	-	-
Cash paid to suppliers for goods and services	(5,930,514)	(2,525,736)	(1,022,085)	(23,582)
Cash paid for general and administrative expenses	(11,305)	(1,213,176)	(314,114)	-
Net Cash Provided (Used) by Operating Activities	2,332,837	112,393	339,238	(5,485)
Cash Flows from Non-Capital Financing Activities:				
Amounts received from other funds	-	-	-	3,487
Net Cash Provided (Used) by Non-Capital Financing Activities	-	-	-	3,487
Cash Flows from Capital and Related Financing Activities:				
Acquisition and construction of capital assets	-	(38,869)	(224,396)	-
Net Cash Provided (Used) by Capital and Related Financing Activities	-	(38,869)	(224,396)	-
Cash Flows from Investing Activities:				
Interest received	8,353	-	-	-
Net Cash Provided (Used) by Investing Activities	8,353	-	-	-
Net Increase (Decrease) in Cash and Cash Equivalents	2,341,190	73,524	114,842	(1,998)
Cash and Cash Equivalents, Beginning of Year	10,242,231	783,288	27,037	2,019
Cash and Cash Equivalents, End of Year	\$ 12,583,421	\$ 856,812	\$ 141,879	\$ 21
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:				
Operating income (loss)	\$ 7,885,595	\$ 211,883	\$ 188,819	\$ -
Adjustments to reconcile operating income (loss) net cash provided (used) by operating activities:				
Depreciation	-	23,053	-	-
(Increase) decrease in accounts receivable	-	(91)	-	-
(Increase) decrease in prepaid expense	-	-	-	(4,480)
(Increase) decrease in inventories	-	(24,425)	-	-
(Increase) decrease in deferred outflows	(7,677)	(25,193)	(7,110)	-
Increase (decrease) in deferred inflows	146,243	479,931	135,440	-
Increase (decrease) in accounts payable	(1,464,145)	(108,422)	156,157	(1,170)
Increase (decrease) in payroll payable	588	28,839	4,732	165
Increase (decrease) in claims and judgments	(4,077,896)	-	-	-
Increase (decrease) in net pension liability	(149,871)	(491,838)	(138,800)	-
Increase (decrease) in compensated absences	-	18,656	-	-
Total Adjustments	(5,552,758)	(99,490)	150,419	(5,485)
Net Cash Provided (Used) by Operating Activities	\$ 2,332,837	\$ 112,393	\$ 339,238	\$ (5,485)
Non-Cash Investing, Capital, and Financing Activities:				
During fiscal year 2014-2015, 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, 2015**

	<u>Total</u>
Cash Flows from Operating Activities:	
Cash received from customers and users	\$ 10,178,482
Cash received from (paid for) other	3,641,013
Cash paid to suppliers for goods and services	(9,501,917)
Cash paid for general and administrative expenses	<u>(1,538,595)</u>
Net Cash Provided (Used) by Operating Activities	<u>2,778,983</u>
Cash Flows from Non-Capital Financing Activities:	
Amounts received from other funds	<u>3,487</u>
Net Cash Provided (Used) by Non-Capital Financing Activities	<u>3,487</u>
Cash Flows from Capital and Related Financing Activities:	
Acquisition and construction of capital assets	<u>(263,265)</u>
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(263,265)</u>
Cash Flows from Investing Activities:	
Interest received	<u>8,353</u>
Net Cash Provided (Used) by Investing Activities	<u>8,353</u>
Net Increase (Decrease) in Cash and Cash Equivalents	2,527,558
Cash and Cash Equivalents, Beginning of Year	<u>11,054,575</u>
Cash and Cash Equivalents, End of Year	<u>\$ 13,582,133</u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:	
Operating income (loss)	\$ 8,286,297
Adjustments to reconcile operating income (loss) net cash provided (used) by operating activities:	
Depreciation	23,053
(Increase) decrease in accounts receivable	(91)
(Increase) decrease in prepaid expense	(4,480)
(Increase) decrease in inventories	(24,425)
(Increase) decrease in deferred outflows	(39,980)
Increase (decrease) in deferred inflows	761,614
Increase (decrease) in accounts payable	(1,417,580)
Increase (decrease) in payroll payable	34,324
Increase (decrease) in claims and judgments	(4,077,896)
Increase (decrease) in net pension liability	(780,509)
Increase (decrease) in compensated absences	<u>18,656</u>
Total Adjustments	<u>(5,507,314)</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 2,778,983</u>
Non-Cash Investing, Capital, and Financing Activities:	
During fiscal year 2014-2015, there was no non-cash investing, capital and financing activities.	

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FIDUCIARY FUNDS

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

CITY OF POMONA

COMBINING BALANCE SHEET
 AGENCY FUNDS
 JUNE 30, 2015

	<u>Assessment Districts</u>	<u>Engineers' Revolving</u>	<u>Construction Guarantee</u>	<u>Municipal Revolving</u>
Assets:				
Cash and investments	\$ 223,449	\$ 570,868	\$ 920,014	\$ 901,655
Receivables:				
Accounts	-	-	-	10,037
Interest	196	319	-	-
Due from other governments	37,389	-	-	3,834
Total Assets	<u>\$ 261,034</u>	<u>\$ 571,187</u>	<u>\$ 920,014</u>	<u>\$ 915,526</u>
Liabilities:				
Accounts payable	\$ -	\$ -	\$ 4,409	\$ 238,272
Deposits payable	37,389	571,187	915,605	677,254
Due to external parties/other agencies	223,645	-	-	-
Total Liabilities	<u>\$ 261,034</u>	<u>\$ 571,187</u>	<u>\$ 920,014</u>	<u>\$ 915,526</u>

CITY OF POMONA

COMBINING BALANCE SHEET
 AGENCY FUNDS
 JUNE 30, 2015

	<u>Employee Benefits/ Deductions</u>	<u>Settlement SBOE</u>	<u>Total</u>
Assets:			
Cash and investments	\$ 1,680,299	\$ -	\$ 4,296,285
Receivables:			
Accounts	-	-	10,037
Interest	-	-	515
Due from other governments	-	-	41,223
	<u>-</u>	<u>-</u>	<u>41,223</u>
Total Assets	<u>\$ 1,680,299</u>	<u>\$ -</u>	<u>\$ 4,348,060</u>
Liabilities:			
Accounts payable	\$ 1,680,299	\$ -	\$ 1,922,980
Deposits payable	-	-	2,201,435
Due to external parties/other agencies	-	-	223,645
	<u>-</u>	<u>-</u>	<u>223,645</u>
Total Liabilities	<u>\$ 1,680,299</u>	<u>\$ -</u>	<u>\$ 4,348,060</u>

CITY OF POMONA

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS
 YEAR ENDED JUNE 30, 2015**

	<u>Balance 7/1/2014</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance 6/30/2015</u>
<u>Assessment Districts</u>				
Assets:				
Cash and investments	\$ 223,032	\$ 417	\$ -	\$ 223,449
Receivables:				
Interest	180	196	180	196
Due from other governments	10,044	37,389	10,044	37,389
Total Assets	<u>\$ 233,256</u>	<u>\$ 38,002</u>	<u>\$ 10,224</u>	<u>\$ 261,034</u>
Liabilities:				
Deposits payable	\$ 10,044	\$ 37,389	\$ 10,044	\$ 37,389
Due to external parties/other agencies	223,212	433	-	223,645
Total Liabilities	<u>\$ 233,256</u>	<u>\$ 37,822</u>	<u>\$ 10,044</u>	<u>\$ 261,034</u>
<u>Engineers' Revolving</u>				
Assets:				
Cash and investments	\$ 567,509	\$ 3,359	\$ -	\$ 570,868
Receivables:				
Interest	294	319	294	319
Total Assets	<u>\$ 567,803</u>	<u>\$ 3,678</u>	<u>\$ 294</u>	<u>\$ 571,187</u>
Liabilities:				
Deposits payable	\$ 567,803	\$ 3,384	\$ -	\$ 571,187
Total Liabilities	<u>\$ 567,803</u>	<u>\$ 3,384</u>	<u>\$ -</u>	<u>\$ 571,187</u>
<u>Construction Guarantee</u>				
Assets:				
Cash and investments	\$ 860,960	\$ 229,886	\$ 170,832	\$ 920,014
Total Assets	<u>\$ 860,960</u>	<u>\$ 229,886</u>	<u>\$ 170,832</u>	<u>\$ 920,014</u>
Liabilities:				
Accounts payable	\$ 15,828	\$ 98,802	\$ 110,221	\$ 4,409
Deposits payable	845,132	78,927	8,454	915,605
Total Liabilities	<u>\$ 860,960</u>	<u>\$ 177,729</u>	<u>\$ 118,675</u>	<u>\$ 920,014</u>
<u>Municipal Revolving</u>				
Assets:				
Cash and investments	\$ 936,043	\$ 1,269,688	\$ 1,304,076	\$ 901,655
Receivables:				
Accounts	11,072	40,011	41,046	10,037
Due from other governments	2,449	3,834	2,449	3,834
Total Assets	<u>\$ 949,564</u>	<u>\$ 1,313,533</u>	<u>\$ 1,347,571</u>	<u>\$ 915,526</u>
Liabilities:				
Accounts payable	\$ 70,834	\$ 1,275,849	\$ 1,108,411	\$ 238,272
Deposits payable	878,730	7,667	209,143	677,254
Total Liabilities	<u>\$ 949,564</u>	<u>\$ 1,283,516</u>	<u>\$ 1,317,554</u>	<u>\$ 915,526</u>

CITY OF POMONA

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS
 YEAR ENDED JUNE 30, 2015**

	<u>Balance 7/1/2014</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance 6/30/2015</u>
<u>Employee Benefits/Deductions</u>				
Assets:				
Cash and investments	\$ 1,432,904	\$ 34,468,485	\$ 34,221,090	\$ 1,680,299
Total Assets	<u>\$ 1,432,904</u>	<u>\$ 34,468,485</u>	<u>\$ 34,221,090</u>	<u>\$ 1,680,299</u>
Liabilities:				
Accounts payable	\$ 1,432,904	\$ 34,468,485	\$ 34,221,090	\$ 1,680,299
Total Liabilities	<u>\$ 1,432,904</u>	<u>\$ 34,468,485</u>	<u>\$ 34,221,090</u>	<u>\$ 1,680,299</u>
<u>Settlement SBOE</u>				
Assets:				
Pooled cash and investments	\$ 376,919	\$ 1,606,298	\$ 1,983,217	\$ -
Total Assets	<u>\$ 376,919</u>	<u>\$ 1,606,298</u>	<u>\$ 1,983,217</u>	<u>\$ -</u>
Liabilities:				
Accounts payable	\$ 376,919	\$ 753,838	\$ 1,130,757	\$ -
Total Liabilities	<u>\$ 376,919</u>	<u>\$ 753,838</u>	<u>\$ 1,130,757</u>	<u>\$ -</u>
<u>Total - All Agency Funds</u>				
Assets:				
Cash and investments	\$ 4,397,367	\$ 37,578,133	\$ 37,679,215	\$ 4,296,285
Receivables:				
Accounts	11,072	40,011	41,046	10,037
Interest	474	515	474	515
Due from other governments	12,493	41,223	12,493	41,223
Total Assets	<u>\$ 4,421,406</u>	<u>\$ 37,659,882</u>	<u>\$ 37,733,228</u>	<u>\$ 4,348,060</u>
Liabilities:				
Accounts payable	\$ 1,896,485	\$ 36,596,974	\$ 36,570,479	\$ 1,922,980
Deposits payable	2,301,709	127,367	227,641	2,201,435
Due to external parties/other agencies	223,212	433	-	223,645
Total Liabilities	<u>\$ 4,421,406</u>	<u>\$ 36,724,774</u>	<u>\$ 36,798,120</u>	<u>\$ 4,348,060</u>

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Statistical Section (Unaudited)

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

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

	Fiscal Year				
	2006	2007	2008	2009	2010
Governmental activities:					
Net investment in capital assets	\$ 271,540,388	\$ 283,153,069	\$ 266,292,700	\$ 266,710,638	\$ 259,501,244
Restricted	113,101,903	121,330,491	126,440,546	130,746,703	134,747,514
Unrestricted	(179,150,706)	(182,279,410)	(188,834,296)	(213,456,367)	(227,480,138)
Total governmental activities net position	\$ 205,491,585	\$ 222,204,150	\$ 203,898,950	\$ 184,000,974	\$ 166,768,620
Business-type activities:					
Net investment in capital assets	\$ 54,100,219	\$ 52,018,893	\$ 58,437,024	\$ 68,860,850	\$ 62,252,632
Restricted	2,986,079	4,049,389	3,015,084	2,940,659	2,225,388
Unrestricted	27,474,990	28,867,217	32,851,495	32,957,936	34,455,240
Total business-type activities net position	\$ 84,561,288	\$ 84,935,499	\$ 94,303,603	\$ 104,759,445	\$ 98,933,260
Primary government:					
Net investment in capital assets	\$ 325,640,607	\$ 335,171,962	\$ 324,729,724	\$ 335,571,488	\$ 321,753,876
Restricted	116,087,982	125,379,880	129,455,630	133,687,362	136,972,902
Unrestricted	(151,675,716)	(153,412,193)	(155,982,801)	(180,498,431)	(193,024,898)
Total primary government net position	\$ 290,052,873	\$ 307,139,649	\$ 298,202,553	\$ 288,760,419	\$ 265,701,880

City of Pomona
 Net Position by Component
 Last Ten Fiscal Years

Schedule 1

	Fiscal Year				
	2011	2012	2013	2014	2015
Governmental activities:					
Net investment in capital assets	\$ 257,218,882	\$ 272,949,495	\$ 266,340,326	\$ 239,862,742	\$ 236,554,708
Restricted	138,810,197	94,261,171	94,797,810	91,110,197	102,475,838
Unrestricted	(232,125,172)	(99,699,617)	(88,955,872)	(66,485,308)	(223,393,489)
Total governmental activities net position	\$ 163,903,907	\$ 267,511,049	\$ 272,182,264	\$ 264,487,631	\$ 115,637,057
Business-type activities:					
Net investment in capital assets	\$ 53,012,960	\$ 46,811,318	\$ 40,774,712	\$ 43,825,224	\$ 42,085,623
Restricted	7,660,879	13,544,047	14,805,693	32,725,153	28,900,238
Unrestricted	36,095,478	39,600,817	42,671,686	23,144,683	15,566,565
Total business-type activities net position	\$ 96,769,317	\$ 99,956,182	\$ 98,252,091	\$ 99,695,060	\$ 86,552,426
Primary government:					
Net investment in capital assets	\$ 310,231,842	\$ 319,760,813	\$ 307,115,038	\$ 283,687,966	\$ 278,640,331
Restricted	146,471,076	107,805,218	109,603,503	123,835,350	131,376,076
Unrestricted	(196,029,694)	(60,098,800)	(46,284,186)	(43,340,625)	(207,826,924)
Total primary government net position	\$ 260,673,224	\$ 367,467,231	\$ 370,434,355	\$ 364,182,691	\$ 202,189,483

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

	Fiscal Year				
	2006	2007	2008	2009	2010
Expenses					
Governmental activities:					
General government	\$ 4,566,737	\$ 5,374,997	\$ 7,799,411	\$ 11,325,897	\$ 6,492,505
Public safety	62,314,546	66,368,961	71,782,018	76,866,332	71,238,620
Urban development	68,802,603	70,071,752	58,907,290	68,405,205	87,717,680
Neighborhood services	14,817,177	12,761,215	21,517,903	10,418,491	8,228,099
Interest on long-term debt	25,274,237	25,372,308	30,865,822	27,731,312	29,442,106
Total governmental activities	<u>175,775,300</u>	<u>179,949,233</u>	<u>190,872,444</u>	<u>194,747,237</u>	<u>203,119,010</u>
Business-type activities:					
Water	19,172,107	23,845,899	22,807,789	18,980,506	27,457,755
Sewer	2,458,616	3,915,545	2,920,219	2,963,196	3,838,426
Refuse	8,488,309	8,921,093	8,837,471	9,805,894	8,598,275
Canon Water Company	52,345	17,472	96,255	16,681	11,787
Total business-type activities	<u>30,171,377</u>	<u>36,700,009</u>	<u>34,661,734</u>	<u>31,766,277</u>	<u>39,906,243</u>
Total primary government expenses	<u>\$ 205,946,677</u>	<u>\$ 216,649,242</u>	<u>\$ 225,534,178</u>	<u>\$ 226,513,514</u>	<u>\$ 243,025,253</u>
Program Revenues					
Governmental activities:					
Charges for services:					
Police revenues	\$ 2,423,540	\$ 1,723,534	\$ 2,126,363	\$ 3,046,908	\$ 2,691,660
Plan check fees	988,874	543,317	924,010	410,451	297,073
Building permits	1,336,527	927,771	1,287,216	730,510	599,818
Graffiti abatement	609,228	530,399	560,006	566,197	561,363
Street sweeping fees	512,819	423,356	471,387	476,351	468,575
Maintenance assessment fees	1,227,281	1,208,338	1,172,825	1,242,240	1,214,568
All other	9,849,392	9,357,921	6,331,014	11,442,772	14,816,018
Operating contributions and grants	22,656,450	27,319,477	24,171,583	17,838,374	30,034,337
Capital contributions and grants	6,718,223	7,154,035	12,395,251	12,020,471	16,368,968
Total governmental activities program revenues	<u>46,322,334</u>	<u>49,188,148</u>	<u>49,439,655</u>	<u>47,774,274</u>	<u>67,052,380</u>
Business-type activities:					
Charges for services:					
Water	22,689,164	26,210,565	27,155,086	27,857,381	27,084,809
Sewer	2,853,610	3,384,966	4,008,291	4,189,672	4,271,176
Refuse	7,395,141	7,326,324	7,733,411	8,661,142	9,883,142
Canon Water Company	-	-	-	-	-
Operating contributions and grants	68,966	145,820	126,471	64,841	65,721
Capital contributions and grants	23,100	97,420	4,004,312	850	-
Total business-type activities program revenues	<u>33,029,981</u>	<u>37,165,095</u>	<u>43,027,571</u>	<u>40,773,886</u>	<u>41,304,848</u>
Total primary government program revenues	<u>\$ 79,352,315</u>	<u>\$ 86,353,243</u>	<u>\$ 92,467,226</u>	<u>\$ 88,548,160</u>	<u>\$ 108,357,228</u>

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

Schedule 2

	Fiscal Year				
	2006	2007	2008	2009	2010
Net (Expense)/Revenue					
Governmental activities	\$ (129,452,966)	\$ (130,761,085)	\$ (141,432,789)	\$ (146,972,963)	\$ (136,066,630)
Business-type activities	2,858,604	465,086	8,365,837	9,007,609	1,398,605
Total primary government net expense	\$ (126,594,362)	\$ (130,295,999)	\$ (133,066,952)	\$ (137,965,354)	\$ (134,668,025)
General Revenues and Other Changes in Net Position					
Governmental activities:					
Taxes:					
Property taxes	\$ 53,239,617	\$ 51,952,231	\$ 56,246,496	\$ 65,303,064	\$ 60,772,676
Sales taxes	14,710,345	19,072,975	17,200,015	10,628,900	11,224,835
Motor vehicle licenses	1,109,390	874,237	718,936	555,277	479,477
Transient occupancy taxes	1,865,001	1,727,097	1,718,607	1,450,270	1,300,209
Property transfer taxes	-	2,152,388	1,189,405	1,020,258	1,114,825
Franchise taxes	5,397,384	5,871,860	5,776,052	6,861,266	6,094,548
Utility users taxes	17,576,969	18,290,416	18,154,259	17,732,063	17,165,968
Business licenses	-	2,844,503	2,977,865	3,051,371	2,890,920
Other taxes	678,897	2,459,714	1,973,674	17,579	10,356
Investment earnings/(expenses)	17,819,663	19,509,780	19,956,964	17,219,062	14,542,222
Miscellaneous	5,832,425	2,240,671	2,568,179	3,246,127	2,193,630
Extraordinary gain/(loss) on dissolution of Redevelopment Agency	-	-	-	-	-
Transfers	1,743,417	716,025	(1,753,920)	(10,250)	1,044,610
Total governmental activities	119,973,108	127,711,897	126,726,532	127,074,987	118,834,276
Business-type activities:					
Investment earnings/(expenses)	(1,991,603)	108,433	(1,696,056)	(563,393)	(6,192,697)
Miscellaneous	334,034	516,717	944,403	2,001,376	12,517
Income (loss) on sale of capital assets	-	-	-	-	-
Transfers	(1,743,417)	(716,025)	1,753,920	10,250	(1,044,610)
Total business-type activities	(3,400,986)	(90,875)	1,002,267	1,448,233	(7,224,790)
Total primary government	\$ 116,572,122	\$ 127,621,022	\$ 127,728,799	\$ 128,523,220	\$ 111,609,486
Changes in Net Position					
Governmental activities	\$ (9,479,858)	\$ (3,049,188)	\$ (14,706,257)	\$ (19,897,976)	\$ (17,232,354)
Business-type activities	(542,382)	374,211	9,368,104	10,455,842	(5,826,185)
Total primary government	\$ (10,022,240)	\$ (2,674,977)	\$ (5,338,153)	\$ (9,442,134)	\$ (23,058,539)

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

Schedule 2

	Fiscal Year				
	2011	2012	2013	2014	2015
Expenses					
Governmental activities:					
General government	\$ 6,064,138	\$ 5,248,291	\$ 7,499,578	\$ 5,583,709	\$ 5,555,565
Public safety	63,110,539	63,470,704	62,632,820	66,570,974	67,614,849
Urban development	77,538,633	94,480,470	36,407,420	47,913,493	42,139,207
Neighborhood services	7,082,135	6,771,751	14,858,140	6,181,264	6,151,817
Interest on long-term debt	29,390,035	21,834,146	7,997,227	5,364,960	5,252,517
Total governmental activities	<u>183,185,480</u>	<u>191,805,362</u>	<u>129,395,185</u>	<u>131,614,400</u>	<u>126,713,955</u>
Business-type activities:					
Water	29,408,125	25,909,880	28,242,875	29,585,491	27,125,628
Sewer	5,733,464	5,192,272	8,544,029	4,164,990	3,962,091
Refuse	8,762,936	8,732,864	8,403,397	8,562,818	8,467,884
Canon Water Company	13,927	13,219	25,163	18,154	26,747
Total business-type activities	<u>43,918,452</u>	<u>39,848,235</u>	<u>45,215,464</u>	<u>42,331,453</u>	<u>39,582,350</u>
Total primary government expenses	<u>\$ 227,103,932</u>	<u>\$ 231,653,597</u>	<u>\$ 174,610,649</u>	<u>\$ 173,945,853</u>	<u>\$ 166,296,305</u>
Program Revenues					
Governmental activities:					
Charges for services:					
Police revenues	\$ 2,053,307	\$ 2,493,299	\$ 3,066,121	\$ 3,316,768	\$ 3,488,416
Plan check fees	354,575	408,563	1,017,684	816,046	778,349
Building permits	466,567	687,783	937,070	1,107,049	1,093,143
Graffiti abatement	564,531	563,935	552,417	567,499	566,547
Street sweeping fees	473,614	472,717	462,461	475,665	474,722
Maintenance assessment fees	1,214,829	1,229,707	1,229,659	1,193,066	1,213,094
All other	7,249,221	731,866	9,066,076	6,014,243	6,878,744
Operating contributions and grants	23,115,271	18,896,518	20,548,119	19,501,511	17,564,806
Capital contributions and grants	24,908,628	18,512,640	15,442,436	12,758,089	12,627,464
Total governmental activities program revenues	<u>60,400,543</u>	<u>43,997,028</u>	<u>52,322,043</u>	<u>45,749,936</u>	<u>44,685,285</u>
Business-type activities:					
Charges for services:					
Water	27,898,709	29,405,992	30,633,205	31,611,142	29,888,243
Sewer	4,342,682	4,528,346	4,461,575	4,684,934	4,733,661
Refuse	9,046,619	9,273,301	9,107,603	9,561,681	9,523,134
Canon Water Company	-	-	64,221	64,221	64,221
Operating contributions and grants	109,165	880	46,588	42,833	42,052
Capital contributions and grants	-	388,000	-	-	-
Total business-type activities program revenues	<u>41,397,175</u>	<u>43,596,519</u>	<u>44,313,192</u>	<u>45,964,811</u>	<u>44,251,311</u>
Total primary government program revenues	<u>\$ 101,797,718</u>	<u>\$ 87,593,547</u>	<u>\$ 96,635,235</u>	<u>\$ 91,714,747</u>	<u>\$ 88,936,596</u>

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

Schedule 2

(Continued)

	Fiscal Year				
	2011	2012	2013	2014	2015
Net (Expense)/Revenue					
Governmental activities	\$ (122,784,937)	\$ (147,808,334)	\$ (77,073,142)	\$ (85,864,464)	\$ (82,028,670)
Business-type activities	(2,521,277)	3,748,284	(902,272)	3,633,358	4,668,961
Total primary government net expense	<u>\$ (125,306,214)</u>	<u>\$ (144,060,050)</u>	<u>\$ (77,975,414)</u>	<u>\$ (82,231,106)</u>	<u>\$ (77,359,709)</u>
General Revenues and Other Changes in Net Position					
Governmental activities:					
Taxes:					
Property taxes	\$ 58,116,765	\$ 41,754,679	\$ 32,143,878	\$ 33,630,550	\$ 36,408,806
Sales taxes	9,507,105	10,804,554	12,354,719	12,040,357	13,544,946
Motor vehicle licenses	829,147	83,907	69,443	-	67,079
Transient occupancy taxes	1,266,721	1,359,064	1,473,662	1,560,682	1,568,387
Property transfer taxes	987,363	1,111,530	1,475,856	1,430,195	1,581,039
Franchise taxes	5,910,791	5,961,105	5,671,708	6,029,371	6,563,245
Utility users taxes	17,718,623	17,374,682	16,941,444	17,311,594	17,465,816
Business licenses	2,730,397	3,065,405	3,123,120	3,171,919	3,346,851
Other taxes	4,008	69,575	20,966	12,963	59,221
Investment earnings/(expenses)	23,775,050	13,432,247	4,363,428	2,304,604	2,109,735
Miscellaneous	2,547,071	6,703,775	2,347,387	2,900,772	3,461,354
Extraordinary gain/(loss) on dissolution of Redevelopment Agency	-	149,004,835	804,048	(144,397)	808,340
Transfers	(220,346)	690,118	954,698	538,371	1,011,800
Total governmental activities	<u>123,172,695</u>	<u>251,415,476</u>	<u>81,744,357</u>	<u>80,786,981</u>	<u>87,996,619</u>
Business-type activities:					
Investment earnings/(expenses)	133,255	126,449	41,890	125,696	92,349
Miscellaneous	3,733	2,250	31,677	117,000	121,408
Income (loss) on sale of capital assets	-	-	79,312	9,205	1,965
Transfers	220,346	(690,118)	(954,698)	(538,371)	(1,011,800)
Total business-type activities	<u>357,334</u>	<u>(561,419)</u>	<u>(801,819)</u>	<u>(286,470)</u>	<u>(796,078)</u>
Total primary government	<u>\$ 123,530,029</u>	<u>\$ 250,854,057</u>	<u>\$ 80,942,538</u>	<u>\$ 80,500,511</u>	<u>\$ 87,200,541</u>
Changes in Net Position					
Governmental activities	\$ 387,758	\$ 103,607,142	\$ 4,671,215	\$ (5,077,483)	\$ 5,967,949
Business-type activities	(2,163,943)	3,186,865	(1,704,091)	3,346,888	3,872,883
Total primary government	<u>\$ (1,776,185)</u>	<u>\$ 106,794,007</u>	<u>\$ 2,967,124</u>	<u>\$ (1,730,595)</u>	<u>\$ 9,840,832</u>

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

	Fiscal Year				
	2006	2007	2008	2009	2010
General Fund:					
Reserved	\$ 7,907,817	\$ 6,888,120	\$ 4,459,873	\$ 4,365,820	\$ 4,270,613
Unreserved	10,914,430	13,903,948	10,809,579	4,430,794	2,265,028
Non-spendable	-	-	-	-	-
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total General Fund	\$ 18,822,247	\$ 20,792,068	\$ 15,269,452	\$ 8,796,614	\$ 6,535,641
All Other Governmental Funds:					
Reserved	\$ 279,513,977	\$ 329,767,481	\$ 293,334,925	\$ 305,411,945	\$ 289,165,426
Unreserved, designated	6,877,406	2,570,640	-	-	-
Unreserved, reported in:					
Special revenue funds	18,048,054	21,518,821	12,653,645	5,729,977	18,753,085
Debt service funds	(182,032,654)	(182,023,917)	(198,469,799)	(155,935,490)	(160,398,749)
Capital projects funds	54,561,328	1,421,840	60,383,675	2,288,382	(1,497,507)
Non-spendable	-	-	-	-	-
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total All Other Governmental Funds	\$ 176,968,111	\$ 173,254,865	\$ 167,902,446	\$ 157,494,814	\$ 146,022,255

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

Schedule 3

	2011	2012	2013	2014	2015
General Fund:					
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-	-
Non-spendable	126,089	140,834	109,949	112,436	102,280
Restricted	-	-	-	-	-
Committed	5,563,011	2,007,185	7,316,769	12,260,809	14,467,914
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	2,717,909
Total General Fund	\$ 5,689,100	\$ 2,148,019	\$ 7,426,718	\$ 12,373,245	\$ 17,288,103
All Other Governmental Funds:					
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, designated	-	-	-	-	-
Unreserved, reported in:					
Special revenue funds	-	-	-	-	-
Debt service funds	-	-	-	-	-
Capital projects funds	-	-	-	-	-
Non-spendable	259,577,717	60,310,838	13,880,356	11,996,916	84,397,170
Restricted	81,339,275	41,875,382	88,633,395	86,119,256	37,213,976
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	(202,261,861)	(43,208,211)	(41,655,762)	(41,134,968)	(43,063,475)
Total All Other Governmental Funds	\$ 138,655,131	\$ 58,978,009	\$ 60,857,989	\$ 56,981,204	\$ 78,547,671

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

	Fiscal Year				
	2006	2007	2008	2009	2010
Revenues:					
Taxes	\$ 94,577,603	\$ 105,245,421	\$ 113,490,746	\$ 109,044,092	\$ 98,510,896
Special assessments	1,197,805	1,166,719	1,172,826	1,220,222	1,214,569
Licenses and permits	8,440,517	6,690,241	6,261,842	7,350,264	4,297,116
Intergovernmental	29,364,673	34,431,013	27,091,322	25,673,807	48,689,417
Charges for services	1,989,303	2,296,395	2,755,212	2,080,651	8,855,789
Interest and rentals	17,815,895	19,509,672	19,954,480	17,115,029	14,542,222
Fines and forfeitures	3,280,587	2,647,955	3,364,372	4,108,850	2,065,041
Loans repaid	2,039,449	912,428	235,265	253,064	46,814
Contributions and donations	-	3,344,179	257,000	-	-
Miscellaneous	5,832,425	2,240,671	2,629,419	4,888,034	3,401,802
Total Revenues	164,538,257	178,484,694	177,212,484	171,734,013	181,623,666
Expenditures:					
General government	4,323,332	5,000,827	5,054,617	4,104,160	4,046,274
Public safety	61,675,869	64,735,812	70,637,275	72,729,944	67,888,838
Urban development	59,638,945	58,373,543	59,624,349	69,119,619	88,899,216
Neighborhood services	13,122,353	12,120,611	20,816,615	8,823,294	7,121,480
Capital outlay	1,055,369	19,944,715	2,246,951	5,462,154	2,969,473
Debt service:					
Principal retirement	3,357,630	9,251,232	8,078,448	4,127,225	4,338,517
Interest and fiscal charges	22,819,282	27,328,302	27,092,737	26,855,452	27,311,933
Debt issuance costs	2,447,589	1,253,413	241,350	-	-
Total Expenditures	168,440,369	198,008,455	193,792,342	191,221,848	202,575,731
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,902,112)	(19,523,761)	(16,579,858)	(19,487,835)	(20,952,065)
Other Financing Sources (Uses):					
Notes and loans issued	76,825,100	74,207,460	8,805,595	533,765	533,765
Bond premium	-	1,087,257	57,600	-	-
Payments to escrow agent	(53,255,000)	(59,750,000)	-	-	-
Proceeds from capital leases	1,343,850	1,714,407	304,646	2,048,956	-
Proceeds from sale of capital assets	36,037	110,148	980,368	34,894	5,640,158
Gain/Loss - sale of land held for resale	-	(654,961)	(101,238)	-	-
Transfers in	47,308,301	71,510,464	35,568,008	29,592,084	21,194,695
Transfers out	(47,422,755)	(70,794,439)	(39,460,156)	(29,602,334)	(20,150,085)
Total Other Financing Sources (Uses)	24,835,533	17,430,336	6,154,823	2,607,365	7,218,533
Extraordinary gain/(loss) on dissolution of Redevelopment Agency	-	-	-	-	-
Net Change in Fund Balances	\$ 20,933,421	\$ (2,093,425)	\$ (10,425,035)	\$ (16,880,470)	\$ (13,733,532)
Debt service as a percentage of noncapital expenditures	17.10%	21.25%	18.49%	16.68%	15.86%

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

Schedule 4

	2011	2012	2013	2014	2015
Revenues:					
Taxes	\$ 95,691,191	\$ 79,677,392	\$ 72,063,654	\$ 74,894,452	\$ 79,325,218
Special assessments	1,214,829	1,229,707	1,229,658	1,193,067	1,213,093
Licenses and permits	3,333,417	4,234,901	5,770,483	6,637,168	6,569,523
Intergovernmental	50,654,510	38,432,208	35,229,918	32,189,819	30,287,748
Charges for services	3,625,992	3,637,583	4,619,080	4,145,014	4,009,626
Interest and rentals	15,732,587	13,417,141	4,364,959	2,294,343	2,098,902
Fines and forfeitures	1,784,123	1,820,973	1,960,621	2,119,972	2,063,417
Loans repaid	-	-	-	-	-
Contributions and donations	-	-	-	-	51,581
Miscellaneous	4,663,782	5,223,877	5,040,269	2,329,091	3,175,185
Total Revenues	176,700,431	147,673,782	130,278,642	125,802,926	128,794,293
Expenditures:					
General government	3,073,323	2,385,778	4,388,871	3,569,806	4,037,452
Public safety	61,574,218	61,362,969	62,362,342	65,349,307	68,400,434
Urban development	83,925,250	59,708,273	45,707,873	43,679,402	43,859,126
Neighborhood services	5,889,207	5,577,913	5,007,798	4,748,939	4,702,795
Capital outlay	2,644,383	1,835,062	2,040,791	1,660,811	993,126
Debt service:					
Principal retirement	5,480,210	8,123,605	2,437,533	2,817,951	2,916,051
Interest and fiscal charges	26,522,841	25,243,568	7,358,464	4,974,045	4,855,160
Debt issuance costs	-	-	-	-	-
Total Expenditures	189,109,432	164,237,168	129,303,672	126,800,261	129,764,144
Excess (Deficiency) of Revenues Over (Under) Expenditures	(12,409,001)	(16,563,386)	974,970	(997,335)	(969,851)
Other Financing Sources (Uses):					
Notes and loans issued	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	1,764,196	271,938	4,529,370	1,047,249	35,530
Gain/Loss - sale of land held for resale	-	-	-	-	-
Transfers in	25,487,284	15,766,850	16,654,519	8,628,509	9,379,865
Transfers out	(29,524,748)	(15,076,732)	(15,699,821)	(7,764,284)	(8,368,065)
Total Other Financing Sources (Uses)	(1,623,843)	1,582,916	6,379,068	2,211,474	1,047,330
Extraordinary gain/(loss) on dissolution of Redevelopment Agency	-	(68,237,733)	(195,359)	-	-
Net Change in Fund Balances	\$(14,032,844)	\$(83,218,203)	\$ 7,158,679	\$ 1,214,139	\$ 77,479
Debt service as a percentage of noncapital expenditures	17.16%	20.55%	7.70%	6.23%	6.03%

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

Schedule 5

Fiscal Year Ended June 30	Property Tax	Sales Tax	Motor Vehicle License	Transient Occupancy	Property Transfer Tax	Franchise	Utility Users Tax	Business Licenses	Other	Total
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
2015	36,409	13,545	68	1,568	1,581	6,563	17,466	3,347	59	80,606

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
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
2015	6,396,012	1,070,267	1,261,918	942,134	-	379,640

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)
\$ 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
814,565	9,235,406	0.19079	12,340,257	1.336190

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

Schedule 7

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Basic City and County Levy:										
City of Pomona	0.233504	0.233504	0.233504	0.233504	0.310821	0.233504	0.233504	0.233504	0.233504	0.233504
Other taxing agencies	0.766496	0.766496	0.766496	0.766496	0.689179	0.766496	0.766496	0.766496	0.766496	0.766496
Total	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000
Override Assessments:										
County	0.000790	0.000660	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
Unified Schools	0.124880	0.124010	0.113790	0.115771	0.145455	0.177212	0.173636	0.184882	0.164074	0.165993
Community College	0.021220	0.021840	0.017500	0.023326	0.025710	0.026363	0.026415	0.028957	0.020231	0.021294
Flood Control	0.000050	0.000050	0.001400	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
Metro Water District	0.005200	0.004700	0.004500	0.004300	0.004300	0.003700	0.003700	0.003500	0.003500	0.003500
Total	0.152140	0.151260	0.137190	0.143397	0.175465	0.207275	0.203751	0.217339	0.187805	0.190787
Total Tax Rate	<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>	<u>1.190787</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	2015			2006		
	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	\$ 81,991,804	1	8.88%			
Ktr Pomona LLC	36,279,846	2	3.93%	\$ 27,611,833	5	0.40%
Lba Realty Fund III Co VII LLC	30,065,606	3	3.26%			
Fairplex	29,462,358	4	3.19%			
CMC Dragon LP	28,541,954	5	3.09%			
Pomona II LLC	28,293,217	6	3.06%			
Ripon Cogeneration LLC	27,662,890	7	3.00%			
Rexford Industrial Realty LP	27,200,000	8	2.95%			
Pine Club Apts LLC	24,150,049	9	2.62%			
F D S Mfg.. Co	22,972,086	10	2.49%			
Udr Crest Lp				60,656,659	1	0.29%
1675 Mission Assoc LLC				31,365,000	2	0.97%
Los Angeles County Fair Assoc				31,330,120	3	0.50%
Rockwell Collins Inc.				28,119,139	4	0.41%
Casa Colina Hospital				24,529,939	6	0.40%
Realty Associates				24,162,234	7	0.36%
Coca Cola Co				23,532,741	8	0.34%
Topanga Owensmouth 7 LLC				22,661,900	9	0.34%
Ch Realty liii Pomona Lp				21,420,000	10	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

2015	2006
Alstar Kia	Arco AM/PM Mini Marts
Arco AM/PM Mini Marts	Barretts Equine Sales
Bastian Material Handling	Car Pros Kia
Cardenas Market	Chevron Service Stations
Chevron Service Stations	Circuit City
Construction Hardware	Contractors Warehouse
Cornucopia Foods	Ferguson Enterprises
DD's Discounts	GTE Communication Systems Corp
Ferguson Enterprises	Home Depot
Giant RV Center	Huntington Hardware
Global Rental Company	Mike Thompson's Recreational
Graybar Electric Company	Myers Tire Supply
HD Supply Repair & Remodel	Puma Oil
Home Depot	Rancho Valley Chevrolet/Geo
Huntington Hardware	Redhill Forest Products Inc
Mar-Co Equipment Company	Rio Rancho Buick/Pontiac/GMC
Mike Thompson's Recreational	Rio Rancho Chrysler Jeep & Dod
Phenix Enterprises	Rohr Steel
Ralph's Grocery Company	Shell Service Stations
Rohr Steel	Siemens Energy & Automation
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
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%
2015	14,612,641	14,510,121	99.3%	613,771	15,123,892	103.5%

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	
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	1,754,285	98,960,138
2015	-	39,564,000	44,333,953	11,336,191	1,241,295	96,475,439

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 Business-type Activities	Total Primary Government	Percentage of Personal Income (1)	Debt per Capita (1)
Revenue Bonds	Other				
\$ 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	236,440,253	n/a	1,558
132,086,642	3,004,392	135,091,034	231,566,473	n/a	1,519

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					
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	
2015	39,564	-	44,334	11,336	95,234	47,845	47,389	1.0%	625	

* Includes bond reserves and unspent bond proceeds.

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.

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

Schedule 13

OVERLAPPING DEBT 06/30/2015:	Total Debt 6/30/2015	% Applicable (1)	City's Share of Debt 06/30/2015
Los Angeles County Flood Control District	\$ 15,105,000	0.817%	\$ 123,408
Metropolitan Water District	110,420,000	0.403%	444,993
Citrus Community College District	99,862,553	1.238%	1,236,298
Mount San Antonio Community College District	359,178,346	11.994%	43,079,851
Bonita Unified School District	127,572,395	0.285%	363,581
Claremont Unified School District	30,700,000	6.061%	1,860,727
Pomona Unified School District	233,126,050	75.468%	175,935,567
Los Angeles County Regional Park and Open Space Assessment District	82,880,000	0.777%	643,978
Total Overlapping Debt	<u>1,058,844,344</u>		<u>223,688,403</u>
City of Pomona 1915 Act Bonds	3,915,000	100.000%	3,915,000
Obligations Under Capital Leases	586,295	100.000%	586,295
Notes Payable	655,000	100.000%	655,000
Revenue Bonds	39,564,000	100.000%	39,564,000
Pension Obligation Refunding Bonds	44,333,953	100.000%	44,333,953
Certificates of Participation	11,336,191	100.000%	11,336,191
Total Direct Debt	<u>100,390,439</u>		<u>100,390,439</u>
TOTAL DIRECT AND OVERLAPPING DEBT	<u>\$ 1,159,234,783</u>		<u>\$ 324,078,842</u>
OVERLAPPING DEBT 06/30/2006:	Total Debt 6/30/2006	% Applicable (1)	City's Share of Debt 06/30/2006
Los Angeles County	\$ 8,511,014	0.651%	\$ 55,407
Los Angeles County Flood Control District	129,773,949	0.661%	857,806
Metropolitan Water District	389,564,775	0.333%	1,297,251
Citrus Community College District	19,424,904	1.558%	302,640
Mount San Antonio Community College District	110,757,175	10.768%	11,926,333
Bonita Unified School District	27,868,627	0.204%	56,852
Claremont Unified School District	44,601,329	6.578%	2,933,875
Pomona Unified School District	145,294,475	70.857%	102,951,306
Los Angeles County Regional Park & Open Space Assessment District	330,212,888	0.651%	2,149,686
Total Overlapping Debt	<u>1,206,009,136</u>		<u>122,531,156</u>
City of Pomona 1915 Act Bonds	9,481,000	100.000%	9,481,000
Participation Agreement	436,076	100.000%	436,076
County Deferred Tax Loan	23,456,729	100.000%	23,456,729
Obligations Under Capital Leases	3,830,417	100.000%	3,830,417
Notes Payable	2,725,000	100.000%	2,725,000
Revenue Bonds	216,256,435	100.000%	216,256,435
Tax Allocation Bonds	11,510,000	100.000%	11,510,000
Pension Obligation Refunding Bonds	42,280,684	100.000%	42,280,684
Certificates of Participation	18,621,789	100.000%	18,621,789
Total Direct Debt	<u>328,598,130</u>		<u>328,598,130</u>
TOTAL DIRECT AND OVERLAPPING DEBT	<u>\$ 1,534,607,266</u>		<u>\$ 451,129,286</u>

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)

	2006	2007	2008	2009	2010
Assessed valuation	\$ 7,080,929	\$ 8,060,261	\$ 8,768,656	\$ 9,303,322	\$ 8,749,589
Debt limit percentage	15.00%	15.00%	15.00%	15.00%	15.00%
Debt limit	\$ 1,062,139	\$ 1,209,039	\$ 1,315,298	\$ 1,395,498	\$ 1,312,438
Amount of debt applicable to debt limit	-	-	-	-	-
Legal debt margin	\$ 1,062,139	\$ 1,209,039	\$ 1,315,298	\$ 1,395,498	\$ 1,312,438
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 2015

Assessed Value	\$ 9,235,406
Debt Limit 15%	1,385,311
Debt applicable to debt limit	-
Legal Debt Margin	<u>\$ 1,385,311</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.

2011	2012	2013	2014	2015
\$ 8,421,276	\$ 8,410,502	\$ 8,435,483	\$ 8,821,827	\$ 9,235,406
15.00%	15.00%	15.00%	15.00%	15.00%
\$ 1,263,191	\$ 1,261,575	\$ 1,265,322	\$ 1,323,274	\$ 1,385,311
-	-	-	-	-
\$ 1,263,191	\$ 1,261,575	\$ 1,265,322	\$ 1,323,274	\$ 1,385,311
0.00%	0.00%	0.00%	0.00%	0.00%

City of Pomona
Pledged Revenue Coverage - Water
Last Ten 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
2015	29,076,093	20,837,368	8,238,725	1,295,000	4,888,376	6,183,376	1.3

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 Ten 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
2015	4,783,591	2,777,759	2,005,832	385,000	1,247,875	1,632,875	1.2

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>
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%
2015	152,419	2,659,712	17,450	29.9	25,311	7.9%

Source: 2008-09, 2009-10, 2011-12, 2012-13, 2013-14, and 2014-15: 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 Nine Years Ago**

Schedule 18

Employer	2015			2006		
	Number of Employees	Rank	Percentage of Total City Employment	Number of Employees	Rank	Percentage of Total City Employment
Pomona Valley Hospital	3,078	1	4.9%	3,089	2	4.7%
Pomona Unified School District	2,902	2	4.6%	3,406	1	5.1%
California State Polytechnic University Fairplex	2,612	3	4.2%			
Casa Colina Rehabilitation Center	954	4	1.5%			
City of Pomona	817	5	1.3%	600	6	0.9%
Verizon	689	6	1.1%	870	4	1.3%
County of Los Angeles Department of Social Services	596	7	1.0%	596	7	0.9%
First Transit	400	8	0.6%	378	9	0.6%
Inland Valley Care & Rehab	348	9	0.6%	311	11	0.5%
Kittrich Corporation	339	10	0.5%	270	15	0.4%
Torn & Glasser Inc.	250	11	0.4%			
Hayward Industries Inc	250	12	0.4%			
Walmart Stores Inc	230	13	0.4%	351	10	0.5%
Anheuser Busch Sales Pomona	218	14	0.3%	284	13	0.4%
Lanterman Developmental Center	212	15	0.3%	1,780	3	2.7%
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%

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

Function	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Government	37	36	36	29	26	24	20	19	19	19
Support Services	45	46	52	44	36	33	32	32	32	31
Police	332	345	348	342	335	271	270	269	270	268
Public Works	87	88	87	81	199	184	184	170	169	168
Community Development	40	40	40	40	38	47	40	38	40	40
Utility Services	126	127	128	127	0	0	0	0	0	0
Community Services and Library	76	78	80	78	32	21	21	11	9	9
Total	743	760	771	741	666	580	567	539	539	535

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)

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Apparel Stores	\$ 6,277	\$ 7,929	\$ 9,884	\$ 8,210	\$ 12,239
General Merchandise	50,144	49,839	49,203	48,733	43,655
Food Stores	69,894	71,838	72,852	70,991	71,379
Eating and Drinking Places	117,108	121,796	124,146	119,631	117,873
Building Materials	306,092	283,287	234,707	189,624	160,244
Auto Dealers and Supplies	251,894	217,924	178,694	91,100	77,879
Service Stations	185,542	194,850	207,178	161,684	158,016
Other Retail Stores	136,855	130,933	148,426	115,747	115,538
All Other Outlets	509,377	544,522	343,162	284,376	263,940
Drug Stores	-	-	-	-	-
Home Furnishing	-	-	-	-	-
Packaged Liquor Store	-	-	-	-	-
Total	<u>\$ 1,633,183</u>	<u>\$ 1,622,918</u>	<u>\$ 1,368,252</u>	<u>\$ 1,090,096</u>	<u>\$ 1,020,763</u>

Source: MuniServices, LLC

2011	2012	2013	2014	2015
\$ 12,339	\$ 12,581	\$ 13,953	\$ 15,277	\$ 22,874
42,089	41,037	43,478	52,726	62,148
66,041	63,376	65,447	68,432	74,104
115,634	121,730	128,363	135,882	149,074
146,146	163,013	185,123	207,681	242,612
58,177	67,975	75,686	78,793	78,672
196,602	216,063	201,642	195,460	180,021
132,188	137,444	165,937	127,969	142,246
279,060	301,495	316,419	308,980	360,476
-	-	-	14,704	14,696
-	-	-	16,848	13,418
-	-	-	7,321	7,677
<u>\$ 1,048,276</u>	<u>\$ 1,124,714</u>	<u>\$ 1,196,048</u>	<u>\$ 1,230,073</u>	<u>\$ 1,348,018</u>

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

Schedule 21

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015*
Police:										
Felony Arrests	4,276	4,234	3,686	3,584	3,150	2,825	2,713	3,145	3,105	2,726
Misdemeanor Arrests	8,591	8,886	8,042	7,824	6,686	5,557	5,780	5,821	5,876	6,424
Parking Citations	13,000	14,670	24,293	26,223	24,305	22,685	21,462	36,718	30,145	30,788
Moving Citations	5,774	18,663	18,470	25,305	18,412	11,554	10,452	9,179	9,791	9,153
Fire:										
Incidents	12,892	12,557	12,393	12,171	12,317	12,239	11,807	12,447	13,675	15,289
Urban development:										
Residential building permits issued	3,174	3,039	2,111	1,372	1,314	655	720	622	722	925
Inspections	14,585	20,877	23,235	17,278	6,918	5,378	5,645	4,054	6,050	5,536
Asphalt repaired (square feet)	19,500	16,600	31,862	23,911	26,489	38,842	9,222	19,400	36,068	84,879
Sidewalk repaired (square feet)	26,000	16,859	14,977	6,328	12,508	18,700	12,415	7,285	1,500	1,750
Community services:										
Community Center participants	556,000	919,153	899,611	409,595	335,931	502,674	572,270	520,157	501,727	-
Senior Program participants	110,240	185,285	244,000	145,851	101,104	120,095	121,165	108,086	100,703	44,768
Youth program participants	280,000	286,925	234,648	263,744	254,827	381,280	403,617	362,217	337,180	56,728
Other program participants	66,200	70,329	72,345	47,043	64,574	36,296	42,343	49,854	66,743	32,480
Sports participants	450,300	376,614	348,618	206,853	314,405	254,989	311,201	309,795	366,978	168,034
Facility rentals	466	424	273	220	248	310	547	635	687	2,090
Library:										
Program attendance (all programs)	17,650	11,514	10,711	12,350	10,855	8,857	8,568	1,770	2,578	2,940
Literacy instruction (hours)	1,500	762	639	871	968	709	749	-	-	-
Water:										
New connections	166	47	152	23	10	5	7	17	9	12
Average daily consumption (thousands of gallons)	19,990	23,028	22,086	20,693	18,487	17,719	17,865	18,670	19,615	17,905
Refuse:										
Curbside Collection (in tons)	42,000	42,884	41,638	39,407	37,436	38,068	36,472	37,246	36,593	35,474
Recycle Collection (in tons)	9,500	9,380	8,871	8,003	7,512	7,108	6,801	6,896	6,907	7,218
Greenwaste Collection (in tons)	n/a	14,687	13,259	13,267	13,975	14,280	13,234	12,510	11,934	11,904

Source: Various City Departments

* Due to staffing changes in Community Services, the methodology for counting service delivery was changed beginning 2015.

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

Schedule 22

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	45	45	45	44	44	44	42	58	51	51
Fire:										
Fire stations	8	8	8	8	8	8	8	8	8	8
Public works:										
Streets (miles)	296	297	388	388	388	388	388	388	388	388
Streetlights	9933	9,939	7,645	7,645	7,645	7,645	7,645	7,701	7,721	7,725
Traffic signals	n/a	175	175	176	180	180	161	162	164	164
Community services:										
Parks	25	25	26	26	26	26	26	26	26	26
Park Acreage	210	210	210	221	221	221	221	221	221	221
Baseball fields	14	14	14	14	14	14	14	14	14	14
Soccer fields	11	11	13	17	17	17	17	17	17	17
Basketball courts	17	18	22	22	22	22	22	22	22	22
Tennis courts	9	9	9	9	9	9	9	9	9	9
Community centers	7	12	13	13	13	14	14	14	14	14
Libraries	1	1	1	1	1	1	1	1	1	1
Water:										
Water mains (miles)	435	436	439	439	439	467	457	457	457	457
Sewer:										
Sanitary sewers (miles)	313	313	313	313	313	357	305	305	305	305
Storm drains (miles)	120	120	120	120	120	120	120	120	120	120

Source: Various City Departments

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