

# CITY OF POMONA

California

## Comprehensive Annual Financial Report



For the Year Ended June 30, 2017



CITY OF POMONA, CALIFORNIA

# COMPREHENSIVE ANNUAL FINANCIAL REPORT

**Year Ended June 30, 2017**

Tim Sandoval

Mayor

Rubio R. Gonzalez

Councilmember, District 1

Adriana Robledo

Councilmember, District 2

Cristina Carrizosa

Councilmember, District 3

Elizabeth Ontiveros-Cole

Councilmember, District 4

Ginna E. Escobar

Councilmember, District 5

Robert S. Torres

Councilmember, District 6

Prepared by the City of Pomona Finance Department  
Onyx Jones, Finance Director

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**For the Year Ended June 30, 2017**  
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THE CITY OF  
**POMONA**

Finance Department

February 12, 2018

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, 2017 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. The Pun Group has issued an unmodified opinion of the City of Pomona's financial statements for the year ended June 30, 2017. 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 Water Resources Director, Supervising Water Resource Engineer, Water Treatment/Water Quality Supervisor, and Senior Management Analyst 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 155,306 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 Tom & Glasser Inc., First Transit, Hayward Industries, Inland Valley Care and Rehab, Kittich Corporation, Verizon, Walmart, Los Angeles County Fair Association (Fairplex) and Target. 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 2016 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 65,600 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 \$1.56 billion dollars during Fiscal Year 2015-16 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 \$10,520,303,953 according to the Office of the Los Angeles County Auditor-Controller. Based on the City assessed valuation, overall property tax receipts (secured, unsecured, transfer tax, in-lieu, etc.) were 33.9% of the 2016-17 General Fund revenues, while sales tax and related line items were 19.2% 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 2016-17 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 2017-18, staff is encouraged by the General Fund reserve balance and indicators that a modest economic recovery is finally underway. The adopted FY 2017-18 budget was adopted as a balanced budget. The City is also fully aware that the rebounds to the tax revenues are slow and the City's financial structure could be challenged in the future. The City of Pomona must identify sustainable resources to address increasing cost such as retirement, continued rise in retiree health costs, debt service requirements, yearly increase for the LA County Fire contract, costs for deferred maintenance of facilities and infrastructure, and a decrease in funding for programs such as Asset Forfeiture.

## **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, 2017 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, The Pun Group 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, 2016. The City of Pomona has received a Certificate of Achievement for the last twenty-four consecutive years (1993-2016). 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, 2017. 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,



Onyx Jones  
Finance Director



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

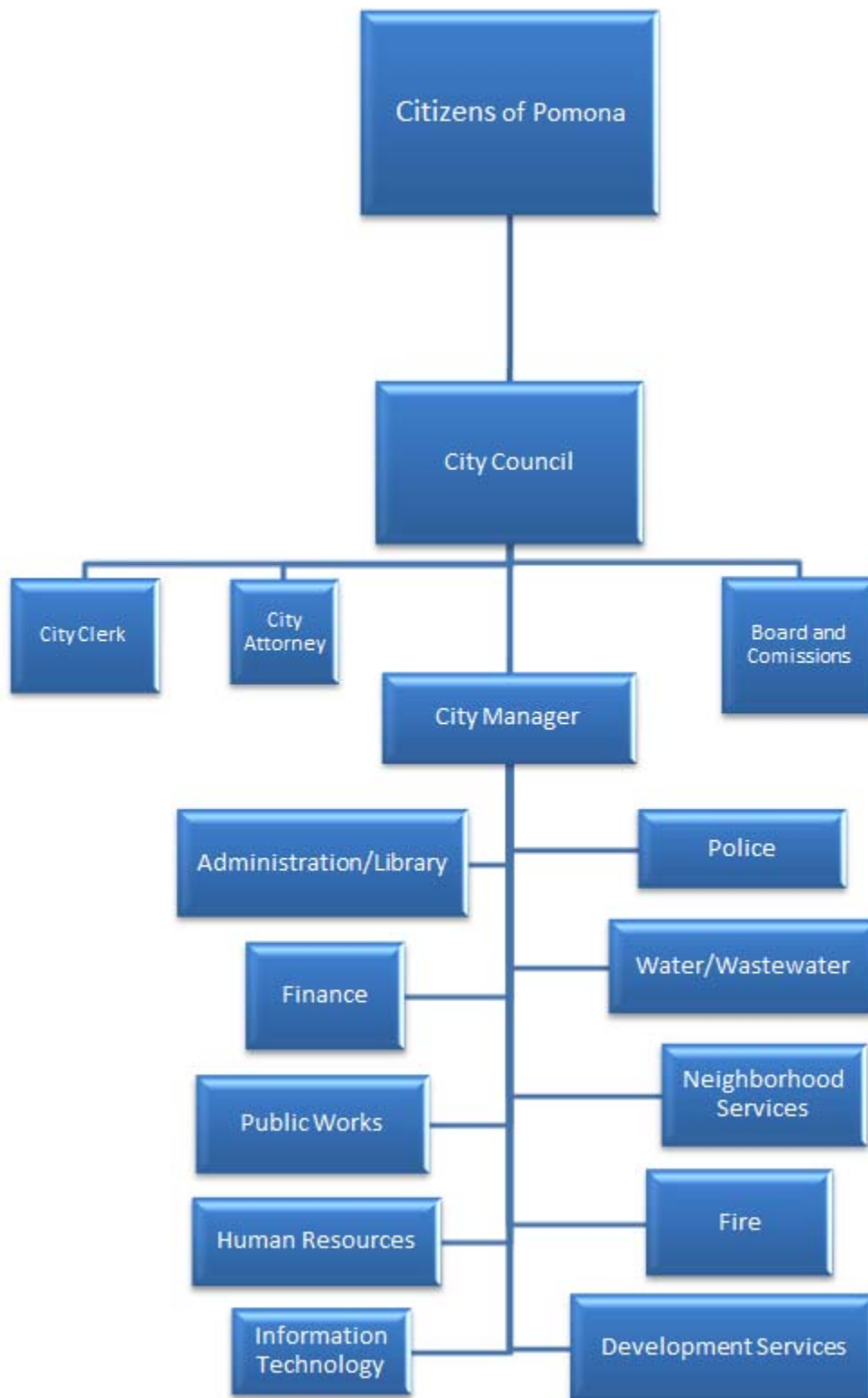
**June 30, 2016**

*Christopher P. Morill*

Executive Director/CEO

CITY OF POMONA

# Organizational Chart



CITY OF POMONA

# DIRECTORY OF CITY OFFICIALS

at June 30, 2017

## CITY COUNCIL

**Tim Sandoval**

Mayor

**Rubio R. Gonzalez**

Councilmember  
District 1

**Adriana Robledo**

Councilmember  
District 2

**Cristina Carrizosa**

Councilmember  
District 3

**Elizabeth  
Ontiveros-Cole**  
Councilmember  
District 4

**Ginna E. Escobar**  
Councilmember  
District 5

**Robert S. Torres**  
Councilmember  
District 6

## APPOINTED ADMINISTRATIVE OFFICIALS

City Manager .....Linda Lowry  
City Attorney ..... Arnold Alvarez-Glasman  
City Clerk ..... Eva M. Buice  
City Treasurer ..... Onyx Jones

## DEPARTMENT DIRECTORS

Finance.....Onyx Jones  
Fire (Los Angeles County) ..... Jim Robinson  
Human Resources ..... Linda Matthews  
Information Technology ..... John DePolis  
Library ..... Mark Gluba  
Development Services ..... Mark Lazzaretto  
Neighborhood Services..... Benita DeFrank  
Police Chief..... Paul Capraro  
Public Works.....Meg McWade  
Water Resources ..... Darron Poulsen

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## INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Members of the City Council  
of the City of Pomona  
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, 2017, 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.

### ***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, as of June 30, 2017, 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.

### ***Emphasis of Matter***

#### ***Prior Period Adjustment***

As described in Note 19 to the Financial Statements, the net position at July 1, 2016 for the governmental activities and business-type activities were restated to \$113,612,587 and \$87,945,976, respectively, as a result of change in estimate of the unbilled receivables. Our opinions are not modified with respect to this matter.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Budgetary Comparison Schedule, the Schedule of Changes in Net Pension Liability and Related Ratios, the Schedule of Contributions and the Schedules of Funding Progress on pages 5 to 14 and 137 to 144 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 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 the Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual 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 the Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual are fairly stated, in all material respects, in relation to the basic financial statements as a whole.



To Honorable Mayor and Members of the City Council  
of the City of Pomona  
Pomona, California  
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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 February 12, 2018, 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 the effectiveness of the City's 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.

*The Pw Group, LLP*

Santa Ana, California  
February 12, 2018

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## MANAGEMENT'S DISCUSSION AND ANALYSIS

### Fiscal Year Ended June 30, 2017

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, 2017. This narrative discussion and analysis focuses on the fiscal year 2016-17 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 \$201.2 million.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$86.5 million.
- At the end of the current fiscal year, committed fund balance for fiscal sustainability in the General Fund was \$16.2 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, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference 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 19 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 Special Revenue Fund, the Miscellaneous Grants Special Revenue 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 Information 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 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 Information portion of the report.

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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 increased when compared to the prior year, indicating that the City's overall financial position has improved. Below is a summary schedule showing the components that make up the City's net position (in millions) at June 30, 2017 and 2016.

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
Current and other assets	\$ 111.6	\$ 120.8	\$ 75.9	\$ 88.3	\$ 187.5	\$ 209.1
Capital assets	274.6	265.7	159.7	159.2	434.3	424.9
Total assets	<u>\$ 386.2</u>	<u>\$ 386.5</u>	<u>\$ 235.6</u>	<u>\$ 247.5</u>	<u>\$ 621.8</u>	<u>\$ 634.0</u>
Deferred outflows of resources						
Deferred charge	0.4	0.1	0.6	1.5	1.0	1.6
Deferred pension related items	47.3	27.2	6.2	3.8	53.5	31.0
Total deferred outflows of resources	<u>47.7</u>	<u>27.3</u>	<u>6.8</u>	<u>5.3</u>	<u>54.5</u>	<u>32.6</u>
Current and other liabilities	\$ 21.8	\$ 24.5	\$ 12.2	\$ 11.3	\$ 34.0	\$ 35.8
Long-term liabilities outstanding	283.7	247.0	135.3	145.2	419.0	392.2
Total liabilities	<u>\$ 305.5</u>	<u>\$ 271.5</u>	<u>\$ 147.5</u>	<u>\$ 156.5</u>	<u>\$ 453.0</u>	<u>\$ 428.0</u>
Deferred inflows of resources						
Deferred charge on refunding	0.5	-	3.4	-	3.9	-
Deferred pension related items	16.2	28.3	2.0	4.3	18.2	32.6
Total deferred inflows of resources	<u>16.7</u>	<u>28.3</u>	<u>5.4</u>	<u>4.3</u>	<u>22.1</u>	<u>32.6</u>
Net Position:						
Net Investment in capital assets	\$ 234.2	\$ 224.5	\$ 47.2	\$ 42.9	\$ 281.4	\$ 267.4
Restricted	73.9	116.5	1.9	24.1	75.8	140.6
Unrestricted	(196.4)	(227.0)	40.4	25.0	(156.0)	(202.0)
Total net position	<u>\$ 111.7</u>	<u>\$ 114.0</u>	<u>\$ 89.5</u>	<u>\$ 92.0</u>	<u>\$ 201.2</u>	<u>\$ 206.0</u>

For the City of Pomona, total assets exceeded total liabilities by \$201.2 million at June 30, 2017. As the table above shows, an amount of \$281.4 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

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meeting current financial obligations. Although net investment in capital assets is reported net of related debt, it 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 \$75.8 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 \$(156 million). It is not uncommon in government entities to see an unrestricted net position deficit. There are many reasons why this could occur but the City of Pomona has a deficit due to the issuance of several long term liabilities that were used to slowly invest in City assets over a long period of time rather than all at once in advance. Also the City was required to implement new accounting standards in FY 2014/15, GASB 68 which required the City to record the total unfunded liability relating to Pension plans. The Net Pension Liability for FY 2016-17 was \$172.9 million. This caused the unrestricted net position deficit to increase significantly. In FY 2018, GASB 75 will negatively impact the City's unrestricted Net Position by having to record the unfunded liability for the City's Other Post-Employment Benefits (OPEB).

**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, 2017 and 2016.

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
<b>Revenues:</b>						
Program Revenues:						
Charges for services	\$ 14.1	\$ 17.3			\$ 14.1	\$ 17.3
Water	-	-	\$ 29.2	\$ 28.2	29.2	28.2
Sewer	-	-	4.3	4.4	4.3	4.4
Refuse	-	-	10.1	9.7	10.1	9.7
Operating contributions and grants	29.9	17.0	0.4	-	30.3	17.0
Capital contributions and grants	8.1	11.4	-	-	8.1	11.4
General Revenues:						
Taxes:						
Property taxes	33.6	33.7	-	-	33.6	33.7
Sales taxes	18.1	15.2	-	-	18.1	15.2
Motor vehicle licenses	0.1	0.1	-	-	0.1	0.1
Transient occupancy taxes	2.1	1.7	-	-	2.1	1.7
Property transfer taxes	1.9	1.9	-	-	1.9	1.9
Franchises taxes	6.4	6.4	-	-	6.4	6.4
Utility users taxes	16.0	16.4	-	-	16.0	16.4
Business licenses (nonregulatory)	3.8	3.4	-	-	3.8	3.4
Other taxes	-	0.1	-	-	-	0.1
Interest and rentals	2.2	2.7	0.1	0.3	2.3	3.0
Miscellaneous	0.3	3.7	1.7	0.9	2.0	4.6
Gain on sale of capital assets	-	-	-	-	-	-
Extraordinary gain (loss) on RDA dissolution	-	-	-	-	-	-
Total revenues	<u>\$ 136.6</u>	<u>\$ 131.0</u>	<u>\$ 45.8</u>	<u>\$ 43.5</u>	<u>\$ 182.4</u>	<u>\$ 174.5</u>

# CITY OF POMONA

## Management's Discussion and Analysis, Continued Year Ended June 30, 2017

### Expenses:

General government	\$ 6.5	\$ 7.6	\$ -	\$ -	\$ 6.5	\$ 7.6
Public safety	80.2	68.9	-	-	80.2	68.9
Urban development	42.0	43.6	-	-	42.0	43.6
Neighborhood services	7.4	7.8	-	-	7.4	7.8
Interest on long-term debt	5.2	5.0	-	-	5.2	5.0
Water	-	-	28.4	25.8	28.4	25.8
Sewer	-	-	3.8	4.0	3.8	4.0
Refuse	-	-	9.4	8.0	9.4	8.0
Canon Water Company	-	-	-	-	-	-
Total expenses	<u>\$ 141.3</u>	<u>\$ 132.9</u>	<u>\$ 41.6</u>	<u>\$ 37.8</u>	<u>\$ 182.9</u>	<u>\$ 170.7</u>
Increase in net position before transfers	\$ (4.7)	\$ (1.9)	\$ 4.2	\$ 5.7	\$ (0.5)	\$ 3.8
Transfers	2.7	(0.5)	(2.7)	0.5	-	-
Increase (decrease) in net position	<u>\$ (2.0)</u>	<u>\$ (2.4)</u>	<u>\$ 1.5</u>	<u>\$ 6.2</u>	<u>\$ (0.5)</u>	<u>\$ 3.8</u>
Net position at beginning of year	114.0	115.6	92.0	86.6	206.0	202.2
Restatement of Net Position	(0.3)	0.8	(4.0)	(0.8)	(4.3)	-
Net position at end of year	<u>\$ 111.7</u>	<u>\$ 114.0</u>	<u>\$ 89.5</u>	<u>\$ 92.0</u>	<u>\$ 201.2</u>	<u>\$ 206.0</u>

*Governmental Activities* - The City's program revenues totaled \$52.1 million. The City paid for the remaining "public benefit" portion of governmental activities with \$82 million in taxes (some of which is restricted for certain programs). The cost of all governmental activities this year was \$141.3 million. However, as shown above in the changes in net position, the amount taxpayers ultimately financed for these activities was \$82 million since some of the cost was paid by Charge for Services revenue (\$14.1 million), or by other governments and organizations that subsidized certain programs with operating contributions and grants (\$29.9 million), and capital contributions and grants (\$8.1 million). The City had a \$2.0 million decrease in net position from governmental activities (see Financial Analysis of the City's Funds – General Fund for explanation) in 2016-17.

*Business Type Activities* - The cost of all business-type activities in 2016-17 was \$41.6 million and the amount of resources received was \$45.8 million. Total business-type activities resources available during the year was \$133.8 million. This is calculated by taking beginning Net Position of \$92 million (which was restated by \$(4 million) due to a change in estimate for utility revenue accruals), adding revenues of \$45.8 million, subtracting expenditures of \$41.6 million and \$(2.7 million) in transfers. This equates to an increased net Position of \$1.5 million. The slight increase was primarily due to elevated use of water by City residents which resulted in increased water charges of services revenues.

## 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 \$94.5 million in revenues and \$90.6 million in expenditures resulting in revenues over expenditures in the amount of \$3.9 million before accounting for net other financing uses of \$3.4 million, resulting in the General Fund's fund balance to increase by \$.5 million for the fiscal year. Total fund balance at June 30, 2017 was \$17.2 million, composed of \$24.3 million in assets combined with \$4.7 million in liabilities and \$2.4 million in deferred inflows and resources. Total fund balance includes \$0.1 million in nonspendable and restricted fund balance, which represents that portion of fund balance that is not available for appropriation. Committed fund balance totals \$16.2 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 \$2.8 million in the fiscal year when compared to the prior year which was due to an increase in Sales Tax, Property Tax, Host Fees and one time revenues. General fund expenditures increased by \$1.8 million (including net transfers) mainly due to

the various bargaining units receiving merit and Cost of Living increases as well as the increased CalPERS retirement costs. CalPERS changed their actuarial assumptions in July 2011 resulting in rate increases that took effect in FY 2012. The yearly increases have been significant and will continue for FY 2018 and beyond.

*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 \$13.7 million in revenues and \$15.7 million in expenditures and transfers, resulting in a net change in fund balance in the amount of \$2 million. The Housing Authority fund is made up of \$27.2 million in assets, combined with \$0.3 million in liabilities and \$1.3 million in deferred inflows and resources resulting in \$25.6 million in fund balance. The \$25.6 million in fund balance is restricted for Urban Development. Housing Authority fund revenues increased by \$0.2 million in the fiscal year when compared to the prior year. Housing Authority expenditures including transfers increased \$2.4 million when compared to the prior year due to the City purchasing property to build a year round homeless shelter in order help shelter and provide various services to the homeless population.

*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 \$3.2 million in revenues and \$3.4 in expenditures resulting in deficiency of revenues over expenditures of \$0.2 million. After a total other financing sources of \$(0.3), the resulting net change in fund balance totals \$(0.5) million. Most grants are on the reimbursement type basis therefore the City will be reimbursed for the funds used in excess of revenue. The fund is made up of \$22.5 million in assets combined with \$0.2 million in liabilities and \$3.9 million in deferred inflows and resources resulting in \$18.4 million in fund balance. The entire fund balance is restricted for specific purposes.

*Non-Major Funds* - The Non-Major Governmental Funds show a net decrease of \$4.2 million in fund balance. The primary reason for the decrease in fund balance was due to the increased level of construction costs relating to various projects funded in the Capital Outlay fund and other special revenue funds. More information is provided in the Capital Asset section.

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 \$29.2 million in operating revenues and operating expenses of \$24.1 million resulting in operating income of \$5.1 million. After consideration of non-operating revenues, expenses and transfers the total change in net position is \$1.5 million with total revenues in excess of expenses. The beginning net position is \$65.2 million resulting in an ending fund balance of \$66.7 million. The Water Fund is made up of \$44.7 million in current assets, \$133.8 in non-current assets, \$4.3 million in deferred outflows of resources, \$9.3 million in current liabilities, \$102 million in non-current liabilities and \$4.8 million in deferred inflow of resources resulting in net position of \$66.7 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 \$4.3 million in operating revenues and operating expenses of \$2.7 million resulting in operating income of \$1.5 million. After consideration of non-operating revenues, non-operating expenses, and transfers the total change in net position is \$0.1 million with total revenues deficient of expenses. The beginning net position is \$16.3 million resulting in an ending fund balance of \$16.2 million. The Sewer Fund is made up of \$9.6 million in current assets, \$35 million in non-current assets, \$1.2 million in deferred outflows of resources, \$1.1 million in current liabilities, \$28.3 in non-current liabilities and \$0.2 million in deferred inflow of resources resulting in net position of \$16.2 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 \$10 million in operating revenues and operating expenses of \$9.7 million resulting in operating income of \$0.3 million. After consideration of non-operating revenues, non-operating expenses and transfers the total change in net position is \$(0.3) million with



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### Management's Discussion and Analysis, Continued Year Ended June 30, 2017

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total revenues deficient of expenses. The beginning net position of \$4.7 million was decreased to \$4.4 million. The Refuse Fund is made up of \$7.2 million in current assets, \$3.1 in non-current assets, \$1.3 million in deferred outflows of resources, \$1.8 million in current liabilities, \$5.0 in non-current liabilities and \$0.4 million in deferred inflow of resources resulting in net position of \$4.4 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 \$0.06 million in operating revenues and operating expenses of \$0.02 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 \$0.47 million in assets and \$0.01 in liabilities resulting in net position of \$0.46 million.

### **GENERAL FUND BUDGETARY INFORMATION**

The originally adopted General Fund budget contained \$95.4 million in appropriations to fund operations and services. This amount increased to \$95.7 million by the end of the fiscal year through City Council approved budget amendments. This was a minimal increase in the amount of \$0.3 million. The increase was due to:

- Increased personnel costs due to Merit increase and Cost of Living increase per the Memorandums of Understanding (MOU's) for the Police Department.
- Increased supplemental attorney costs of \$.02 million.
- Increased costs for the County Fire contract of \$.01 million.

General Fund revenues and expenditures as a whole were under budget at the completion of the fiscal year.

### **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 \$435.9 million.

	Governmental Activities	Business-Type Activities	Total
Pollution remediation obligations	\$ 721,601	\$ -	\$ 721,601
Obligations under capital leases	349,977	1,844,160	2,194,137
Notes payable	215,000	-	215,000
Revenue bonds	84,782,557	118,139,497	202,922,054
Pension obligation refunding bonds	7,594,276	-	7,594,276
Certificates of participation	-	-	-
Compensated absences	7,465,486	1,293,026	8,758,512
Claims payable	14,440,164	-	14,440,164
Net pension liability	154,805,716	18,063,659	172,869,375
OPEB obligations	26,226,611	-	26,226,611
Total	<u>\$ 296,601,388</u>	<u>\$ 139,340,342</u>	<u>\$ 435,941,730</u>

Additional information on the City's long-term debt may be found in Note 10 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 3 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, 2017, net capital assets of the governmental activities totaled \$274.6

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million and the net capital assets of the business-type activities totaled \$159.7 million. Depreciation on capital assets is recognized in the government-wide financial statements.

Description	Original Cost	Accumulated Depreciation	Book Value
<b>Capital Assets - Governmental Activities</b>			
Land	\$ 80,966,521	\$ -	\$ 80,966,521
Construction in progress	37,404,532	-	37,404,532
Buildings and improvements	14,941,552	12,543,497	2,398,055
Improvements other than buildings	60,040,172	27,703,572	32,336,600
Machinery and equipment	21,735,431	19,074,575	2,660,856
Furniture and fixtures	1,044,044	899,422	144,622
Autos and trucks	11,290,613	9,137,962	2,152,651
Equipment under capital leases	1,434,153	651,652	782,501
Infrastructure	385,854,611	270,126,863	115,727,748
<b>Total</b>	<b>\$ 614,711,629</b>	<b>\$ 340,137,543</b>	<b>\$ 274,574,086</b>
<b>Capital Assets - Business -Type Activities</b>			
Land	\$ 9,089,782	\$ -	\$ 9,089,782
Construction in progress	2,592,791	-	2,592,791
Buildings and improvements	3,482,783	3,311,286	171,497
Improvements other than buildings	286,637	140,871	145,766
Machinery and equipment	227,291,250	83,549,932	143,741,318
Furniture and fixtures	5,105	5,105	-
Autos and trucks	4,965,813	3,581,283	1,384,530
Equipment under capital leases	4,257,381	1,702,952	2,554,429
<b>Total</b>	<b>\$ 251,971,542</b>	<b>\$ 92,291,429</b>	<b>\$ 159,680,113</b>

For Government Activities, the largest increase in Capital Assets was in the Construction in Progress class. A total of \$19 million was added to Construction in Progress in FY 2016-17. The major projects were:

- Project #68547 – Major Street Rehabilitation (\$11.2 million)
- Project #51308 – Police Range Sound Mitigation (\$1.9)
- Project #71044 – Year-Round Emergency Shelter (\$1.8 million)

For Enterprise Activities, the largest increase in Capital Assets was in the Construction in Progress class and Machinery and Equipment. \$3.7 million was added to Construction in Process then \$5.5 million was transferred from Construction in Progress to Machinery & Equipment due to several projects that were started and completed in FY 2016-17. The main projects were:

- Project #93153 – Reservoir 5C (\$1.9 million)
- Project #95066 – Water Mains – Phillips/Dudley St. (\$1.8)

Additional information on the City of Pomona's capital assets may be found in Note 8 in the Notes to the Basic Financial Statements.

## ECONOMIC FACTORS

The National and Statewide economy played a role in City's financial position at the end of FY 2016-17. The economy has steadily increased nationally and statewide. Revenues such as property taxes and sales tax have increased from the prior year due to the upturn in the economy.

The City of Pomona's total Fiscal Year 2016-17 General Fund revenues grew by \$2.7 million (approximately 3%) versus prior year actuals. That being said, there were both increases and decreases across all revenues, with several in particular worth noting. All tax related revenue increased by \$3.8 million. Property taxes increased a net amount of \$0.9 million. Actual property tax revenue increased \$3.6 million but the triple flip was completed in FY 2015-16 resulting in a decrease in property taxes of \$2.7 million when compared to the prior year thus netting the total tax revenue of \$0.9 million. Sales and Use Tax increased \$3.3 million from the prior

year. \$2.3 million of the increase was due to the elimination of the triple flip but \$1.0 million was due to an actual increase of sales tax revenue when compared from the prior of year. Utility Users Tax decreased \$0.4 million due to decreased number of telephone lines in homes, lowers cost cell phone plans and increased solar power usage for homes. Although there is a continued growth in the City, building permit receipts decreased by \$0.6 million.

General Fund expenditures increased by \$2.8 million (approximately 3%) versus the prior year actual including transfers out. The increase is mainly due to increased salary and retirement costs. CalPERS changed their actuarial assumptions in July 2011 resulting in rate increases that took effect in FY 2012. The yearly increases have been significant and will continue for FY 2018 and beyond.

The City has ongoing deferred maintenance and capital improvement expenditures that are essential and unavoidable costs of doing business. Over the past few years, the City has only been able to do minimal capital and maintenance projects with one time money sources. Per the City's Fiscal Sustainability policy (eff. FY 2014) staff is to dedicate at least .25% of annual General Fund revenues to the Capital Improvement program and will increase by 0.10% each year until reaching 1.0%. However, during the last three budget cycles (FY2016-FY 2018) Council suspended this provision of the policy due to lack of General Fund Revenues received each year.

The City is also suffering a Service Deficit. The economic downturn in 2009 resulted in a reduction in service due to layoffs and regular attrition for the City. As the fiscal implications of the recession begin to stabilize and the economic outlook improves, it is essential for the City to continue to seek innovative, cost effective measures to restore the functions and levels of service to the community.

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

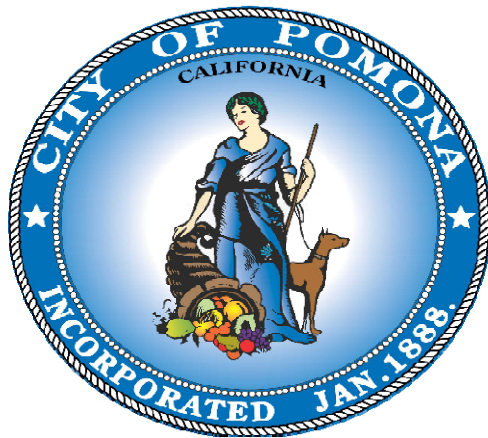
This financial report is designed to provide Pomona residents, taxpayers, customers, investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. Questions about this report, separate reports of the City's component units, or 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**

**City of Pomona**  
**Statement of Net Position**  
**June 30, 2017**

	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Current assets:			
Cash and investments	\$ 47,576,342	\$ 52,224,594	\$ 99,800,936
Receivables (net):			
Accounts	5,123,741	9,428,616	14,552,357
Interest	113,153	110,450	223,603
Internal balances	(1,651,004)	1,651,004	-
Prepaid items	930,130	17,170	947,300
Due from other governments	7,422,255	-	7,422,255
Inventories	447,197	263,510	710,707
Total current assets	<u>59,961,814</u>	<u>63,695,344</u>	<u>123,657,158</u>
Noncurrent assets:			
Land held for resale	4,490,540	-	4,490,540
Advances to Successor Agency	4,000,000	-	4,000,000
Notes and loans receivables	32,485,356	-	32,485,356
Restricted cash and investments	10,074,637	12,231,109	22,305,746
Other investments	600,000	9,000	609,000
Capital assets:			
Not being depreciated	118,371,053	11,682,573	130,053,626
Being depreciated, net of depreciation	<u>156,203,033</u>	<u>147,997,540</u>	<u>304,200,573</u>
Total capital assets	<u>274,574,086</u>	<u>159,680,113</u>	<u>434,254,199</u>
Total noncurrent assets	<u>326,224,619</u>	<u>171,920,222</u>	<u>498,144,841</u>
<b>Total Assets</b>	<u>386,186,433</u>	<u>235,615,566</u>	<u>621,801,999</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred charge on refunding	423,158	562,499	985,657
Deferred outflows of resources related to pension	<u>47,245,298</u>	<u>6,265,506</u>	<u>53,510,804</u>
Total Deferred Outflows of Resources	<u>47,668,456</u>	<u>6,828,005</u>	<u>54,496,461</u>



**City of Pomona**  
**Statement of Net Position (Continued)**  
**June 30, 2017**

	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	6,180,239	3,421,135	9,601,374
Payroll payable	2,250,210	465,320	2,715,530
Accrued liabilities	155,673	57,054	212,727
Interest payable	193,616	537,488	731,104
Deposits payable	103,618	3,731,355	3,834,973
Long-term liabilities, due within one year	12,943,591	3,999,766	16,943,357
Total current liabilities	21,826,947	12,212,118	34,039,065
Noncurrent liabilities:			
Long-term liabilities, due in more than one year	102,625,470	117,276,917	219,902,387
Net pension liability	154,805,716	18,063,659	172,869,375
Other postemployment benefits obligation	26,226,611	-	26,226,611
Total noncurrent liabilities	283,657,797	135,340,576	418,998,373
<b>Total liabilities</b>	<b>305,484,744</b>	<b>147,552,694</b>	<b>453,037,438</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred charge on refunding	453,081	3,380,252	3,833,333
Deferred inflows of resources related to pension	16,243,072	2,063,987	18,307,059
<b>Total Deferred Inflows of Resources</b>	<b>16,696,153</b>	<b>5,444,239</b>	<b>22,140,392</b>
<b>NET POSITION</b>			
Net investment in capital assets	234,174,328	47,223,963	281,398,291
Restricted for:			
Community development projects	66,419,738	-	66,419,738
Special projects	1,420,604	-	1,420,604
Capital projects	290,934	-	290,934
Debt Service	5,787,709	1,885,849	7,673,558
Unrestricted	(196,419,321)	40,336,826	(156,082,495)
<b>Total Net Position</b>	<b>\$ 111,673,992</b>	<b>\$ 89,446,638</b>	<b>\$ 201,120,630</b>

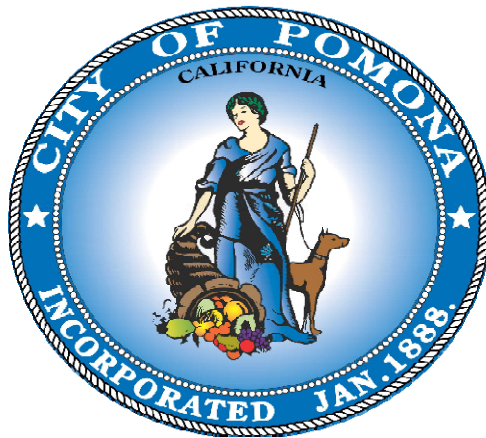
**City of Pomona**  
**Statement of Activities**  
**For the Year Ended June 30, 2017**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary Governmental:</b>				
Governmental activities:				
General government	\$ 6,469,953	\$ 2,400,308	\$ 14,061	\$ -
Public safety	80,253,767	4,157,126	1,938,715	-
Urban development and public works	42,113,740	6,428,357	12,478,454	8,071,688
Neighborhood services and library	7,410,753	1,140,248	15,534,462	-
Interest and fiscal charges	5,225,017	-	-	-
<b>Total Governmental Activities</b>	<b>141,473,230</b>	<b>14,126,039</b>	<b>29,965,692</b>	<b>8,071,688</b>
Business-type Activities:				
Water	28,440,029	29,239,473	353,985	-
Sewer	3,792,538	4,291,847	-	-
Refuse	9,443,548	10,071,188	42,162	-
Canon Water Company - February 28, 2017	19,718	64,221	-	-
<b>Total Business-Type Activities</b>	<b>41,695,833</b>	<b>43,666,729</b>	<b>396,147</b>	<b>-</b>
<b>Total Primary Government</b>	<b>\$ 183,169,063</b>	<b>\$ 57,792,768</b>	<b>\$ 30,361,839</b>	<b>\$ 8,071,688</b>

**City of Pomona**  
**Statement of Activities (Continued)**  
**For the Year Ended June 30, 2017**

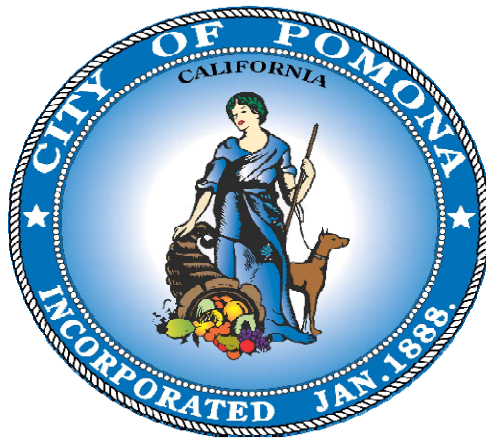
Functions/Programs	Net (Expense) Revenue and Changes in Net Position		
	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>Primary Governmental:</b>			
Governmental activities:			
General government	\$ (4,055,584)	\$ -	\$ (4,055,584)
Public safety	(74,157,926)	-	(74,157,926)
Urban development and public works	(15,135,241)	-	(15,135,241)
Neighborhood services and library	9,263,957	-	9,263,957
Interest and fiscal charges	(5,225,017)	-	(5,225,017)
<b>Total Governmental Activities</b>	<b>(89,309,811)</b>	<b>-</b>	<b>(89,309,811)</b>
Business-type Activities:			
Water	-	1,153,429	1,153,429
Sewer	-	499,309	499,309
Refuse	-	669,802	669,802
Canon Water Company - February 28, 2017	-	44,503	44,503
<b>Total Business-Type Activities</b>	<b>-</b>	<b>2,367,043</b>	<b>2,367,043</b>
<b>Total Primary Government</b>	<b>(89,309,811)</b>	<b>2,367,043</b>	<b>(86,942,768)</b>
<b>General Revenues:</b>			
Taxes:			
Property taxes	33,649,454	-	33,649,454
Sales taxes	18,135,287	-	18,135,287
Transient occupancy taxes	2,101,946	-	2,101,946
Property transfer taxes	1,924,198	-	1,924,198
Franchise taxes	6,418,863	-	6,418,863
Utility user taxes	16,022,386	-	16,022,386
Business licenses	3,830,673	-	3,830,673
Motor vehicle licenses - unrestricted	69,708	-	69,708
Interest and rentals	2,198,733	134,138	2,332,871
Miscellaneous	309,624	1,709,825	2,019,449
<b>Transfers</b>	<b>2,710,344</b>	<b>(2,710,344)</b>	<b>-</b>
<b>Total General Revenues and Transfers</b>	<b>87,371,216</b>	<b>(866,381)</b>	<b>86,504,835</b>
Change in Net Position	(1,938,595)	1,500,662	(437,933)
<b>Net Position:</b>			
Beginning of year, as restated (Note 19)	113,612,587	87,945,976	201,558,563
End of year	<u>\$ 111,673,992</u>	<u>\$ 89,446,638</u>	<u>\$ 201,120,630</u>

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## **FUND FINANCIAL STATEMENTS**

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## **GOVERNMENTAL FUND FINANCIAL STATEMENTS**

**City of Pomona**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2017**

		<b>Special Revenue Funds</b>	
	<b>General Fund</b>	<b>Housing Authority</b>	<b>Miscellaneous Grants</b>
<b>ASSETS</b>			
Cash and investments	\$ 13,152,333	\$ 2,022,217	\$ 2,337,666
Receivables (net):			
Accounts	4,725,211	701	165
Notes and loans	-	11,166,171	19,559,479
Interest	40,049	5,988	5,047
Prepaid items	24,785	640	-
Due from other governments	5,866,069	269,359	583,297
Due from other funds	474,292	-	-
Advances to other funds	-	-	-
Advances to Successor Agency	-	4,000,000	-
Inventories	41,058	-	-
Land held for resale	-	4,490,540	-
Other investments	-	600,000	-
Restricted assets:			
Cash and investments	8,791	4,664,471	-
<b>Total assets</b>	<b>\$ 24,332,588</b>	<b>\$ 27,220,087</b>	<b>\$ 22,485,654</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</b>			
<b>Liabilities:</b>			
Accounts payable	\$ 2,623,249	\$ 88,295	\$ 83,100
Payroll payable	1,832,378	65,322	34,934
Accrued liabilities	2,749	152,924	-
Deposit payable	-	32,470	-
Due to other funds	-	-	48,445
Advances from other funds	304,435	-	-
<b>Total liabilities</b>	<b>4,762,811</b>	<b>339,011</b>	<b>166,479</b>
<b>Deferred Inflows of Resources:</b>			
Unavailable revenues	2,404,904	1,329,644	3,967,498
<b>Total deferred inflows of resources</b>	<b>2,404,904</b>	<b>1,329,644</b>	<b>3,967,498</b>
<b>Fund Balances:</b>			
Nonspendable	65,843	640	-
Restricted	8,791	25,550,792	18,351,677
Committed	16,151,859	-	-
Unassigned	938,380	-	-
<b>Total Fund Balances</b>	<b>17,164,873</b>	<b>25,551,432</b>	<b>18,351,677</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 24,332,588</b>	<b>\$ 27,220,087</b>	<b>\$ 22,485,654</b>

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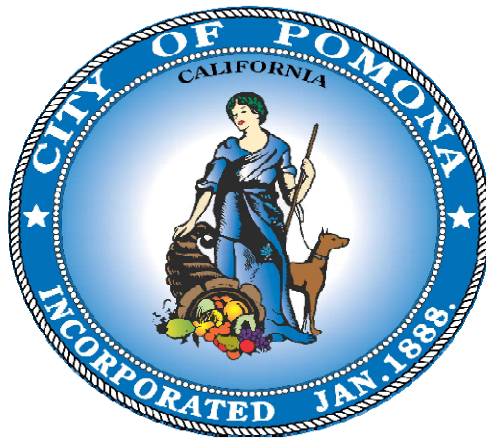


**City of Pomona**  
**Balance Sheet (Continued)**  
**Governmental Funds**  
**June 30, 2017**

	<b>Debt Service Funds</b>		<b>Nonmajor</b>	
	<b>General</b>	<b>Public Financing</b>	<b>Governmental</b>	<b>Total</b>
		<b>Authority</b>	<b>Funds</b>	
<b>ASSETS</b>				
Cash and investments	\$ 967,117	\$ 99,602	\$ 18,846,533	\$ 37,425,468
Receivables (net):				
Accounts	-	-	396,734	5,122,811
Notes and loans	-	-	1,759,706	32,485,356
Interest	2,322	204	38,322	91,932
Prepaid items	891,626	-	8,441	925,492
Due from other governments	-	-	703,530	7,422,255
Due from other funds	-	-	-	474,292
Advances to other funds	-	77,120,000	304,435	77,424,435
Advances to Successor Agency	-	-	-	4,000,000
Inventories	-	-	-	41,058
Land held for resale	-	-	-	4,490,540
Other investments	-	-	-	600,000
Restricted assets:				
Cash and investments	20,739	3,810,997	1,569,639	10,074,637
<b>Total assets</b>	<b>\$ 1,881,804</b>	<b>\$ 81,030,803</b>	<b>\$ 23,627,340</b>	<b>\$ 180,578,276</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</b>				
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ 2,293	\$ 3,066,180	\$ 5,863,117
Payroll payable	-	2,605	233,065	2,168,304
Accrued liabilities	-	-	-	155,673
Deposit payable	-	-	71,148	103,618
Due to other funds	-	-	287,825	336,270
Advances from other funds	77,120,000	-	-	77,424,435
<b>Total liabilities</b>	<b>77,120,000</b>	<b>4,898</b>	<b>3,658,218</b>	<b>86,051,417</b>
<b>Deferred Inflows of Resources:</b>				
Unavailable revenues	-	-	373,901	8,075,947
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>373,901</b>	<b>8,075,947</b>
<b>Fund Balances:</b>				
Nonspendable	891,626	-	8,441	966,550
Restricted	-	81,025,905	19,953,839	144,891,004
Committed	-	-	-	16,151,859
Unassigned	(76,129,822)	-	(367,059)	(75,558,501)
<b>Total Fund Balances</b>	<b>(75,238,196)</b>	<b>81,025,905</b>	<b>19,595,221</b>	<b>86,450,912</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 1,881,804</b>	<b>\$ 81,030,803</b>	<b>\$ 23,627,340</b>	<b>\$ 180,578,276</b>

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**City of Pomona**  
**Reconciliation of the Governmental Funds Balance Sheet**  
**to the Government-Wide Statement of Net Position**  
**June 30, 2017**

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**Total Fund Balances - Total Governmental Funds** \$ 86,450,912

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

Capital assets, net of accumulated depreciation and \$321,217 reported in Internal Service Funds, have not been included as financial resources. Therefore, they are not reported in governmental funds. 274,252,869

Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period; therefore, are not reported as fund liabilities. All liabilities, both current and long-term are reported in the Statement of Net Positions.

Pollution remediation	(721,601)	
Capital leases	(349,977)	
Notes payable	(215,000)	
Revenue bonds	(82,638,000)	
Pension obligation refunding bonds	(7,594,276)	
Deferred losses on refunding	423,158	
Deferred gains on refunding	(453,081)	
Issuance premium	(2,144,557)	
Compensated absences	<u>(7,294,514)</u>	(100,987,848)

Net pension liability and related deferred outflows and inflows of resources are not due and payable in the current period; therefore, are not reported as government funds' liabilities. They are reported in the Statement of Net Positions.

Net pension liability, net of \$(3,698,750) reported in Internal Service Funds.	(151,106,966)	
Deferred outflows of resources related to pension, net of \$1,282,937 reported in Internal Service Funds.	45,962,361	
Deferred inflows of resources related to pension, net of \$(422,626) reported in Internal Service Funds.	<u>(15,820,446)</u>	(120,965,051)

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. (26,226,611)

Accrued interest payable for the current portion of interest due on bonds has not been reported in the governmental funds. (193,616)

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. 8,075,947

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. (8,732,610)

**Net position of governmental activities** \$ 111,673,992

**City of Pomona**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended June 30, 2017**

		Special Revenue Funds	
	General Fund	Housing Authority	Miscellaneous Grants
<b>REVENUES:</b>			
Taxes	\$ 77,604,369	\$ -	\$ -
Special assessments	-	-	-
Licenses and permits	9,303,367	-	-
Intergovernmental	114,898	13,154,761	2,262,764
Charges for services	2,729,365	1,896	389,542
Use of money and properties	2,024,742	308,530	18,350
Fines and forfeitures	2,192,012	-	-
Contributions from Successor Agency	-	-	-
Miscellaneous	549,236	204,806	480,330
<b>Total Revenues</b>	<b>94,517,989</b>	<b>13,669,993</b>	<b>3,150,986</b>
<b>EXPENDITURES:</b>			
Current:			
General government	5,013,554	-	-
Public safety	72,386,611	-	744,645
Urban development	8,759,887	13,979,696	121,386
Neighborhood services and library	3,606,113	-	2,407,316
Capital outlay	488,489	2,725	121,970
Debt service:			
Principal retirement	349,226	-	-
Interest and fiscal charges	18,390	-	-
<b>Total Expenditures</b>	<b>90,622,270</b>	<b>13,982,421</b>	<b>3,395,317</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,895,719	(312,428)	(244,331)
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers in	1,033,463	-	71,877
Transfers out	(4,388,668)	(1,730,217)	(324,692)
Proceed from sale of assets	1,640	-	-
Issuance of debt	-	-	-
Issuance premium	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>(3,353,565)</b>	<b>(1,730,217)</b>	<b>(252,815)</b>
Net Change in Fund Balances	542,154	(2,042,645)	(497,146)
<b>FUND BALANCES:</b>			
Beginning of year, as restated (Note 19)	16,622,719	27,594,077	18,848,823
End of Year	\$ 17,164,873	\$ 25,551,432	\$ 18,351,677

(Continued)

**City of Pomona**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)**  
**Governmental Funds**  
**For the Year Ended June 30, 2017**

	Debt Service Funds			
	General	Public Financing Authority	Nonmajor Governmental Funds	Total
<b>REVENUES:</b>				
Taxes	\$ 647,765	\$ -	\$ 124,571	\$ 78,376,705
Special assessments	-	-	1,200,732	1,200,732
Licenses and permits	-	-	2,212,488	11,515,855
Intergovernmental	-	-	11,554,365	27,086,788
Charges for services	-	-	588,691	3,709,494
Use of money and properties	(304,018)	501,104	565,829	3,114,537
Fines and forfeitures	-	-	14,293	2,206,305
Contributions from Successor Agency	-	-	7,691,802	7,691,802
Miscellaneous	337,076	73,344	1,040,517	2,685,309
<b>Total Revenues</b>	<b>680,823</b>	<b>574,448</b>	<b>24,993,288</b>	<b>137,587,527</b>
<b>EXPENDITURES:</b>				
Current:				
General government	104,001	9,250	791,868	5,918,673
Public safety	-	-	1,712,554	74,843,810
Urban development	-	-	11,236,477	34,097,446
Neighborhood services and library	-	-	-	6,013,429
Capital outlay	-	-	19,683,713	20,296,897
Debt service:				
Principal retirement	37,212,979	42,455,000	223,782	80,240,987
Interest and fiscal charges	5,238,955	452,266	5,162	5,714,773
<b>Total Expenditures</b>	<b>42,555,935</b>	<b>42,916,516</b>	<b>33,653,556</b>	<b>227,126,015</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(41,875,112)	(42,342,068)	(8,660,268)	(89,538,488)
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	6,780,692	-	13,222,856	21,108,888
Transfers out	(973,463)	(2,239,031)	(8,742,473)	(18,398,544)
Proceed from sale of assets	-	-	-	1,640
Issuance of debt	-	77,120,000		77,120,000
Issuance premium	-	2,239,031		2,239,031
<b>Total Other Financing Sources (Uses)</b>	<b>5,807,229</b>	<b>77,120,000</b>	<b>4,480,383</b>	<b>82,071,015</b>
Net Change in Fund Balances	(36,067,883)	34,777,932	(4,179,885)	(7,467,473)
<b>FUND BALANCES:</b>				
Beginning of year, as restated (Note 19)	(39,170,313)	46,247,973	23,775,106	93,918,385
End of Year	\$ (75,238,196)	\$ 81,025,905	\$ 19,595,221	\$ 86,450,912

(Concluded)

**City of Pomona**  
**Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes**  
**in Fund Balances to the Government-Wide Statement of Activities**  
**For the Year Ended June 30, 2017**

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**Net change in fund balances - total governmental funds:** \$ (7,467,473)

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 cost of those assets is allocated over the estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period:

Capital outlay	20,296,897	
Noncapitalized expenditures reclassified to functional expenses	(86,482)	
Depreciation	<u>(11,416,869)</u>	8,793,546

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	2,051,904	
Obligation under capital leases	353,008	
Notes payable	220,000	
Revenue bonds	32,420,000	
Pension obligation refunding bonds	36,797,979	
Certificate of participation	10,450,000	
Amortization of premium and deferred charges	112,441	
Debt issued or incurred:		
Pollution remediation	(1,427,899)	
Revenue bonds	(77,120,000)	
Issuance premium	(2,239,031)	
Accreted interest on pension obligation bonds	<u>(240,102)</u>	1,378,300

Accrued interest for long-term liabilities. This is the net change in accrued interest for the current period. 617,417

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. (203,284)

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. (3,302,674)

Pension obligation expenses is an expenditure in the governmental funds, but reduce the Net Pension Liability in the statement of net position. (956,021)

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. (741,782)

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 (56,624)

**Change in net position of governmental activities** **\$ (1,938,595)**

## **PROPRIETARY FUND FINANCIAL STATEMENTS**

**City of Pomona**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2017**

	Business-Type Activities		
	Enterprise Funds		
	Water	Sewer	Refuse
ASSETS			
Current assets:			
Cash and investments	\$ 37,434,150	\$ 8,911,015	\$ 5,493,707
Receivables (net):			
Accounts	6,942,432	694,809	1,727,154
Interest	79,263	19,186	12,001
Prepaid items	17,170	-	-
Inventories	263,510	-	-
Total current assets	44,736,525	9,625,010	7,232,862
Noncurrent assets:			
Restricted cash and investments	5,906,249	6,324,860	-
Other investments	9,000	-	-
Capital assets:			
Not being depreciated	11,415,070	267,503	-
Being depreciated, net of depreciation	116,393,453	28,443,389	3,139,996
Total capital assets	127,808,523	28,710,892	3,139,996
Total noncurrent assets	133,723,772	35,035,752	3,139,996
Total assets	178,460,297	44,660,762	10,372,858
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charges on refunding	-	562,499	-
Deferred outflows of resources related to pension	4,335,363	626,551	1,303,592
Total deferred outflows of resources	4,335,363	1,189,050	1,303,592

(Continued)



**City of Pomona**  
**Statement of Net Position (Continued)**  
**Proprietary Funds**  
**June 30, 2017**

	<b>Business-Type Activities</b>		<b>Governmental Activities</b>
	<b>Enterprise Funds</b>		
	<b>Cannon Water Company - February 28, 2017</b>	<b>Total</b>	<b>Internal Service Funds</b>
<b>ASSETS</b>			
Current assets:			
Cash and investments	\$ 385,722	\$ 52,224,594	\$ 10,150,874
Receivables (net):			
Accounts	64,221	9,428,616	930
Interest	-	110,450	21,221
Prepaid items	-	17,170	4,638
Inventories	-	263,510	406,139
<b>Total current assets</b>	<b>449,943</b>	<b>62,044,340</b>	<b>10,583,802</b>
Noncurrent assets:			
Restricted cash and investments	-	12,231,109	-
Other investments	-	9,000	-
Capital assets:			
Not being depreciated	-	11,682,573	-
Being depreciated, net of depreciation	20,702	147,997,540	321,217
<b>Total capital assets</b>	<b>20,702</b>	<b>159,680,113</b>	<b>321,217</b>
<b>Total noncurrent assets</b>	<b>20,702</b>	<b>171,920,222</b>	<b>321,217</b>
<b>Total assets</b>	<b>470,645</b>	<b>233,964,562</b>	<b>10,905,019</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred charges on refunding	-	562,499	-
Deferred outflows of resources related to pension	-	6,265,506	1,282,937
<b>Total deferred outflows of resources</b>	<b>-</b>	<b>6,828,005</b>	<b>1,282,937</b>

(Continued)

**City of Pomona**  
**Statement of Net Position (Continued)**  
**Proprietary Funds**  
**June 30, 2017**

	<b>Business-Type Activities</b>		
	<b>Enterprise Funds</b>		
	<b>Water</b>	<b>Sewer</b>	<b>Refuse</b>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	2,126,717	399,421	894,997
Payroll payable	283,695	96,886	84,739
Accrued liabilities	46,752	-	-
Interest payable	428,217	70,492	38,779
Deposits payable	3,731,355	-	-
Due to other funds	-	-	-
Compensated absences, due within one year	715,000	66,209	203,000
Claims and judgments, due within one year	-	-	-
Bonds, notes, and capital leases, due within one year	1,925,000	490,000	600,557
<b>Total current liabilities</b>	<b>9,256,736</b>	<b>1,123,008</b>	<b>1,822,072</b>
Noncurrent liabilities:			
Compensated absences, due in more than one year	253,208	-	55,609
Claims and judgments, due in more than one year	-	-	-
Bonds, notes, and capital leases	89,302,649	26,421,848	1,243,603
Net pension liability	12,498,993	1,806,366	3,758,300
<b>Total noncurrent liabilities</b>	<b>102,054,850</b>	<b>28,228,214</b>	<b>5,057,512</b>
<b>Total liabilities</b>	<b>111,311,586</b>	<b>29,351,222</b>	<b>6,879,584</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred charges on refunding	3,380,252	-	-
Deferred inflows of resources related to pension	1,428,158	206,399	429,430
<b>Total deferred inflows of resources</b>	<b>4,808,410</b>	<b>206,399</b>	<b>429,430</b>
<b>NET POSITION</b>			
Net investment in capital assets	39,088,430	6,818,995	1,295,836
Restricted for debt service	18,441	1,867,408	-
Unrestricted	27,568,793	7,605,788	3,071,600
<b>Total net position</b>	<b>\$ 66,675,664</b>	<b>\$ 16,292,191</b>	<b>\$ 4,367,436</b>

Adjustments to reflect the consolidation of internal  
service activities related to enterprise funds

(Continued)

**Net position of business-type activities**

**City of Pomona**  
**Statement of Net Position (Continued)**  
**Proprietary Funds**  
**June 30, 2017**

	<b>Business-Type Activities</b>		<b>Governmental Activities</b>
	<b>Enterprise Funds</b>		
	<b>Cannon Water Company - February 28, 2017</b>	<b>Total</b>	<b>Internal Service Funds</b>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	-	3,421,135	317,122
Payroll payable	-	465,320	81,906
Accrued liabilities	10,302	57,054	-
Interest payable	-	537,488	-
Deposits payable	-	3,731,355	-
Due to other funds	-	-	138,022
Compensated absences, due within one year	-	984,209	170,972
Claims and judgments, due within one year	-	-	4,889,000
Bonds, notes, and capital leases, due within one year	-	3,015,557	-
<b>Total current liabilities</b>	<b>10,302</b>	<b>12,212,118</b>	<b>5,597,022</b>
Noncurrent liabilities:			
Compensated absences, due in more than one year	-	308,817	-
Claims and judgments, due in more than one year	-	-	9,551,164
Bonds, notes, and capital leases	-	116,968,100	-
Net pension liability	-	18,063,659	3,698,750
<b>Total noncurrent liabilities</b>	<b>-</b>	<b>135,340,576</b>	<b>13,249,914</b>
<b>Total liabilities</b>	<b>10,302</b>	<b>147,552,694</b>	<b>18,846,936</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred charges on refunding	-	3,380,252	-
Deferred inflows of resources related to pension	-	2,063,987	422,626
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>5,444,239</b>	<b>422,626</b>
<b>NET POSITION</b>			
Net investment in capital assets	20,702	47,223,963	321,217
Restricted for debt service	-	1,885,849	-
Unrestricted	439,641	38,685,822	(7,402,823)
<b>Total net position</b>	<b>\$ 460,343</b>	<b>\$ 87,795,634</b>	<b>\$ (7,081,606)</b>
Adjustments to reflect the consolidation of internal service activities related to enterprise funds		1,651,004	
<b>Net position of business-type activities</b>		<b>\$ 89,446,638</b>	<b>(Concluded)</b>

**City of Pomona**  
**Statement of Revenues, Expenses, and Changes in Net Position**  
**Proprietary Funds**  
**For the Year Ended June 30, 2017**

	<b>Business-Type Activities</b>		
	<b>Enterprise Funds</b>		
	<b>Water</b>	<b>Sewer</b>	<b>Refuse</b>
<b>OPERATING REVENUES:</b>			
Charges for services	\$ 29,239,473	\$ 4,291,847	\$ 10,071,188
Miscellaneous	-	28,433	1,392
<b>Total operating revenues</b>	<b>29,239,473</b>	<b>4,320,280</b>	<b>10,072,580</b>
<b>OPERATING EXPENSES:</b>			
Personnel services	5,568,648	756,585	2,763,052
Operations	15,644,647	1,354,490	5,712,723
Claims expense	10,839	-	121,478
Insurance	250,070	35,336	95,212
Amortization of deferred charges on refunding	50,408	39,763	-
Franchise fees	-	-	494,693
Depreciation	2,554,133	562,166	523,288
<b>Total operating expenses</b>	<b>24,078,745</b>	<b>2,748,340</b>	<b>9,710,446</b>
<b>OPERATING INCOME</b>	<b>5,160,728</b>	<b>1,571,940</b>	<b>362,134</b>
<b>NONOPERATING REVENUES (EXPENSES):</b>			
Intergovernmental	353,985	-	42,162
Investment income (loss)	131,156	9,925	(6,950)
Interest expense	(4,331,567)	(1,053,282)	(44,389)
Sale of surplus water	1,680,000	-	-
Loss on disposal of capital assets	(79,150)	-	-
<b>Total nonoperating revenues (expenses)</b>	<b>(2,245,576)</b>	<b>(1,043,357)</b>	<b>(9,177)</b>
<b>INCOME BEFORE TRANSFERS</b>	<b>2,915,152</b>	<b>528,583</b>	<b>352,957</b>
<b>TRANSFERS:</b>			
Transfers in	39,060	-	-
Transfers out	(1,492,145)	(575,740)	(681,519)
<b>Total transfers</b>	<b>(1,453,085)</b>	<b>(575,740)</b>	<b>(681,519)</b>
<b>CHANGES IN NET POSITION</b>	<b>1,462,067</b>	<b>(47,157)</b>	<b>(328,562)</b>
<b>NET POSITION:</b>			
Beginning of year, as restated (Note 19)	65,213,597	16,339,348	4,695,998
End of Year	\$ 66,675,664	\$ 16,292,191	\$ 4,367,436

(Continued)

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

**Changes in net position of business-type activities**

**City of Pomona**  
**Statement of Revenues, Expenses, and Changes in Net Position (Continued)**  
**Proprietary Funds**  
**For the Year Ended June 30, 2017**

	<b>Business-Type Activities</b>		<b>Governmental Activities</b>
	<b>Enterprise Funds</b>		
	<b>Cannon Water Company - February 28, 2017</b>	<b>Total</b>	<b>Internal Service Funds</b>
<b>OPERATING REVENUES:</b>			
Charges for services	\$ 64,221	\$ 43,666,729	\$ 9,536,410
Miscellaneous	-	29,825	405,001
<b>Total operating revenues</b>	<b>64,221</b>	<b>43,696,554</b>	<b>9,941,411</b>
<b>OPERATING EXPENSES:</b>			
Personnel services	-	9,088,285	2,276,399
Operations	17,047	22,728,907	3,089,413
Claims expense	-	132,317	4,143,804
Insurance	-	380,618	57,510
Amortization of deferred loss on refunding	-	90,171	-
Franchise fees	-	494,693	-
Depreciation	2,671	3,642,258	38,011
<b>Total operating expenses</b>	<b>19,718</b>	<b>36,557,249</b>	<b>9,605,137</b>
<b>OPERATING INCOME</b>	<b>44,503</b>	<b>7,139,305</b>	<b>336,274</b>
<b>NONOPERATING REVENUES (EXPENSES):</b>			
Intergovernmental	-	396,147	-
Investment income (loss)	7	134,138	(23,094)
Interest expense	-	(5,429,238)	-
Sale of surplus water	-	1,680,000	-
Loss on disposal of capital assets	-	(79,150)	-
<b>Total nonoperating revenues (expenses)</b>	<b>7</b>	<b>(3,298,103)</b>	<b>(23,094)</b>
<b>INCOME BEFORE TRANSFERS</b>	<b>44,510</b>	<b>3,841,202</b>	<b>313,180</b>
<b>TRANSFERS:</b>			
Transfers in	-	39,060	-
Transfers out	-	(2,749,404)	-
<b>Total transfers</b>	<b>-</b>	<b>(2,710,344)</b>	<b>-</b>
<b>CHANGES IN NET POSITION</b>	<b>44,510</b>	<b>1,130,858</b>	<b>313,180</b>
<b>NET POSITION:</b>			
Beginning of year, as restated (Note 19)	415,833	86,664,776	(7,394,786)
End of Year	<u>\$ 460,343</u>	<u>\$ 87,795,634</u>	<u>\$ (7,081,606)</u>
Adjustment to reflect the consolidation of internal service funds activities related to enterprise funds		<u>369,804</u>	
<b>Changes in net position of business-type activities</b>		<u>\$ 1,500,662</u>	(Concluded)

**City of Pomona**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended June 30, 2017**

	<b>Business-Type Activities</b>		
	<b>Enterprise Funds</b>		
	<b>Water</b>	<b>Sewer</b>	<b>Refuse</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Cash received from customers and user	\$ 27,858,597	\$ 4,291,378	\$ 9,846,182
Cash received from other	-	28,433	1,392
Cash paid to suppliers for goods and services	(15,967,861)	(996,303)	(6,019,376)
Cash paid for general and administrative expenses	(7,145,664)	(1,081,638)	(2,271,340)
<b>Net cash provided by operating activities</b>	<b>4,745,072</b>	<b>2,241,870</b>	<b>1,556,858</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>			
Cash transfers in	39,060	-	-
Cash transfers out	(1,492,145)	(575,740)	(681,519)
Grant subsidy	353,985	-	42,162
Proceeds from sale of surplus water	1,680,000	-	-
<b>Net cash provided (used) by noncapital financing activities</b>	<b>580,900</b>	<b>(575,740)</b>	<b>(639,357)</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>			
Acquisition and construction of capital assets	(3,888,145)	(336,502)	(22,078)
Principal paid on capital debt	(98,790,000)	(12,495,000)	(586,825)
Interest paid on capital debt	(4,922,961)	(1,189,029)	(56,884)
Proceed from issuance of debt	91,246,183	12,545,191	-
<b>Net cash used in capital and related financing activities</b>	<b>(16,354,923)</b>	<b>(1,475,340)</b>	<b>(665,787)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Investment income (loss)	93,710	1,962	(12,433)
<b>Net cash provided by investing activities</b>	<b>93,710</b>	<b>1,962</b>	<b>(12,433)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(10,935,241)</b>	<b>192,752</b>	<b>239,281</b>
<b>CASH AND CASH EQUIVALENT:</b>			
Beginning of year	54,275,640	15,043,123	5,254,426
End of year	\$ 43,340,399	\$ 15,235,875	\$ 5,493,707
<b>CASH AND CASH EQUIVALENT:</b>			
Cash and investments	\$ 37,434,150	\$ 8,911,015	\$ 5,493,707
Restricted cash and investments:	5,906,249	6,324,860	-
<b>Total cash and cash equivalent</b>	<b>\$ 43,340,399</b>	<b>\$ 15,235,875</b>	<b>\$ 5,493,707</b>

(Continued)

**City of Pomona**  
**Statement of Cash Flows (Continued)**  
**Proprietary Funds**  
**For the Year Ended June 30, 2017**

	<b>Business-Type Activities</b>		
	<b>Enterprise Funds</b>		
	<b>Water</b>	<b>Sewer</b>	<b>Refuse</b>
<b>RECONCILIATION OF OPERATING INCOME TO</b>			
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES:</b>			
Operating income	\$ 5,160,728	\$ 1,571,940	\$ 362,134
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	2,554,133	562,166	523,288
Amortization	50,408	39,763	-
(Increase) decrease in accounts receivable	(1,521,934)	(469)	(225,006)
(Increase) decrease in prepaid items	(8,170)	-	-
(Increase) decrease in inventories	58,295	-	-
(Increase) decrease in deferred outflows of resources related to pension	(1,617,573)	(234,489)	(578,713)
Increase (decrease) in accounts payable	50,604	393,523	404,730
Increase (decrease) in payroll payable	4,885	57,722	4,358
Increase (decrease) in accrued liabilities	(163,034)	-	-
Increase (decrease) in deposit payable	141,058	-	-
Increase (decrease) in due to other funds	-	-	-
Increase (decrease) in compensated absences	(74,629)	(55,411)	19,456
Increase (decrease) in claims and judgments	-	-	-
Increase (decrease) in net pension liabilities	1,819,038	181,401	1,317,632
Increase (decrease) in deferred inflows of resources related to pension	(1,708,737)	(274,276)	(271,021)
Total adjustment	(415,656)	669,930	1,194,724
<b>Net cash provided by operating activities</b>	<b>\$ 4,745,072</b>	<b>\$ 2,241,870</b>	<b>\$ 1,556,858</b>
<b>NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES:</b>			
Amortization of bond premium/(discount)	\$ 149,546	\$ (1,657)	\$ -
Amortization of deferred charges	(50,408)	(39,763)	-
Loss on disposal of capital assets	(79,150)	-	-
Total noncash capital and related financing activities	\$ 19,988	\$ (41,420)	\$ -

(Continued)

**City of Pomona**  
**Statement of Cash Flows (Continued)**  
**Proprietary Funds**  
**For the Year Ended June 30, 2017**

	Business-Type Activities		Governmental Activities
	Enterprise Funds		
	Cannon Water Company -		Internal
	February 28, 2017	Total	Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Cash received from customers and user	\$ 128,442	\$ 42,124,599	\$ 9,535,480
Cash received from other	-	29,825	504,547
Cash paid to suppliers for goods and services	(10,721)	(22,994,261)	(7,091,352)
Cash paid for general and administrative expenses	-	(10,498,642)	(2,188,752)
<b>Net cash provided by operating activities</b>	<b>117,721</b>	<b>8,661,521</b>	<b>759,923</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>			
Cash transfers in	-	39,060	-
Cash transfers out	-	(2,749,404)	-
Grant subsidy	-	396,147	-
Proceeds from sale of surplus water	-	1,680,000	-
<b>Net cash provided (used) by noncapital financing activities</b>	<b>-</b>	<b>(634,197)</b>	<b>-</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>			
Acquisition and construction of capital assets	-	(4,246,725)	-
Principal paid on capital debt	-	(111,871,825)	-
Interest paid on capital debt	-	(6,168,874)	-
Proceed from issuance of debt	-	103,791,374	-
<b>Net cash used in capital and related financing activities</b>	<b>-</b>	<b>(18,496,050)</b>	<b>-</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Investment income (loss)	7	83,246	(28,977)
<b>Net cash provided by investing activities</b>	<b>7</b>	<b>83,246</b>	<b>(28,977)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>117,728</b>	<b>(10,385,480)</b>	<b>730,946</b>
<b>CASH AND CASH EQUIVALENT:</b>			
Beginning of year	267,994	74,841,183	9,419,928
End of year	\$ 385,722	\$ 64,455,703	\$ 10,150,874
<b>CASH AND CASH EQUIVALENT:</b>			
Cash and investments	\$ 385,722	\$ 52,224,594	\$ 10,150,874
Restricted cash and investments:	-	12,231,109	-
<b>Total cash and cash equivalent</b>	<b>\$ 385,722</b>	<b>\$ 64,455,703</b>	<b>\$ 10,150,874</b>

(Continued)

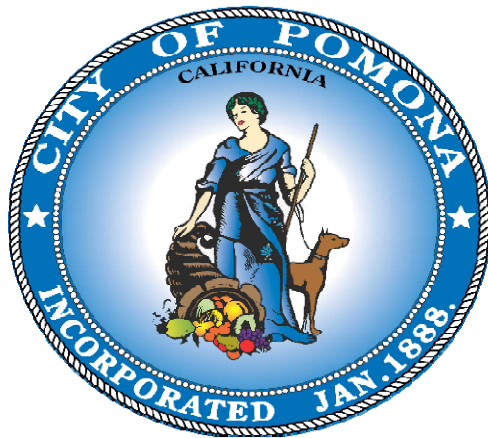


**City of Pomona**  
**Statement of Cash Flows (Continued)**  
**Proprietary Funds**  
**For the Year Ended June 30, 2017**

	<b>Business-Type Activities</b>		<b>Governmental Activities</b>
	<b>Enterprise Funds</b>		
	<b>Cannon Water Company -</b>		<b>Internal</b>
	<b>February 28, 2017</b>	<b>Total</b>	<b>Service Funds</b>
<b>RECONCILIATION OF OPERATING INCOME TO</b>			
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES:</b>			
Operating income	\$ 44,503	\$ 7,139,305	\$ 336,274
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	2,671	3,642,258	38,011
Amortization	-	90,171	-
(Increase) decrease in accounts receivable	64,221	(1,683,188)	(930)
(Increase) decrease in prepaid items	2,870	(5,300)	(1,438)
(Increase) decrease in inventories	-	58,295	(48,162)
(Increase) decrease in deferred outflows of resources related to pension	-	(2,430,775)	(552,757)
Increase (decrease) in accounts payable	(6,846)	842,011	(133,974)
Increase (decrease) in payroll payable	-	66,965	3,231
Increase (decrease) in accrued liabilities	10,302	(152,732)	-
Increase (decrease) in deposit payable	-	141,058	-
Increase (decrease) in due to other funds	-	-	99,546
Increase (decrease) in compensated absences	-	(110,584)	9,388
Increase (decrease) in claims and judgments	-	-	382,949
Increase (decrease) in net pension liabilities	-	3,318,071	993,225
Increase (decrease) in deferred inflows of resources related to pension	-	(2,254,034)	(365,440)
Total adjustment	73,218	1,522,216	423,649
<b>Net cash provided by operating activities</b>	<b>\$ 117,721</b>	<b>\$ 8,661,521</b>	<b>\$ 759,923</b>
<b>NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES:</b>			
Amortization of bond premium/(discount)	\$ -	\$ 147,889	\$ -
Amortization of deferred charges	-	(90,171)	-
Loss (Gain) on disposal of capital assets	-	(79,150)	-
Total noncash capital and related financing activities	\$ -	\$ (21,432)	\$ -

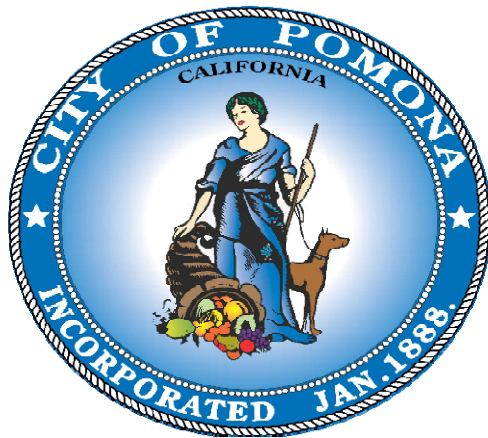
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## **FIDUCIARY FUND FINANCIAL STATEMENTS**

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**City of Pomona**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**June 30, 2017**

	<b>Agency Funds</b>	<b>Private - Purpose Trust Fund Successor Agency of the Former RDA</b>
<b>ASSETS:</b>		
Cash and investments	\$ 3,943,642	\$ 13,429,522
Receivables (net):		
Accounts	-	733,007
Notes and loans	-	4,099,660
Interest	1,279	28,339
Deposits	-	600
Due from other governments	26,605	-
Land held for resale	-	17,206,643
Restricted assets:		
Cash and investments	-	50,886,620
Capital assets:		
Capital assets, not being depreciated	-	125,423
Capital assets, net of depreciation	-	58,633
<b>Total assets</b>	<b>\$ 3,971,526</b>	<b>86,568,447</b>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>		
Deferred charge on refunding		808,104
<b>Total deferred outflows of resources</b>		<b>808,104</b>
<b>LIABILITIES:</b>		
Accounts payable	\$ 1,441,064	176,192
Payroll payable	-	10,888
Interest payable	-	3,054,729
Deposits payable	2,304,171	186,916
Due to other governments	-	1,942,549
Due to external parties/other agencies	226,291	-
Long-term liabilities:		
Due within one year	-	7,660,541
Due in more than one year	-	204,736,730
<b>Total liabilities</b>	<b>\$ 3,971,526</b>	<b>217,768,545</b>
<b>NET POSITION:</b>		
Held in trust for Successor Agency		<b>\$ (130,391,994)</b>

**City of Pomona**  
**Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
**For the Year Ended June 30, 2017**

	<b>Private - Purpose Trust Fund Successor Agency of the Former RDA</b>
<b>ADDITIONS:</b>	
Taxes	\$ 15,727,558
Intergovernmental	6,025,479
Contributions from City	-
Charges for services	5,859
Investment income	1,095,761
Miscellaneous	121,437
Gain on sale of assets	236,369
<b>Total additions</b>	<b>23,212,463</b>
<b>DEDUCTIONS:</b>	
Personnel services	287,006
Operations	1,299,851
Interest and fiscal charges	11,563,041
Contributions to City	8,045,786
Contributions to other governments	1,942,549
Loss on sale of assets	723,618
<b>Total deductions</b>	<b>23,861,851</b>
Changes in Net Position	(649,388)
<b>NET POSITION (DEFICIT):</b>	
Beginning of year	(129,742,606)
End of year	<b>\$ (130,391,994)</b>

## **NOTES TO THE BASIC FINANCIAL STATEMENTS**

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**City of Pomona**  
**Index to the Notes to the Financial Statements**  
**For the Year Ended June 30, 2017**

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**For the Year Ended June 30, 2017**

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**For the Year Ended June 30, 2017**

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**City of Pomona**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2017**

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**Note 1 – Summary of Significant Accounting Policies**

The basic financial statements of the City of Pomona, California (the “City”), have been prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”) as applied to governmental agencies. The Governmental Accounting Standards Board (the “GASB”) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the City’s accounting policies are described below.

**A. Financial Reporting Entity**

The City was incorporated in 1888 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 U.S. 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. These component units are included in the primary government because of the fiscal dependence and financial benefit/burden 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 (the “Housing Authority”) was organized in 1993 under the California Health and Safety Code. The objective of the Housing Authority is 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. The Housing Authority is blended in as a special revenue fund.

**City of Pomona Public Financing Authority**

The City of Pomona Public Financing Authority (the “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 (the “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. The Authority is blended in as a debt service fund.

**City of Pomona**  
**Notes to the Financial Statements (Continued)**  
**For the Year Ended June 30, 2017**

---

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

**A. Financial Reporting Entity (Continued)**

**Canon Water Company**

The Canon Water Company of Pomona (the “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. The Company is blended in as an enterprise fund.

All component units had a fiscal year ended June 30, 2017, except for Canon Water Company, which had a fiscal year ended February 28, 2017.

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](http://www.ci.pomona.us).

**B. Financial Statements Presentation, Basis of Accounting and Measurement Focus**

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 Financial Statements**

The City’s government-wide financial statements include a Statement of Net Position and a Statement of Activities. 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 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

**City of Pomona**  
**Notes to the Financial Statements (Continued)**  
**For the Year Ended June 30, 2017**

---

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

***B. Financial Statements Presentation, Basis of Accounting and Measurement Focus (Continued)***

**Government-Wide Financial Statements (Continued)**

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 nonmajor governmental 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.

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 recognized as soon as they are both “measurable” and “available.” 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 the “*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 or when prepaid charges are received for services. 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.

**City of Pomona**  
**Notes to the Financial Statements (Continued)**  
**For the Year Ended June 30, 2017**

---

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

***B. Financial Statements Presentation, Basis of Accounting and Measurement Focus (Continued)***

**Governmental Fund Financial Statements (Continued)**

The City reports the following major governmental funds:

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

The **Housing Authority Special Revenue 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 Special Revenue Fund** accounts for revenues received and expenditures made for Federal and/or State approved programs/projects.

The **General Debt Service Fund** accounts for the payment of interest and principal on debt incurred by the City.

The **Public Financing Authority Debt Service Fund** accounts for the payment of interest and principal on the local agency revenue bonds and other debt of the Authority.

**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.

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.

The City reports the following major proprietary funds:

The **Water Utility Enterprise Fund** accounts for activities associated with the distribution and transmission of potable water to users and recycled water.

The **Sewer Enterprise Fund** accounts for the operation and maintenance of the City's sewer network.

The **Refuse Enterprise Fund** accounts for activities associated with residential refuse collection, curbside collection of recycling materials, and various related programs.

The **Canon Water Company Enterprise Fund** accounts for the activities of the Canon Water Company.



**City of Pomona**  
**Notes to the Financial Statements (Continued)**  
**For the Year Ended June 30, 2017**

---

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

***B. Financial Statements Presentation, Basis of Accounting and Measurement Focus (Continued)***

**Proprietary Fund Financial Statements (Continued)**

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.

**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.

***C. Cash, Cash Equivalents and Investments***

The City pools its available cash for investment purposes. The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturity of three months or less from the date of acquisition. Cash and cash equivalents are combined with investments and displayed as Cash and Investments.

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.

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

**City of Pomona**  
**Notes to the Financial Statements (Continued)**  
**For the Year Ended June 30, 2017**

---

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

***C. Cash, Cash Equivalents and Investments (Continued)***

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.

***D. Cash and Investments with Fiscal Agents and Restricted Cash and Investments***

Cash and investments with fiscal agents and restricted cash and investments are restricted due to limitations on their use by bond covenants or donor limitations. Fiscal agents acting on behalf of the City hold investment funds arising from the proceeds of long-term debt issuance. The funds may be used for specific purposes or for the payment of certain bonds, and have been invested only as permitted by specific State statutes, applicable City ordinance, resolution, or bond indentures.

***E. Fair Value Measurement***

U.S. GAAP defines fair value, establishes a framework for measuring fair value and establishes disclosures about fair value measurement. Investments, unless otherwise specified, recorded at fair value in the financial statements, are categorized based upon the level of judgment associated with the inputs used to measure their fair value.

The three levels of the fair value measurement hierarchy are described below:

- Level 1 - Inputs are unadjusted, quoted prices for identical assets or liabilities in active markets at the measurement date.
- Level 2 – Inputs, other than quoted prices included in Level 1, that are observable for the assets or liabilities through corroboration with market data at the measurement date.
- Level 3 – Unobservable inputs that reflect management’s best estimate of what market participants would use in pricing the assets or liabilities at the measurement date.

***F. 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.”

***G. 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. Purchase of supplies have been reported based on consumption method to recognize 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, such as prepaid bond insurance.

***H. Land Held for Resale***

Land purchased for resale is reported at lower of acquisition costs or net realized value.

**City of Pomona**  
**Notes to the Financial Statements (Continued)**  
**For the Year Ended June 30, 2017**

---

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

***I. 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 acquisition value on the date donated.

Depreciation is reported 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 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 for business-type funds.

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.

***J. Long-Term Debt***

In the government-wide financial statements and proprietary 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 expensed when incurred.

**City of Pomona**  
**Notes to the Financial Statements (Continued)**  
**For the Year Ended June 30, 2017**

---

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

***J. Long-Term Debt (Continued)***

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 expenditures.

***K. 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.

***L. 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.

***M. Deferred Outflows of Resources and Deferred Inflows of Resources***

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to future periods and will not be recognized as an outflow of resources (expense/expenditures) until then. The City reports deferred charges on refunding in the government-wide and proprietary fund financial statements. Deferred loss 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. The City also reports pension related deferred outflows of resources in the government-wide and proprietary fund financial statements. See Note 1N for detail.

In addition to liabilities, the Statement of Net Position and Governmental Funds Balance Sheet reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position or fund balance that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. The governmental funds report unavailable revenue for revenues not available for current spending. These amounts are deferred and recognized as an inflow of resources in the period when the amounts become available. In addition, the City reports deferred charges on refunding in the government-wide and proprietary fund financial statements. Deferred gains 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. The City also reports pension related deferred inflows of resources in the government-wide and proprietary fund financial statements. See Note 1N for detail.

**City of Pomona**  
**Notes to the Financial Statements (Continued)**  
**For the Year Ended June 30, 2017**

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

***N. Pension***

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

The following timeframes are used for pension reporting:

Valuation Date	June 30, 2015
Measurement Date	June 30, 2016
Measurement Period	July 1, 2015 to June 30, 2016

Gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time. The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and inflows of sources related to pensions and are to be recognized in further pension expense. The amortization period differs depending on the source of the gain or loss. The difference between projected and actual earnings is amortized over five years. All other amounts are amortized straight-line over the average expected remaining service lives of all members that are provided with benefits (active, inactive, and retired) as of the beginning of the measurement period.

***O. 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 and related deferred outflows and inflows of resources that is attributed to the acquisition, construction, or improvement of the assets.

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

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

When expenses are incurred for purposes for which both restricted and unrestricted net position are available, the City's policy is to apply restricted net position first, then unrestricted net position as they are needed.

**City of Pomona**  
**Notes to the Financial Statements (Continued)**  
**For the Year Ended June 30, 2017**

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

***P. Fund Balances***

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

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

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

**Assigned** – This includes amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed. The City Council adopted Resolution No. 2011-63A and gave the Finance Director authority to assign amounts for specific purposes.

**Unassigned** – 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 balances have been restricted, committed or assigned for the purpose of those particular funds.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available, the City's policy is to apply restricted fund balance first. Further, when the components of unrestricted fund balance can be used for the same purpose, the City uses the unrestricted resources in the following order: committed, assigned, and unassigned.

***Q. 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 (the "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.

***R. Use of Estimates***

The preparation of the basic financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.



**City of Pomona**  
**Notes to the Financial Statements (Continued)**  
**For the Year Ended June 30, 2017**

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

**S. Implementation of New GASB Pronouncements**

GASB Statement No. 80, *Blending Requirements for Certain Component Units*. The objective of this Statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. This Statement amends the blending requirements for the financial statement presentation of component units of all state and local governments. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. The additional criterion does not apply to component units included in the financial reporting entity pursuant to the provisions of Statement No. 39, *Determining Whether Certain Organizations Are Component Units*. This statement did not have a significant impact on the City's financial statements for the year ended June 30, 2017.

GASB Statement No. 82, *Pension Issues*. The objective of this Statement is to address certain issues that have been raised with respect to Statements No. 67, *Financial Reporting for Pension Plans*, No. 68, *Accounting and Financial Reporting for Pensions*, and No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68*, and Amendments to Certain Provisions of GASB Statements 67 and 68. Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. This statement did not have a significant impact on the City's financial statements for the year ended June 30, 2017.

**Note 2 – Stewardship, Compliance and Accountability**

**A. Deficit Fund Balances or Net Position**

At June 30, 2017, the following funds had the deficit fund balance/net position:

<b>Governmental Funds</b>	
General Debt Service	\$ (75,238,196)
<b>Internal Services Funds</b>	
Self Insurance	(6,521,815)
Information Technology	(572,239)
Printing/Mail Services	(40,328)

The General Debt Service Fund deficit is the result of the issuance of bonds and the Self-Insurance Fund deficit is due to insufficient revenue to cover increasing claims. The Equipment Maintenance Fund and the Information Technology Fund deficits are due to the net pension liabilities. The Printing and Mail Service Fund deficit is due to not charging sufficient amounts from user funds. The City will eliminate the internal service deficits with future revenue.

**City of Pomona**  
**Notes to the Financial Statements (Continued)**  
**For the Year Ended June 30, 2017**

**Note 2 – Stewardship, Compliance and Accountability (Continued)**

**B. Excess of Expenditures over Appropriations**

Excess expenditures over appropriations were as follows:

	Expenditures	Appropriations	Excess
Housing Authority Special Revenue Fund	\$ 13,982,421	\$ 13,766,437	\$ 215,984
General Debt Service Fund	42,555,935	5,584,195	36,971,740
Public Financing Authority Debt Service Fund	42,916,516	25,486,354	17,430,162
Proposition C Special Revenue Fund	351,985	143,009	208,976
Capital Outlay Capital Projects Fund	19,232,017	17,825,168	1,406,849

**Note 3 – 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.

The following is a summary of cash and investments at June 30, 2017:

	Governmental Activities	Business-Type Activities	Fiduciary Funds	Total
Cash and investments	\$ 47,576,342	\$ 52,224,594	\$ 17,373,164	\$ 117,174,100
Restricted cash and investments	10,074,637	12,231,109	50,886,620	73,192,366
<b>Total</b>	<b>\$ 57,650,979</b>	<b>\$ 64,455,703</b>	<b>\$ 68,259,784</b>	<b>\$ 190,366,466</b>

Cash and investments is comprised of the following at June 30, 2017:

Petty cash and change funds	\$ 9,657
Demand deposits	14,074,001
Cash held in trust	1,209,653
Cash with fiscal agent	3,431,964
Total cash	18,725,275
Investments	109,600,073
Investments with fiscal agent	62,041,118
Total investments	171,641,191
Total cash and investments	\$ 190,366,466

**A. Demand Deposits**

The carrying amounts of the City's cash deposits were \$14,074,001 at June 30, 2017. Bank balances at June 30, 2017, were \$16,222,875 which were fully insured or collateralized with securities held by the pledging financial institutions in the City's name as discussed below. The \$2,148,874 difference represents outstanding checks, deposits in transit, and other reconciling items.



**City of Pomona**  
**Notes to the Financial Statements (Continued)**  
**For the Year Ended June 30, 2017**

**Note 3 – Cash and Investments (Continued)**

**A. Demand Deposits (Continued)**

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.

**B. Investments Authorized by the California Government Code and the City's Investment Policy**

The table below identifies the investment types that are authorized for the City by the California Government Code Section 53601 (or the City's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the City's investment policy, where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustee that are governed by the provisions of debt agreements of the City, rather than the general provisions of the California Government Code or the City's investment policy.

Authorized Investment Type	Maximum Maturity	Maximum Percentage Allowed	Maximum Investment in One Issuer
City of Pomona bonds	5 years	No limit	N/A
U.S. Treasury obligations	5 years	No limit	N/A
U.S. Agency or U.S. government- sponsored enterprise obligations	5 years	No limit	N/A
California and local agency obligations	5 years	No limit	N/A
Medium-term notes	5 years	30%	surplus funds
Bankers' acceptance	180 days	40%	10%
Commercial paper	270 days	25%	10%
Negotiable certificates of deposit	5 years	15%	3% *
Time deposits	5 years	10%	\$250,000
Savings accounts	5 years	10%	N/A
Money market mutual funds	N/A	15%	N/A
Repurchase agreements	92 days	20%	N/A
Local Agency Investment Fund ("LAIF")	N/A	No limit	\$50,000,000

\* Certificate of deposit guaranteed by FDIC is limited to \$250,000 per issuer.

**City of Pomona**  
**Notes to the Financial Statements (Continued)**  
**For the Year Ended June 30, 2017**

**Note 3 – Cash and Investments (Continued)**

**C. Investment Authorized by Debt Agreement**

Investments of debt proceeds held by bond trustee are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the City's investment policy. Investments authorized for funds held by bond trustee include, Federal Securities, Federal Agency Securities, U.S. Government Sponsored Enterprise Securities, Money Market Funds, Certificate of Deposit Collateralized by Federal or Federal Agency Securities or Fully Insured by Federal Deposit Insurance Corporation, Investment Agreements, Commercial Paper, Bonds or Notes used by any state or municipality, federal funds or bankers acceptances with maximum term of one year, repurchase agreements, pre-refunded municipal bonds rated "Aaa", Local Agency Investment Fund of the State of California, and any other investments permitted in writing by the Insurer. There were no limitations on the maximum amount that can be invested in one issuer, maximum percentage allowed or the maximum maturity of an investment, except noted otherwise.

**D. Fair Value Measurement Disclosure**

At June 30, 2017, investments are reported at fair value. The following table presents the fair value measurement of investments on a recurring basis and the levels within GASB 72 fair value hierarchy in which the fair value measurements fall at June 30, 2017:

Investment Type	Measurement Input		
	Significant Other Observable Input (Level 2)	Uncategorized	Total
Investments:			
Local Agency Investment Fund	\$ -	\$ 72,035,233	\$ 72,035,233
U.S. government sponsored enterprise securities	28,282,704	-	28,282,704
Municipal bonds	50,255	-	50,255
Repurchase agreement	429,705	-	429,705
Medium-term notes	5,877,070	-	5,877,070
Negotiable certificates of deposit	2,925,106	-	2,925,106
Investments with fiscal agent:			
Money market mutual funds	-	47,301,497	47,301,497
U.S. government sponsored enterprise securities	11,186,389	-	11,186,389
Insurance contract	-	965,232	965,232
Municipal bonds	2,588,000	-	2,588,000
Total	\$ 51,339,229	\$ 120,301,962	\$ 171,641,191

The City's level 2 investments are valued based on institutional bond quotes or matrix pricing.

**E. Risk Disclosures**

**Interest Rate Risk**

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

**City of Pomona**  
**Notes to the Financial Statements (Continued)**  
**For the Year Ended June 30, 2017**

**Note 3 – Cash and Investments**

***E. Risk Disclosures***

**Interest Rate Risk (Continued)**

At June 30, 2017, the City had the following investment maturities:

	1 Year or Less	1 to 3 Years	3 to 5 Years	Over 5 years	Total
Investments:					
Local Agency Investment Fund	\$ 72,035,233	\$ -	\$ -	\$ -	\$ 72,035,233
U.S. government sponsored					
enterprise securities	997,360	7,183,263	20,102,081	-	28,282,704
Municipal bonds	50,255	-	-	-	50,255
Repurchase agreement	429,705			-	429,705
Medium-term notes	-	1,881,828	3,995,242	-	5,877,070
Negotiable certificates of deposit	-	1,233,887	1,691,219	-	2,925,106
Investments with fiscal agent					
Money market mutual funds	47,301,497	-	-	-	47,301,497
U.S. government sponsored					
enterprise securities	11,186,389	-	-	-	11,186,389
Insurance contract	-	-	-	965,232	965,232
Municipal bonds	-	-	2,588,000	-	2,588,000
Total	<u>\$ 132,000,439</u>	<u>\$ 10,298,978</u>	<u>\$ 28,376,542</u>	<u>\$ 965,232</u>	<u>\$ 171,641,191</u>

**Credit Risk**

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligations to the holder of the investment. The City's investment policy provides that this risk be mitigated by investing in investment grade securities and by diversifying the investment portfolio. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. At June 30, 2017, the City's investments are rated as following:

Investment Type	Fair Value at June 30, 2017	Minimum Legal Rating	AAA	AA	A	Not Rated
Investments:						
Local Agency Investment Fund	\$ 72,035,233	N/A		\$ -	\$ -	\$ 72,035,233
U.S. government sponsored						
enterprise securities	28,282,704	N/A		28,282,704	-	-
Municipal bonds	50,255	A		50,255	-	-
Repurchase agreement	429,705	A		-	429,705	-
Medium-term notes	5,877,070	A		2,613,445	3,263,625	-
Negotiable certificates of deposit	2,925,106	A		-	106,502	2,818,604
Investments with fiscal agent:						
Money market mutual funds	47,301,497	AA	47,301,497	-	-	-
U.S. government sponsored						
enterprise securities	11,186,389	N/A	-	11,186,389	-	-
Insurance contract	965,232	N/A	-	-	-	965,232
Municipal bonds	2,588,000	AA	-	2,588,000	-	-
Total	<u>\$ 171,641,191</u>		<u>\$ 47,301,497</u>	<u>\$ 44,720,793</u>	<u>\$ 3,799,832</u>	<u>\$ 75,819,069</u>

**City of Pomona**  
**Notes to the Financial Statements (Continued)**  
**For the Year Ended June 30, 2017**

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**Note 3 – Cash and Investments (Continued)**

***E. Risk Disclosures (Continued)***

**Concentration of Credit Risk**

The investment policy of the City and California Government Code contains limitations on the amount that can be invested in any one issuer. The City is exposed to credit risk if it has invested more than 5% of its investments in any one issuer. Investments guaranteed by the U.S. government and investments in mutual funds and external investment pools are excluded from this requirement.

Investment in any one issuer that represent 5% or more of total City investment, excluding investment with fiscal agent, are as follows:

Investment Type	Issuer	Amount	Percentage
U.S. government sponsored enterprise securities	Fannie Mae	\$ 16,650,436	15.2%
U.S. government sponsored enterprise securities	Freddie Mac	5,608,594	5.1%
U.S. government sponsored enterprise securities	Federal Home Loan Bank	6,023,673	5.5%

**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 contains 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 \$16,222,875 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, \$73,192,366 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, 2017.

***F. 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, 2017, included a portion of the pool funds invested in Structured Notes and Asset-Backed Securities:

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

**City of Pomona**  
**Notes to the Financial Statements (Continued)**  
**For the Year Ended June 30, 2017**

**Note 3 – Cash and Investments (Continued)**

**F. Investment in Local Agency Investment Funds (Continued)**

As of June 30, 2017, the City had \$72,035,233 invested in LAIF, which had invested 2.89% of the pool investment funds in Structured Notes and Asset-Backed Securities. LAIF is overseen by the Local Agency Investment Advisory Board, which consists of five members, in accordance with State statute. LAIF determines fair value on its investment portfolio based on market quotations for those securities where market quotations are readily available and based on amortized cost or best estimate for those securities where market value is not readily available. The City valued its investments in LAIF by multiplying its account balance by a fair value factor determined by LAIF. This fair value factor was determined by dividing all LAIF participants' total aggregate amortized cost by total aggregate fair value.

**Note 4 – Loans Receivable**

At June 30, 2017, the City's net loans receivable consisted of the following:

	Balance July 1, 2016	Additions	Deletions	Balance June 30, 2017
Section 108 Loans	\$ 305,000	\$ -	\$ (135,000)	\$ 170,000
Deferred Home Improvement Loans	7,719,985	-	(131,428)	7,588,557
Prototype Pomona Apartment Loans	1,260,738	28,423	-	1,289,161
Rental Rehabilitation Loans	498,265	7,061	-	505,326
CHDO Loan (Shield of Faith)	1,262,099	-	-	1,262,099
HOPE III Loans	347,644	-	(4,580)	343,064
Shield of Faith	4,562,467	55,343	-	4,606,800
Manufactured Housing Rehabilitation Loans	2,019,281	58,500	(29,890)	2,047,891
Owner Occupied Loans	1,568,232	126,446	-	1,694,678
Mortgage Assistance Program Loans	6,387,585	-	(34,168)	6,353,417
Neighborhood In Progress Loans	2,887,784	56,601	(88,756)	2,855,629
Neighborhood Stabilization Program	229,166	-	(12,450)	216,716
Multi-Unit Rental Rehabilitation Program	720,000	-	-	720,000
Holt Avenue Housing Partners LP Loans	1,925,142	-	-	1,925,142
Telacu Housing Pomona	870,111	36,765	-	906,876
Total	<u>\$ 32,563,499</u>	<u>\$ 369,139</u>	<u>\$ (436,272)</u>	<u>\$ 32,485,356</u>

**A. Section 108 Loans**

The City used the Section 108 loan fund and entered into loan agreements with local businesses for projects that benefit low- and moderate-income persons. The principal balance outstanding at June 30, 2017 was \$170,000.

**B. Deferred Home Improvement Loans**

The Housing Improvement loans funds for Health & Safety Repairs and Exterior Home Improvements. During the term of the loan, a portion of the loan shall be forgiven each full year provided that the owner is in good standing and complies with all of the covenants, conditions, and restrictions. The principal balance outstanding at June 30, 2017 was \$7,588,557.

**City of Pomona**  
**Notes to the Financial Statements (Continued)**  
**For the Year Ended June 30, 2017**

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**Note 4 – Loans Receivable (Continued)**

***C. Prototype Pomona Apartment Loans***

The former Agency entered into promissory note agreement with Prototypes Pomona Apartments, L.P. in the amount of \$947,417 on May 4, 2005 for purpose of construction and development of a 32-unit multi-family, very low-income affordable housing project. The loan bears simple interest of three percent (3%) per annum. In the event the project is sold or refinanced prior to the 30-year covenant period, the net proceeds of the sale or refinancing will be used to pay the accrued interest computed at a rate of six percent (6%) annum from the date of default and the outstanding balance of the loan. Total outstanding principal and accrued interest at June 30, 2017 was \$1,289,161.

***D. Rental Rehabilitation Loans***

The City used HOME fund and entered into sixteen various loan agreements for rental unit rehabilitation. Total principle borrowed from the City was in the amount of to \$313,000. The loan bears simple interest at 2.25% annum. Total outstanding principal and accrued interest at June 30, 2017 was \$505,326.

***E. Community Housing Development Organization (“CHDO”) Loan (Shield of Faith)***

The City used HOME funds and entered into loan agreement with Shield of Faith Economic Development Corporation in July 2009 for a development project where Shield of Faith purchased properties and developed them for Low and Moderate income persons and families. The loan bears 6% interest and the principal balance outstanding at June 30, 2017 was in the amount of \$1,262,099.

***F. HOPE III Loans***

The former Agency entered into two types of loan agreements through the HOPE III Program under which the former Agency provided subsidy to assist persons and families of low income to purchase residential property as principal resident at all times throughout the term of the agreement. The 20-year loans entered into during the year ended June 30, 1995 bears compound interests at 5% annum and began to be reduced by 1/13 of the outstanding balance on August 1, 2002 annually. The loans entered into during the year ended June 30, 2008 bears interests at 2% annum and is due upon sale of the property. The outstanding balance at June 30, 2017 was in the amount of \$343,064.

***G. Shield of Faith***

The loan between the City and Shield of Faith Economic Development Corporation was for a development project where Shield of Faith purchased properties and developed them for Low and Moderate income persons and families. The principal balance of the loan amounts to \$3,715,000 with simple annual 3% interest rate, for a total of \$4,606,800. The loan matures 55 years from the Certificate of Occupancy date maturing on August 28, 2063.

***H. Manufactured Housing Rehabilitation Loans***

The City used CalHOME funds to provide funding for manufactured housing rehabilitation loans. The loan matures between 15 to 20 years and bears zero interest. One Tenth (1/10) of the loan balance is forgiven each year starting from year 11. The unpaid balances are due upon refinancing or transfer of the titles. At June 30, 2017, total outstanding balance was in the amount of \$2,047,891.

**City of Pomona**  
**Notes to the Financial Statements (Continued)**  
**For the Year Ended June 30, 2017**

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**Note 4 – Loans Receivable (Continued)**

***I. Owner Occupied Loans***

The City used CalHOME funds to provide two types of owner occupied loans.

The home improvement loan bears simple interest at 1% annum and mature in 15 years or at 2% and mature in 30 years. The unpaid principal and interest are due upon (a) transfer of title, (2) refinancing of any debt secured by a lien on the property and (3) failure to occupy the property as principal residence.

The second loan program is the first time home buyer program. The first time home buyer can borrow up to \$60,000. The loan bears zero interest and matures in 30 years or upon sale, foreclosure, transfer of tile and refinance of the property with cash out.

Total outstanding principal and accrued interest at June 30, 2017 was in the amount of \$1,694,678.

***J. Mortgage Assistance Program (“MAP”) Loans***

The City used HOME funds to provide mortgage assistance program loans up to \$100,000 to borrower. The MAP loan bears zero interest and matures in 45 years. The former Agency also provided first time home buyer program. The former Agency’s program is a second silent mortgage loan program designed to assist qualified low-income individuals with the purchase of their first home. Program assistance is limited to \$500,000 (inclusive of applicable program fees) or the lesser amount (with zero percent interest) necessary to provide the “gap” assistance required to meet the Program’s front-end ratio requirements of 25% to 35%, whichever is lower. At June 30, 2017, total outstanding balance, net of allowance, was in the amount of \$6,353,417.

***K. Neighborhood In Progress (“NIP”) Home Improvement Loans***

The Substantial Rehabilitation Loan Program is a deferred loan up to \$60,000 and bears a 2% to 4% interest rate depending on funding and income. Repayment of the loan is due at the time of title change, resale, refinance with cash out, or non-compliance with the program requirements. (Depending on funding source, some loans must be repaid at the end of thirty (30) years from the date of execution of the loan documents). These loans are not a conventional equity loan or equity line of credit. Funding must be used to correct code violations or deferred maintenance which may cause code violations in the near future. The outstanding balance as of June 30, 2017 is \$2,855,629.

***L. Neighborhood Stabilization Program***

The City through use of Neighborhood Stabilization Program funding and provided loans to qualified low- and moderate income individuals on purchase of the foreclosed homes. The loan bears zero interest and matures in 45 years. At June 30, 2017, total outstanding balance was in the amount of \$216,716.

***M. Multi-Unit Rental Rehabilitation Program***

The City through use of HOME fund provided multi-unit rental rehabilitation program deferred loans to owner of the multi-unit low-income rental properties. The loans bear zero interest and mature in 10 years from the date of the loan. Pursuant to the loan agreement, on the sixth anniversary date of the loan, 20% shall be forgiven each year. Total outstanding balance at June 30, 2017 was \$720,000



**City of Pomona**  
**Notes to the Financial Statements (Continued)**  
**For the Year Ended June 30, 2017**

**Note 4 – Loans Receivables, Net (Continued)**

**N. Holt Avenue Housing Partners LP Loans**

The loan between the City of Pomona and Holt Avenue Housing Partners LP was to acquire property and construct a residential housing project consisting of 62 residential units that qualify for low income persons and families. The principal amount of the loan was \$1,900,000 with simple interest at the rate of 1% per annum. All principal and interest shall be due in full on the date that is fifty years from the date of recordation of the certificate of completion. The outstanding balance at June 30, 2017 was \$1,925,142.

**O. Telacu Housing Pomona Loans**

The City through use of HOME fund entered into loan agreement with Telacu Housing-Pomona II, Inc. in April 2008 and provided \$612,755 for construction and development of 70-unit multiple family apartment project comprising of 69 one bed bedroom units for very low and low income seniors and one two-bedroom manager unit. The loan bears simple interest at the rate of 6% annum. All principal and interest shall be due in full on the date that is twenty years from the date the project is first occupied. The outstanding balance at June 30, 2017 was \$906,876.

**Note 5 – Interfund Transactions**

**A. Government-Wide Financial Statements**

**Internal Balances** – At June 30, 2017, the City had the following internal receivable and payable to consolidate the Internal Service Funds' activities related to the Enterprise Funds.

<b>Internal Payable</b>		<b>Internal Receivable</b>
		Business-Type Activities
Governmental Activities		\$ 1,651,004

**Transfers** – For the year ended June 30, 2017, the City had the following transfers. The purpose of the transfers was for debt service payments and to reimburse a construction project.

<b>Transfers In</b>		<b>Transfers Out</b>
		Business-Type Activities
Governmental Activities		\$ 2,710,344

**B. Fund Financial Statements**

**Due To/Due From** – At June 30, 2017, the City had the following short-term interfund receivables and payables to cover negative cash at the end of the fiscal year.

		<b>Due to Other Funds</b>		
		<b>Governmental Funds</b>	<b>Proprietary Funds</b>	
		Miscellaneous Grants Special Revenue Fund	Nonmajor Governmental Funds	Internal Service Funds
<b>Due from Other Funds</b>				
<b>Governmental Fund:</b>				
General Fund		\$ 48,445	\$ 287,825	\$ 138,022
				\$ 474,292



**City of Pomona**  
**Notes to the Financial Statements (Continued)**  
**For the Year Ended June 30, 2017**

**Note 5 – Interfund Transactions (Continued)**

**B. Fund Financial Statements (Continued)**

**Advances to/Advances from** – At June 30, 2017, the City had the following long-term Interfund advances:

Advances to Other Funds	Advance from Other Fund		Total
	Governmental Funds		
	General Fund	General Debt Service Fund	
Governmental Fund:			
Public Financing Authority			
Debt Service Fund	\$ -	\$ 77,120,000	\$ 77,120,000
Nonmajor Governmental Funds	304,435	-	304,435
Total	\$ 304,435	\$ 77,120,000	\$ 77,424,435

Advances in the amount of \$77,120,000 from the Public Financing Authority Debt Service Fund to the General Debt Service Fund are loan proceeds advanced.

Advances between the Nonmajor Government Funds and the General Fund was a loan from Vehicle Parking District Special Revenue Fund made on December 3, 2001. The Vehicle Parking District provided a \$600,000 loan to the City to be used by the General Fund as a loan to the former Agency for the acquisition of the Fox Theater. At June 30, 2017, the outstanding balance of the advances was in the amount of \$304,435.

**Transfers** – For the year ended June 30, 2017, the City had the following transfers:

	<b>Transfers in</b>					<b>Total</b>
	<b>Governmental Funds</b>				<b>Proprietary Fund</b>	
		Miscellaneous Grants Special Revenue Fund	General Debt Service Fund	Nonmajor Governmental Funds	Water Enterprise Fund	
<b>Transfers Out</b>	General Fund					
<b>Governmental Funds:</b>						
General Fund	\$ -	\$ 71,136	\$ 3,309,099	\$ 1,008,433	\$ -	\$ 4,388,668
Housing Authority						
Special Revenue Fund	-	-	-	1,730,217	-	1,730,217
Miscellaneous Grants						
Special Revenue Fund	-	-	-	324,692	-	324,692
General Debt Service Fund	973,463	-	-	-	-	973,463
Public Financing Debt						
Service Fund	-	-	2,239,031	-	-	2,239,031
Nonmajor Governmental Funds	60,000	741	215,562	8,452,506	13,664	8,742,473
<b>Proprietary Funds:</b>						
Water Enterprise Fund	-	-	600,000	892,145	-	1,492,145
Sewer Enterprise Fund	-	-	417,000	133,344	25,396	575,740
Refuse Enterprise Fund	-	-	-	681,519	-	681,519
<b>Total</b>	<b>\$ 1,033,463</b>	<b>\$ 71,877</b>	<b>\$ 6,780,692</b>	<b>\$ 13,222,856</b>	<b>\$ 39,060</b>	<b>\$ 21,147,948</b>

**City of Pomona**  
**Notes to the Financial Statements (Continued)**  
**For the Year Ended June 30, 2017**

**Note 5 – Interfund Transactions (Continued)**

**B. Fund Financial Statements (Continued)**

**Transfers (Continued)**

The transfer of \$3,309,099 between the General Fund and the General Debt Service Fund was for Series AU / AV, and AR debt service payments.

General Fund and Housing Authority Special Revenue Fund transferred \$876,684 and \$1,730,217, respectively, to Nonmajor Governmental Funds to provide funding for capital projects.

The transfer of \$2,239,031 from Public Financing Debt Service Fund to General Debt Service Fund was related to the 2016 Lease Revenue Refunding Bonds, Series BC premium.

Within the nonmajor governmental funds, Proposition C Special Revenue Fund and Measure R Special Revenue Funds transferred \$6,285,293 and \$443,688, respectively, to Capital Outlay Capital Projects Fund to provide funding for capital projects.

Water and Sewer Enterprise Funds transferred \$600,000 and \$417,000, respectively, to General Debt Service Fund to provide subsidy related to Series AN and BC.

The transfers of \$892,145, \$133,344 and \$681,519 from Water, Sewer, and Refuse Enterprise Funds, respectively, to nonmajor governmental funds were mostly for capital projects.

**Note 6 – Due from Other Governments**

At June 30, 2017, the City's due from other governments consisted of the following:

	<b>Governmental Activities</b>				
	<b>General Fund</b>	<b>Housing Authority Special Revenue Fund</b>	<b>Miscellaneous Grants Special Revenue Fund</b>	<b>Nonmajor Governmental Fund</b>	<b>Total</b>
Federal government	\$ -	\$ 269,359	\$ 243,890	\$ 271,840	\$ 785,089
State of California	5,826,844	-	10,421	302,610	6,139,875
County of Los Angeles	39,225	-	328,986	78,569	446,780
Local government entities	-	-	-	50,511	50,511
Total	<u>\$ 5,866,069</u>	<u>\$ 269,359</u>	<u>\$ 583,297</u>	<u>\$ 703,530</u>	<u>\$ 7,422,255</u>

**Note 7 – Land Held for Resale**

At June 30, 2017, land held for resale in the amount of \$4,490,540 is recorded at cost in the Housing Authority Special Revenue Fund.

**City of Pomona**  
**Notes to the Financial Statements (Continued)**  
**For the Year Ended June 30, 2017**

**Note 8 – Capital Assets**

**A. Governmental-Wide Financial Statements**

At June 30, 2017, the City's capital assets consisted of the following:

	Governmental Activities	Business-type Activities	Total
<b>Nondepreciable assets:</b>			
Land	\$ 80,966,521	\$ 9,089,782	\$ 90,056,303
Construction in progress	37,404,532	2,592,791	39,997,323
Total nondepreciable assets	118,371,053	11,682,573	130,053,626
<b>Depreciable assets:</b>			
Building and building improvements	14,941,552	3,482,783	18,424,335
Improvements other than buildings	60,040,172	286,637	60,326,809
Machinery and equipment	21,735,431	227,291,250	249,026,681
Furniture and fixtures	1,044,044	5,105	1,049,149
Autos and trucks	11,290,613	4,965,813	16,256,426
Equipment under capitalized leases	1,434,153	4,257,381	5,691,534
Infrastructure	385,854,611	-	385,854,611
Total capital assets, at cost	496,340,576	240,288,969	736,629,545
<b>Less accumulated depreciation:</b>			
Building and building improvements	(12,543,497)	(3,311,286)	(15,854,783)
Improvements other than buildings	(27,703,572)	(140,871)	(27,844,443)
Machinery and equipment	(19,074,575)	(83,549,932)	(102,624,507)
Furniture and fixtures	(899,422)	(5,105)	(904,527)
Autos and trucks	(9,137,962)	(3,581,283)	(12,719,245)
Equipment under capitalized leases	(651,652)	(1,702,952)	(2,354,604)
Infrastructure	(270,126,863)	-	(270,126,863)
Total accumulated depreciation	(340,137,543)	(92,291,429)	(432,428,972)
Total depreciable assets, net	156,203,033	147,997,540	304,200,573
Total capital assets, net	\$ 274,574,086	\$ 159,680,113	\$ 434,254,199

**City of Pomona**  
**Notes to the Financial Statements (Continued)**  
**For the Year Ended June 30, 2017**

**Note 8 – Capital Assets (Continued)**

**B. Governmental Activities**

The following is a summary of changes in capital assets for governmental activities for the year ended June 30, 2017:

	Balance July 1, 2016	Additions	Deletions	Transfers	Balance June 30, 2017
<b>Nondepreciable assets:</b>					
Land	\$ 80,966,521	\$ -	\$ -	\$ -	\$ 80,966,521
Construction in progress	22,030,816	19,027,992	-	(3,654,276)	37,404,532
Total nondepreciable assets	102,997,337	19,027,992	-	(3,654,276)	118,371,053
<b>Depreciable assets:</b>					
Building and building improvements	14,941,552	-	-	-	14,941,552
Improvements other than buildings	60,003,395	36,777	-	-	60,040,172
Machinery and equipment	21,146,261	389,751	-	199,419	21,735,431
Furniture and fixtures	1,014,456	29,588	-	-	1,044,044
Autos and trucks	11,219,732	330,124	(259,243)	-	11,290,613
Equipment under capitalized leases	1,037,970	396,183	-	-	1,434,153
Infrastructure	382,767,392	-	(367,638)	3,454,857	385,854,611
Total capital assets, at cost	492,130,758	1,182,423	(626,881)	3,654,276	496,340,576
<b>Less accumulated depreciation:</b>					
Building and building improvements	(12,255,957)	(287,540)	-	-	(12,543,497)
Improvements other than buildings	(26,210,091)	(1,493,481)	-	-	(27,703,572)
Machinery and equipment	(17,764,462)	(1,310,113)	-	-	(19,074,575)
Furniture and fixtures	(860,742)	(38,680)	-	-	(899,422)
Autos and trucks	(8,820,685)	(576,520)	259,243	-	(9,137,962)
Equipment under capitalized leases	(470,120)	(181,532)	-	-	(651,652)
Infrastructure	(262,927,487)	(7,567,014)	367,638	-	(270,126,863)
Total accumulated depreciation	(329,309,544)	(11,454,880)	626,881	-	(340,137,543)
Total depreciable assets, net	162,821,214	(10,272,457)	-	3,654,276	156,203,033
Total capital assets, net	\$ 265,818,551	\$ 8,755,535	\$ -	\$ -	\$ 274,574,086

Depreciation expense for capital assets of the governmental activities for the year ended June 30, 2017, is as follows:

General government	\$ 220,803
Public safety	1,839,918
Development services	8,227,230
Neighborhood services	1,128,918
Internal service funds	38,011
Total	<u>\$ 11,454,880</u>

**City of Pomona**  
**Notes to the Financial Statements (Continued)**  
**For the Year Ended June 30, 2017**

**Note 8 – Capital Assets (Continued)**

**C. Business-type Activities**

The following is a summary of changes in capital assets for business-type activities for the year ended June 30, 2017:

	Balance July 1, 2016	Additions	Deletions	Transfers	Balance June 30, 2017
<b>Nondepreciable assets:</b>					
Land	\$ 9,089,782	\$ -	\$ -	\$ -	\$ 9,089,782
Construction in progress	4,405,074	3,669,804	-	(5,482,087)	2,592,791
Total nondepreciable assets	13,494,856	3,669,804	-	(5,482,087)	11,682,573
<b>Depreciable assets:</b>					
Building and building improvements	3,482,783	-	-	-	3,482,783
Improvements other than buildings	286,637	-	-	-	286,637
Machinery and equipment	221,948,296	121,910	(261,043)	5,482,087	227,291,250
Furniture and fixtures	5,105	-	-	-	5,105
Autos and trucks	4,510,802	455,011	-	-	4,965,813
Equipment under capitalized leases	4,257,381	-	-	-	4,257,381
Total capital assets, at cost	234,491,004	576,921	(261,043)	5,482,087	240,288,969
<b>Less accumulated depreciation:</b>					
Building and building improvements	(3,301,266)	(10,020)	-	-	(3,311,286)
Improvements other than buildings	(130,161)	(10,710)	-	-	(140,871)
Machinery and equipment	(80,732,207)	(2,999,618)	181,893	-	(83,549,932)
Furniture and fixtures	(5,105)	-	-	-	(5,105)
Autos and trucks	(3,385,111)	(196,172)	-	-	(3,581,283)
Equipment under capitalized leases	(1,277,214)	(425,738)	-	-	(1,702,952)
Total accumulated depreciation	(88,831,064)	(3,642,258)	181,893	-	(92,291,429)
Total depreciable assets, net	145,659,940	(3,065,337)	(79,150)	5,482,087	147,997,540
Total capital assets, net	\$ 159,154,796	\$ 604,467	\$ (79,150)	\$ -	\$ 159,680,113

Depreciation expense for capital assets of the business-type activities for the year ended June 30, 2017, is as follows:

Water	\$ 2,554,133
Sewer	562,166
Refuse	523,288
Canon Water Company	2,671
Total	<u>\$ 3,642,258</u>

**Note 9 – 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 the Financial Statements (Continued)**  
**For the Year Ended June 30, 2017**

**Note 10 – Long-Term Liabilities**

The following is a summary of changes of long-term liabilities for the year ended June 30, 2017:

	Balance July 1, 2016	Additions	Deletions	Balance June 30, 2017	Due within One Year
<b>Governmental Activities:</b>					
Pollution remediation obligations	\$ 1,345,606	\$ 589,000	\$ (1,213,005)	\$ 721,601	\$ 721,601
Obligation under capital leases	702,985	-	(353,008)	349,977	281,990
Notes payable	435,000	-	(220,000)	215,000	95,000
Revenue bonds	37,938,000	79,359,031	(32,514,474)	84,782,557	2,064,000
Pension obligation refunding bonds	44,152,153	240,102	(36,797,979)	7,594,276	-
Certificates of participation	10,970,569	-	(10,970,569)	-	-
Subtotal	95,544,313	80,188,133	(82,069,035)	93,663,411	3,162,591
Compensated absences	7,252,814	4,891,357	(4,678,685)	7,465,486	4,892,000
Claims payable	14,057,215	4,887,517	(4,504,568)	14,440,164	4,889,000
Total governmental activities	116,854,342	89,967,007	(91,252,288)	115,569,061	12,943,591

**A. Governmental Activities**

**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 initially estimated at \$1,781,262. During the current fiscal year, the City spent \$1,213,005 on clean-up cost. The remaining outstanding cost to complete the clean-up is estimated at \$721,601 at June 30, 2017.

**Obligations under Capital Leases**

At June 30, 2017, obligations under capital leases consisted of the following:

	Balance July 1, 2016	Additions	Deletions	Balance June 30, 2017	Due within One Year
PPF #1	\$ 78,782	\$ -	\$ (78,782)	\$ -	\$ -
HCC #2	291,772	-	(143,489)	148,283	148,283
PNC #1	332,431	-	(130,737)	201,694	133,707
Total	\$ 702,985	\$ -	\$ (353,008)	\$ 349,977	\$ 281,990

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 the Financial Statements (Continued)**  
**For the Year Ended June 30, 2017**

**Note 10 – Long-Term Liabilities (Continued)**

**A. Governmental Activities (Continued)**

**Obligations under Capital Leases (Continued)**

The total leased assets by major asset class consisted of the following at June 30, 2017:

Machinery and equipment	\$ 260,616
Autos and trucks	<u>1,173,537</u>
Equipment under capitalized leases, at cost	1,434,153
Accumulated depreciation	<u>(651,652)</u>
Equipment under capitalized leases, net	<u><u>\$ 782,501</u></u>

The depreciation expense for equipment under capitalized leases was \$181,532 for the year ended June 30, 2017.

The rates of interest on the lease purchase agreements range from 2.19% to 3.30% per annum. Future minimum lease payment under the capital lease at June 30, 2017 is as follows:

<u>Year Ended June 30,</u>	
2018	\$ 288,867
2019	<u>68,755</u>
Subtotal	357,622
Less amount representing interest	<u>(7,645)</u>
<b>Present value of future minimum lease payments</b>	<u><u>\$ 349,977</u></u>

**Notes Payable**

At June 30, 2017, notes payable consisted of the following:

	<u>Balance July 1, 2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2017</u>	<u>Due within One Year</u>
HUD Section 108 Loan	\$ 285,000	\$ -	\$ (145,000)	\$ 140,000	\$ 20,000
City of Claremont	<u>150,000</u>	<u>-</u>	<u>(75,000)</u>	<u>75,000</u>	<u>75,000</u>
	<u><u>\$ 435,000</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (220,000)</u></u>	<u><u>\$ 215,000</u></u>	<u><u>\$ 95,000</u></u>

**City of Pomona**  
**Notes to the Financial Statements (Continued)**  
**For the Year Ended June 30, 2017**

**Note 10 – Long-Term Liabilities (Continued)**

**A. Governmental Activities (Continued)**

**Notes Payable (Continued)**

**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”), at 2.5%, with loan terms beginning on 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. 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, 2017, is as follows:

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 20,000	\$ 3,500	\$ 23,500
2019	20,000	3,000	23,000
2020	20,000	3,000	23,000
2021	20,000	3,000	23,000
2022	20,000	3,000	23,000
2023-2024	40,000	-	40,000
Total	<u>\$ 140,000</u>	<u>\$ 15,500</u>	<u>\$ 155,500</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, 2017, is as follows:

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	<u>\$ 75,000</u>	<u>\$ 3,750</u>	<u>\$ 78,750</u>



**City of Pomona**  
**Notes to the Financial Statements (Continued)**  
**For the Year Ended June 30, 2017**

**Note 10 – Long-Term Liabilities (Continued)**

**A. Governmental Activities (Continued)**

**Revenue Bonds**

At June 30, 2017, revenue bonds consisted of the following:

	Balance July 1, 2016	Additions	Deletions	Balance June 30, 2017	Due within One Year
2005 Subordinate Revenue Bonds, Series AL	\$ 3,435,000	\$ -	\$ (505,000)	\$ 2,930,000	\$ 530,000
2005 Reassessment and Refunding Bonds, Series AM	3,003,000	-	(415,000)	2,588,000	449,000
2005 Lease Revenue Bonds, Series AN	19,355,000	-	(19,355,000)	-	-
2006 Lease Revenue Bonds, Series AU	2,275,000	-	(2,275,000)	-	-
2006 Taxable Lease Revenue Bonds, Series AV	9,870,000	-	(9,870,000)	-	-
2016 Lease Revenue Refunding Bonds, Series BC	-	26,645,000	-	26,645,000	1,085,000
Unamortized Bond Premium	-	2,239,031	(94,474)	2,144,557	-
2017 Taxable Lease Revenue Refunding Bonds, Series BG	-	50,475,000	-	50,475,000	-
Total	<u>\$ 37,938,000</u>	<u>\$ 79,359,031</u>	<u>\$ (32,514,474)</u>	<u>\$ 84,782,557</u>	<u>\$ 2,064,000</u>

**Unamortized Deferred Loss on Refunding**

2006 Taxable Lease Revenue Bonds, Series AV	\$ (119,529)	\$ -	\$ 119,529	\$ -
2017 Taxable Lease Revenue Refunding Bonds, Series BG	-	(423,223)	65	(423,158)
	<u>\$ (119,529)</u>	<u>\$ (423,223)</u>	<u>\$ 119,594</u>	<u>\$ (423,158)</u>

**Unamortized Deferred Gain on Refunding**

2016 Lease Revenue Refunding Bond, Series BC	\$ -	\$ 473,040	\$ (19,959)	\$ 453,081
	<u>\$ -</u>	<u>\$ 473,040</u>	<u>\$ (19,959)</u>	<u>\$ 453,081</u>

**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.

**City of Pomona**  
**Notes to the Financial Statements (Continued)**  
**For the Year Ended June 30, 2017**

**Note 10 – Long-Term Liabilities (Continued)**

**A. Governmental Activities (Continued)**

**Revenue Bonds (Continued)**

*2005 Subordinate Revenue Bonds, Series AL – Original Issuance \$11,370,000 (Continued)*

The annual debt service requirement for the 2005 Subordinate Revenue Bonds, Series AL outstanding at June 30, 2017, is as follows:

Year Ended June 30,	Principal	Interest	Total
2018	\$ 530,000	\$ 132,671	\$ 662,671
2019	555,000	106,423	661,423
2020	585,000	78,270	663,270
2121	615,000	48,270	663,270
2022	645,000	16,448	661,448
Total	<u>\$ 2,930,000</u>	<u>\$ 382,082</u>	<u>\$ 3,312,082</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, 2017, is as follows:

Year Ended June 30,	Principal	Interest	Total
2018	\$ 449,000	\$ 170,645	\$ 619,645
2019	482,000	137,036	619,036
2020	516,000	101,008	617,008
2121	549,000	62,561	611,561
2022	592,000	21,371	613,371
Total	<u>\$ 2,588,000</u>	<u>\$ 492,621</u>	<u>\$ 3,080,621</u>

*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 2005 Lease Revenue Bonds, Series AN were current refunded by the 2016 Lease Revenue Refunding Bonds, Series BC during the year ended June 30, 2017.

**City of Pomona**  
**Notes to the Financial Statements (Continued)**  
**For the Year Ended June 30, 2017**

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**Note 10 – Long-Term Liabilities (Continued)**

**A. Governmental Activities (Continued)**

**Revenue Bonds (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 2006 Lease Revenue Bonds, Series AU were current refunded by 2017 Lease Revenue Refunding Bonds, Series BG during the year ended June 30, 2017.

**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.

The 2006 Taxable Lease Revenue Bonds, Series AV were current refunded by 2017 Lease Revenue Refunding Bonds, Series BG during the year ended June 30, 2017.

**2016 Lease Revenue Refunding Bonds, Series BC – Original Issuance \$26,645,000**

On August 17, 2016 the Authority issued \$26,645,000 in 2016 Lease Revenue Refunding Bonds, Series BC, to (a) current refund the City's 2013 Certificates of Participation, Series AG and the Authority's 2005 Lease Revenue Bonds, Series AN, (b) purchase a reserve policy, and (c) pay for the cost of issuance.

The current refunding resulted in a difference between the acquisition price (Series BC) and the net carrying amount of the relinquished bonds (Series AG and AN) in the amount of \$473,040. This amount is reported as deferred gain on refunding. This deferred amount is amortized through June 1, 2034, the maturity date of the refunded debt (Series AG). The refunding also resulted in net present value savings in the amount of \$6,224,352 and saving in debt service payments in the amount of \$9,737,668.

Interest on the bonds is payable semiannually on each December 1 and June 1 and the final principal matures on June 1, 2036. The rates of interest range from 2.00% to 4.00% per annum. Principal is payable in annual installments ranging from \$1,085,000 to \$1,810,000. The bonds are secured by certain revenues consisting of certain Lease Payments with respect to the leased property by the City.

**City of Pomona**  
**Notes to the Financial Statements (Continued)**  
**For the Year Ended June 30, 2017**

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**Note 10 – Long-Term Liabilities (Continued)**

**A. Governmental Activities (Continued)**

**Revenue Bonds (Continued)**

2016 Lease Revenue Refunding Bonds, Series BC – Original Issuance \$26,645,000 (Continued)

The annual debt service requirement for the 2016 Lease Revenue Refunding Bonds, Series BC outstanding at June 30, 2017, is as follows:

Year Ended June 30,	Principal	Interest	Total
2018	\$ 1,085,000	\$ 889,313	\$ 1,974,313
2019	1,105,000	867,613	1,972,613
2020	1,125,000	845,512	1,970,512
2121	1,160,000	811,762	1,971,762
2022	1,195,000	776,962	1,971,962
2023-2027	6,610,000	3,245,762	9,855,762
2028-2032	7,965,000	1,895,219	9,860,219
2033-2036	6,400,000	535,800	6,935,800
Total	<u>\$ 26,645,000</u>	<u>\$ 9,867,943</u>	<u>\$ 36,512,943</u>

2017 Lease Revenue Refunding Bonds, Series BG – Original Issuance \$50,475,000

On June 30, 2017, the Authority issued \$50,475,000 in 2017 Lease Revenue Refunding Bonds, Series BG, (a) to current refund the Authority's 2006 Lease Revenue Bonds, Series AU and Series AV, and a portion of the City's 2006 Pension Obligation Refunding Bonds, Series AR and (b) to pay for the premium of municipal bond insurance policy and municipal bond debt service reserve insurance policy, and (c) to pay for the cost of issuance.

The current refunding resulted in a difference between the acquisition price (Series BG) and the net carrying amount of the relinquished bonds (Series AR, AU and AV) in the amount of \$423,223. This amount is reported as deferred loss on refunding. The deferred amount is amortized through July 1, 2035, the maturity date of the refunded debt. The refunding also resulted in net present value savings in the amount of \$7,400,589 and saving in debt service payments in the amount of \$990,384.

Interest on the bonds is payable semiannually on each October 1 and April 1 and the final principal matures on April 1, 2045. The rates of interest range from 1.844% to 4.092% per annum. Principal is payable in annual installments ranging from \$480,000 to \$3,470,000. The bonds are secured by certain revenues consisting of certain Lease Payments with respect to the leased property by the City.

**City of Pomona**  
**Notes to the Financial Statements (Continued)**  
**For the Year Ended June 30, 2017**

**Note 10 – Long-Term Liabilities (Continued)**

**A. Governmental Activities (Continued)**

**Revenue Bonds (Continued)**

**2017 Lease Revenue Refunding Bonds, Series BG – Original Issuance \$50,475,000**

The annual debt service requirement for the 2017 Lease Revenue Refunding Bonds, Series BG outstanding at June 30, 2017, is as follows:

Year Ended June 30,	Principal	Interest	Total
2018	\$ -	\$ 1,448,846	\$ 1,448,846
2019	1,190,000	1,917,590	3,107,590
2020	1,150,000	1,895,646	3,045,646
2121	1,105,000	1,871,496	2,976,496
2022	1,055,000	1,844,799	2,899,799
2023-2027	4,350,000	8,812,145	13,162,145
2028-2032	5,765,000	8,138,619	13,903,619
2033-2037	11,645,000	6,403,446	18,048,446
2038-2042	14,215,000	3,837,682	18,052,682
2043-2045	10,000,000	829,449	10,829,449
Total	<u>\$ 50,475,000</u>	<u>\$ 36,999,718</u>	<u>\$ 87,474,718</u>

**Pension Obligation Bonds**

	Balance July 1, 2016	Accreted Interest	Deletions	Balance June 30, 2017	Due within One Year
2006 Pension Obligation Bonds, Series AR	<u>\$ 44,152,153</u>	<u>\$ 240,102</u>	<u>\$ (36,797,979)</u>	<u>\$ 7,594,276</u>	<u>\$ -</u>

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

The City is a member of the California Public Employees' Retirement System ("CalPERS"), 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 to fund the current year General Fund contribution to CalPERS.

On February 1, 2006, the City issued \$42,280,684 in 2006 Pension Obligations Refunding Bonds, Series AR to refund the City's outstanding Pension Obligation Refunding Bonds, Series 004 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 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.

The Bonds were issued as current interest bonds in the principal amount of \$36,205,000 and as capital appreciations bonds in the original issue 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 current interest bonds were current refunded by the 2017 Lease Revenue Refunding Bonds, Series BG during the year ended June 30, 2017.

**City of Pomona**  
**Notes to the Financial Statements (Continued)**  
**For the Year Ended June 30, 2017**

**Note 10 – Long-Term Liabilities (Continued)**

**A. Governmental Activities (Continued)**

**Pension Obligation Bonds (Continued)**

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

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.

July 1, 2017 principal and interest payments for the capital appreciation bonds were funded through the issuance of 2017 Lease Revenue Refunding Bonds, Series BG. The proceeds were deposited to the trust account on June 29, 2017.

The annual debt service requirement outstanding at June 30, 2017, is as follows:

Year Ended June 30,	Principal	Interest	Accreted Interest	Total
2018	\$ -	\$ -	\$ -	\$ -
2019	473,590	-	26,410	500,000
2020	506,500	-	58,500	565,000
2021	538,036	-	96,965	635,001
2122	568,596	-	141,404	710,000
2023-2027	3,273,520	-	1,606,480	4,880,000
2028-2030	2,234,034	-	1,910,966	4,145,000
Total	<u>\$ 7,594,276</u>	<u>\$ -</u>	<u>\$ 3,840,725</u>	<u>\$ 11,435,001</u>

**Certificates of Participation**

	Balance July 1, 2016	Additions	Deletions	Balance June 30, 2017	Due within One Year
2003 Certificate of Participation, Series AG	\$ 10,450,000	\$ -	\$ (10,450,000)	\$ -	\$ -
Unamortized Bond Premium	520,569	-	(520,569)	-	-
Total	<u>\$ 10,970,569</u>	<u>\$ -</u>	<u>\$ (10,970,569)</u>	<u>\$ -</u>	<u>\$ -</u>

**City of Pomona**  
**Notes to the Financial Statements (Continued)**  
**For the Year Ended June 30, 2017**

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**Note 10 – Long-Term Liabilities (Continued)**

**A. Governmental Activities (Continued)**

**Certificates of Participation (Continued)**

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

On July 1, 2003, the City issued \$13,985,000 in 2003 Certificates of Participation, Series AG, to provide funds to finance certain public improvements, including street improvements throughout the City. Principal payments are made once a year on June 1. The bonds are set to mature on June 1, 2034. The Authority realized an original premium of approximately \$918,655 and incurred cost of issuance of approximately \$725,000.

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 2003 Certificates of Participation, Series AG were current refunded by the 2016 Lease Revenue Refunding Bonds, Series BC during the year ended June 30, 2017.

**Compensated Absences**

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

**Claims Payable**

Claims payable will be liquidated from the Self-Insurance Fund. Also see Note 15 – Risk Management.

**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, 2017, of capital assets related debt:

2016 Refunding Revenue Bond, Series BC	\$ 28,789,557
2017 Taxable Lease Revenue Refunding Bonds, Series BG (24.4%)	12,315,900
Capital Lease Obligations	<u>349,977</u>
Total	<u><u>\$ 41,455,434</u></u>

**City of Pomona**  
**Notes to the Financial Statements (Continued)**  
**For the Year Ended June 30, 2017**

**Note 10 – Long-Term Liabilities (Continued)**

**B. Business-Type Activities**

	Balance July 1, 2016	Additions	Deletions	Balance June 30, 2017	Due within One Year
<b>Business-type Activities:</b>					
Obligations under capital leases	\$ 2,430,985	\$ -	\$ (586,825)	\$ 1,844,160	\$ 600,557
Revenue bonds	130,187,861	103,791,374	(115,839,738)	118,139,497	2,415,000
Subtotal	132,618,846	103,791,374	(116,426,563)	119,983,657	3,015,557
Compensated absences	1,403,610	1,025,826	(1,136,410)	1,293,026	984,209
Total business-type activities	134,022,456	104,817,200	(117,562,973)	121,276,683	3,999,766

**Obligations under Capital Leases**

	Balance July 1, 2016	Additions	Deletions	Balance June 30, 2017	Due within One Year
HCC #1	\$ 2,430,985	\$ -	\$ (586,825)	\$ 1,844,160	\$ 600,557

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 at June 30, 2017:

Equipment	\$ 4,257,381
Accumulated depreciation	(1,702,952)
Equipment under capitalized lease, net	<u>\$ 2,554,429</u>

The depreciation expense for equipment under capitalized leases was \$181,532 for the year ended June 30, 2017.

Future minimum lease payment under the capital leases is as follows:

Year Ended June 30,	
2018	\$ 643,710
2019	643,710
2020	<u>643,712</u>
Subtotal	1,931,132
Less amount representing interest	<u>(86,972)</u>
<b>Present value of future minimum lease payments</b>	<u><b>\$ 1,844,160</b></u>



**City of Pomona**  
**Notes to the Financial Statements (Continued)**  
**For the Year Ended June 30, 2017**

**Note 10 – Long-Term Liabilities (Continued)**

**B. Business-Type Activities (Continued)**

**Revenue Bonds**

	Balance July 1, 2016	Additions	Deletions	Balance June 30, 2017	Due within One Year
2002 Refunding Revenue Bonds,					
Series AF	\$ 12,320,000	\$ -	\$ (12,320,000)	\$ -	\$ -
2007 Revenue Bonds, Series AY	93,505,000	-	(93,505,000)	-	-
Unamortized Bond Premium	4,537,861	-	(4,537,861)	-	-
2007 Taxable Revenue Refunding Bonds,					
Series AZ	5,285,000	-	(5,285,000)	-	-
2007 Revenue Bonds (Sewer Project),					
Series BA	14,540,000	-	(175,000)	14,365,000	185,000
2016 Revenue Refunding Bonds,					
(Sewer Project), Series BB	-	8,425,000	-	8,425,000	-
Unamortized Bond Discount	-	(20,255)	518	(19,737)	-
2016 Taxable Revenue Refunding					
Bonds (Sewer Project), Series BD	-	4,185,000	-	4,185,000	305,000
Unamortized Bond Discount	-	(44,554)	1,139	(43,415)	-
2017 Refunding Revenue Bonds					
(Water Facilities), Series BE	-	32,355,000	-	32,355,000	-
Unamortized Bond Premium	-	3,336,183	(18,534)	3,317,649	-
2017 Taxable Refunding Revenue					
Bonds (Water Facilities), Series BF	-	55,555,000	-	55,555,000	1,925,000
Total	<u>\$ 130,187,861</u>	<u>\$ 103,791,374</u>	<u>\$ (115,839,738)</u>	<u>\$ 118,139,497</u>	<u>\$ 2,415,000</u>

**Unamortized Deferred Loss on Refunding:**

2002 Refunding Revenue Bonds,					
Series AF	\$ (494,660)	\$ -	\$ 494,660	\$ -	
2007 Revenue Bonds, Series AY	(1,022,974)	-	1,022,974	-	
2016 Revenue Refunding Bonds,					
(Sewer Project), Series BB	-	(408,549)	10,442	(398,107)	
2016 Taxable Revenue Refunding					
Bonds (Sewer Project), Series BD	-	(173,992)	9,600	(164,392)	
Total	<u>\$ (1,517,634)</u>	<u>\$ (582,541)</u>	<u>\$ 1,537,676</u>	<u>\$ (562,499)</u>	

**Unamortized Deferred Gain on Refunding:**

2017 Refunding Revenue Bonds					
(Water Facilities), Series BE	\$ -	\$ 1,400,135	\$ (7,778)	\$ 1,392,357	
2017 Taxable Refunding Revenue Bonds					
(Water Facilities), Series BF	-	1,999,001	(11,106)	1,987,895	
Total	<u>\$ -</u>	<u>\$ 3,399,136</u>	<u>\$ (18,884)</u>	<u>\$ 3,380,252</u>	

**City of Pomona**  
**Notes to the Financial Statements (Continued)**  
**For the Year Ended June 30, 2017**

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**Note 10 – Long-Term Liabilities (Continued))**

***B. Business-Type Activities (Continued)***

**Revenue Bonds (Continued)**

**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 2002 Sewer Refunding Revenue Bonds, Series AF were current refunded by 2016 Revenue Refunding Bonds, Series BB and BD during the year ended June 30, 2017.

**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 2007 Revenue Bonds, Series AY were current refunded by 2017 Refunding Revenue Bonds, Series BE and BF during the year ended June 30, 2017.

**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.

**City of Pomona**  
**Notes to the Financial Statements (Continued)**  
**For the Year Ended June 30, 2017**

**Note 10 – Long-Term Liabilities (Continued)**

**B. Business-Type Activities (Continued)**

**Revenue Bonds (Continued)**

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

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.

The 2007 Taxable Revenue Refunding Bonds, Series AZ were current refunded by 2017 Refunding Revenue Bonds, Series BF during the year ended June 30, 2017.

*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, 2017, is as follows:

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 185,000	\$ 631,999	\$ 816,999
2019	190,000	624,966	814,966
2020	195,000	617,554	812,554
2021	205,000	609,651	814,651
2022	210,000	601,351	811,351
2023-2027	1,185,000	2,868,063	4,053,063
2028-2032	1,480,000	2,583,338	4,063,338
2033-2037	1,860,000	2,209,050	4,069,050
2038-2042	2,350,000	1,738,350	4,088,350
2043-2047	6,505,000	832,837	7,337,837
Total	<u>\$ 14,365,000</u>	<u>\$ 13,317,159</u>	<u>\$ 27,682,159</u>

**City of Pomona**  
**Notes to the Financial Statements (Continued)**  
**For the Year Ended June 30, 2017**

**Note 10 – Long-Term Liabilities (Continued)**

**B. Business-Type Activities (Continued)**

**Revenue Bonds (Continued)**

**2016 Revenue Refunding Bonds (Sewer Projects), Series BB – Original Issuance \$8,425,000**

On October 12, 2016, the Authority issued \$8,425,000 in 2016 Revenue Refunding Bonds (Sewer Projects), Series BB, (a) to current refund the Authority's 2002 Refunding Revenue Bonds, Series AF and (b) to fund the initial reserve, and (c) to pay for the cost of issuance.

The current refunding resulted in a difference between the acquisition price (Series BB) and the net carrying amount of the relinquished bonds (Series AF) in the amount of \$437,832. This amount is reported as deferred loss on refunding. The deferred amount is amortized through December 1, 2035, the maturity date of the refunded debt. The refunding of Series AF with Series BB/BD also resulted in net present value savings in the amount of \$1,896,844 and saving in debt service payments in the amount of \$3,022,853.

Interest on the bonds is payable semiannually on each December 1 and June 1 and the final principal matures on December 1, 2042. The rates of interest range from 3.250% to 4.000% per annum. Principal is payable in annual installments ranging from \$360,000 to \$710,000. The bonds are secured by an Installment Sale Agreement, dated as of November 1, 2016 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 2007 Installment Sale Agreement, in the Sewer Enterprise Fund held by the City in trust under the Installment Sale Agreement.

The annual debt service requirement for the 2016 Revenue Refunding Bonds (Sewer Projects), Series BB outstanding at June 30, 2017, is as follows:

Year Ended June 30,	Principal	Interest	Total
2018	\$ -	\$ 230,775	\$ 230,775
2019	-	292,019	292,019
2020	-	292,019	292,019
2021	-	292,019	292,019
2022	-	292,019	292,019
2023-2027	-	1,460,094	1,460,094
2028-2032	1,775,000	1,356,794	3,131,794
2033-2037	2,735,000	933,479	3,668,479
2038-2042	3,205,000	450,379	3,655,379
2043	710,000	29,742	739,742
Total	\$ 8,425,000	\$ 5,629,339	\$ 14,054,339

**2016 Taxable Revenue Refunding Bonds (Sewer Projects), Series BD – Original Issuance \$4,185,000**

On October 12, 2016, the Authority issued \$4,185,000 in 2016 Taxable Revenue Refunding Bonds (Sewer Projects), Series BD, (a) to current refund the Authority's 2002 Refunding Revenue Bonds, Series AF and (b) to fund the initial reserve, and (c) to pay for the cost of issuance.

**City of Pomona**  
**Notes to the Financial Statements (Continued)**  
**For the Year Ended June 30, 2017**

**Note 10 – Long-Term Liabilities (Continued)**

**B. Business-Type Activities (Continued)**

**Revenue Bonds (Continued)**

2016 Taxable Revenue Refunding Bonds (Sewer Projects), Series BD – Original Issuance \$4,185,000 (Continued)

The current refunding resulted in a difference between the acquisition price (Series BD) and the net carrying amount of the relinquished bonds (Series AF) in the amount of \$173,992. This amount is reported as deferred loss on refunding. The deferred amount is amortized through December 1, 2028, the maturity date of the refunding debt. See disclosure of Series BB for net present value savings and saving in debt service payments.

Interest on the bonds is payable semiannually on each December 1 and June 1 and the final principal matures on December 1, 2028. The rates of interest range from 1.125% to 3.000% per annum. Principal is payable in annual installments ranging from \$80,000 to \$425,000. The bonds are secured by an Installment Sale Agreement, dated as of November 1, 2016 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 2007 Installment Sale Agreement, in the Sewer Enterprise Fund held by the City in trust under the Installment Sale Agreement.

The annual debt service requirement for the 2016 Taxable Revenue Refunding Bonds (Sewer Projects), Series BD outstanding at June 30, 2017, is as follows:

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 305,000	\$ 74,076	\$ 379,076
2019	345,000	90,951	435,951
2020	350,000	85,975	435,975
2021	355,000	79,844	434,844
2022	365,000	72,824	437,824
2023-2027	1,960,000	231,830	2,191,830
2028-2029	505,000	19,871	524,871
Total	<u>\$ 4,185,000</u>	<u>\$ 655,371</u>	<u>\$ 4,840,371</u>

2017 Refunding Revenue Bonds (Water Facilities Project), Series BE – Original Issuance \$32,355,000

On April 20, 2017, the City issued \$32,355,000 in 2017 Refunding Revenue Bonds (Water Facilities Project), Series BE, (a) to current refund the Authority's 2007 Revenue Bonds, Series AY and (b) to pay for the cost of issuance.

The current refunding resulted in a difference between the acquisition price (Series BE) and the net carrying amount of the relinquished bonds (Series AY) in the amount of \$1,400,135. This amount is reported as deferred gain on refunding. The deferred amount is amortized through May 1, 2047, the maturity date of the refunded and refunding debt. The refunding also resulted in net present value savings in the amount of \$5,804,889 and saving in debt service payments in the amount of \$10,341,640.

**City of Pomona**  
**Notes to the Financial Statements (Continued)**  
**For the Year Ended June 30, 2017**

**Note 10 – Long-Term Liabilities (Continued)**

**B. Business-Type Activities (Continued)**

**Revenue Bonds (Continued)**

2017 Refunding Revenue Bonds (Water Facilities Project), Series BE – Original Issuance \$32,355,000 (Continued)

Interest on the bonds is payable semiannually on each November 1 and May 1 and the final principal matures on May 1, 2047. The rates of interest range from 4.000% to 5.000% per annum. Principal is payable in annual installments ranging from \$745,000 to \$2,485,000. The bonds are limited obligations of the City payable solely from net revenues, which consist of revenues of the City's water system remaining after payment of operation and maintenance costs of the City's water system, and from amounts on deposit in certain funds and accounts created under the bond indenture, including the rate stabilization fund.

The annual debt service requirement for the 2017 Refunding Revenue Bonds (Water Facility Project), Series BE outstanding at June 30, 2017, is as follows:

Year Ended June 30,	Principal	Interest	Total
2018	\$ -	\$ 1,387,610	\$ 1,387,610
2019	-	1,452,150	1,452,150
2020	-	1,452,150	1,452,150
2021	-	1,452,150	1,452,150
2022	-	1,452,150	1,452,150
2023-2027	-	7,260,750	7,260,750
2028-2032	4,500,000	6,967,500	11,467,500
2033-2037	7,475,000	5,561,150	13,036,150
2038-2042	9,085,000	3,942,550	13,027,550
2043-2047	11,295,000	1,749,250	13,044,250
Total	<u>\$ 32,355,000</u>	<u>\$ 32,677,410</u>	<u>\$ 65,032,410</u>

2017 Taxable Refunding Revenue Bonds (Water Facilities Project), Series BF – Original Issuance \$55,555,000

On April 20, 2017, the City issued \$55,555,000 in 2017 Taxable Refunding Revenue Bonds (Water Facilities Project), Series BF, (a) to current refund the Authority's 2007 Revenue Bonds, Series AY and 2007 Taxable Revenue Refunding Bonds, Series AZ and (b) to pay for the cost of issuance.

The current refunding resulted in a difference between the acquisition price (Series BF) and the net carrying amount of the relinquished bonds (Series AY and AZ) in the amount of \$1,999,001. This amount is reported as deferred gain on refunding. The deferred amount is amortized through May 1, 2047, the maturity date of the refunded and refunding debt. The refunding also resulted in net present value savings in the amount of \$9,412,637 and saving in debt service payments in the amount of \$26,091,863.

Interest on the bonds is payable semiannually on each November 1 and May 1 and the final principal matures on May 1, 2047. The rates of interest range from 1.53 0% to 4.050% per annum. Principal is payable in annual installments ranging from \$1,510,000 to \$2,420,000. The bonds are limited obligations of the City payable solely from net revenues, which consist of revenues of the City's water system remaining after payment of operation and maintenance costs of the City's water system, and from amounts on deposit in certain funds and accounts created under the bond indenture, including the rate stabilization fund.

**City of Pomona**  
**Notes to the Financial Statements (Continued)**  
**For the Year Ended June 30, 2017**

**Note 10 – Long-Term Liabilities (Continued)**

**B. Business-Type Activities (Continued)**

**Revenue Bonds (Continued)**

**2017 Taxable Refunding Revenue Bonds (Water Facilities Project), Series BF – Original Issuance \$55,555,000 (Continued)**

The annual debt service requirement for the 2017 Taxable Refunding Revenue Bonds (Water Facility Project), Series BF outstanding at June 30, 2017, is as follows:

Year Ended June 30,	Principal	Interest	Total
2018	\$ 1,925,000	\$ 1,809,747	\$ 3,734,747
2019	1,815,000	1,864,468	3,679,468
2020	1,840,000	1,833,595	3,673,595
2021	1,875,000	1,796,593	3,671,593
2022	1,925,000	1,752,024	3,677,024
2023-2027	10,430,000	7,938,030	18,368,030
2028-2032	7,815,000	6,345,952	14,160,952
2033-2037	7,570,000	5,019,180	12,589,180
2038-2042	9,180,000	3,408,683	12,588,683
2043-2047	11,180,000	1,394,820	12,574,820
Total	<u>\$ 55,555,000</u>	<u>\$ 33,163,092</u>	<u>\$ 88,718,092</u>

**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. For the business-type activities, the liabilities will be liquidated in future years from the respective enterprise funds.

**Pledged Revenue**

The City has pledged certain 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 AF, AY, and AZ. All net available revenues are irrevocably pledged by the City to the repayment of the bonds debt services. During the year ended June 30, 2017, the Water and Sewer Enterprise Funds have net available revenues of \$11,760,219 and total debt service paid was \$7,263,845. The Sewer and Water Revenue Bonds require net revenue of 100% and 120% of debt service, respectively. Annual principal and interest payments on the bonds are expected to require roughly 57% of future net revenue. The total principal and interest remaining to be paid at June 30, 2017, on the Bonds is as follows:

<b>Debt Issue</b>	<b>Remaining Balance</b>
2007 Revenue Bonds (Sewer Project), Series BA	\$ 27,682,159
2016 Revenue Refunding Bonds, Series BB	14,054,339
2016 Taxable Revenue Refunding Bonds, Series BD	4,840,371
2017 Refunding Revenue Bonds, Series BE	65,032,410
2017 Taxable Refunding Revenue Bonds, Series BF	88,718,092
Total	<u>\$ 200,327,371</u>
<b>Revenue</b>	<b>2016-2017</b>
Net available revenues, excluding debt service	<u>\$ 11,760,219</u>



**City of Pomona**  
**Notes to the Financial Statements (Continued)**  
**For the Year Ended June 30, 2017**

**Note 10 – Long-Term Liabilities (Continued)**

**B. Business-Type Activities (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, 2017, of capital assets related debt.

	<b>Outstanding Capital Related Debt, net</b>
<b>Water Enterprise Fund:</b>	
2017 Refunding Revenue Bonds, Series BE	\$ 35,672,649
2017 Taxable Refunding Revenue Bonds, Series BF	55,555,000
Subtotal	<u>91,227,649</u>
<b>Sewer Enterprise Fund:</b>	
2007 Revenue Bonds, Series BA	14,365,000
2016 Revenue Refunding Bonds, Series BB	8,405,263
2016 Taxable Revenue Refunding Bonds, Series BD	4,141,585
Subtotal	<u>26,911,848</u>
<b>Refuse Enterprise Fund:</b>	
Capital Lease Obligations	1,844,160
Total	<u><u>\$ 119,983,657</u></u>

**Note 11 – 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, 2017, is as follows:

Mortgage Revenue Bonds	Balance June 30, 2017
Single Family, Series A (Southwest Project Bonds)	\$ 700,000
Single Family Mortgage Refunding Bonds 90A	23,560,000
Single Family Mortgage Refunding Bonds 90B	10,420,000
Total	<u><u>\$ 34,680,000</u></u>



**City of Pomona**  
**Notes to the Financial Statements (Continued)**  
**For the Year Ended June 30, 2017**

**Note 12 – Defined Benefit Pension Plan**

At June 30, 2017, net pension liabilities, related deferred outflows of resources and deferred inflows of resources and pension expense are as follows:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>Deferred Outflows of Resources:</b>			
Pension contribution made after measurement date:			
Miscellaneous	\$ 3,610,653	\$ 1,355,857	\$ 4,966,510
Safety	8,215,967	-	8,215,967
Difference between expected and actual experience:			
Miscellaneous	44,832	16,835	61,667
Safety	968,275	-	968,275
Difference in projected and actual earnings on pension plan investments:			
Miscellaneous	13,029,581	4,892,814	17,922,395
Safety	21,375,990	-	21,375,990
Total deferred outflows of resources	<u>\$ 47,245,298</u>	<u>\$ 6,265,506</u>	<u>\$ 53,510,804</u>
<b>Net Pension Liabilities:</b>			
Miscellaneous	\$ 48,103,590	\$ 18,063,659	\$ 66,167,249
Safety	106,702,126	-	106,702,126
Total net pension liabilities	<u>\$ 154,805,716</u>	<u>\$ 18,063,659</u>	<u>\$ 172,869,375</u>
<b>Deferred Inflows of Resources:</b>			
Change in assumption			
Miscellaneous	\$ 153,265	\$ 57,554	\$ 210,819
Safety	1,590,253	-	1,590,253
Difference between expected and actual experience:			
Miscellaneous	116,452	43,730	160,182
Safety	597,204	-	597,204
Difference in projected and actual earnings on pension plan investments:			
Miscellaneous	5,226,688	1,962,703	7,189,391
Safety	8,559,210	-	8,559,210
Total deferred inflows of resources	<u>\$ 16,243,072</u>	<u>\$ 2,063,987</u>	<u>\$ 18,307,059</u>
<b>Pension Expense:</b>			
Miscellaneous	\$ 3,369,929	\$ 64,147	\$ 3,434,076
Safety	9,412,712	-	9,412,712
Total pension expense	<u>\$ 12,782,641</u>	<u>\$ 64,147</u>	<u>\$ 12,846,788</u>

**City of Pomona**  
**Notes to the Financial Statements (Continued)**  
**For the Year Ended June 30, 2017**

**Note 12 – Defined Benefit Pension Plans (Continued)**

**A. General Information about the Pension Plan**

**Plan Description**

The City contributes to the California Public Employees' Retirement System ("CalPERS"), an agent multiple-employer public employee defined benefit pension plan. CalPERS 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. A full description of the pension plan regarding number of employees covered, benefit provisions, assumptions (for funding, but not accounting purposes), and membership information are listed in the June 30, 2015 Annual Actuarial Valuation Report. This report and CalPERS' audited financial statements are publicly available reports that can be obtained at CalPERS' website under Forms and Publications.

**Benefit Provided**

CalPERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries.

The plans' provisions and benefits in effect for the measurement period ended June 30, 2016 are summarized as follows:

	<b>Miscellaneous Plan</b>		
	<b>Tier 1*</b>	<b>Tier 2*</b>	<b>PEPRA</b>
Hire date	Prior to August 14, 2011	On or after August 14, 2011 but prior to January 1, 2013	On or after January 2, 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 employee contribution rates	19.749%	19.749%	19.749%

\* Plan is closed to new entrants

**City of Pomona**  
**Notes to the Financial Statements (Continued)**  
**For the Year Ended June 30, 2017**

**Note 12 – Defined Benefit Pension Plans (Continued)**

**A. General Information about the Pension Plan (Continued)**

**Benefit Provided (Continued)**

	<b>Safety Plan</b>		
	<b>Tier 1*</b>	<b>Tier 2*</b>	<b>PEPRA</b>
	<b>Prior to November 21, 2010</b>	<b>On or after November 21, 2010 but prior to January 1, 2013</b>	<b>On or after January 1, 2013</b>
Hire date			
Benefit formula	3.0% @ 55	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 52 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 employee contribution rates	44.228%	44.228%	44.228%

\* Plan is closed to new entrants

Participant is eligible for non-industrial disability retirement if becomes disabled and has at least 5 years of credited service. There is no special age requirement. The standard non-industrial disability retirement benefit is a monthly allowance equal to 1.8 percent of final compensation, multiplied by service. Industrial disability benefits are not offered.

An employee's beneficiary may receive the basic death benefit if the employee dies while actively employed. The employee must be actively employed with the City to be eligible for this benefit. An employee's survivor who is eligible for any other pre-retirement death benefit may choose to receive that death benefit instead of this basic death benefit. The basic death benefit is a lump sum in the amount of the employee's accumulated contributions, where interest is currently credited at 7.5 percent per year, plus a lump sum in the amount of one-month salary for each completed year of current service, up to a maximum of six months' salary. For purposes of this benefit, one month's salary is defined as the member's average monthly full-time rate of compensation during the 12 months preceding death.

Upon the death of a retiree, a one-time lump sum payment of \$500 will be made to the retiree's designated survivor(s), or to the retiree's estate.

Benefit terms provide for annual cost-of-living adjustments to each employee's retirement allowance. Beginning the second calendar year after the year of retirement, retirement and survivor allowances will be annually adjusted on a compound basis by 2 percent.

**City of Pomona**  
**Notes to the Financial Statements (Continued)**  
**For the Year Ended June 30, 2017**

**Note 12 – Defined Benefit Pension Plans (Continued)**

**A. General Information about the Pension Plan (Continued)**

**Employees Covered by Benefit Terms**

At June 30, 2015, the valuation date, the following employees were covered by the benefit terms:

	<b>Plans</b>	
	<b>Miscellaneous</b>	<b>Safety</b>
Active members	356	152
Transferred members	326	24
Terminated members	184	17
Retired members and beneficiaries	852	383
Total	1,718	576

**Contributions**

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.

**B. Net Pension Liability**

**Actuarial Methods and Assumptions Used to Determine Total Pension Liability**

For the measurement period ended June 30, 2016, the total pension liability was determined by rolling forward the June 30, 2015 total pension liability. The June 30, 2016 total pension liabilities were based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal in accordance with the requirement of GASB Statement No. 68
Actuarial Assumptions:	
Discount Rate	7.65%
Inflation	2.75%
Salary Increases	Varies by Entry Age and Service
Investment Rate of Return	7.65% Net of Pension Plan Investment and Administrative Expenses; Includes inflation
Mortality Rate Table <sup>1</sup>	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

<sup>1</sup> 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 2014 experience study report.

All other actuarial assumptions used in the June 30, 2015 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.

**City of Pomona**  
**Notes to the Financial Statements (Continued)**  
**For the Year Ended June 30, 2017**

**Note 12 – Defined Benefit Pension Plans (Continued)**

**B. Net Pension Liability (Continued)**

**Discount Rate**

The discount rate used to measure the total pension liability was 7.65 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 of the plans, the tests revealed the assets would not run out. Therefore, the current 7.65 percent discount rate is appropriate and the use of the municipal bond rate calculation is not deemed necessary. The long-term expected discount rate of 7.65 percent is applied to all plans in the Public Employees Retirement Fund (“PERF”). The cash flow used in the testing were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. 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.

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 (PERF) cash flows. Taking into account historical returns of all the PERF’s asset classes (which includes the agent plan and two cost-sharing plans or PERF A, B, and C fund), 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 calculated for each PERF 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 equal 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. The target allocation shown was adopted by the Board effective on July 1, 2015.

Asset Class	New Strategic Allocation	Real Return Years 1 - 10 <sup>1</sup>	Real Return Years 11+ <sup>2</sup>
Global Equity	51.00%	5.25%	5.71%
Global Fixed Income	19.00%	0.99%	2.43%
Inflation Sensitive	6.00%	0.45%	3.36%
Private Equity	10.00%	6.83%	6.95%
Real Estate	10.00%	4.50%	5.13%
Infrastructure and Forestland	2.00%	4.50%	5.09%
Liquidity	2.00%	-0.55%	-1.05%
	<u>100.00%</u>		

<sup>1</sup>An expected inflation of 2.5% used for this period

<sup>2</sup>An expected inflation of 3.0% used for this period

**City of Pomona**  
**Notes to the Financial Statements (Continued)**  
**For the Year Ended June 30, 2017**

**Note 12 – Defined Benefit Pension Plans (Continued)**

**C. Changes in the Net Pension Liability**

The following tables show the changes in net pension liability recognized over the measurement period.

<b>Miscellaneous Plan</b>	<b>Increase (Decrease)</b>		
	<b>Total Pension Liability</b>	<b>Plan Fiduciary Net Position</b>	<b>Net Pension Liability/(Asset)</b>
	<b>(a)</b>	<b>(b)</b>	<b>(c) = (a) - (b)</b>
Balance at June 30, 2015 (Valuation Date)	\$ 255,168,118	\$ 204,300,166	\$ 50,867,952
Changes Recognized for the Measurement Period:			
Service Cost	3,278,100	-	3,278,100
Interest on the Total Pension Liability	19,115,591	-	19,115,591
Changes of Benefit Terms	-	-	-
Difference between Expected and Actual Experience	123,335	-	123,335
Changes of Assumptions	-	-	-
Contribution from the Employer	-	4,508,818	(4,508,818)
Contribution from Employees	-	1,710,782	(1,710,782)
Net Investment Income	-	1,092,440	(1,092,440)
Benefit Payments including Refunds of Employee Contributions	(14,106,985)	(14,106,985)	-
Plan to Plan Resource Movement	-	30,199	(30,199)
Administrative Expense	-	(124,510)	124,510
Net Changes during July 1, 2015 to June 30, 2016	8,410,041	(6,889,256)	15,299,297
Balance at June 30, 2016 (Measurement Date)	\$ 263,578,159	\$ 197,410,910	\$ 66,167,249

<b>Safety Plan</b>	<b>Increase (Decrease)</b>		
	<b>Total Pension Liability</b>	<b>Plan Fiduciary Net Position</b>	<b>Net Pension Liability/(Asset)</b>
	<b>(a)</b>	<b>(b)</b>	<b>(c) = (a) - (b)</b>
Balance at June 30, 2015 (Valuation Date)	\$ 326,965,175	\$ 241,416,617	\$ 85,548,558
Changes Recognized for the Measurement Period:			
Service Cost	4,884,739	-	4,884,739
Interest on the Total Pension Liability	24,593,728	-	24,593,728
Changes of Benefit Terms	-	-	-
Difference between Expected and Actual Experience	1,506,206	-	1,506,206
Changes of Assumptions	-	-	-
Contribution from the Employer	-	7,278,178	(7,278,178)
Contribution from Employees	-	1,534,930	(1,534,930)
Net Investment Income	-	1,164,032	(1,164,032)
Benefit Payments including Refunds of Employee Contributions	(18,854,232)	(18,854,232)	-
Plan to Plan Resource Movement	-	1,096	(1,096)
Administrative Expense	-	(147,131)	147,131
Net Changes during July 1, 2015 to June 30, 2016	12,130,441	(9,023,127)	21,153,568
Balance at June 30, 2016 (Measurement Date)	\$ 339,095,616	\$ 232,393,490	\$ 106,702,126

**City of Pomona**  
**Notes to the Financial Statements (Continued)**  
**For the Year Ended June 30, 2017**

**Note 12 – Defined Benefit Pension Plans (Continued)**

***C. Changes in the Net Pension Liability (Continued)***

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

The following presents the net pension liability of the plans as of the measurement date, calculated using the discount rate of 7.65%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.65%) or 1 percentage-point higher (8.65%) than the current rate:

	Plan's Net Pension Liability/(Asset)		
	Discount Rate	Current Discount	Discount Rate
	- 1% (6.65%)	Rate (7.65%)	+ 1% (8.65%)
Miscellaneous Plan	\$ 99,982,975	\$ 66,167,249	\$ 38,186,378
Safety Plan	\$ 149,726,123	\$ 106,702,126	\$ 71,155,130

Pension Plan Fiduciary Net Position

Detailed information about the plan's fiduciary net position is available in the separately issued CalPERS financial report.

***D. Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions***

For the measurement period ending June 30, 2016, the City incurred a pension expense of \$6,917,321 and \$11,310,851 for Miscellaneous and Safety plans, respectively.

As of measurement date of June 30, 2016, the City has deferred outflows and deferred inflows of resources related to pensions as follows:

	Miscellaneous Plan		Safety Plan	
	Deferred outflows of Resources	Deferred inflows of Resources	Deferred outflows of Resources	Deferred inflows of Resources
Pension contribution after measurement date	\$ 4,966,510	\$ -	\$ 8,215,967	\$ -
Changes of assumptions	-	(210,819)	-	(1,590,253)
Differences between expected and actual experiences	61,667	(160,182)	968,275	(597,204)
Net difference between projected and actual earning on pension plan investments	17,922,395	(7,189,391)	21,375,990	(8,559,210)
Total	\$ 22,950,572	\$ (7,560,392)	\$ 30,560,232	\$ (10,746,667)

The amounts above are net of outflows and inflows recognized in the 2015-16 measurement period expense.

The expected average remaining service lifetime ("EARSL") is calculated by dividing the total future service years by the total number of plan participants (active, inactive, and retired). The EARSL for the miscellaneous plan and safety plan for the 2015-16 measurement period is 2.0 and 2.8 years, which was obtained by dividing the total service years of 3,497 and 1,623 (the sum of remaining service lifetimes of the active employees) by 1,718 and 576 (the total number of participants: active, inactive, and retired), respectively.

**City of Pomona**  
**Notes to the Financial Statements (Continued)**  
**For the Year Ended June 30, 2017**

**Note 12 – Defined Benefit Pension Plans (Continued)**

***D. Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions (Continued)***

The \$4,966,510 and \$8,215,967 reported as deferred outflows of resources related to pension resulting from the City's contributions subsequent to the measurement date during the year ended June 30, 2017 will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in future pension expense as follows:

Measurement Period Ended June 30,	Deferred Outflows/(Inflows) of Resources	
	Miscellaneous	Safety
2017	\$ 1,124,696	\$ 69,834
2018	1,434,031	2,149,702
2019	5,028,727	5,998,962
2020	2,836,216	3,379,100
2021	-	-
Thereafter	-	-
Total	<u>\$ 10,423,670</u>	<u>\$ 11,597,598</u>

***E. CalPERS Discount Rate***

On December 16, 2016, the CalPERS Board of Administration (the "Board") approved lowering the CalPERS discount rate assumption, the long-term rate of return, from 7.50 percent over the next three years. This will increase the City's employer contribution costs beginning in fiscal year 2018-19. The phase in of the discount rate change approved by the Board for the next three fiscal years is as follow:

Valuation Date	Required	
	Contribution Rate	Discount Rate
June 30, 2016	2018-19	7.375%
June 30, 2017	2019-20	7.250%
June 30, 2018	2020-21	7.000%

Lowering the discount rate means plans will see increases in both normal costs, the cost of pension benefits accruing in one year for active members and the accrued liabilities. These increase will result in higher required employer contribution.



**City of Pomona**  
**Notes to the Financial Statements (Continued)**  
**For the Year Ended June 30, 2017**

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**Note 13 – Other Postemployment Benefits**

**A. 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**

<b><u>Bargaining Group</u></b>	<b><u>City Service</u></b>
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 93 participants receiving collateral benefits at June 30, 2017.

**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 Other Postemployment Benefit ("OPEB") Cost**

For the year ending June 30, 2017, the City's annual OPEB cost for the Collateral Benefits Plan of \$102,949 was equal to the annual required contribution.

**City of Pomona**  
**Notes to the Financial Statements (Continued)**  
**For the Year Ended June 30, 2017**

**Note 13 – Other Postemployment Benefits (Continued)**

**A. Collateral Benefits Plan (Continued)**

**Annual Other Postemployment Benefit (“OPEB”) Cost (Continued)**

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

Valuation Date	July 1, 2014
Actuarial Cost Method	Entry Age Normal Cost Method
Average Remaining Period	Closed - 12.5 Years as of July 1, 2013
Asset Valuation Method	Market Value
Actuarial Assumptions	
Discount Rate	7.00%
Inflation	3.00%
Salary Increases	Not applicable
Cost of Living Adjustment	None
Pre-Retirement Mortality	Consistent with the Non-Industrial rates used to value the Miscellaneous CalPERS Pension Plans.
Post-Retirement Mortality	CalPERS 1997-2011 Healthy Retiree Tables (sex-distinct) with an assumed based year of 2008 and full generational projections using Scale AA.
Withdrawal	Ranges from 16.06% to 0.08% from under 1 year of service to 15 years of service
Retirement	Rates are based on CalPERS rates for 25 years of service retirement for Public Agency Miscellaneous "2.0% at 55 plans.
Disability	Consistent with the rates used to Value Miscellaneous CalPERS Pension Plans.
Maximum Benefits and Salary	No benefit or salary maximum is applied
Expenses	None are assumed

The following table provides 3 years of historical information of the Annual OPEB Cost for the Collateral Benefits Plan:

<b>Year Ending</b>	<b>Annual OPEB Cost</b>	<b>Percentage of Annual OPEB Cost Contributed</b>	<b>Net OPEB Obligation (Asset)</b>
June 30, 2015	\$ 110,032	100%	\$ -
June 30, 2016	102,949	100%	-
June 30, 2017	102,949	100%	-

**Funded Status and Funding Progress**

As of July 1, 2014, the most recent actuarial valuation date, the plan was zero percent funded. The Actuarial Accrued Liability (AAL) for benefits was \$88,492,843 and the actuarial value of assets was \$0 resulting in an Unfunded Actuarial Accrued Liability (UAAL) of \$88,492,843. The covered payroll (annual payroll of active employees covered by the plan) was \$39,293,795 and the ratio of UAAL to the covered payroll was 225.2%

**City of Pomona**  
**Notes to the Financial Statements (Continued)**  
**For the Year Ended June 30, 2017**

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**Note 13 – Other Postemployment Benefits (Continued)**

**A. Collateral Benefits Plan (Continued)**

**Funded Status and Funding Progress (Continued)**

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 schedule of funding progress, presented as required supplementary information following the notes to basic financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

**B. 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 (the "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:

<b>Bargaining Group</b>	<b>Benefit</b>
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 519 employees eligible to receive or are receiving post-employment benefits at June 30, 2017.

**Funding Policy**

The required contribution of the City is based on a pay-as-you-go financing requirement. For the year ended June 30, 2017, the City contributed \$3,493,801 to the retiree health plan.

**City of Pomona**  
**Notes to the Financial Statements (Continued)**  
**For the Year Ended June 30, 2017**

**Note 13 – Other Postemployment Benefits (Continued)**

***B. Public Employees’ Medical and Hospital Care Program (“PEMHCA”) Plan (Continued)***

**Annual OPEB Cost and Net OPEB Obligation**

The City’s annual OPEB cost is calculated based on the annual required contribution of the employer (“ARC”), an amount actuarially determined. 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.

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:

Annual required contribution	\$ 6,939,009
Interest on net OPEB obligation	901,919
Adjustment to annual required contribution	<u>(1,044,453)</u>
Annual OPEB cost (expense)	6,796,475
Contribution made	<u>(3,493,801)</u>
Increase in net OPEB obligation	3,302,674
Net OPEB obligation - beginning of year	<u>22,923,937</u>
Net OPEB obligation - end of year	<u><u>\$ 26,226,611</u></u>

The City’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2017 is as follows:

Fiscal Year Ended	Annual OPEB Cost	Annual Contribution	% of Annual OPEB Cost Contributed	Net OPEB Obligation
June 30, 2015	\$ 5,479,146	\$ 3,345,170	61.1%	\$ 19,802,228
June 30, 2016	6,514,959	3,393,250	52.1%	22,923,937
June 30, 2017	6,796,475	3,493,801	51.4%	26,226,611

**Funded Status and Funding Progress**

As of January 1, 2016, the most recent actuarial valuation date, the plan was zero percent funded. The actuarial accrued liability (“AAL”) for benefits was \$88,492,843 and the actuarial value of assets was \$0 resulting in an unfunded actuarial accrued liability (“UAAL”) of \$88,492,843. The covered payroll (annual payroll of active employees covered by the plan) was \$39,293,795 and the ratio of UAAL to the covered payroll was 225.2%.

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 schedule of funding progress, presented as required supplementary information following the notes to basic financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits

**City of Pomona**  
**Notes to the Financial Statements (Continued)**  
**For the Year Ended June 30, 2017**

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**Note 13 – Other Postemployment Benefits (Continued)**

***B. Public Employees’ Medical and Hospital Care Program (“PEMHCA”) Plan (Continued)***

**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, 2016, actuarial valuation, the entry age normal cost method was used. The entry age 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 4.0% investment rate of return which is based on the expected return on funds invested by CalPERS, and an annual healthcare cost trend rate of 7.00% and 5.00% for PPO and HMO respectively and reduced to an ultimate rate of 5.00% thereafter. The actuarial assumption for inflation was 2.75% and for payroll increase was 3.00%. 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, 2016, was 22 years. As of the actuarial valuation date of January 1, 2016, the City had 508 active eligible participants and 693 eligible retired participants and beneficiaries.

**Note 14 – Joint Powers Agreements**

***A. 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.

***B. California State Association of Counties Excess Insurance Authority***

The City became a member of California State Association of Counties Excess Insurance Authority (the “CSAC-EIA”) in July 2008. The CSAC-EIA 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. Also see Note 15.

***C. 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. There was no payments made during the year ended June 30, 2017.

**City of Pomona**  
**Notes to the Financial Statements (Continued)**  
**For the Year Ended June 30, 2017**

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

***D. 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, 2017. Separate financial statements of Foothill Transit are available from its offices located in West Covina, California.

Assets	\$ 322,068,664
Liabilities	75,077,920
Net Position	<u>\$ 246,990,744</u>
Revenues	\$ 17,571,558
Expenses	112,415,920
Operating income	(94,844,362)
Nonoperating revenue (expenses)	72,848,673
Net income	(21,995,689)
Capital contributions	30,848,596
Net Position - July 1, 2016	238,137,837
Net Position - June 30, 2017	<u>\$ 246,990,744</u>

***E. 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, 2017. Assets are divided based on the proportionate equity share at the time the joint venture dissolves, which is currently not significant to the City.

***F. 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 \$46,000 in annual dues for the fiscal year ending June 30, 2017.

**City of Pomona**  
**Notes to the Financial Statements (Continued)**  
**For the Year Ended June 30, 2017**

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

**G. Los Angeles County Disaster Management Area D**

The City has participated in the Disaster Management Area D joint powers agreement (“Area D JPA”) since 1958. The Area D 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, 2017.

**H. 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.

**I. Pomona Valley Transportation Authority**

The City is a member of the Pomona Valley Transportation Authority (the “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, 2017. Separate financial statements of the PVTA are available from its offices located in La Verne, California.

Assets	\$ 3,628,088
Liabilities	\$ 1,673,283
Contributed capital	548,587
Retained earnings	1,406,218
Total liabilities and fund equity	<u>\$ 3,628,088</u>
Operating revenues	\$ 250,922
Operating expenses	<u>4,281,021</u>
Operating (income)	(4,030,099)
Nonoperating revenue	<u>4,267,222</u>
Net income	237,123
Net Position - July 1, 2016	<u>1,169,095</u>
Net Position - June 30, 2017	<u>\$ 1,406,218</u>



**City of Pomona**  
**Notes to the Financial Statements (Continued)**  
**For the Year Ended June 30, 2017**

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

***J. Pomona-Walnut-Rowland Joint Water Line Commission***

The City participates in the Pomona-Walnut-Rowland Joint Water Line Commission (the “Commission”) joint venture, which provides for the acquisition, construction, maintenance, repair and operation of a water transmission pipeline for the benefit of member agencies. The Pomona-Walnut-Rowland Joint Water Line Commission’s governing board is comprised of an appointed representative from each of three member agencies – the City, Walnut Valley Water District, and Rowland Water District.

The cost of providing water to the member agencies is financed through user charges. The Commission purchases water for resale to the member agencies at a price sufficient to provide reserve funds for emergencies. In addition, the member agencies are billed for the costs of maintenance and operation of the pipeline. The City paid the joint venture \$5,546,820 during the year ended June 30, 2017, which is comprised of \$5,311,850 for water use and \$234,970 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, 2017, was \$612,770.

As of June 30, 2017, the three participants had the following approximate ownership equity interest:

Member	Percentages	Agreement Balance
City of Pomona	28%	\$ 612,770
Walnut Valley Water District	43%	978,406
Rowland Water District	29%	634,948
Total	100%	<u>\$ 2,226,124</u>

The Commission’s condensed financial statements for the fiscal year ended June 30, 2017 is as follows:

Total Assets	\$ 6,258,358
Total Liabilities	<u>3,776,256</u>
Net Position	<u>\$ 2,482,102</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 \$19,559,501 compared to total operating revenues of \$19,538,103 for the year ended June 30, 2017. Complete financial statements can be obtained from the Pomona-Walnut-Rowland Joint Water Line Commission, P.O. Box 8460, Rowland Heights, CA 91748.



**City of Pomona**  
**Notes to the Financial Statements (Continued)**  
**For the Year Ended June 30, 2017**

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

**K. San Gabriel Valley Council of Governments**

The City is a member of the San Gabriel Valley Council of Governments (the “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 \$32,167 in annual dues for the fiscal year ending June 30, 2017.

**L. Tri-City Mental Health Center**

The City is a member of the Tri City Mental Health Center (the “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, 2017.

The Board of Directors is comprised 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, 2017. Separate financial statements of the Center are available from its offices located in Pomona, California.

Assets	\$ 37,619,687
Deferred outflows of resources	2,630,123
Liabilities	15,678,317
Deferred inflows of resources	8,132,547
Net Position	<u>\$ 16,438,946</u>
Revenues	\$ 6,260,355
Expenses	<u>17,177,874</u>
Operating income	(10,917,519)
Nonoperating revenue (expenses)	<u>13,257,828</u>
Net income	2,340,309
Net Position - July 1, 2016	<u>14,098,637</u>
Net Position - June 30, 2017	<u>\$ 16,438,946</u>

**City of Pomona**  
**Notes to the Financial Statements (Continued)**  
**For the Year Ended June 30, 2017**

**Note 15 – Risk Management**

The Self-Insurance Internal Service Fund is part of the City’s self-insurance program for general liability, workers’ compensation, and unemployment insurance. The City is a member of the California State Association of Counties Excess Insurance Authority (CSAC-EIA). Through CSAC-EIA, the City has a program limit of \$25 million dollars with a self-insured retention of \$1 million for its excess liability program and its worker’s compensation program. Additionally, the City purchases catastrophic excess liability coverage that provides an additional \$25 million in coverage.

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

As of June 30, 2017, estimated claims payable amounted to \$14,440,164.

The estimated claims payable is reported at June 30, 2017 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.

During the past three fiscal years, the City did not experience settlements or judgments that exceeded pooled coverage. There are no pending claims and judgments likely to have a material adverse effect on the financial position due within one year of June 30, 2017. 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
June 30, 2015	\$ 16,179,444	\$ 2,029,341	\$ (6,107,237)	\$ 12,101,548
June 30, 2016	12,101,548	5,581,864	(3,626,197)	14,057,215
June 30, 2017	14,057,215	4,887,517	(4,504,568)	14,440,164

**Note 16 – Commitments and Contingencies**

**A. 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.

**City of Pomona**  
**Notes to the Financial Statements (Continued)**  
**For the Year Ended June 30, 2017**

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

***B. Contractual Commitments***

The following schedule summarizes the major capital project contractual commitments of the City as of June 30, 2017:

Vendors	Remaining Commitments
Elecnor Belco Electric Inc.	\$ 853,670
RMC Water	750,094
Mocon Corp	526,871
Gentry Bros	408,789
Danny Letn	335,333
Metrocell	246,778
Mitchell Humphrey & Co	176,666
Civil Source	171,050
California Department of Toxic Substance	116,038
Albert A. Webb Associates	102,158
All Other Commitment	741,918
Total	<u>\$ 4,429,365</u>

The following summarizes the significant encumbrances by major funds at June 30, 2017:

	Remaining Commitments
Miscellaneous Grants Special Revenue Fund	\$ 945,731
Capital Outlay Capital Projects Fund	2,220,082
Water Enterprise Fund	971,144
Sewer Enterprise Fund	292,408
Total	<u>\$ 4,429,365</u>

***C. Lawsuits***

The City is a defendant in certain other legal actions arising in the normal course of operations. As of June 30, 2017, in the opinion of City management, there were no additional outstanding matters that would have a significant effect on the financial position of the City.

**City of Pomona**  
**Notes to the Financial Statements (Continued)**  
**For the Year Ended June 30, 2017**

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

**A. Government-Wide Financial Statements**

**Net Investment in Capital Assets**

The following is the calculation of net the investment in capital assets at June 30, 2017:

	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
Capital assets, net of accumulated depreciation	\$ 274,574,086	\$ 159,680,113	\$ 434,254,199
Less: Outstanding principal on capital related debt, net	(41,455,434)	(119,983,657)	(161,439,091)
Add: Deferred loss on refunding	103,251	562,499	665,750
Less: Deferred gain on refunding	(453,081)	(3,380,252)	(3,833,333)
Add: Unspent debt proceeds	1,405,506	10,345,260	11,750,766
Net investment in capital assets	<u>\$ 234,174,328</u>	<u>\$ 47,223,963</u>	<u>\$ 281,398,291</u>

**Unrestricted Net Position**

The unrestricted net position for governmental activities has a deficit balance of \$195,343,133 at June 30, 2017.

**B. Fund Financial Statements**

**Net Investment in Capital Assets**

The following is the calculation of net investment in capital assets for the Proprietary Funds at June 30, 2017:

	<b>Enterprise Funds</b>					<b>Internal Service Funds</b>
	<b>Water</b>	<b>Sewer</b>	<b>Refuse</b>	<b>Canon Water</b>	<b>Total</b>	
Capital assets, net of accumulated depreciation	\$ 127,808,523	\$ 28,710,892	\$ 3,139,996	\$ 20,702	\$ 159,680,113	\$ 321,217
Less: Outstanding principal on capital related debt, net	(91,227,649)	(26,911,848)	(1,844,160)	-	(119,983,657)	-
Add: Deferred loss on refunding	-	562,499	-	-	562,499	-
Less: Deferred gain on refunding	(3,380,252)	-	-	-	(3,380,252)	-
Add: Unspent debt proceeds	5,887,808	4,457,452	-	-	10,345,260	-
Net investment in capital assets	<u>\$ 39,088,430</u>	<u>\$ 6,818,995</u>	<u>\$ 1,295,836</u>	<u>\$ 20,702</u>	<u>\$ 47,223,963</u>	<u>\$ 321,217</u>

**City of Pomona**  
**Notes to the Financial Statements (Continued)**  
**For the Year Ended June 30, 2017**

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

**B. Fund Financial Statements (Continued)**

**Fund Balance Classification**

The Governmental Funds' fund balance classification at June 30, 2017 is as follows:

	<b>Major Funds</b>						
	<b>General</b>	<b>Housing Authority Special Revenue</b>	<b>Miscellaneous Grants Special Revenue</b>	<b>General Debt Service</b>	<b>Public Financing Authority Debt Service</b>	<b>Nonmajor Governmental Funds</b>	<b>Total</b>
<b>Nonspendable:</b>							
Prepaid items	\$ 24,785	\$ 640	\$ -	\$ 891,626	\$ -	\$ 8,441	\$ 925,492
Inventories	41,058	-	-	-	-	-	41,058
<b>Total nonspendable</b>	<b>65,843</b>	<b>640</b>	<b>-</b>	<b>891,626</b>	<b>-</b>	<b>8,441</b>	<b>966,550</b>
<b>Restricted:</b>							
Development service	-	25,550,792	8,260	-	-	17,110,579	42,669,631
Public safety	8,791	-	202,018	-	-	1,209,795	1,420,604
Neighborhood service	-	-	18,141,399	-	-	-	18,141,399
Capital projects	-	-	-	-	-	1,633,465	1,633,465
Debt service	-	-	-	-	81,025,905	-	81,025,905
<b>Total restricted</b>	<b>8,791</b>	<b>25,550,792</b>	<b>18,351,677</b>	<b>-</b>	<b>81,025,905</b>	<b>19,953,839</b>	<b>144,891,004</b>
<b>Committed:</b>							
Fiscal sustainability	16,151,859	-	-	-	-	-	16,151,859
<b>Total assigned</b>	<b>16,151,859</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>16,151,859</b>
<b>Unassigned</b>	<b>938,380</b>	<b>-</b>	<b>-</b>	<b>(76,129,822)</b>	<b>-</b>	<b>(367,059)</b>	<b>(75,558,501)</b>
<b>Total</b>	<b>\$ 17,164,873</b>	<b>\$ 25,551,432</b>	<b>\$ 18,351,677</b>	<b>\$ (75,238,196)</b>	<b>\$ 81,025,905</b>	<b>\$ 19,595,221</b>	<b>\$ 86,450,912</b>

The City Council adopted the fiscal sustainability policy through resolution. At the end of each fiscal year, the City maintain a committed fund balance equal to 17% of operating expenditures plus transfers. The funding can be spent on economic uncertainties, reductions or interruptions of revenue streams, natural disasters, financial hardships or downturns in local or national economy, and cash flow requirements.

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

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

**City of Pomona**  
**Notes to the Financial Statements (Continued)**  
**For the Year Ended June 30, 2017**

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

In response, the California Redevelopment Association, the League of California Cities and other parties filed petitions with the California Supreme Court challenging the constitutionality of both ABx1 26 and ABx1 27. On December 29, 2011, the California Supreme Court upheld the constitutionality of ABX1 26, while striking down ABx1 27 as unconstitutional. The ruling in California Redevelopment Association v. Matosantos also extended some of the deadlines stipulated in ABx1 26 due to delays caused by the litigation. As a result, approximately 400 RDAs were dissolved on February 1, 2012, with the assets and liabilities transferred to Successor Agencies and Successor Housing Agencies pursuant to ABx1 26.

The California State Legislature made additional changes to the dissolution process when Governor Jerry Brown signed AB 1484 into law on June 27, 2012. This legislation made a variety of substantive amendments to the original Dissolution Act. These actions impacted the reporting entity of the City of Pomona that previously had reported a redevelopment agency within the reporting entity of the City as a blended component unit.

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

After enactment of the law, redevelopment agencies in the State of California could not enter into new projects, obligations or commitments. Subject to the control of an established oversight board, remaining assets can only be used to pay enforceable obligations in existence at the date of dissolution. Subsequent to the dissolution, Successor Agencies are only allocated revenue up to the amount necessary to pay the estimated annual installment payments on enforceable obligation of the former redevelopment agency until all enforceable obligations have been paid in full and all assets have been liquidated.

The Bill directed the State Controller of the State of California to review the propriety of any transfers of assets between Redevelopment Agencies and other public bodies that occurred after January 1, 2011. If the public body that received such transfers was not contractually committed to a third party for the expenditure or encumbrance of those assets, the State Controller was required to order the available assets to be transferred to the public body designated as the successor agency by the Bill. The State completed its required audit and provided the Successor Agency its report on November 26, 2014.

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

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

**A. Cash and Investments**

The following is a summary of cash and investments of the Successor Agency at June 30, 2017:

Cash and investments	\$ 13,429,522
Restricted cash	50,886,620
Total	<u>\$ 64,316,142</u>

**City of Pomona**  
**Notes to the Financial Statements (Continued)**  
**For the Year Ended June 30, 2017**

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

**A. Cash and Investments (Continued)**

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.

**B. Loans Receivable (Net)**

At June 30, 2017, the Successor Agency's net loans receivable consisted of the following:

	Balance July 1, 2016	Additions	Deletions	Balance June 30, 2017
Business Assistance Loans	\$ 1,660,600	\$ -	\$ -	\$ 1,660,600
Pomona Fox Theater	1,289,060	-	-	1,289,060
Pomona Fox Theater	1,150,000	-	-	1,150,000
Total	<u>\$ 4,099,660</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,099,660</u>

**Business Assistance Loans**

The former Redevelopment Agency entered into business assistance loan agreements with local businesses for redevelopment purposes. The term of the loans varies and bears interest rates ranges from 0% to 4% annum. Outstanding balance at June 30, 2017 was \$1,660,600.

**Pomona Fox Theater**

In 2007, the former Redevelopment Agency entered into Disposition and Development Agreement with Gerald Investments, Inc. (later assigned to Pomona Fox Theater, LLC), for the sale and redevelopment of the Pomona Fox Theater as a multi-use entertainment complex. The Pomona Fox Theater was sold at \$1,600,000, with \$25,000 due at the opening of escrow and \$275,000 at the close of escrow. The remaining \$1,300,000 was secured by a promissory note, amortized over 30 years at interest rate of 7% annum. Outstanding balance at June 30, 2017 was \$1,289,060.

In 2008, the former Redevelopment Agency appropriated \$1,150,000 from Series AD to the Pomona Fox Theater, LLC as an advance payment for public use of the Theater. The funding was used to purchase and install lighting and sound equipment at the Pomona Fox Theater. Outstanding balance at June 30, 2017 was \$1,150,000.

**C. Land Held for Resale**

At June 30, 2017, land held for resale in the amount of \$17,206,643 is recorded at cost in the Successor Agency Trust Fund.

**City of Pomona**  
**Notes to the Financial Statements (Continued)**  
**For the Year Ended June 30, 2017**

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

**D. Capital Assets**

The following is a summary of changes in capital assets for the Successor Agency for the year ended June 30, 2017:

	Balance July 1, 2016	Additions	Deletions	Balance June 30, 2017
<b>Nondepreciable assets:</b>				
Land	\$ 125,423	\$ -	\$ -	\$ 125,423
Total nondepreciable assets	125,423	-	-	125,423
<b>Depreciable assets:</b>				
Building 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 capital assets, at cost	669,174	-	-	669,174
<b>Less accumulated depreciation:</b>				
Building and building improvements	(15,152)	(1,261)	-	(16,413)
Improvements other than buildings	(131,117)	(5,958)	-	(137,075)
Machinery and equipment	(429,179)	-	-	(429,179)
Furniture and fixtures	(8,361)	-	-	(8,361)
Autos and trucks	(19,513)	-	-	(19,513)
Total accumulated depreciation	(603,322)	(7,219)	-	(610,541)
Total depreciable assets, net	65,852	(7,219)	-	58,633
Total capital assets, net	\$ 191,275	\$ (7,219)	\$ -	\$ 184,056

**E. Long-Term Liabilities**

The following is a summary of changes in long-term liabilities for the Successor Agency for the year ended June 30, 2017:

	Balance July 1, 2016	Additions	Deletions	Balance June 30, 2017	Due within One Year
Pollution remediation obligations	\$ 1,700,000	\$ -	\$ -	\$ 1,700,000	\$ 630,000
County deferred tax loans	52,528,691	3,677,009	-	56,205,700	-
Notes payable	3,301,157	-	(2,407,656)	893,501	172,541
Tax allocation bonds	6,885,000	-	(595,000)	6,290,000	305,000
Advances from the Public Financing Authority	149,330,000	-	(6,065,000)	143,265,000	6,510,000
Advances from the Housing Authority					
SERAF loan	4,000,000	-	-	4,000,000	-
Compensated absences	28,953	32,872	(18,755)	43,070	43,000
Total	217,773,801	3,709,881	(9,086,411)	212,397,271	7,660,541



**City of Pomona**  
**Notes to the Financial Statements (Continued)**  
**For the Year Ended June 30, 2017**

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

***E. Long-Term Liabilities (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, 2017, 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, 2017, the County deferred tax loans consisted of the following:

	Balance July 1, 2016	Accrued Interest	Deletions	Balance June 30, 2017	Due within One Year
Southwest Pomona Project Area	\$ 43,977,148	\$ 3,078,400	\$ -	\$ 47,055,548	\$ -
South Garey/Freeway Corridor Project Area	8,551,543	598,609	-	9,150,152	-
Total	<u>52,528,691</u>	<u>3,677,009</u>	<u>-</u>	<u>56,205,700</u>	<u>-</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 per the terms of the agreement.

**Notes Payable**

	Balance July 1, 2016	Additions	Deletions	Balance June 30, 2017	Due within One Year
Mission Promenade, LLC	\$ 2,378,080	\$ -	\$ (2,378,080)	\$ -	\$ -
PVEF Note	167,129	-	-	167,129	142,060
US Bank Loans	755,948	-	(29,576)	726,372	30,481
Total	<u>3,301,157</u>	<u>-</u>	<u>(2,407,656)</u>	<u>893,501</u>	<u>172,541</u>

**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 was paid off during the year ended June 30, 2017.

**City of Pomona**  
**Notes to the Financial Statements (Continued)**  
**For the Year Ended June 30, 2017**

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

***E. Long-Term Liabilities (Continued)***

**Notes Payable (Continued)**

**Pomona Valley Education Foundation Note (PVEF Note)**

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

The annual debt service requirements outstanding at June 30, 2017, is as follows:

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 142,060	\$ 8,357	\$ 150,417
2019	25,069	6,264	31,333
Total	<u>\$ 167,129</u>	<u>\$ 14,621</u>	<u>\$ 181,750</u>

**US Bank Loans**

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

The annual debt service requirements at June 30, 2017, is as follows:

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 30,481	\$ 26,066	\$ 56,547
2019	31,615	24,932	56,547
2020	32,791	23,756	56,547
2021	34,011	22,536	56,547
2022	35,276	21,271	56,547
2023-2027	197,066	85,667	282,733
2028-2032	236,550	46,183	282,733
2033-2036	128,582	19,141	147,723
Total	<u>\$ 726,372</u>	<u>\$ 269,552</u>	<u>\$ 995,924</u>

\* Interest rate is adjustable and was calculated using two separate interest rates as of June 30, 2017.

**Tax Allocation Bonds**

	<u>Balance July 1, 2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2017</u>	<u>Due within One Year</u>
1998 Tax Allocation Bonds, Series X	\$ 810,000	\$ -	\$ (350,000)	\$ 460,000	\$ 45,000
1998 Tax Allocation Bonds, Series Y	6,075,000		(245,000)	5,830,000	260,000
Total	<u>\$ 6,885,000</u>	<u>\$ -</u>	<u>\$ (595,000)</u>	<u>\$ 6,290,000</u>	<u>\$ 305,000</u>

**City of Pomona**  
**Notes to the Financial Statements (Continued)**  
**For the Year Ended June 30, 2017**

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

**E. Long-Term Liabilities (Continued)**

**Tax Allocation Bonds (Continued)**

**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.

The annual debt service requirements outstanding at June 30, 2017, is as follows:

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 45,000	\$ 23,625	\$ 68,625
2019	50,000	21,060	71,060
2020	50,000	18,360	68,360
2021	55,000	15,525	70,525
2022	60,000	12,420	72,420
2023-2025	200,000	16,470	216,470
Total	<u>\$ 460,000</u>	<u>\$ 107,460</u>	<u>\$ 567,460</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.

**City of Pomona**  
**Notes to the Financial Statements (Continued)**  
**For the Year Ended June 30, 2017**

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

**E. Long-Term Liabilities (Continued)**

**Tax Allocation Bonds (Continued)**

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

The annual debt service requirements outstanding at June 30, 2017, is as follows:

Year Ended June 30,	Principal	Interest	Total
2018	\$ 260,000	\$ 319,925	\$ 579,925
2019	275,000	305,755	580,755
2020	290,000	290,768	580,768
2021	305,000	274,963	579,963
2022	320,000	258,340	578,340
2023-2027	1,900,000	1,006,500	2,906,500
2028-2032	2,480,000	423,500	2,903,500
Total	<u>\$ 5,830,000</u>	<u>\$ 2,879,751</u>	<u>\$ 8,709,751</u>

**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, 2017, of the long-term debts issued through the Public Financing Authority with proceeds advanced to the Successor Agency:

	Balance July 1, 2016	Additions	Deletions	Balance June 30, 2017	Due within One Year
1998 Revenue Refunding Bonds, Series W	\$ 35,330,000	\$ -	\$ (470,000)	\$ 34,860,000	\$ 495,000
2001 Revenue Refunding Bonds, Series AD	28,190,000	-	(2,120,000)	26,070,000	2,350,000
2003 Revenue Refunding Bonds, Series AH	17,165,000	-	(1,440,000)	15,725,000	1,520,000
2005 Taxable Housing Tax Revenue Bonds, Series AQ	7,680,000	-	(325,000)	7,355,000	345,000
2006 Revenue Bonds, Series AS	25,805,000	-	(65,000)	25,740,000	105,000
2006 Taxable Revenue Bonds, Series AT	6,455,000	-	(440,000)	6,015,000	465,000
2007 Subordinate Revenue Bonds, Series AW	7,105,000	-	(285,000)	6,820,000	305,000
2006 Subordinate Revenue Bonds, Series AX	21,600,000	-	(920,000)	20,680,000	925,000
Total	<u>149,330,000</u>	<u>-</u>	<u>(6,065,000)</u>	<u>143,265,000</u>	<u>6,510,000</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.

**City of Pomona**  
**Notes to the Financial Statements (Continued)**  
**For the Year Ended June 30, 2017**

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

***E. Long-Term Liabilities (Continued)***

**Advances from the Public Financing Authority (Continued)**

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

Interest on the bonds is payable semiannually on each August 1 and February 1. The rates of interest range from 3.8% to 5% per annum. Principal is payable in annual installments ranging from \$30,000 to \$4,105,000. Term bonds of \$3,005,000, \$16,690,000 and \$29,285,000 mature on February 1, 2018, February 1, 2024 and February 1, 2030, respectively, and are subject to mandatory redemption from a sinking fund account in amounts ranging from \$545,000 to \$5,495,000, as outlined in the bond's official statement. MBIA has issued a municipal bond insurance policy that insures the payment of the principal and interest on the bonds when due. During 2007, the bonds in the amount of \$13,305,000 were refunded by the 2006 Revenue Bonds, Series AS, 2006 Taxable Revenue Bonds, Series AT, and 2006 Subordinate Revenue Bonds, Series AX.

The annual debt service requirements for the 1998 Revenue Bonds, Refunding Series W outstanding at June 30, 2017, is as follows:

Year Ended June 30,	Principal	Interest	Total
2018	\$ 495,000	\$ 1,743,000	\$ 2,238,000
2019	520,000	1,718,250	2,238,250
2020	545,000	1,692,250	2,237,250
2021	2,645,000	1,665,000	4,310,000
2022	2,780,000	1,532,750	4,312,750
2023-2027	16,130,000	5,434,000	21,564,000
2028-2030	11,745,000	1,193,500	12,938,500
Total	<u>\$ 34,860,000</u>	<u>\$ 14,978,750</u>	<u>\$ 49,838,750</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.

**City of Pomona**  
**Notes to the Financial Statements (Continued)**  
**For the Year Ended June 30, 2017**

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

***E. Long-Term Liabilities (Continued)***

**Advances from the Public Financing Authority (Continued)**

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

The annual debt service requirements for the 2001 Revenue Bonds, Series AD outstanding at June 30, 2017, is as follows:

Year Ended June 30,	Principal	Interest	Total
2018	\$ 2,350,000	\$ 1,303,500	\$ 3,653,500
2019	2,470,000	1,186,000	3,656,000
2020	2,175,000	1,062,500	3,237,500
2021	1,435,000	953,750	2,388,750
2022	1,500,000	882,000	2,382,000
2023-2027	8,615,000	3,204,250	11,819,250
2028-2032	7,080,000	1,055,500	8,135,500
2033	445,000	22,250	467,250
Total	<u>\$ 26,070,000</u>	<u>\$ 9,669,750</u>	<u>\$ 35,739,750</u>

**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, 2017, is as follows:

Year Ended June 30,	Principal	Interest	Total
2018	\$ 1,520,000	\$ 785,938	\$ 2,305,938
2019	1,540,000	706,138	2,246,138
2020	1,805,000	625,288	2,430,288
2021	370,000	530,525	900,525
2022	385,000	514,615	899,615
2023-2027	2,235,000	2,290,155	4,525,155
2028-2032	6,895,000	1,474,890	8,369,890
2033-2034	975,000	61,627	1,036,627
Total	<u>\$ 15,725,000</u>	<u>\$ 6,989,176</u>	<u>\$ 22,714,176</u>

**City of Pomona**  
**Notes to the Financial Statements (Continued)**  
**For the Year Ended June 30, 2017**

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

***E. Long-Term Liabilities (Continued)***

**Advances from the Public Financing Authority (Continued)**

**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).

The annual debt service requirements for the 2005 Taxable Housing Tax Revenue Bonds, Series AQ outstanding at June 30, 2017, is as follows:

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 345,000	\$ 451,300	\$ 796,300
2019	365,000	429,738	794,738
2020	390,000	406,925	796,925
2021	415,000	382,550	797,550
2022	440,000	356,612	796,612
2023-2027	2,640,000	1,335,875	3,975,875
2028-2031	2,760,000	426,000	3,186,000
Total	<u>\$ 7,355,000</u>	<u>\$ 3,789,000</u>	<u>\$ 11,144,000</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.



**City of Pomona**  
**Notes to the Financial Statements (Continued)**  
**For the Year Ended June 30, 2017**

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

***E. Long-Term Liabilities (Continued)***

**Advances from the Public Financing Authority (Continued)**

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

The annual debt service requirements for the 2006 Revenue Bonds, Series AS outstanding at June 30, 2017, is as follows:

Year Ended June 30,	Principal	Interest	Total
2018	\$ 105,000	\$ 1,242,504	\$ 1,347,504
2019	165,000	1,238,435	1,403,435
2020	235,000	1,232,000	1,467,000
2021	450,000	1,222,600	1,672,600
2022	415,000	1,204,600	1,619,600
2023-2027	1,380,000	5,831,281	7,211,281
2028-2032	11,775,000	4,906,000	16,681,000
2033-2037	7,560,000	1,699,500	9,259,500
2038-2041	3,655,000	390,600	4,045,600
Total	<u>\$ 25,740,000</u>	<u>\$ 18,967,520</u>	<u>\$ 44,707,520</u>

**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, 2017, is as follows:

Year Ended June 30,	Principal	Interest	Total
2018	\$ 465,000	\$ 343,938	\$ 808,938
2019	490,000	317,349	807,349
2020	520,000	289,331	809,331
2021	545,000	259,597	804,597
2022	580,000	228,434	808,434
2023-2027	3,415,000	607,251	4,022,251
Total	<u>\$ 6,015,000</u>	<u>\$ 2,045,900</u>	<u>\$ 8,060,900</u>



**City of Pomona**  
**Notes to the Financial Statements (Continued)**  
**For the Year Ended June 30, 2017**

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

***E. Long-Term Liabilities (Continued)***

**Advances from the Public Financing Authority (Continued)**

**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 4.250% to 5.125% per annum. Principal on \$1,348,000 of the subordinate bonds is payable in annual installments ranging from \$230,000 to \$285,000. Term bonds of \$625,000, \$1,910,000 and \$4,285,000 mature on February 1, 2019, February 1, 2024, and February 1, 2033, respectively.

The annual debt service requirements for the 2007 Subordinate Revenue Bonds, Series AW outstanding at June 30, 2017, is as follows:

Year Ended June 30,	Principal	Interest	Total
2018	\$ 305,000	\$ 344,794	\$ 649,794
2019	320,000	330,306	650,306
2020	335,000	315,106	650,106
2021	345,000	298,356	643,356
2022	390,000	281,106	671,106
2023-2027	2,100,000	1,102,825	3,202,825
2028-2032	2,705,000	515,319	3,220,319
2033	320,000	16,400	336,400
Total	<u>\$ 6,820,000</u>	<u>\$ 3,204,212</u>	<u>\$ 10,024,212</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.

**City of Pomona**  
**Notes to the Financial Statements (Continued)**  
**For the Year Ended June 30, 2017**

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

***E. Long-Term Liabilities (Continued)***

**Advances from the Public Financing Authority (Continued)**

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

The annual debt service requirements for the 2006 Subordinate Revenue Bonds, Series AX outstanding at June 30, 2017, is as follows:

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 925,000	\$ 1,004,485	\$ 1,929,485
2019	970,000	964,710	1,934,710
2020	975,000	922,030	1,897,030
2021	1,020,000	879,130	1,899,130
2022	1,050,000	834,250	1,884,250
2023-2027	5,780,000	3,383,250	9,163,250
2028-2032	7,205,000	1,794,000	8,999,000
2033-2037	1,935,000	422,750	2,357,750
2038-2041	820,000	97,500	917,500
Total	<u>\$ 20,680,000</u>	<u>\$ 10,302,105</u>	<u>\$ 30,982,105</u>

**Advances from the Housing Authority**

	<u>Balance July 1, 2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2017</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, 2017, is \$4,000,000.

**Pledged Tax Revenues**

The City has pledged, as security for bonds issued, either directly or through the Pomona Public Financing Authority, certain tax revenues to the repayment of certain Successor Agency debts (bonds, loans and advances) through final maturity of bonded debt on February 1, 2047, or earlier retirement, whichever occurs first.

**City of Pomona**  
**Notes to the Financial Statements (Continued)**  
**For the Year Ended June 30, 2017**

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

***E. Long-Term Liabilities (Continued)***

**Pledged Tax Revenues (Continued)**

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 \$15,727,558 and the debt service payments on the bonds was \$14,497,327.

Remaining balance on the debt at June 30, 2017, is as follows:

Debt Issues	
County of LA Agreement	\$ 56,205,700
1998 Series W Bonds	49,838,750
1998 Series X Bonds	567,460
1998 Series Y Bonds	8,709,751
2001 Series AD Bonds	35,739,750
2003 Series AH Bonds	22,714,176
2005 Series AQ Bonds	11,144,000
2006 Series AS Bonds	44,707,520
2006 Series AT Bonds	8,060,900
2007 Series AW Bonds	10,024,212
2006 Series AX Bonds	30,982,105
Total	<u><u>\$ 278,694,324</u></u>

***F. 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 15.

***G. Agreement for Allocation of Tax Increment Revenues***

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 revenues 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" in tax increment revenues allocated to the Successor Agency as described in the agreement. There were no intergovernmental revenues as result of the agreement for the year ended June 30, 2017.

**City of Pomona**  
**Notes to the Financial Statements (Continued)**  
**For the Year Ended June 30, 2017**

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**Note 19 – Prior Period Adjustments**

The beginning net position and fund balances were restated as a result of change in estimates of the unbilled receivables for utility billings as follows:

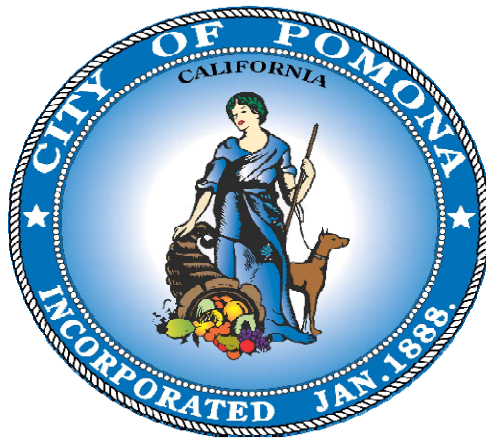
<b>Government-wide Financial Statements</b>					
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>		
Net position at July 1, 2016					
as previously reported	\$ 113,958,091	\$ 91,996,084	\$ 205,954,175		
Unbilled receivables	(345,504)	(4,050,108)	(4,395,612)		
Net position at July 1, 2016, as restated	<u>\$ 113,612,587</u>	<u>\$ 87,945,976</u>	<u>\$ 201,558,563</u>		

	<b>Governmental Funds</b>		<b>Enterprise Funds</b>		
	<b>General</b>	<b>Nonmajor Governmental</b>	<b>Water</b>	<b>Sewer</b>	<b>Refuse</b>
Fund balance/net position at July 1, 2016					
as previously reported	\$ 16,839,652	\$ 23,903,677	\$ 67,987,123	\$ 16,768,924	\$ 5,543,004
Unbilled receivables	(216,933)	(128,571)	(2,773,526)	(429,576)	(847,006)
Fund balance/net position at July 1, 2016 as restated	<u>\$ 16,622,719</u>	<u>\$ 23,775,106</u>	<u>\$ 65,213,597</u>	<u>\$ 16,339,348</u>	<u>\$ 4,695,998</u>

**REQUIRED SUPPLEMENTARY INFORMATION  
(UNAUDITED)**

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**City of Pomona**  
**Required Supplementary Information (Unaudited)**  
**Budgetary Comparison Schedule - General Fund**  
**For the Year Ended June 30, 2017**

	<b>Budget Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
				<b>Positive</b>
				<b>(Negative)</b>
<b>REVENUES:</b>				
Taxes	\$ 77,555,372	\$ 76,757,818	\$ 77,604,369	\$ 846,551
Licenses and permits	9,531,069	9,541,069	9,303,367	(237,702)
Intergovernmental	212,500	212,500	114,898	(97,602)
Charges for services	2,700,595	2,726,095	2,729,365	3,270
Use of money and properties	1,340,363	2,014,715	2,024,742	10,027
Fines and forfeitures	1,902,000	2,031,192	2,192,012	160,820
Miscellaneous	270,000	495,000	549,236	54,236
<b>Total revenues</b>	<b>93,511,899</b>	<b>93,778,389</b>	<b>94,517,989</b>	<b>739,600</b>
<b>EXPENDITURES:</b>				
Current:				
General government	3,424,661	3,919,210	5,013,554	(1,094,344)
Public safety	72,465,805	72,914,715	72,386,611	528,104
Urban development	9,734,934	9,799,555	8,759,887	1,039,668
Neighborhood services and library	3,796,198	3,919,812	3,606,113	313,699
Capital outlay	872,000	1,372,867	488,489	884,378
Debt service:				
Principal retirement	362,546	362,546	349,226	13,320
Interest and fiscal charges	3,750	3,750	18,390	(14,640)
<b>Total expenditures</b>	<b>90,659,894</b>	<b>92,292,455</b>	<b>90,622,270</b>	<b>1,670,185</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>2,852,005</b>	<b>1,485,934</b>	<b>3,895,719</b>	<b>2,409,785</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	1,034,170	1,033,463	(707)
Transfers out	(4,735,199)	(3,520,859)	(4,388,668)	(867,809)
Proceed from sale of assets	-	-	1,640	1,640
<b>Total other financing sources (uses)</b>	<b>(4,735,199)</b>	<b>(2,486,689)</b>	<b>(3,353,565)</b>	<b>(866,876)</b>
<b>Net change in fund balance</b>	<b>\$ (1,883,194)</b>	<b>\$ (1,000,755)</b>	<b>542,154</b>	<b>\$ 1,542,909</b>
<b>FUND BALANCE:</b>				
Beginning of year			16,622,719	
End of year			<u>\$ 17,164,873</u>	

**City of Pomona**  
**Required Supplementary Information (Unaudited)**  
**Budgetary Comparison Schedule - Housing Authority**  
**For the Year Ended June 30, 2017**

	<b>Budget Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
				<b>Positive</b>
				<b>(Negative)</b>
<b>REVENUES:</b>				
Intergovernmental	\$ 12,351,106	\$ 12,351,106	\$ 13,154,761	\$ 803,655
Charges for services	-	200,000	1,896	(198,104)
Use of money and properties	521,023	571,023	308,530	(262,493)
Miscellaneous	10,000	10,000	204,806	194,806
<b>Total revenues</b>	<b>12,882,129</b>	<b>13,132,129</b>	<b>13,669,993</b>	<b>537,864</b>
<b>EXPENDITURES:</b>				
Current:				
Urban development	13,399,235	13,752,272	13,979,696	(227,424)
Capital outlay	17,500	14,165	2,725	11,440
<b>Total expenditures</b>	<b>13,416,735</b>	<b>13,766,437</b>	<b>13,982,421</b>	<b>(215,984)</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(534,606)</b>	<b>(634,308)</b>	<b>(312,428)</b>	<b>321,880</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	-	(5,740,000)	(1,730,217)	4,009,783
<b>Net change in fund balance</b>	<b>\$ (534,606)</b>	<b>\$ (6,374,308)</b>	<b>(2,042,645)</b>	<b>\$ 4,331,663</b>
<b>FUND BALANCE:</b>				
Beginning of year			27,594,077	
End of year			\$ 25,551,432	



**City of Pomona**  
**Required Supplementary Information (Unaudited)**  
**Budgetary Comparison Schedule - Miscellaneous Grants**  
**For the Year Ended June 30, 2017**

	<b>Budget Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
				<b>Positive</b>
				<b>(Negative)</b>
<b>REVENUES:</b>				
Special assessment	\$ -	\$ 84,897	\$ -	\$ (84,897)
Intergovernmental	6,725,287	10,533,595	2,262,764	(8,270,831)
Charges for services	347,078	388,024	389,542	1,518
Use of money and properties	-	-	18,350	18,350
Miscellaneous	280,368	280,368	480,330	199,962
<b>Total revenues</b>	<b>7,352,733</b>	<b>11,286,884</b>	<b>3,150,986</b>	<b>(8,135,898)</b>
<b>EXPENDITURES:</b>				
Current:				
Public safety	387,008	1,332,523	744,645	587,878
Urban development	310,000	310,000	121,386	188,614
Neighborhood services and library	6,680,760	9,582,515	2,407,316	7,175,199
Capital outlay	151,000	258,047	121,970	136,077
<b>Total expenditures</b>	<b>7,528,768</b>	<b>11,483,085</b>	<b>3,395,317</b>	<b>8,087,768</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(176,035)</b>	<b>(196,201)</b>	<b>(244,331)</b>	<b>(48,130)</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	75,010	75,010	71,877	(3,133)
Transfers out	-	(106,576)	(324,692)	(218,116)
<b>Total other financing sources (uses)</b>	<b>75,010</b>	<b>(31,566)</b>	<b>(252,815)</b>	<b>(221,249)</b>
<b>Net change in fund balance</b>	<b>\$ (101,025)</b>	<b>\$ (227,767)</b>	<b>(497,146)</b>	<b>\$ (269,379)</b>
<b>FUND BALANCE:</b>				
Beginning of year			18,848,823	
End of year			<u>\$ 18,351,677</u>	

**City of Pomona**  
**Required Supplementary Information (Unaudited)**  
**Notes to the Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2017**

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**Budget and Budgetary Accounting**

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for all governmental funds, except that encumbrances are shown in the year incurred for budgetary purposes.
2. 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.
3. 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.
4. Under encumbrance accounting, purchase orders, contracts and other commitments for expenditures are reported to reserve that portion of the applicable appropriations. Encumbrance accounting is employed as an extension of formal budgetary accounting. Unexpended appropriations lapse at year-end regardless of encumbrances.

**City of Pomona**  
**Required Supplementary Information (Unaudited)**  
**Schedule of Changes in Net Pension Liability and Related Ratios**  
**June 30, 2017**

**Last Ten Fiscal Years**

**Miscellaneous Plan - Agent Multiple - Employer Defined Benefit Plan**

Measurement period	2013-14	2014-15	2015-16 <sup>1</sup>
<b>Total pension liability</b>			
Service cost	\$ 3,310,829	\$ 3,161,189	\$ 3,278,100
Interest	18,086,982	18,495,828	19,115,591
Differences between expected and actual experience	-	(3,363,816)	123,335
Changes in assumptions	-	(4,427,183)	-
Benefit payments, including refunds of employee contributions	(12,464,852)	(13,367,634)	(14,106,985)
<b>Net change in total pension liability</b>	8,932,959	498,384	8,410,041
<b>Total pension liability - beginning</b>	245,736,775	254,669,734	255,168,118
<b>Total pension liability - ending (a)</b>	<u>\$ 254,669,734</u>	<u>\$ 255,168,118</u>	<u>\$ 263,578,159</u>
<b>Pension fiduciary net position</b>			
Contributions - employer	\$ 3,191,964	\$ 3,747,091	\$ 4,508,818
Contributions - employee	1,640,223	1,622,551	1,710,782
Net investment income	31,444,609	4,578,528	1,092,440
Benefit payments, including refunds of employee contributions	(12,464,852)	(13,367,634)	(14,106,985)
Net plan to plan resource movement	-	(521)	30,199
Administrative expenses	-	(235,754)	(124,510)
Other miscellaneous income	-	-	-
<b>Net change in plan fiduciary net position</b>	23,811,944	(3,655,739)	(6,889,256)
<b>Plan fiduciary net position - beginning</b>	184,143,961	207,955,905	204,300,166
<b>Plan fiduciary net position - ending (b)</b>	<u>\$ 207,955,905</u>	<u>\$ 204,300,166</u>	<u>\$ 197,410,910</u>
<b>Plan net pension liability - ending (a) - (b)</b>	<u>\$ 46,713,829</u>	<u>\$ 50,867,952</u>	<u>\$ 66,167,249</u>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	<u>81.66%</u>	<u>80.06%</u>	<u>74.90%</u>
<b>Covered payroll</b>	<u>\$ 21,843,562</u>	<u>\$ 21,768,272</u>	<u>\$ 22,899,750</u>
<b>Plan net pension liability as a percentage of covered payroll</b>	<u>213.86%</u>	<u>233.68%</u>	<u>288.94%</u>

<sup>1</sup> Historical information is presented only for measurement periods for which GASB 68 is applicable. Additional years of information will be presented as it becomes available.

**Notes to Schedule:**

Benefit Changes: The figures above do not include any liability impact that may have resulted from plan changes which occurred after the June 30, 2015 valuation date. 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: In 2016, there were no changes. In 2015, amounts reported reflected an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without reduction for pension plan administrative expenses.) In 2014, amounts reported were based on the 7.5 percent discount rate.

**City of Pomona**  
**Required Supplementary Information (Unaudited)**  
**Schedule of Changes in Net Pension Liability and Related Ratios (Continued)**  
**June 30, 2017**

Last Ten Fiscal Years

**Safety Plan - Agent Multiple - Employer Defined Benefit Plan**

Measurement period	2013-14	2014-15	2015-16 <sup>1</sup>
<b>Total pension liability</b>			
Service cost	\$ 4,880,486	\$ 4,785,362	\$ 4,884,739
Interest	23,069,282	23,712,742	24,593,728
Differences between expected and actual experience	-	(2,090,216)	1,506,206
Changes in assumptions	-	(5,565,887)	-
Benefit payments, including refunds of employee contributions	(17,510,572)	(18,221,480)	(18,854,232)
<b>Net change in total pension liability</b>	10,439,196	2,620,521	12,130,441
<b>Total pension liability - beginning</b>	313,905,458	324,344,654	326,965,175
<b>Total pension liability - ending (a)</b>	<u>\$ 324,344,654</u>	<u>\$ 326,965,175</u>	<u>\$ 339,095,616</u>
<b>Pension fiduciary net position</b>			
Contributions - employer	\$ 5,669,824	\$ 6,367,577	\$ 7,278,178
Contributions - employee	1,402,077	1,554,104	1,534,930
Net investment income	37,455,889	5,342,317	1,164,032
Benefit payments, including refunds of employee contributions	(17,510,572)	(18,221,480)	(18,854,232)
Net plan to plan resource movement	-	521	1,096
Administrative expense	-	(271,705)	(147,131)
Other miscellaneous income	-	-	-
<b>Net change in plan fiduciary net position</b>	27,017,218	(5,228,666)	(9,023,127)
<b>Plan fiduciary net position - beginning</b>	219,628,065	246,645,283	241,416,617
<b>Plan fiduciary net position - ending (b)</b>	<u>\$ 246,645,283</u>	<u>\$ 241,416,617</u>	<u>\$ 232,393,490</u>
<b>Plan net pension liability - ending (a) - (b)</b>	<u>\$ 77,699,371</u>	<u>\$ 85,548,558</u>	<u>\$ 106,702,126</u>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	<u>76.04%</u>	<u>73.84%</u>	<u>68.53%</u>
<b>Covered payroll</b>	<u>\$ 15,182,720</u>	<u>\$ 15,528,316</u>	<u>\$ 16,122,314</u>
<b>Plan net pension liability as a percentage of covered payroll</b>	<u>511.76%</u>	<u>550.92%</u>	<u>661.83%</u>

<sup>1</sup> Historical information is presented only for measurement periods for which GASB 68 is applicable. Additional years of information will be presented as it becomes available.

**Notes to Schedule:**

Benefit Changes: The figures above do not include any liability impact that may have resulted from plan changes which occurred after the June 30, 2015 valuation date. 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: In 2016, there were no changes. In 2015, amounts reported reflected an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without reduction for pension plan administrative expenses.) In 2014, amounts reported were based on the 7.5 percent discount rate.

**City of Pomona**  
**Required Supplementary Information (Unaudited)**  
**Schedule of Plan Contributions**  
**June 30, 2017**

**Last Ten Fiscal Years**

**Miscellaneous Plan - Agent Multiple-Employer Defined Benefit Plan**

	2013-14	2014-15	2015-16	2016-17 <sup>1</sup>
Actuarially determined contribution	\$ 3,191,964	\$ 3,747,091	\$ 4,508,818	\$ 4,966,510
Contributions in relation to the actuarially determined contribution	(3,191,964)	(3,747,091)	(4,508,818)	(4,966,510)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Covered payroll <sup>2</sup>	\$ 21,843,562	\$ 21,768,272	\$ 22,899,750	\$ 23,586,743
Contributions as a percentage of covered payroll <sup>2</sup>	14.61%	17.21%	19.69%	21.06%

**Safety Plan - Agent Multiple-Employer Defined Benefit Plan**

	2013-14	2014-15	2015-16	2016-17 <sup>1</sup>
Actuarially determined contribution	\$ 5,669,824	\$ 6,367,577	\$ 7,278,178	\$ 8,215,967
Contributions in relation to the actuarially determined contribution <sup>2</sup>	(5,669,824)	(6,367,577)	(7,278,178)	(8,215,967)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Covered payroll <sup>2</sup>	\$ 15,182,720	\$ 15,528,316	\$ 16,122,314	\$ 16,605,983
Contributions as a percentage of covered payroll <sup>2</sup>	37.34%	41.01%	45.14%	49.48%

<sup>1</sup> Historical information is presented only for measurement periods for which GASB 68 is applicable. Additional years of information will be presented as it becomes available.

<sup>2</sup> Included one year's payroll growth using 3.00 percent payroll assumption from 2015-16 to 2016-17

**Notes to Schedule:**

The actuarial methods and assumptions used to set the actuarially determined contributions for fiscal year 2016-17 were derived from the June 30, 2014 funding valuation reports.

**Methods and assumptions used to determine contribution rates:**

Actuarial cost method	Entry Age Normal Cost Method
Amortization method	Level Percent Payroll
Asset valuation method	Market Value
Inflation	2.75%
Discount rate	7.50% compounded annually (net of administrative expenses)
Projected salary increases inflation	3.20% to 20.00% depending on age, service, and type of employment
Payroll Growth	3.00%
Individual salary growth	A merit scale varying by duration of employment coupled with an assumed annual inflation growth rate of 2.75% .
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.

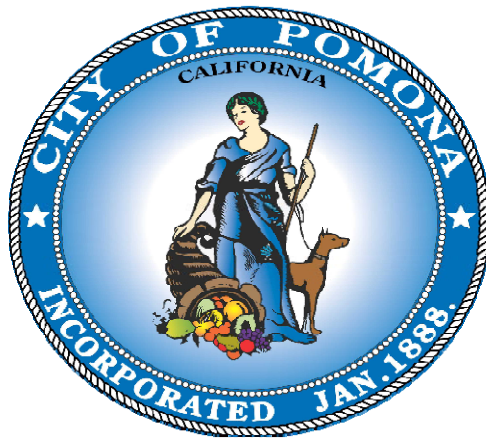
**City of Pomona**  
**Required Supplementary Information (Unaudited)**  
**Schedule of Funding Progress**  
**June 30, 2017**

**OTHER POSTEMPLOYMENT BENEFITS PLANS**

Actuarial Valuation Date	Entry Age Actuarial Accrued Liabilities (AAL) (a)	Actuarial Valuation of Assets (AVA) (b)	Unfunded AAL (UAAL) (a)-(b)	Funded Ratio AVA (b)/(a)	Annual Covered Payroll (c)	UAAL as a % of Covered Payroll [(a)-(b)]/(c)
<b><u>Collateral Benefits Plan</u></b>						
7/1/2009	\$ 954,779	\$ 175,275	\$ 779,504	18.4%	N/A	N/A
7/1/2012	976,744	220,801	755,943	22.6%	N/A	N/A
7/1/2014	905,593	258,073	647,520	28.5%	N/A	N/A
<b><u>Public Employees' Medical and Hospital Care Program (PEMHCA) Plan</u></b>						
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%
1/1/2016	88,492,843	-	88,492,843	0.0%	39,293,795	225.2%

## **SUPPLEMENTARY INFORMATION**

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**City of Pomona**  
**Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual**  
**General Debt Service Fund**  
**For the Year Ended June 30, 2017**

	<b>Budget Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
				<b>Positive</b>
				<b>(Negative)</b>
<b>REVENUES:</b>				
Taxes	\$ 453,302	\$ 453,302	\$ 647,765	\$ 194,463
Use of money and properties	1,685	1,685	(304,018)	(305,703)
Miscellaneous	337,076	337,076	337,076	-
<b>Total revenues</b>	<b>792,063</b>	<b>792,063</b>	<b>680,823</b>	<b>(111,240)</b>
<b>EXPENDITURES:</b>				
Current:				
General government	39,033	39,033	104,001	(64,968)
Debt service:				
Principal retirement	1,130,000	1,130,000	37,212,979	(36,082,979)
Interest and fiscal charges	4,415,162	4,415,162	5,238,955	(823,793)
<b>Total expenditures</b>	<b>5,584,195</b>	<b>5,584,195</b>	<b>42,555,935</b>	<b>(36,971,740)</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(4,792,132)</b>	<b>(4,792,132)</b>	<b>(41,875,112)</b>	<b>(37,082,980)</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	4,606,914	4,606,914	6,780,692	2,173,778
Transfers out	-	-	(973,463)	(973,463)
<b>Total Other Financing Sources (Uses)</b>	<b>4,606,914</b>	<b>4,606,914</b>	<b>5,807,229</b>	<b>1,200,315</b>
<b>Net change in fund balance</b>	<b>\$ (185,218)</b>	<b>\$ (185,218)</b>	<b>(36,067,883)</b>	<b>\$ (35,882,665)</b>
<b>FUND BALANCE:</b>				
Beginning of year			(39,170,313)	
End of year			<u>\$ (75,238,196)</u>	

**City of Pomona**  
**Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual (Continued)**  
**Public Financing Authority Debt Service Fund**  
**For the Year Ended June 30, 2017**

	<b>Budget Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
				<b>Positive</b>
				<b>(Negative)</b>
<b>REVENUES:</b>				
Use of money and properties	\$ 24,330,417	\$ 24,330,417	\$ 501,104	\$ (23,829,313)
Miscellaneous	-	-	73,344	73,344
<b>Total revenues</b>	<b>24,330,417</b>	<b>24,330,417</b>	<b>574,448</b>	<b>(23,755,969)</b>
<b>EXPENDITURES:</b>				
Current:				
General government	4,201	5,138	9,250	(4,112)
Debt service:				
Principal retirement	9,555,000	9,555,000	42,455,000	(32,900,000)
Interest and fiscal charges	15,926,216	15,926,216	452,266	15,473,950
<b>Total expenditure</b>	<b>25,485,417</b>	<b>25,486,354</b>	<b>42,916,516</b>	<b>(17,430,162)</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(1,155,000)</b>	<b>(1,155,937)</b>	<b>(42,342,068)</b>	<b>(41,186,131)</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	1,155,000	1,155,000	-	(1,155,000)
Transfers out	-	-	(2,239,031)	(2,239,031)
Issuance of debt	-	-	77,120,000	77,120,000
Issuance premium	-	-	2,239,031	2,239,031
<b>Total other financing sources (uses)</b>	<b>1,155,000</b>	<b>1,155,000</b>	<b>77,120,000</b>	<b>75,965,000</b>
<b>Net change in fund balance</b>	<b>\$ -</b>	<b>\$ (937)</b>	<b>34,777,932</b>	<b>\$ 34,778,869</b>
<b>FUND BALANCE:</b>				
Beginning of year			46,247,973	
End of year			<b>\$ 81,025,905</b>	

## NONMAJOR GOVERNMENTAL FUNDS

### **Nonmajor Special Revenue Funds:**

The **Community Development Block Grant ("CDBG") Fund** accounts for funds received from the U.S. Department of Housing and Urban Development to develop 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 revenue 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 the receipt and disbursement of funds derived from a 1990-91 increase in County sales tax. The funds are used to finance transit and transit-related projects.

The **Vehicle Parking District Fund** accounts for 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 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 **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 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 one-half cent sales tax revenue.

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 Fee Fund** accounts for fee analysis rate review and Public Art fees.

### **Nonmajor Capital Projects Funds:**

The **Capital Outlay Fund** accounts for 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, 2017**

		Special Revenue Funds			
		Community Development Block Grant	State Gas Tax	Proposition A	Proposition C
<b>Assets</b>					
Cash and investments		\$ 474,971	\$ 1,200,362	\$ 2,140,618	\$ 3,439,076
Receivable (net):					
Accounts		7,500	2,633	4,000	-
Notes and loans		1,759,706	-	-	-
Interest		129	1,858	5,751	10,570
Prepaid items		-	-	-	-
Due from other governments		266,760	7,329	295,281	-
Advances to other funds		-	-	-	-
Restricted assets:					
Cash and investments		-	-	-	-
<b>Total assets</b>		<b>\$ 2,509,066</b>	<b>\$ 1,212,182</b>	<b>\$ 2,445,650</b>	<b>\$ 3,449,646</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>					
<b>Liabilities:</b>					
Accounts payable		\$ 44,191	\$ 249,539	\$ 239,098	\$ 5,535
Payroll payable		52,815	38,279	4,979	2,579
Deposits payable		-	-	-	-
Due to other governments		-	-	-	-
Due to other funds		-	-	-	-
<b>Total liabilities</b>		<b>97,006</b>	<b>287,818</b>	<b>244,077</b>	<b>8,114</b>
<b>Deferred Inflows of Resources:</b>					
Unavailable revenues		5,982	7,329	295,281	-
<b>Total deferred inflows of resources</b>		<b>5,982</b>	<b>7,329</b>	<b>295,281</b>	<b>-</b>
<b>Fund Balances (Deficit):</b>					
<b>Nonspendable</b>		-	-	-	-
<b>Restricted</b>					
Development and public works		2,406,078	917,035	1,906,292	3,441,532
Public safety		-	-	-	-
Neighborhood services		-	-	-	-
Capital projects		-	-	-	-
Assessment district improvement		-	-	-	-
<b>Unassigned</b>		-	-	-	-
<b>Total fund balances (deficit)</b>		<b>2,406,078</b>	<b>917,035</b>	<b>1,906,292</b>	<b>3,441,532</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>		<b>\$ 2,509,066</b>	<b>\$ 1,212,182</b>	<b>\$ 2,445,650</b>	<b>\$ 3,449,646</b>

(Continued)

**City of Pomona**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**June 30, 2017**

		Special Revenue Funds			
		Vehicle Parking District	Air Quality Improvement	Landscape Maintenance District	Asset Forfeiture
<b>Assets</b>					
Cash and investments		\$ 2,314,054	\$ 723,239	\$ 921,597	\$ 975,256
Receivable (net):					
Accounts		92,120	-	-	-
Notes and loans		-	-	-	-
Interest		5,085	1,495	2,002	2,574
Prepaid items		-	-	-	8,441
Due from other governments		313	50,511	15,281	5,080
Advances to other funds		304,435	-	-	-
Restricted assets:					
Cash and investments		-	-	-	-
<b>Total assets</b>		<u>\$ 2,716,007</u>	<u>\$ 775,245</u>	<u>\$ 938,880</u>	<u>\$ 991,351</u>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>					
<b>Liabilities:</b>					
Accounts payable		\$ 94,379	\$ 3,560	\$ 112,245	\$ 46,229
Payroll payable		10,085	1,595	6,588	18,750
Deposits payable		2,334	-	-	-
Due to other governments		-	-	-	-
Due to other funds		-	-	-	-
<b>Total liabilities</b>		<u>106,798</u>	<u>5,155</u>	<u>118,833</u>	<u>64,979</u>
<b>Deferred Inflows of Resources:</b>					
Unavailable revenues		<u>2,334</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total deferred inflows of resources</b>		<u>2,334</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balances (Deficit):</b>					
<b>Nonspendable</b>		-	-	-	8,441
<b>Restricted</b>					
Development and public works		2,606,875	770,090	820,047	-
Public safety		-	-	-	917,931
Neighborhood services		-	-	-	-
Capital projects		-	-	-	-
Assessment district improvement		-	-	-	-
<b>Unassigned</b>		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total fund balances (deficit)</b>		<u>2,606,875</u>	<u>770,090</u>	<u>820,047</u>	<u>926,372</u>
<b>Total liabilities, deferred inflows of resources and fund balances</b>		<u>\$ 2,716,007</u>	<u>\$ 775,245</u>	<u>\$ 938,880</u>	<u>\$ 991,351</u>

(Continued)

**City of Pomona**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**June 30, 2017**

	Special Revenue Funds			
	Traffic Offender	Measure R	General Sanitation Fees operations	Special Fees Fund
<b>Assets</b>				
Cash and investments	\$ 313,885	\$ 2,799,772	\$ -	\$ 1,495,068
Receivable (net):				
Accounts	5,250	-	224,905	-
Notes and loans	-	-	-	-
Interest	718	6,354	-	-
Prepaid items	-	-	-	-
Due from other governments	-	-	-	-
Advances to other funds	-	-	-	-
Restricted assets:				
Cash and investments	-	-	-	-
<b>Total assets</b>	<u>\$ 319,853</u>	<u>\$ 2,806,126</u>	<u>\$ 224,905</u>	<u>\$ 1,495,068</u>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 15,748	\$ 37,823	\$ 275,698	\$ -
Payroll payable	12,241	20,741	28,441	-
Deposits payable	-	-	-	-
Due to other governments	-	-	-	-
Due to other funds	-	-	287,825	-
<b>Total liabilities</b>	<u>27,989</u>	<u>58,564</u>	<u>591,964</u>	<u>-</u>
<b>Deferred Inflows of Resources:</b>				
Unavailable revenues	-	-	-	-
<b>Total deferred inflows of resources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balances (Deficit):</b>				
<b>Nonspendable</b>	-	-	-	-
<b>Restricted</b>				
Development and public works	-	2,747,562	-	1,495,068
Public safety	291,864	-	-	-
Neighborhood services	-	-	-	-
Capital projects	-	-	-	-
Assessment district improvement	-	-	-	-
<b>Unassigned</b>	-	-	(367,059)	-
<b>Total fund balances (deficit)</b>	<u>291,864</u>	<u>2,747,562</u>	<u>(367,059)</u>	<u>1,495,068</u>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<u>\$ 319,853</u>	<u>\$ 2,806,126</u>	<u>\$ 224,905</u>	<u>\$ 1,495,068</u>

**City of Pomona**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**June 30, 2017**

		Capital Projects Funds		
		Capital Outlay	Assessment District Improvement	Total Nonmajor Governmental Funds
<b>Assets</b>				
Cash and investments		\$ 1,990,293	\$ 58,342	\$ 18,846,533
Receivable (net):				
Accounts		60,326	-	396,734
Notes and loans		-	-	1,759,706
Interest		1,584	202	38,322
Prepaid items		-	-	8,441
Due from other governments		62,975	-	703,530
Advances to other funds		-	-	304,435
Restricted assets:				
Cash and investments		1,415,034	154,605	1,569,639
<b>Total assets</b>		<b>\$ 3,530,212</b>	<b>\$ 213,149</b>	<b>\$ 23,627,340</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>				
<b>Liabilities:</b>				
Accounts payable		\$ 1,935,900	\$ 6,235	\$ 3,066,180
Payroll payable		35,812	160	233,065
Deposits payable		68,814	-	71,148
Due to other governments		-	-	-
Due to other funds		-	-	287,825
<b>Total liabilities</b>		<b>2,040,526</b>	<b>6,395</b>	<b>3,658,218</b>
<b>Deferred Inflows of Resources:</b>				
Unavailable revenues		62,975	-	373,901
<b>Total deferred inflows of resources</b>		<b>62,975</b>	<b>-</b>	<b>373,901</b>
<b>Fund Balances (Deficit):</b>				
<b>Nonspendable</b>		-	-	8,441
<b>Restricted</b>				
Development and public works		-	-	17,110,579
Public safety		-	-	1,209,795
Neighborhood services		-	-	-
Capital projects		1,426,711	-	1,426,711
Assessment district improvement		-	206,754	206,754
<b>Unassigned</b>		-	-	(367,059)
<b>Total fund balances (deficit)</b>		<b>1,426,711</b>	<b>206,754</b>	<b>19,595,221</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>		<b>\$ 3,530,212</b>	<b>\$ 213,149</b>	<b>\$ 23,627,340</b>

(Concluded)

**City of Pomona**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the Year Ended June 30, 2017**

	Special Revenue Funds			
	Community Development Block Grant	State Gas Tax	Proposition A	Proposition C
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	1,257,746	2,925,506	2,781,244	2,313,406
Charges for services	79,687	-	-	-
Use of money and properties	6,389	178	(1,844)	6,174
Fines and forfeitures	-	-	-	-
Contributions	-	-	-	-
Miscellaneous	3,404	8,416	16,000	-
<b>Total revenues</b>	<b>1,347,226</b>	<b>2,934,100</b>	<b>2,795,400</b>	<b>2,319,580</b>
<b>Expenditures:</b>				
Current:				
General government	-	-	-	-
Public safety	106,892	-	-	-
Urban development	1,274,262	2,751,625	2,381,952	351,985
Neighborhood services and library	-	-	-	-
Capital outlay	-	-	20,200	-
Debt service:				
Principal retirement	145,000	-	-	-
Interest and fiscal charges	3,224	-	-	-
<b>Total expenditures</b>	<b>1,529,378</b>	<b>2,751,625</b>	<b>2,402,152</b>	<b>351,985</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(182,152)	182,475	393,248	1,967,595
<b>Other Financing Sources (Uses):</b>				
Transfers in	324,692	131,750	-	-
Transfers out	(46,626)	(710,748)	(655,532)	(6,319,966)
<b>Total other financing sources (uses)</b>	<b>278,066</b>	<b>(578,998)</b>	<b>(655,532)</b>	<b>(6,319,966)</b>
Net change in Fund Balances	95,914	(396,523)	(262,284)	(4,352,371)
<b>Fund Balances</b>				
Beginning of year, as restated (Note 19)	2,310,164	1,313,558	2,168,576	7,793,903
End of year	\$ 2,406,078	\$ 917,035	\$ 1,906,292	\$ 3,441,532



**City of Pomona**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the Year Ended June 30, 2017**

	Special Revenue Funds			
	Vehicle Parking District	Air Quality Improvement	Landscape Maintenance District	Asset Forfeiture
<b>Revenues:</b>				
Taxes	\$ 14,061	\$ -	\$ -	\$ -
Special assessments	-	-	1,200,732	-
Licenses and permits	-	-	-	-
Intergovernmental	-	198,706	-	93,382
Charges for services	177,074	-	-	-
Use of money and properties	559,280	(884)	(1,610)	373
Fines and forfeitures	-	-	-	-
Contributions	-	-	-	-
Miscellaneous	-	-	-	995,768
<b>Total revenues</b>	<b>750,415</b>	<b>197,822</b>	<b>1,199,122</b>	<b>1,089,523</b>
<b>Expenditures:</b>				
Current:				
General government	791,868	-	-	-
Public safety	-	-	-	1,414,613
Urban development	-	88,318	1,121,425	-
Neighborhood services and library	-	-	-	-
Capital outlay	1,000	-	-	55,247
Debt service:				
Principal retirement	78,782	-	-	-
Interest and fiscal charges	1,938	-	-	-
<b>Total expenditures</b>	<b>873,588</b>	<b>88,318</b>	<b>1,121,425</b>	<b>1,469,860</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(123,173)	109,504	77,697	(380,337)
<b>Other Financing Sources (Uses):</b>				
Transfers in	132	-	-	-
Transfers out	(132)	(283)	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>(283)</b>	<b>-</b>	<b>-</b>
Net change in Fund Balances	(123,173)	109,221	77,697	(380,337)
<b>Fund Balances</b>				
Beginning of year, as restated (Note 19)	2,730,048	660,869	742,350	1,306,709
End of year	<u>\$ 2,606,875</u>	<u>\$ 770,090</u>	<u>\$ 820,047</u>	<u>\$ 926,372</u>

**City of Pomona**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the Year Ended June 30, 2017**

	Special Revenue Funds			
	Traffic Offender	Measure R	General Sanitation Fees operations	Special Fees Fund
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-
Licenses and permits	-	-	1,396,038	586,273
Intergovernmental	-	1,730,645	-	-
Charges for services	295,580	-	-	-
Use of money and properties	(256)	1,766	(884)	(11,250)
Fines and forfeitures	-	-	14,293	-
Contributions	-	-	-	-
Miscellaneous	-	-	519	-
<b>Total revenues</b>	<b>295,324</b>	<b>1,732,411</b>	<b>1,409,966</b>	<b>575,023</b>
<b>Expenditures:</b>				
Current:				
General government	-	-	-	-
Public safety	191,049	-	-	-
Urban development	-	846,389	2,420,521	-
Neighborhood services and library	-	-	-	-
Capital outlay	254,615	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
<b>Total expenditures</b>	<b>445,664</b>	<b>846,389</b>	<b>2,420,521</b>	<b>-</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(150,340)	886,022	(1,010,555)	575,023
<b>Other Financing Sources (Uses):</b>				
Transfers in	-	1,437	710,748	-
Transfers out	-	(447,980)	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>(446,543)</b>	<b>710,748</b>	<b>-</b>
Net change in Fund Balances	(150,340)	439,479	(299,807)	575,023
<b>Fund Balances</b>				
Beginning of year, as restated (Note 19)	442,204	2,308,083	(67,252)	920,045
End of year	\$ 291,864	\$ 2,747,562	\$ (367,059)	\$ 1,495,068

**City of Pomona**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the Year Ended June 30, 2017**

	Capital Projects Funds		
	Capital Outlay	Assessment District Improvement	Total Nonmajor Governmental Funds
<b>Revenues:</b>			
Taxes	\$ 110,510	\$ -	\$ 124,571
Special assessments	-	-	1,200,732
Licenses and permits	230,177	-	2,212,488
Intergovernmental	253,730	-	11,554,365
Charges for services	36,350	-	588,691
Use of money and properties	7,676	721	565,829
Fines and forfeitures	-	-	14,293
Contributions	7,691,802	-	7,691,802
Miscellaneous	16,410	-	1,040,517
<b>Total revenues</b>	<b>8,346,655</b>	<b>721</b>	<b>24,993,288</b>
<b>Expenditures:</b>			
Current:			
General government	-	-	791,868
Public safety	-	-	1,712,554
Urban development	-	-	11,236,477
Neighborhood services and library	-	-	-
Capital outlay	19,326,484	26,167	19,683,713
Debt service:			
Principal retirement	-	-	223,782
Interest and fiscal charges	-	-	5,162
<b>Total expenditures</b>	<b>19,326,484</b>	<b>26,167</b>	<b>33,653,556</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(10,979,829)	(25,446)	(8,660,268)
<b>Other Financing Sources (Uses):</b>			
Transfers in	12,050,546	3,551	13,222,856
Transfers out	(561,206)	-	(8,742,473)
<b>Total other financing sources (uses)</b>	<b>11,489,340</b>	<b>3,551</b>	<b>4,480,383</b>
Net change in Fund Balances	509,511	(21,895)	(4,179,885)
<b>Fund Balances</b>			
Beginning of year, as restated (Note 19)	917,200	228,649	23,775,106
End of year	\$ 1,426,711	\$ 206,754	\$ 19,595,221

(Concluded)

**City of Pomona**  
**Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual**  
**Community Development Block Grant Special Revenue Fund**  
**For the Year Ended June 30, 2017**

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
<b>REVENUES:</b>				
Intergovernmental	\$ 2,124,127	\$ 2,203,916	\$ 1,257,746	\$ (946,170)
Charges for services	1,569	1,569	79,687	78,118
Use of money and properties	-	-	6,389	6,389
Miscellaneous	135,400	135,400	3,404	(131,996)
<b>Total revenues</b>	<u>2,261,096</u>	<u>2,340,885</u>	<u>1,347,226</u>	<u>(993,659)</u>
<b>EXPENDITURES:</b>				
Current:				
Public safety	106,469	106,469	106,892	(423)
Urban development	1,287,591	1,367,035	1,274,262	92,773
Debt service:				
Principal retirement	145,800	145,000	145,000	-
Interest and fiscal charges	1,662	2,462	3,224	(762)
<b>Total expenditures</b>	<u>1,541,522</u>	<u>1,620,966</u>	<u>1,529,378</u>	<u>91,588</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>719,574</u>	<u>719,919</u>	<u>(182,152)</u>	<u>(902,071)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	-	324,692	324,692
Transfers out	(719,574)	(719,574)	(46,626)	672,948
<b>Total other financing sources (uses)</b>	<u>(719,574)</u>	<u>(719,574)</u>	<u>278,066</u>	<u>997,640</u>
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>\$ 345</u>	<u>95,914</u>	<u>\$ 95,569</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>2,310,164</u>	
End of year			<u>\$ 2,406,078</u>	

**City of Pomona**  
**Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual (Continued)**  
**State Gas Tax Special Revenue Fund**  
**For the Year Ended June 30, 2017**

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
<b>REVENUES:</b>				
Intergovernmental	\$ 3,112,861	\$ 3,112,861	\$ 2,925,506	\$ (187,355)
Charges for services	195	195	-	(195)
Use of money and properties	2,723	2,723	178	(2,545)
Miscellaneous	12,348	12,348	8,416	(3,932)
<b>Total revenues</b>	<b>3,128,127</b>	<b>3,128,127</b>	<b>2,934,100</b>	<b>(194,027)</b>
<b>EXPENDITURES:</b>				
Current:				
Urban development	3,056,311	3,058,317	2,751,625	306,692
<b>Total expenditures</b>	<b>3,056,311</b>	<b>3,058,317</b>	<b>2,751,625</b>	<b>306,692</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>71,816</b>	<b>69,810</b>	<b>182,475</b>	<b>112,665</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	131,750	131,750	131,750	-
Transfers out	(288,943)	(288,943)	(710,748)	(421,805)
<b>Total other financing sources (uses)</b>	<b>(157,193)</b>	<b>(157,193)</b>	<b>(578,998)</b>	<b>(421,805)</b>
<b>Net change in fund balance</b>	<b>\$ (85,377)</b>	<b>\$ (87,383)</b>	<b>(396,523)</b>	<b>\$ (309,140)</b>
<b>FUND BALANCE:</b>				
Beginning of year			1,313,558	
End of year			<b>\$ 917,035</b>	

**City of Pomona**  
**Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual (Continued)**  
**Proposition A Special Revenue Fund**  
**For the Year Ended June 30, 2017**

	<b>Budget Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
				<b>Positive</b>
				<b>(Negative)</b>
<b>REVENUES:</b>				
Intergovernmental	\$ 2,821,767	\$ 2,821,767	\$ 2,781,244	\$ (40,523)
Use of money and properties	1,952	1,952	(1,844)	(3,796)
Miscellaneous	15,000	15,000	16,000	1,000
<b>Total revenues</b>	<u>2,838,719</u>	<u>2,838,719</u>	<u>2,795,400</u>	<u>(43,319)</u>
<b>EXPENDITURES:</b>				
Current:				
Urban development	2,474,295	2,489,073	2,381,952	107,121
Capital outlay	-	62,552	20,200	42,352
<b>Total expenditures</b>	<u>2,474,295</u>	<u>2,551,625</u>	<u>2,402,152</u>	<u>149,473</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>364,424</u>	<u>287,094</u>	<u>393,248</u>	<u>106,154</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	<u>(288,943)</u>	<u>(288,943)</u>	<u>(655,532)</u>	<u>(366,589)</u>
<b>Net change in fund balance</b>	<u>\$ 75,481</u>	<u>\$ (1,849)</u>	<u>(262,284)</u>	<u>\$ (260,435)</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>2,168,576</u>	
End of year			<u>\$ 1,906,292</u>	

**City of Pomona**  
**Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual (Continued)**  
**Proposition C Special Revenue Fund**  
**For the Year Ended June 30, 2017**

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
<b>REVENUES:</b>				
Intergovernmental	\$ 2,340,582	\$ 2,340,582	\$ 2,313,406	\$ (27,176)
Use of money and properties	12,405	12,405	6,174	(6,231)
<b>Total revenues</b>	<u>2,352,987</u>	<u>2,352,987</u>	<u>2,319,580</u>	<u>(33,407)</u>
<b>EXPENDITURES:</b>				
Current:				
Urban development	130,407	130,947	351,985	(221,038)
Capital outlay	12,062	12,062	-	12,062
<b>Total expenditures</b>	<u>142,469</u>	<u>143,009</u>	<u>351,985</u>	<u>(208,976)</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>2,210,518</u>	<u>2,209,978</u>	<u>1,967,595</u>	<u>(242,383)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	<u>(3,090,550)</u>	<u>(3,189,550)</u>	<u>(6,319,966)</u>	<u>(3,130,416)</u>
<b>Net change in fund balance</b>	<u>\$ (880,032)</u>	<u>\$ (979,572)</u>	<u>(4,352,371)</u>	<u>\$ (3,372,799)</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>7,793,903</u>	
End of year			<u>\$ 3,441,532</u>	

**City of Pomona**  
**Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual (Continued)**  
**Vehicle Parking District Special Revenue Fund**  
**For the Year Ended June 30, 2017**

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
<b>REVENUES:</b>				
Taxes	\$ 12,758	\$ 12,758	\$ 14,061	\$ 1,303
Charges for services	400,780	400,780	177,074	(223,706)
Use of money and properties	577,216	577,216	559,280	(17,936)
<b>Total revenues</b>	<b>990,754</b>	<b>990,754</b>	<b>750,415</b>	<b>(240,339)</b>
<b>EXPENDITURES:</b>				
Current:				
General government	851,430	883,853	791,868	91,985
Capital outlay	70,000	70,000	1,000	69,000
Debt service:				
Principal retirement	78,782	78,782	78,782	-
Interest and fiscal charges	1,938	1,938	1,938	-
<b>Total expenditures</b>	<b>1,002,150</b>	<b>1,034,573</b>	<b>873,588</b>	<b>160,985</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(11,396)</b>	<b>(43,819)</b>	<b>(123,173)</b>	<b>(79,354)</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	-	132	132
Transfers out	-	-	(132)	(132)
Proceeds from sale of capital assets	238,500	238,500	-	(238,500)
<b>Total other financing sources (uses)</b>	<b>238,500</b>	<b>238,500</b>	<b>-</b>	<b>(238,500)</b>
<b>Net change in fund balance</b>	<b>\$ 227,104</b>	<b>\$ 194,681</b>	<b>(123,173)</b>	<b>\$ (317,854)</b>
<b>FUND BALANCE:</b>				
Beginning of year			2,730,048	
End of year			<u>\$ 2,606,875</u>	



**City of Pomona**  
**Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual (Continued)**  
**Air Quality Improvement Special Revenue Fund**  
**For the Year Ended June 30, 2017**

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
<b>REVENUES:</b>				
Intergovernmental	\$ 191,050	\$ 191,050	\$ 198,706	\$ 7,656
Use of money and properties	-	-	(884)	(884)
<b>Total revenues</b>	<u>191,050</u>	<u>191,050</u>	<u>197,822</u>	<u>6,772</u>
<b>EXPENDITURES:</b>				
Current:				
Urban development	<u>194,695</u>	<u>637,033</u>	<u>88,318</u>	<u>548,715</u>
<b>Total expenditures</b>	<u>194,695</u>	<u>637,033</u>	<u>88,318</u>	<u>548,715</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(3,645)</u>	<u>(445,983)</u>	<u>109,504</u>	<u>555,487</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	305,576	-	(305,576)
Transfers out	<u>(85,000)</u>	<u>(85,000)</u>	<u>(283)</u>	<u>84,717</u>
<b>Total other financing sources (uses)</b>	<u>(85,000)</u>	<u>220,576</u>	<u>(283)</u>	<u>(220,859)</u>
<b>Net change in fund balance</b>	<u>\$ (88,645)</u>	<u>\$ (225,407)</u>	<u>109,221</u>	<u>\$ 334,628</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>660,869</u>	
End of year			<u>\$ 770,090</u>	

**City of Pomona**  
**Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual (Continued)**  
**Landscape Maintenance District Special Revenue Fund**  
**For the Year Ended June 30, 2017**

	<b>Budget Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
				<b>Positive</b>
				<b>(Negative)</b>
<b>REVENUES:</b>				
Special assessments	\$ 1,196,401	\$ 1,196,401	\$ 1,200,732	\$ 4,331
Use of money and properties	821	821	(1,610)	(2,431)
<b>Total revenues</b>	<u>1,197,222</u>	<u>1,197,222</u>	<u>1,199,122</u>	<u>1,900</u>
<b>EXPENDITURES:</b>				
Current:				
Urban development	<u>1,282,240</u>	<u>1,296,013</u>	<u>1,121,425</u>	<u>174,588</u>
<b>Total expenditures</b>	<u>1,282,240</u>	<u>1,296,013</u>	<u>1,121,425</u>	<u>174,588</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(85,018)</u>	<u>(98,791)</u>	<u>77,697</u>	<u>176,488</u>
<b>Net change in fund balance</b>	<u>\$ (85,018)</u>	<u>\$ (98,791)</u>	<u>77,697</u>	<u>\$ 176,488</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>742,350</u>	
End of year			<u>\$ 820,047</u>	

**City of Pomona**  
**Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual (Continued)**  
**Asset Forfeiture Special Revenue Fund**  
**For the Year Ended June 30, 2017**

	<b>Budget Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
				<b>Positive</b>
				<b>(Negative)</b>
<b>REVENUES:</b>				
Intergovernmental	\$ -	\$ -	\$ 93,382	\$ 93,382
Charges for services	30,000	30,000	-	(30,000)
Use of money and properties	-	-	373	373
Miscellaneous	700,000	700,000	995,768	295,768
<b>Total revenues</b>	<b>730,000</b>	<b>730,000</b>	<b>1,089,523</b>	<b>359,523</b>
<b>EXPENDITURES:</b>				
Current:				
Public safety	1,744,676	1,780,926	1,414,613	366,313
Capital outlay	-	55,250	55,247	3
<b>Total expenditures</b>	<b>1,744,676</b>	<b>1,836,176</b>	<b>1,469,860</b>	<b>366,316</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(1,014,676)</b>	<b>(1,106,176)</b>	<b>(380,337)</b>	<b>725,839</b>
<b>Net change in fund balance</b>	<b>\$ (1,014,676)</b>	<b>\$ (1,106,176)</b>	<b>(380,337)</b>	<b>\$ 725,839</b>
<b>FUND BALANCE:</b>				
Beginning of year			1,306,709	
End of year			<u>\$ 926,372</u>	

**City of Pomona**  
**Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual (Continued)**  
**Traffic Offender Special Revenue Fund**  
**For the Year Ended June 30, 2017**

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
<b>REVENUES:</b>				
Charges for services	\$ 300,000	\$ 300,000	\$ 295,580	\$ (4,420)
Use of money and properties	-	-	(256)	(256)
<b>Total revenues</b>	<u>300,000</u>	<u>300,000</u>	<u>295,324</u>	<u>(4,676)</u>
<b>EXPENDITURES:</b>				
Current:				
Public safety	220,093	228,393	191,049	37,344
Capital outlay	79,000	490,185	254,615	235,570
<b>Total expenditure</b>	<u>299,093</u>	<u>718,578</u>	<u>445,664</u>	<u>272,914</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>907</u>	<u>(418,578)</u>	<u>(150,340)</u>	<u>268,238</u>
<b>Net change in fund balance</b>	<u>\$ 907</u>	<u>\$ (418,578)</u>	<u>(150,340)</u>	<u>\$ 268,238</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>442,204</u>	
End of year			<u>\$ 291,864</u>	

**City of Pomona**  
**Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual (Continued)**  
**Measure R Special Revenue Fund**  
**For the Year Ended June 30, 2017**

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
<b>REVENUES:</b>				
Intergovernmental	\$ 1,755,458	\$ 1,755,458	\$ 1,730,645	\$ (24,813)
Use of money and properties	-	-	1,766	1,766
<b>Total revenues</b>	<u>1,755,458</u>	<u>1,755,458</u>	<u>1,732,411</u>	<u>(23,047)</u>
<b>EXPENDITURES:</b>				
Current:				
Urban development	1,004,650	1,012,378	846,389	165,989
Capital outlay	20,000	20,000	-	20,000
<b>Total expenditures</b>	<u>1,024,650</u>	<u>1,032,378</u>	<u>846,389</u>	<u>185,989</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>730,808</u>	<u>723,080</u>	<u>886,022</u>	<u>162,942</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	10,000	10,000	1,437	(8,563)
Transfers out	(959,847)	(1,059,847)	(447,980)	611,867
<b>Total other financing sources (uses)</b>	<u>(949,847)</u>	<u>(1,049,847)</u>	<u>(446,543)</u>	<u>603,304</u>
<b>Net change in fund balance</b>	<u>\$ (219,039)</u>	<u>\$ (326,767)</u>	<u>439,479</u>	<u>\$ 766,246</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>2,308,083</u>	
End of year			<u>\$ 2,747,562</u>	

**City of Pomona**  
**Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual (Continued)**  
**General Sanitation Fees Operations Special Revenue Fund**  
**For the Year Ended June 30, 2017**

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
<b>REVENUES:</b>				
Licenses and permits	\$ 1,391,531	\$ 1,391,531	\$ 1,396,038	\$ 4,507
Use of money and properties	-	-	(884)	(884)
Fines and forfeitures	8,218	8,218	14,293	6,075
Miscellaneous	-	-	519	519
<b>Total revenues</b>	<u>1,399,749</u>	<u>1,399,749</u>	<u>1,409,966</u>	<u>10,217</u>
<b>EXPENDITURES:</b>				
Current:				
Urban development	2,781,262	2,792,675	2,420,521	372,154
Capital outlay	12,213	12,327	-	12,327
<b>Total expenditures</b>	<u>2,793,475</u>	<u>2,805,002</u>	<u>2,420,521</u>	<u>384,481</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(1,393,726)</u>	<u>(1,405,253)</u>	<u>(1,010,555)</u>	<u>394,698</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	1,421,515	1,421,515	710,748	(710,767)
<b>Net change in fund balance</b>	<u>\$ 27,789</u>	<u>\$ 16,262</u>	<u>(299,807)</u>	<u>\$ (316,069)</u>
<b>FUND BALANCE:</b>				
Beginning of year, as Restated (Note 19)			(67,252)	
End of year			<u>\$ (367,059)</u>	

**City of Pomona**  
**Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual (Continued)**  
**Special Fees Fund Special Revenue Fund**  
**For the Year Ended June 30, 2017**

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
<b>REVENUES:</b>				
Licenses and permits	\$ 321,200	\$ 321,200	\$ 586,273	\$ 265,073
Use of money and properties	-	-	(11,250)	(11,250)
<b>Total revenues</b>	<u>321,200</u>	<u>321,200</u>	<u>575,023</u>	<u>253,823</u>
<b>EXPENDITURES:</b>				
Current:				
Urban development	300,000	300,000	-	300,000
<b>Total expenditures</b>	<u>300,000</u>	<u>300,000</u>	<u>-</u>	<u>300,000</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>21,200</u>	<u>21,200</u>	<u>575,023</u>	<u>553,823</u>
<b>Net change in fund balance</b>	<u>\$ 21,200</u>	<u>\$ 21,200</u>	<u>575,023</u>	<u>\$ 553,823</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>920,045</u>	
End of year			<u>\$ 1,495,068</u>	

**City of Pomona**  
**Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual (Continued)**  
**Capital Outlay Capital Projects Fund**  
**For the Year Ended June 30, 2017**

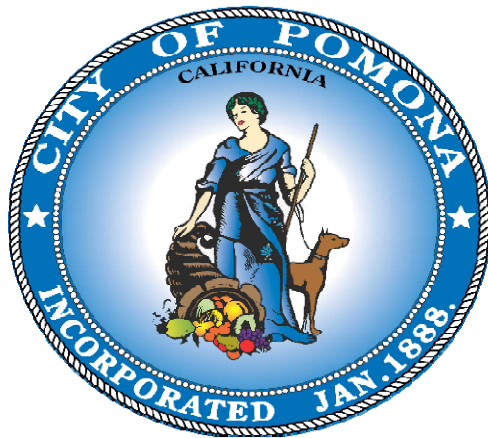
	<b>Budget Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
				<b>Positive</b>
				<b>(Negative)</b>
<b>REVENUES:</b>				
Taxes	\$ -	\$ 234,851	\$ 110,510	\$ (124,341)
Licenses and permits	12,000	12,000	230,177	218,177
Intergovernmental	-	-	253,730	253,730
Charges for services	-	-	36,350	36,350
Use of money and properties	-	-	7,676	7,676
Contributions from Successor Agency	-	-	7,691,802	7,691,802
Miscellaneous	-	10,431	16,410	5,979
<b>Total revenues</b>	<b>12,000</b>	<b>257,282</b>	<b>8,346,655</b>	<b>8,089,373</b>
<b>EXPENDITURES:</b>				
Capital outlay	5,040,073	17,825,168	19,326,484	(1,501,316)
<b>Total expenditures</b>	<b>5,040,073</b>	<b>17,825,168</b>	<b>19,326,484</b>	<b>(1,501,316)</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(5,028,073)</b>	<b>(17,567,886)</b>	<b>(10,979,829)</b>	<b>6,588,057</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	5,040,073	22,224,012	12,050,546	(10,173,466)
Transfers out	(216,475)	(1,315,676)	(561,206)	754,470
<b>Total other financing sources (uses)</b>	<b>4,823,598</b>	<b>20,908,336</b>	<b>11,489,340</b>	<b>(9,418,996)</b>
<b>Net change in fund balance</b>	<b>\$ (204,475)</b>	<b>\$ 3,340,450</b>	<b>509,511</b>	<b>\$ (2,830,939)</b>
<b>FUND BALANCE:</b>				
Beginning of year			917,200	
End of year			<u>\$ 1,426,711</u>	



**City of Pomona**  
**Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual (Continued)**  
**Assessment District Improvement Capital Projects Fund**  
**For the Year Ended June 30, 2017**

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
<b>REVENUES:</b>				
Use of money and properties	\$ -	\$ -	\$ 721	\$ 721
<b>Total revenues</b>	-	-	721	721
<b>EXPENDITURES:</b>				
Capital outlay	150,000	150,000	26,167	123,833
<b>Total expenditures</b>	150,000	150,000	26,167	123,833
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	(150,000)	(150,000)	(25,446)	124,554
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	150,000	150,000	3,551	(146,449)
<b>Net change in fund balance</b>	\$ -	\$ -	(21,895)	\$ (21,895)
<b>FUND BALANCE:</b>				
Beginning of year			228,649	
End of year			\$ 206,754	

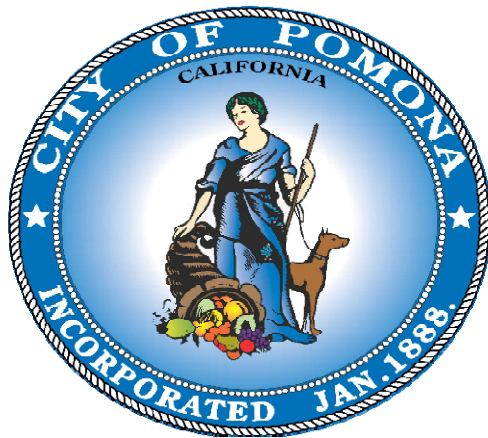
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## **Internal Service Funds**

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

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**City of Pomona**  
**Combining Statement of Net Position**  
**Internal Service Funds**  
**June 30, 2017**

	Self - Insurance Funds	Equipment Maintenance	Information Technology	Printing/Mail Services	Total
<b>ASSETS</b>					
Current assets:					
Cash and investments	\$ 8,685,730	\$ 1,465,144	\$ -	\$ -	\$ 10,150,874
Receivables, net:					
Accounts	930	-	-	-	930
Interest	21,221	-	-	-	21,221
Prepaid items	3,200	-	-	1,438	4,638
Inventories	-	406,139	-	-	406,139
<b>Total current assets</b>	<b>8,711,081</b>	<b>1,871,283</b>	<b>-</b>	<b>1,438</b>	<b>10,583,802</b>
Noncurrent assets:					
Capital assets, net of accumulated depreciation	-	128,209	193,008	-	321,217
<b>Total noncurrent assets</b>	<b>-</b>	<b>128,209</b>	<b>193,008</b>	<b>-</b>	<b>321,217</b>
<b>Total assets</b>	<b>8,711,081</b>	<b>1,999,492</b>	<b>193,008</b>	<b>1,438</b>	<b>10,905,019</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred outflows of resources related to pension	284,587	711,468	286,882	-	1,282,937
<b>Total deferred outflows of resources</b>	<b>284,587</b>	<b>711,468</b>	<b>286,882</b>	<b>-</b>	<b>1,282,937</b>
<b>LIABILITIES</b>					
Current liabilities:					
Accounts payable	144,605	154,846	13,373	4,298	317,122
Payroll payable	18,491	46,809	16,606	-	81,906
Due to other funds	-	-	100,554	37,468	138,022
Compensated absences, due within one year	-	170,972	-	-	170,972
Claims and judgments, due within one year	4,889,000	-	-	-	4,889,000
<b>Total current liabilities</b>	<b>5,052,096</b>	<b>372,627</b>	<b>130,533</b>	<b>41,766</b>	<b>5,597,022</b>
Noncurrent liabilities:					
Claims and judgments, due in more than one year	9,551,164	-	-	-	9,551,164
Net pension liabilities	820,474	2,051,185	827,091	-	3,698,750
<b>Total noncurrent liabilities</b>	<b>10,371,638</b>	<b>2,051,185</b>	<b>827,091</b>	<b>-</b>	<b>13,249,914</b>
<b>Total liabilities</b>	<b>15,423,734</b>	<b>2,423,812</b>	<b>957,624</b>	<b>41,766</b>	<b>18,846,936</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred inflows of resources related to pension	93,749	234,372	94,505	-	422,626
<b>Total deferred inflows of resources</b>	<b>93,749</b>	<b>234,372</b>	<b>94,505</b>	<b>-</b>	<b>422,626</b>
<b>NET POSITION</b>					
Investment in capital assets	-	128,209	193,008	-	321,217
Unrestricted (deficit)	(6,521,815)	(75,433)	(765,247)	(40,328)	(7,402,823)
<b>Total Net Position</b>	<b>\$ (6,521,815)</b>	<b>\$ 52,776</b>	<b>\$ (572,239)</b>	<b>\$ (40,328)</b>	<b>\$ (7,081,606)</b>

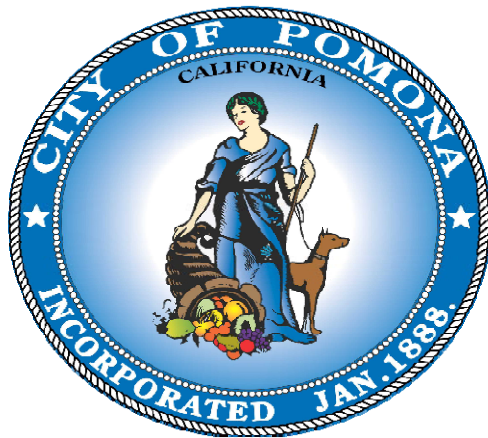
**City of Pomona**  
**Combining Statement of Revenues, Expenses, and Changes in Net Position**  
**Internal Service Funds**  
**For the Year Ended June 30, 2017**

	Self - Insurance Funds	Equipment Maintenance	Information Technology	Printing/Mail Services	Total
<b>OPERATING REVENUES:</b>					
Charges for services	\$ 4,032,617	\$ 3,942,146	\$ 1,540,730	\$ 20,917	\$ 9,536,410
Miscellaneous	405,001	-	-	-	405,001
<b>Total operating revenues</b>	<b>4,437,618</b>	<b>3,942,146</b>	<b>1,540,730</b>	<b>20,917</b>	<b>9,941,411</b>
<b>OPERATING EXPENSES:</b>					
Personnel services	563,888	1,102,113	591,554	18,844	2,276,399
Operations	-	1,917,409	1,147,363	24,641	3,089,413
Claims expense	4,143,804	-	-	-	4,143,804
Insurance	-	47,925	9,585	-	57,510
Depreciation	-	15,572	22,439	-	38,011
<b>Total operating expenses</b>	<b>4,707,692</b>	<b>3,083,019</b>	<b>1,770,941</b>	<b>43,485</b>	<b>9,605,137</b>
<b>Operating income (loss)</b>	<b>(270,074)</b>	<b>859,127</b>	<b>(230,211)</b>	<b>(22,568)</b>	<b>336,274</b>
<b>NONOPERATING REVENUES:</b>					
Investment loss	(13,857)	(9,237)	-	-	(23,094)
<b>Total nonoperating revenues</b>	<b>(13,857)</b>	<b>(9,237)</b>	<b>-</b>	<b>-</b>	<b>(23,094)</b>
<b>Changes in Net Position</b>	<b>(283,931)</b>	<b>849,890</b>	<b>(230,211)</b>	<b>(22,568)</b>	<b>313,180</b>
<b>Net Positions:</b>					
Beginning of the year	(6,237,884)	(797,114)	(342,028)	(17,760)	(7,394,786)
End of the Year	<u><u>\$ (6,521,815)</u></u>	<u><u>\$ 52,776</u></u>	<u><u>\$ (572,239)</u></u>	<u><u>\$ (40,328)</u></u>	<u><u>\$ (7,081,606)</u></u>

**City of Pomona**  
**Combining Statement of Cash Flows**  
**Internal Service Funds**  
**For the Year Ended June 30, 2017**

	Self - Insurance Funds	Equipment Maintenance	Information Technology	Printing/Mail Services	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>					
Cash received from customers and users	\$ 4,031,687	\$ 3,942,146	\$ 1,540,730	\$ 20,917	\$ 9,535,480
Cash received from other	405,001	-	79,638	19,908	504,547
Cash paid to suppliers for goods and services	(3,887,178)	(1,997,077)	(1,185,316)	(21,781)	(7,091,352)
Cash paid for general and administrative expenses	(463,545)	(1,271,111)	(435,052)	(19,044)	(2,188,752)
<b>Net cash provided by operating activities</b>	<b>85,965</b>	<b>673,958</b>	<b>-</b>	<b>-</b>	<b>759,923</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES:</b>					
Investment loss	(19,740)	(9,237)	-	-	(28,977)
<b>Net cash used in investing activities</b>	<b>(19,740)</b>	<b>(9,237)</b>	<b>-</b>	<b>-</b>	<b>(28,977)</b>
<b>Net Increase in Cash and cash equivalents</b>	<b>66,225</b>	<b>664,721</b>	<b>-</b>	<b>-</b>	<b>730,946</b>
<b>CASH AND CASH EQUIVALENTS:</b>					
Beginning of Year	8,619,505	800,423	-	-	9,419,928
End of Year	<u>\$ 8,685,730</u>	<u>\$ 1,465,144</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,150,874</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:</b>					
Operating income (loss)	\$ (270,074)	\$ 859,127	\$ (230,211)	\$ (22,568)	\$ 336,274
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:					
Depreciation	-	15,572	22,439	-	38,011
Unrealized loss in investment	-	-	-	-	-
(Increase) decrease in accounts receivable	(930)	-	-	-	(930)
(Increase) decrease in prepaid items	-	-	-	(1,438)	(1,438)
(Increase) decrease in inventories	-	(48,162)	-	-	(48,162)
(Increase) decrease in deferred outflows of resources related to pension	(142,399)	(284,905)	(125,453)	-	(552,757)
Increase (decrease) in accounts payable	(126,323)	16,419	(28,368)	4,298	(133,974)
Increase (decrease) in payroll payable	574	1,696	1,161	(200)	3,231
Increase (decrease) in due to other funds	-	-	79,638	19,908	99,546
Increase (decrease) in claims and judgments	382,949	-	-	-	382,949
Increase (decrease) in compensation absences	-	9,388	-	-	9,388
Increase (decrease) in net pension liability	299,813	365,835	327,577	-	993,225
Increase (decrease) in deferred inflows of resources related to pension	(57,645)	(261,012)	(46,783)	-	(365,440)
<b>Total adjustment</b>	<b>356,039</b>	<b>(185,169)</b>	<b>230,211</b>	<b>22,568</b>	<b>423,649</b>
<b>Net cash provided by operating activities</b>	<b>\$ 85,965</b>	<b>\$ 673,958</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 759,923</b>

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## **Agency Funds**

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

**City of Pomona**  
**Combining Statement of Fiduciary Assets and Liabilities**  
**All Agency Funds**  
**June 30, 2017**

---

	Assessment Districts	Engineers' Revolving	Construction Guarantee	Municipal Revolving
<b>ASSETS:</b>				
Cash and investments	\$ 225,805	\$ 422,279	\$ 758,949	\$ 1,210,058
Interest receivables	486	793	-	-
Due from other governments	26,605	-	-	-
<b>Total Assets</b>	<u>252,896</u>	<u>423,072</u>	<u>758,949</u>	<u>1,210,058</u>
<b>LIABILITIES:</b>				
Accounts payable	11,669	-	250	102,594
Deposits payable	14,936	423,072	758,699	1,107,464
Due to external parties/other agencies	226,291	-	-	-
<b>Total Liabilities</b>	<u>\$ 252,896</u>	<u>\$ 423,072</u>	<u>\$ 758,949</u>	<u>\$ 1,210,058</u>

**City of Pomona**  
**Combining Statement of Fiduciary Assets and Liabilities (Continued)**  
**All Agency Funds**  
**June 30, 2017**

---

	Employee Benefits/ Deductions	Total
<b>ASSETS:</b>		
Cash and investments	\$ 1,326,551	\$ 3,943,642
Interest receivables	-	1,279
Due from other governments	-	26,605
<b>Total Assets</b>	<u>1,326,551</u>	<u>3,971,526</u>
<b>LIABILITIES:</b>		
Accounts payable	1,326,551	1,441,064
Deposits payable	-	2,304,171
Due to external parties/other agencies	-	226,291
<b>Total Liabilities</b>	<u>\$ 1,326,551</u>	<u>\$ 3,971,526</u>

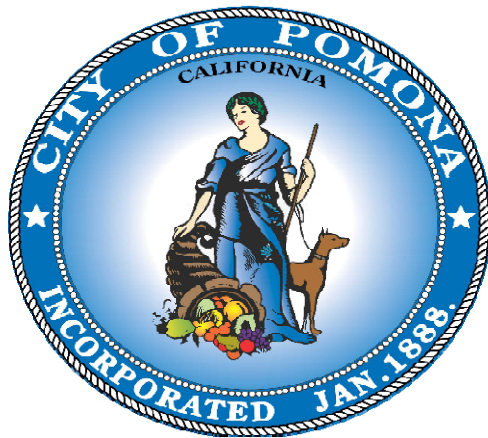
**City of Pomona**  
**Combining Statement of Changes in Fiduciary Assets and Liabilities**  
**All Agency Funds**  
**For the Year Ended June 30, 2017**

	Balance July 1, 2016	Additions	Deletions	Balance June 30, 2017
<b><u>Assessment Districts</u></b>				
<b>ASSETS:</b>				
Cash and investments	\$ 224,478	\$ 1,327	\$ -	\$ 225,805
Interest receivable	285	486	(285)	486
Due from other governments	6,183	26,605	(6,183)	26,605
<b>Total Assets</b>	<b>\$ 230,946</b>	<b>\$ 28,418</b>	<b>\$ (6,468)</b>	<b>\$ 252,896</b>
<b>LIABILITIES:</b>				
Accounts payable	\$ -	\$ 11,669	\$ -	\$ 11,669
Deposits payable	6,183	14,936	(6,183)	14,936
Due to external parties/other agencies	224,763	1,528	-	226,291
<b>Total Liabilities</b>	<b>\$ 230,946</b>	<b>\$ 28,133</b>	<b>\$ (6,183)</b>	<b>\$ 252,896</b>
<b><u>Engineers' Revolving</u></b>				
<b>ASSETS:</b>				
Cash and investments	\$ 420,113	\$ 2,166	\$ -	\$ 422,279
Interest receivable	465	793	(465)	793
<b>Total Assets</b>	<b>\$ 420,578</b>	<b>\$ 2,959</b>	<b>\$ (465)</b>	<b>\$ 423,072</b>
<b>LIABILITIES:</b>				
Deposits payable	\$ 420,578	\$ 2,494	\$ -	\$ 423,072
<b>Total Liabilities</b>	<b>\$ 420,578</b>	<b>\$ 2,494</b>	<b>\$ -</b>	<b>\$ 423,072</b>
<b><u>Construction Guarantee</u></b>				
<b>ASSETS:</b>				
Cash and investments	\$ 720,779	\$ 117,252	\$ (79,082)	\$ 758,949
<b>Total Assets</b>	<b>\$ 720,779</b>	<b>\$ 117,252</b>	<b>\$ (79,082)</b>	<b>\$ 758,949</b>
<b>LIABILITIES:</b>				
Accounts payable	\$ 2,660	\$ 74,720	\$ (77,130)	\$ 250
Deposits payable	718,119	117,252	(76,672)	758,699
<b>Total Liabilities</b>	<b>\$ 720,779</b>	<b>\$ 191,972</b>	<b>\$ (153,802)</b>	<b>\$ 758,949</b>
<b><u>Municipal Revolving</u></b>				
<b>ASSETS:</b>				
Cash and investments	\$ 1,244,551	\$ 2,401,516	\$ (2,436,009)	\$ 1,210,058
Accounts receivable	13,460	24,173	(37,633)	-
Due from other governments	2,625	-	(2,625)	-
<b>Total Assets</b>	<b>\$ 1,260,636</b>	<b>\$ 2,425,689</b>	<b>\$ (2,476,267)</b>	<b>\$ 1,210,058</b>
<b>LIABILITIES:</b>				
Accounts payable	\$ 434,938	\$ 2,089,050	\$ (2,421,394)	\$ 102,594
Deposits payable	825,698	281,766	-	1,107,464
<b>Total Liabilities</b>	<b>\$ 1,260,636</b>	<b>\$ 2,370,816</b>	<b>\$ (2,421,394)</b>	<b>\$ 1,210,058</b>

**City of Pomona**  
**Combining Statement of Changes in Fiduciary Assets and Liabilities (Continued)**  
**All Agency Funds**  
**For the Year Ended June 30, 2017**

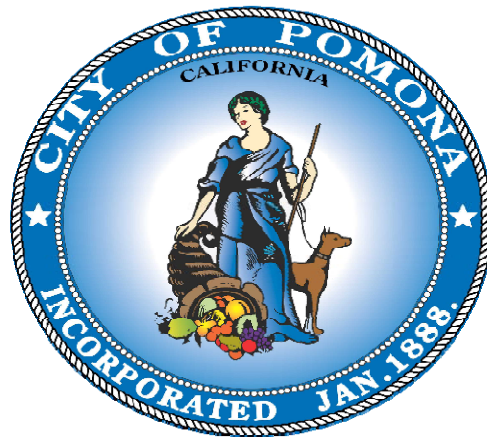
	Balance July 1, 2016	Additions	Deletions	Balance June 30, 2017
<b><u>Employee Benefits/Deductions</u></b>				
<b>ASSETS:</b>				
Cash and investments	\$ 1,276,556	\$ 41,150,283	\$ (41,100,288)	\$ 1,326,551
<b>Total Assets</b>	<b>\$ 1,276,556</b>	<b>\$ 41,150,283</b>	<b>\$ (41,100,288)</b>	<b>\$ 1,326,551</b>
<b>LIABILITIES:</b>				
Accounts payable	\$ 1,276,556	\$ 41,150,283	\$ (41,100,288)	\$ 1,326,551
<b>Total Liabilities</b>	<b>\$ 1,276,556</b>	<b>\$ 41,150,283</b>	<b>\$ (41,100,288)</b>	<b>\$ 1,326,551</b>
<b><u>Total - All Agency Funds</u></b>				
<b>ASSETS:</b>				
Cash and investments	\$ 3,886,477	\$ 43,672,544	\$ (43,615,379)	\$ 3,943,642
Receivables:				
Accounts	13,460	24,173	(37,633)	-
Interest	750	1,279	(750)	1,279
Due from other governments	8,808	26,605	(8,808)	26,605
<b>Total Assets</b>	<b>\$ 3,909,495</b>	<b>\$ 43,724,601</b>	<b>\$ (43,662,570)</b>	<b>\$ 3,971,526</b>
<b>LIABILITIES:</b>				
Accounts payable	\$ 1,714,154	\$ 43,325,722	\$ (43,598,812)	\$ 1,441,064
Deposits payable	1,970,578	416,448	(82,855)	2,304,171
Due to external parties/other agencies	224,763	1,528	-	226,291
<b>Total Liabilities</b>	<b>\$ 3,909,495</b>	<b>\$ 43,743,698</b>	<b>\$ (43,681,667)</b>	<b>\$ 3,971,526</b>

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## **STATISTICAL SECTION**

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

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

**Schedule 1**

	Fiscal Year				
	2013	2014	2015	2016	2017
<b>Governmental activities:</b>					
Net investment in					
capital assets	\$ 266,340,326	\$ 239,862,742	\$ 232,263,791	\$ 224,471,223	\$ 234,174,328
Restricted	94,797,810	91,110,197	138,440,707	116,594,550	73,918,985
Unrestricted	(88,955,872)	(66,485,308)	(255,237,644)	(227,001,243)	(196,419,321)
<b>Total governmental</b>					
<b>    activities net position</b>	<u>\$ 272,182,264</u>	<u>\$ 264,487,631</u>	<u>\$ 115,466,854</u>	<u>\$ 114,064,530</u>	<u>\$ 111,673,992</u>
<b>Business-type activities:</b>					
Net investment in					
capital assets	\$ 40,774,712	\$ 43,825,224	\$ 42,086,156	\$ 42,988,769	\$ 47,223,963
Restricted	14,805,693	32,725,153	28,900,238	23,984,978	1,885,849
Unrestricted	42,671,686	23,144,683	15,566,032	25,022,337	40,336,826
<b>Total business-type</b>					
<b>    activities net position</b>	<u>\$ 98,252,091</u>	<u>\$ 99,695,060</u>	<u>\$ 86,552,426</u>	<u>\$ 91,996,084</u>	<u>\$ 89,446,638</u>
<b>Primary government:</b>					
Net investment in					
capital assets	\$ 307,115,038	\$ 283,687,966	\$ 274,349,947	\$ 267,459,992	\$ 281,398,291
Restricted	109,603,503	123,835,350	167,340,945	140,579,528	75,804,834
Unrestricted	(46,284,186)	(43,340,625)	(239,671,612)	(201,978,906)	(156,082,495)
<b>Total primary</b>					
<b>    government net position</b>	<u>\$ 370,434,355</u>	<u>\$ 364,182,691</u>	<u>\$ 202,019,280</u>	<u>\$ 206,060,614</u>	<u>\$ 201,120,630</u>

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

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

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

**Schedule 2**

	Fiscal Year				
	2013	2014	2015	2016	2017
<b>Expenses</b>					
Governmental activities:					
General government	\$ 7,499,578	\$ 5,583,709	\$ 5,559,844	\$ 7,562,244	\$ 6,469,953
Public safety	62,632,820	66,570,974	67,614,853	68,882,651	80,253,767
Urban development	36,407,420	47,913,493	42,134,924	43,544,386	42,113,740
Neighborhood services	14,858,140	6,181,264	6,151,817	7,853,695	7,410,753
Interest on long-term debt	7,997,227	5,364,960	5,252,517	5,027,126	5,225,017
Total governmental activities	129,395,185	131,614,400	126,713,955	132,870,102	141,473,230
Business-type activities:					
Water	28,242,875	29,585,491	27,125,628	25,763,116	28,440,029
Sewer	8,544,029	4,164,990	3,962,091	4,026,081	3,792,538
Refuse	8,403,397	8,562,818	8,467,884	8,028,531	9,443,548
Canon Water Company	25,163	18,154	26,747	21,080	19,718
Total business-type activities	45,215,464	42,331,453	39,582,350	37,838,808	41,695,833
<b>Total primary government expenses</b>	<b>\$ 174,610,649</b>	<b>\$ 173,945,853</b>	<b>\$ 166,296,305</b>	<b>\$ 170,708,910</b>	<b>\$ 183,169,063</b>
<b>Program Revenues</b>					
Governmental activities:					
Charges for services:					
Police revenues	\$ 3,066,121	\$ 3,316,768	\$ 3,488,416	\$ 3,376,174	\$ 3,205,255
Plan check fees	1,017,684	816,046	778,349	1,219,738	988,963
Building permits	937,070	1,107,049	1,093,143	2,353,704	1,790,114
Graffiti abatement	552,417	567,499	566,547	568,757	566,597
Street sweeping fees	462,461	475,665	474,722	476,646	474,051
Maintenance assessment fees	1,229,659	1,193,066	1,213,094	1,176,050	1,200,732
All other	9,066,076	6,014,243	6,708,617	8,100,519	5,900,327
Operating contributions and grants	20,548,119	19,501,511	17,564,805	16,994,223	29,965,692
Capital contributions and grants	15,442,436	12,758,089	12,627,464	11,413,949	8,071,688
Total governmental activities program revenues	52,322,043	45,749,936	44,515,157	45,679,760	52,163,419
Business-type activities:					
Charges for services:					
Water	30,633,205	31,611,142	29,888,243	28,189,546	29,239,473
Sewer	4,461,575	4,684,934	4,733,661	4,425,247	4,291,847
Refuse	9,107,603	9,561,681	9,523,134	9,692,936	10,071,188
Canon Water Company	64,221	64,221	64,221	64,221	64,221
Operating contributions and grants	46,588	42,833	42,052	45,841	396,147
Capital contributions and grants	-	-	-	-	-
Total business-type activities program revenues	44,313,192	45,964,811	44,251,311	42,417,791	44,062,876
<b>Total primary government program revenues</b>	<b>\$ 96,635,235</b>	<b>\$ 91,714,747</b>	<b>\$ 88,766,468</b>	<b>\$ 88,097,551</b>	<b>\$ 96,226,295</b>

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

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

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

**Schedule 2**

	Fiscal Year				
	2013	2014	2015	2016	2017
<b>Net (Expense)/Revenue</b>					
Governmental activities	\$ (77,073,142)	\$ (85,864,464)	\$ (82,198,798)	\$ (87,190,342)	\$ (89,309,811)
Business-type activities	(902,272)	3,633,358	4,668,961	4,578,983	2,367,043
<b>Total primary government net expense</b>	<b>\$ (77,975,414)</b>	<b>\$ (82,231,106)</b>	<b>\$ (77,529,837)</b>	<b>\$ (82,611,359)</b>	<b>\$ (86,942,768)</b>
<b>General Revenues and Other Changes in Net Position</b>					
Governmental activities:					
Taxes:					
Property taxes	\$ 32,143,878	\$ 33,630,550	\$ 36,408,806	\$ 33,716,887	\$ 33,649,454
Sales taxes	12,354,719	12,040,357	13,544,946	15,171,472	18,135,287
Motor vehicle licenses	69,443	-	67,079	61,498	69,708
Transient occupancy taxes	1,473,662	1,560,682	1,568,387	1,723,719	2,101,946
Property transfer taxes	1,475,856	1,430,195	1,581,039	1,859,615	1,924,198
Franchise taxes	5,671,708	6,029,371	6,563,245	6,425,511	6,418,863
Utility users taxes	16,941,444	17,311,594	17,465,816	16,419,345	16,022,386
Business licenses	3,123,120	3,171,919	3,346,851	3,408,813	3,830,673
Other taxes	20,966	12,963	59,221	139,498	-
Investment earnings/(expenses)	4,363,428	2,304,604	2,109,521	2,665,388	2,198,733
Miscellaneous	2,347,387	2,900,772	3,461,493	3,759,791	309,624
Extraordinary gain/(loss) on dissolution of Redevelopment Agency	804,048	(144,397)	808,340	-	-
Transfers	954,698	538,371	1,011,800	(482,001)	2,710,344
<b>Total governmental activities</b>	<b>81,744,357</b>	<b>80,786,981</b>	<b>87,996,544</b>	<b>84,869,536</b>	<b>87,371,216</b>
Business-type activities:					
Investment earnings/(expenses)	41,890	125,696	92,349	313,933	134,138
Miscellaneous	31,677	117,000	121,408	817,020	1,709,825
Income (loss) on sale of capital assets	79,312	9,205	1,965	-	-
Transfers	(954,698)	(538,371)	(1,011,800)	482,001	(2,710,344)
<b>Total business-type activities</b>	<b>(801,819)</b>	<b>(286,470)</b>	<b>(796,078)</b>	<b>1,612,954</b>	<b>(866,381)</b>
<b>Total primary government</b>	<b>\$ 80,942,538</b>	<b>\$ 80,500,511</b>	<b>\$ 87,200,466</b>	<b>\$ 86,482,490</b>	<b>\$ 86,504,835</b>
<b>Changes in Net Position</b>					
Governmental activities	\$ 4,671,215	\$ (5,077,483)	\$ 5,797,746	\$ (2,320,806)	\$ (1,938,595)
Business-type activities	(1,704,091)	3,346,888	3,872,883	6,191,937	1,500,662
<b>Total primary government</b>	<b>\$ 2,967,124</b>	<b>\$ (1,730,595)</b>	<b>\$ 9,670,629</b>	<b>\$ 3,871,131</b>	<b>\$ (437,933)</b>

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

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



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

**Schedule 3**

	Fiscal Year				
	2013	2014	2015	2016	2017
<b>General Fund:</b>					
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-	-
Non-spendable	109,949	112,436	102,280	106,876	65,843
Restricted	-	-	-	-	8,791
Committed	7,316,769	12,260,809	14,467,914	15,664,972	16,151,859
Assigned	-	-	-	-	-
Unassigned	-	-	2,717,909	1,067,804	938,380
<b>Total General Fund</b>	<b>\$ 7,426,718</b>	<b>\$ 12,373,245</b>	<b>\$ 17,288,103</b>	<b>\$ 16,839,652</b>	<b>\$ 17,164,873</b>
<b>All Other Governmental Funds:</b>					
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, designated	-	-	-	-	-
Unreserved, reported in:					
Special revenue funds	-	-	-	-	-
Debt service funds	-	-	-	-	-
Capital projects funds	-	-	-	-	-
Non-spendable	13,880,356	11,996,916	84,397,170	9,081	900,707
Restricted	88,633,395	86,119,256	54,043,537	116,479,028	144,882,213
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	(41,655,762)	(41,134,968)	(59,893,036)	(39,170,313)	(76,496,881)
<b>Total All Other Governmental Funds</b>	<b>\$ 60,857,989</b>	<b>\$ 56,981,204</b>	<b>\$ 78,547,671</b>	<b>\$ 77,317,796</b>	<b>\$ 69,286,039</b>

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

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

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

**Schedule 4**

	Fiscal Year				
	2013	2014	2015	2016	2017
<b>Revenues:</b>					
Taxes	\$ 72,063,654	\$ 74,894,452	\$ 79,325,218	\$ 77,688,810	\$ 78,376,705
Special assessments	1,229,658	1,193,067	1,213,093	1,176,050	1,200,732
Licenses and permits	5,770,483	6,637,168	6,569,523	9,416,790	11,515,855
Intergovernmental	35,229,918	32,189,819	30,287,748	27,724,855	27,086,788
Charges for services	4,619,080	4,145,014	4,009,626	4,633,898	3,709,494
Interest and rentals	4,364,959	2,294,343	2,098,902	2,605,626	3,114,537
Fines and forfeitures	1,960,621	2,119,972	2,063,417	2,055,615	2,206,305
Loans repaid	-	-	-	-	-
Contributions and donations	-	-	51,581	602,278	7,691,802
Miscellaneous	5,040,269	2,329,091	3,175,185	3,266,373	2,685,309
<b>Total Revenues</b>	<b>130,278,642</b>	<b>125,802,926</b>	<b>128,794,293</b>	<b>129,170,295</b>	<b>137,587,527</b>
<b>Expenditures:</b>					
General government	4,388,871	3,569,806	4,037,452	5,002,584	5,918,673
Public safety	62,362,342	65,349,307	68,400,434	71,798,453	74,843,810
Urban development	45,707,873	43,679,402	43,859,126	35,196,589	34,097,446
Neighborhood services	5,007,798	4,748,939	4,702,795	4,637,086	6,013,429
Capital outlay	2,040,791	1,660,811	993,126	6,851,535	20,296,897
Debt service:					
Principal retirement	2,437,533	2,817,951	2,916,051	3,894,921	80,240,987
Interest and fiscal charges	7,358,464	4,974,045	4,855,160	4,627,698	5,714,773
Debt issuance costs	-	-	-	-	-
<b>Total Expenditures</b>	<b>129,303,672</b>	<b>126,800,261</b>	<b>129,764,144</b>	<b>132,008,866</b>	<b>227,126,015</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	974,970	(997,335)	(969,851)	(2,838,571)	(89,538,488)
<b>Other Financing Sources (Uses):</b>					
Notes and debts issued	200,000	300,000	-	-	77,120,000
Bond premium	-	-	-	-	2,239,031
Payments to escrow agent	-	-	-	-	-
Proceeds from capital leases	695,000	-	-	400,408	-
Proceeds from sale of capital assets	4,529,370	1,047,249	35,530	-	1,640
Gain/Loss - sale of land held for resale	-	-	-	-	-
Transfers in	16,654,519	8,628,509	9,379,865	9,899,873	21,108,888
Transfers out	(15,699,821)	(7,764,284)	(8,368,065)	(9,781,874)	(18,398,544)
<b>Total Other Financing Sources (Uses)</b>	<b>6,379,068</b>	<b>2,211,474</b>	<b>1,047,330</b>	<b>518,407</b>	<b>82,071,015</b>
Extraordinary gain/(loss) on dissolution of Redevelopment Agency	(195,359)	-	-	-	-
<b>Net Change in Fund Balances</b>	<b>\$ 7,158,679</b>	<b>\$ 1,214,139</b>	<b>\$ 77,479</b>	<b>\$ (2,320,164)</b>	<b>\$ (7,467,473)</b>
Debt service as a percentage of noncapital expenditures	7.70%	6.23%	6.03%	6.81%	41.56%

**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
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
2016	33,717	15,171	61	1,724	1,860	6,426	16,419	3,409	139	78,926
2017	34,581	18,135	70	2,102	1,924	6,419	15,805	3,830	-	82,866

**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	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)
2008	6,175,439	946,442	1,012,035	690,821	790	372,791	429,662	8,768,656	1.13719	-	-
2009	6,486,480	1,019,941	1,104,778	754,630	790	384,081	447,378	9,303,322	0.14340	8,726,237	0.937970
2010	5,759,284	1,039,418	1,197,842	830,321	788	381,397	459,461	8,749,589	0.17547	8,691,272	1.004839
2011	5,441,493	1,034,597	1,244,142	885,973	788	352,403	538,120	8,421,276	0.20728	8,288,686	0.984255
2012	5,571,482	998,040	1,226,077	905,772	655	360,777	652,301	8,410,502	0.20375	8,637,468	1.026986
2013	5,679,812	1,019,770	1,178,211	884,418	655	350,896	678,279	8,435,483	0.21734	9,148,296	1.084502
2014	5,932,623	1,059,762	1,233,924	869,787	374	372,621	647,264	8,821,827	0.18781	11,575,340	1.312125
2015	6,396,012	1,070,267	1,261,918	942,134	-	379,640	814,565	9,235,406	0.19079	12,340,257	1.336190
2016	6,713,231	1,111,554	1,325,414	305,936	-	383,971	818,224	9,840,106	0.22197	10,658,330	1.339440
2017	7,072,432	1,194,489	1,517,293	367,221	-	368,869	811,349	10,520,304	0.22256	11,411,995	1.336080

Source: Los Angeles County Assessor data, MuniServices, LLC (for years 2007 to 2015), HdL for the 2016 and 2017 years.  
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

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

**Schedule 7**

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Basic City and County Levy:										
City of Pomona	0.000000	0.233504	0.310821	0.233504	0.233504	0.233504	0.233504	0.233504	0.233504	0.233504
Other taxing agencies	0.000000	0.766496	0.689179	0.766496	0.766496	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	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
Unified Schools	0.113790	0.115771	0.145455	0.177212	0.173636	0.184882	0.164074	0.165993	0.297990	0.284510
Community College	0.017500	0.023326	0.025710	0.026363	0.026415	0.028957	0.020231	0.021294	0.037950	0.048060
Flood Control	0.001400	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
Metro Water District	0.004500	0.004300	0.004300	0.003700	0.003700	0.003500	0.003500	0.003500	0.003500	0.003500
Total	0.137190	0.143397	0.175465	0.207275	0.203751	0.217339	0.187805	0.190787	0.339440	0.336070
Total Tax Rate	1.137190	1.143397	1.175465	1.207275	1.203751	1.217339	1.187805	1.190787	1.339440	1.336070

Source: Los Angeles County Auditor/Controller data, MuniServices, LLC (for years 2007 to 2015), HdL for the 2016, 2017 years.  
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	2017			2008		
	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	\$ 84,759,667	1	0.81%			
Los Angeles County Fair Assoc	79,001,912	2	0.75%	33,724,153	3	0.38%
Casa Colina Hospital	50,458,955	3	0.48%			
Prologis USLV NEWCA 5 LLC	47,209,125	4	0.45%			
PRBC 7 LP	44,436,411	5	0.42%			
Rexford Industrial Realty LP	40,013,054	6	0.38%			
1271 W Sunset LLC	36,056,663	7	0.34%			
BPP Pacific Industrial	31,133,974	8	0.30%			
CMC Dragon LP	29,556,181	9	0.28%			
Pomona II LLC	29,318,392	10	0.28%			
Udr Crest Lp				63,355,237	1	0.72%
Realty Associates Fund VII LP				51,041,440	2	0.58%
Ripon Cogeneration LLC				30,936,840	4	0.35%
Congregational Homes				29,206,588	5	0.33%
Merco Group				27,535,452	6	0.31%
Realty Associates Iowa Corp				25,138,377	7	0.29%
KTR Pomona LLC				23,823,078	8	0.27%
Topanga Owensmouth 7 LLC				23,577,129	9	0.27%
The Coca-Cola Company				22,348,930	10	0.25%

Source: Los Angeles County Assessor data, HdL, Coren & Cone

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

**Schedule 9**

2017	2008
Alstar Kia	7-Eleven Food Stores
Arco AM/PM Mini Marts	Alstar Kia
Chevron Service Stations	Arco AM/PM Mini Marts
Construction Hardware	Barrett's Equine Sales
DD's Discounts	Cardenas Market
Ferguson Enterprises	Chevron Service Stations
Giant RV Center	Circuit City
Global Rental Company	Construction Hardware
HD Supply Repair & Remodel	Contractors Warehouse
Home Depot	Cornucopia Foods
Huntington Hardware	CVS Pharmacy
Mar-Co Equipment Company	Ferguson Enterprises
McDonald's Restaurants	Global Rental Company
Mike Thompson's Recreational	GTE Communication Systems Corp.
Phenix Enterprises	Home Depot
Ralph's Grocery Company	Huntington Hardware
Richard S. Dawson Company	Jack in the Box Restaurants
Rohr Steel	Ralph's Grocery Company
Ryder Vehicle Sales	Rancho Valley Chevrolet/Geo
Sheraton Hotel	Rio Rancho Buick/Pontiac/GMC
Superior Duct Fabrication	Rohr Steel
Target Stores	Shell Service Stations
USA Service Stations	Union 76 Service Stations
Wal Mart Stores	WalMart Stores
Winco Foods	Winco Foods

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
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%
2016	13,843,856	13,691,612	98.9%	230,228	13,921,840	100.6%
2017	14,758,820	14,939,800	101.2%	106,993	15,046,793	102.0%

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	
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
2016	-	37,938,000	44,152,153	10,970,569	1,137,985	94,198,707
2017	-	84,782,557	7,594,276	-	564,977	92,941,810

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.

**City of Pomona**  
**Ratios of Outstanding Debt by Type (Continued)**  
**Last Ten Fiscal Years**

**Schedule 11**

Fiscal Year Ended June 30	Business-type Activities		Total Business-type Activities	Total Primary Government	Percentage of Personal Income (1)	Debt per Capita (1)
	Revenue Bonds	Other				
2008	139,885,619	1,744,955	141,630,574	469,875,516	n/a	2,876
2009	139,635,527	1,286,361	140,921,888	469,473,549	n/a	2,873
2010	139,070,435	844,741	139,915,176	466,784,639	n/a	2,857
2011	137,580,343	515,674	138,096,017	470,124,869	n/a	2,877
2012	136,030,252	174,904	136,205,156	239,053,051	n/a	1,468
2013	135,674,210	4,112,175	139,786,385	240,510,287	n/a	1,593
2014	133,915,426	3,564,689	137,480,115	236,440,253	n/a	1,558
2015	132,086,642	3,004,392	135,091,034	231,566,473	n/a	1,519
2016	130,187,858	2,430,984	132,618,842	226,817,549	n/a	1,458
2017	118,139,497	1,844,160	119,983,657	212,925,467	n/a	1,371

## Ratios of General Bonded Debt Outstanding

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

Fiscal Year Ended June 30	General Bonded Debt Outstanding					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				
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
2016	37,938	-	44,152	10,971	93,061	55,810	37,251	0.9%	598
2017	84,783	-	7,594	-	92,377	65,473	26,904	0.9%	545

\* 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 06/30/2017:	Total Debt 6/30/2017	% Applicable (1)	City's Share of Debt 06/30/2017
Los Angeles County Flood Control District	\$ -	0.000%	\$ -
Metropolitan Water District	36,281,674	0.620%	224,895
Citrus Community College District	94,282,553	1.221%	1,150,719
Mount San Antonio Community College District	356,446,503	12.281%	43,775,100
Bonita Unified School District	125,489,790	0.246%	309,009
Claremont Unified School District	57,710,000	6.047%	3,489,931
Pomona Unified School District	289,748,077	76.036%	220,311,810
Total Overlapping Debt	959,958,597		269,261,464
City of Pomona 1915 Act Bonds	3,435,000	100.000%	3,435,000
Obligations Under Capital Leases	353,007	100.000%	353,007
Notes Payable	215,000	100.000%	215,000
Revenue Bonds	96,847,031	100.000%	96,847,031
Pension Obligation Refunding Bonds	4,241,233	100.000%	4,241,233
Total Direct Debt	105,091,271		105,091,271
TOTAL DIRECT AND OVERLAPPING DEBT	\$ 1,065,049,868		\$ 374,352,735
OVERLAPPING DEBT 06/30/2008:	Total Debt 6/30/2008	% Applicable (1)	City's Share of Debt 06/30/2008
Metropolitan Water District	150,054,336	0.753%	1,130,135
Citrus Community College District	56,325,000	1.315%	740,477
Mount San Antonio Community College District	169,292,046	13.077%	22,137,521
Bonita Unified School District	53,464,790	0.136%	72,764
Claremont Unified School District	41,530,000	6.552%	2,721,137
Pomona Unified School District	148,324,163	76.938%	114,118,334
Total Overlapping Debt	618,990,335		140,920,368
City of Pomona 1915 Act Bonds	6,790,000	100.000%	6,790,000
County Deferred Tax Loan	27,682,564	100.000%	27,682,564
Obligations Under Capital Leases	3,118,875	100.000%	3,118,875
Notes Payable	2,220,000	100.000%	2,220,000
Revenue Bonds	229,692,274	100.000%	229,692,274
Tax Allocation Bonds	9,730,000	100.000%	9,730,000
Pension Obligation Refunding Bonds	42,280,684	100.000%	42,280,684
Certificates of Participation	13,520,545	100.000%	13,520,545
Total Direct Debt	335,034,942		335,034,942
TOTAL DIRECT AND OVERLAPPING DEBT	\$ 954,025,277		\$ 475,955,310

Source: HdL, 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)**

	2008	2009	2010	2011	2012
Assessed valuation	\$ 8,768,656	\$ 9,303,322	\$ 8,749,589	\$ 8,421,276	\$ 8,410,502
Debt limit percentage	15.00%	15.00%	15.00%	15.00%	15.00%
Debt limit	\$ 1,315,298	\$ 1,395,498	\$ 1,312,438	\$ 1,263,191	\$ 1,261,575
Amount of debt applicable to debt limit	-	-	-	-	-
Legal debt margin	\$ 1,315,298	\$ 1,395,498	\$ 1,312,438	\$ 1,263,191	\$ 1,261,575
Total debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%

\$ 10,520,304
1,578,046
-
<u>\$ 1,578,046</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.

**City of Pomona**  
**Legal Debt Margin Information (Continued)**  
**Last Ten Fiscal Years (in thousands of dollars)**

**Schedule 14**

	2013	2014	2015	2016	2017
Assessed valuation	\$ 8,435,483	\$ 8,821,827	\$ 9,329,596	\$ 9,840,106	\$ 10,520,304
Debt limit percentage	15.00%	15.00%	15.00%	15.00%	15.00%
Debt limit	\$ 1,265,322	\$ 1,323,274	\$ 1,399,439	\$ 1,476,016	\$ 1,578,046
Amount of debt applicable to debt limit	-	-	-	-	-
Legal debt margin	\$ 1,265,322	\$ 1,323,274	\$ 1,399,439	\$ 1,476,016	\$ 1,578,046
Total debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%

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.

**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			
				Principal	Interest	Total	
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
2016	28,189,546	18,073,465	10,116,081	1,350,000	4,991,195	6,341,195	1.6
2017	29,239,473	21,474,204	7,765,269	1,415,000	4,390,587	5,805,587	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						
	Sewer Revenue	Less Operating Expenses	Net Available Revenue	Debt Service		Coverage	
				Principal	Interest		
							Total
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
2016	4,490,399	2,014,093	2,476,306	400,000	1,231,690	1,631,690	1.5
2017	4,320,280	2,146,411	2,173,869	175,000	1,096,809	1,271,809	1.7

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**

Fiscal Year	Population (1)	Personal Income (2) (in thousands)	Per Capita Personal Income (2)	Median Age	Public School Enrollment (3)	Unemployment Rate (4)
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%
2016	155,604	2,575,663	16,552	30.4	24,673	7.5%
2017	155,306	2,664,317	17,155	30.9	24,314	5.9%

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.

Source: 2015-16, 2016-17: HdL

(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.

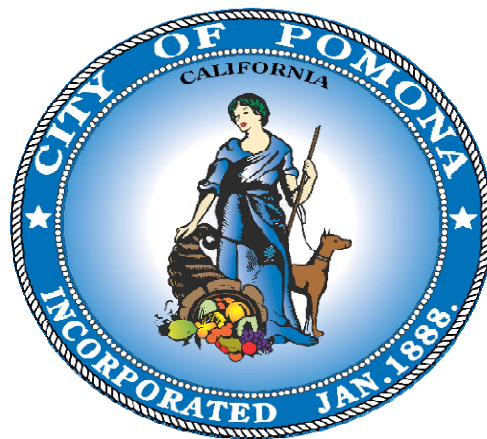
**City of Pomona  
Principal Employers  
Current Year and Nine Years Ago**

**Schedule 18**

Employer	2017			2008		
	Number of Employees	Rank	Percentage of Total City Employment	Number of Employees	Rank	Percentage of Total City Employment
Pomona Valley Hospital	3,424	1	5.3%	3,080	2	4.6%
Pomona Unified School District	3,034	2	4.7%	3,406	1	5.1%
California State Polytechnic University	2,187	3	3.4%	2,640	3	3.9%
Fairplex	954	4	1.5%			
Casa Colina Rehabilitation Center	938	5	1.4%	600	6	0.9%
City of Pomona	679	6	1.0%	927	5	1.4%
Verizon	596	7	0.9%	596	7	0.9%
County of Los Angeles Department of Social Services	400	8	0.6%	378	9	0.6%
First Transit	348	9	0.5%	311	11	0.5%
HD Supply Facilities	342	10	0.5%			
Inland Valley Care & Rehab	341	11	0.5%	301	12	0.4%
Anheuser Busch Sales Pomona	239	12	0.4%			
Kittrich Corporation	237	13	0.4%			
Hayward Industries Inc	230	14	0.4%	377	10	0.6%
Walmart Stores Inc	207	15	0.3%	240	15	0.4%
Lanterman Developmental Center				1,780	4	2.6%
Lloyd's Material Supply (CAI)				536	8	0.8%
Royal Cabinets				300	13	0.4%
Pioneer Electronics				280	14	0.4%

Source: City of Pomona business license data and Businesses; 2008 CAFR  
Total Employment Source: [www.labormarketinfo.edd.ca.gov](http://www.labormarketinfo.edd.ca.gov)

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

**Schedule 19**

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Function	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Government	36	29	26	24	20	19	19	20	20	20
Support Services	52	44	36	33	32	32	32	31	32	33
Police	348	342	335	271	270	269	270	268	270	271
Public Works	87	81	199	184	184	170	169	170	106	106
Water/Wastewater	0	0	0	0	0	0	0	0	68	68
Community Development	40	40	38	47	40	38	40	0	0	0
Dev & Neighborhood Svcs	0	0	0	0	0	0	0	47	47	48
Utility Services	128	127	0	0	0	0	0	0	0	0
Community Services and Library	80	78	32	21	21	11	9	2	2	2
Total	<u>771</u>	<u>741</u>	<u>666</u>	<u>580</u>	<u>567</u>	<u>539</u>	<u>539</u>	<u>538</u>	<u>545</u>	<u>548</u>

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)**

	2008	2009	2010	2011	2012
Apparel Stores	\$ 9,884	\$ 8,210	\$ 12,239	\$ 12,339	\$ 12,581
General Merchandise	49,203	48,733	43,655	42,089	41,037
Food Stores	72,852	70,991	71,379	66,041	63,376
Eating and Drinking Places	124,146	119,631	117,873	115,634	121,730
Building Materials	234,707	189,624	160,244	146,146	163,013
Auto Dealers and Supplies	178,694	91,100	77,879	58,177	67,975
Service Stations	207,178	161,684	158,016	196,602	216,063
Other Retail Stores	148,426	115,747	115,538	132,188	137,444
All Other Outlets	343,162	284,376	263,940	279,060	301,495
Drug Stores	-	-	-	-	-
Home Furnishing	-	-	-	-	-
Packaged Liquor Store	-	-	-	-	-
Total	<u>\$ 1,368,252</u>	<u>\$ 1,090,096</u>	<u>\$ 1,020,763</u>	<u>\$ 1,048,276</u>	<u>\$ 1,124,714</u>

Source: MuniServices, LLC

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

**Schedule 20**

	2013	2014	2015	2016	2017
Apparel Stores	\$ 13,953	\$ 15,277	\$ 22,874	\$ 22,621	\$ 24,030
General Merchandise	43,478	52,726	62,148	67,799	71,192
Food Stores	65,447	68,432	74,104	77,912	81,296
Eating and Drinking Places	128,363	135,882	149,074	179,655	192,176
Building Materials	185,123	207,681	242,612	269,847	367,120
Auto Dealers and Supplies	75,686	78,793	78,672	97,748	171,808
Service Stations	201,642	195,460	180,021	143,687	143,831
Other Retail Stores	165,937	127,969	142,246	130,415	88,217
All Other Outlets	316,419	308,980	360,476	333,147	506,346
Drug Stores	-	14,704	14,696	14,521	14,122
Home Furnishing	-	16,848	13,418	26,194	21,386
Packaged Liquor Store	-	7,321	7,677	8,220	8,453
Total	<u>\$ 1,196,048</u>	<u>\$ 1,230,073</u>	<u>\$ 1,348,018</u>	<u>\$ 1,371,766</u>	<u>\$ 1,689,977</u>

Source: MuniServices, LLC

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

	2008	2009	2010	2011	2012
Police:					
Felony Arrests	3,686	3,584	3,150	2,825	2,713
Misdemeanor Arrests	8,042	7,824	6,686	5,557	5,780
Parking Citations	24,293	26,223	24,305	22,685	21,462
Moving Citations	18,470	25,305	18,412	11,554	10,452
Fire:					
Incidents	12,393	12,171	12,317	12,239	11,807
Urban development:					
Residential building permits issued	2,111	1,372	1,314	655	720
Inspections	23,235	17,278	6,918	5,378	5,645
Asphalt repaired (square feet)	31,862	23,911	26,489	38,842	9,222
Sidewalk repaired (square feet)	14,977	6,328	12,508	18,700	12,415
Community services:*					
Community Center participants	899,611	409,595	335,931	502,674	572,270
Senior Program participants	244,000	145,851	101,104	120,095	121,165
Youth program participants	234,648	263,744	254,827	381,280	403,617
Other program participants	72,345	47,043	64,574	36,296	42,343
Sports participants	348,618	206,853	314,405	254,989	311,201
Facility rentals	273	220	248	310	547
Library:					
Program attendance (all programs)	10,711	12,350	10,855	8,857	8,568
Literacy instruction (hours)	639	871	968	709	749
Water:					
New connections	152	23	10	5	7
Average daily consumption (thousands of gallons)	22,086	20,693	18,487	17,719	17,865
Refuse:					
Curbside Collection (in tons)	41,638	39,407	37,436	38,068	36,472
Recycle Collection (in tons)	8,871	8,003	7,512	7,108	6,801
Greenwaste Collection (in tons)	13,259	13,267	13,975	14,280	13,234

Source: Various City Departments

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

\* Method for calculating inspections changed in 2009-2010

\*\*Methodology for Community services calculations changed in 2015



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

**Schedule 21**

	2013	2014	2015	2016	2017
Police:					
Felony Arrests	3,145	3,105	2,726	2,441	2,142
Misdemeanor Arrests	5,821	5,876	6,424	7,446	6,825
Parking Citations	36,718	30,145	30,788	31,807	32,107
Moving Citations	9,179	9,791	9,153	8,898	7,157
Fire:					
Incidents	12,447	13,675	15,289	16,381	16,901
Urban development:					
Residential building permits issued	622	722	925	294	969
Inspections	4,054	6,050	5,536	6,236	7,947
Asphalt repaired (square feet)	19,400	36,068	84,879	84,649	95,104
Sidewalk repaired (square feet)	7,285	1,500	1,750	2,279	2,997
Community services:*					
Community Center participants	520,157	501,727	-	-	-
Senior Program participants	108,086	100,703	44,768	44,228	59,967
Youth program participants	362,217	337,180	56,728	52,075	33,579
Other program participants	49,854	66,743	32,480	26,126	18,901
Sports participants	309,795	366,978	168,034	182,529	154,670
Facility rentals	635	687	2,090	1,815	2,183
Library:					
Program attendance (all programs)	1,770	2,578	2,940	3,077	3,069
Literacy instruction (hours)	-	-	-	-	-
Water:					
New connections	17	9	12	21	12
Average daily consumption (thousands of gallons)	18,670	19,615	17,905	14,450	15,084
Refuse:					
Curbside Collection (in tons)	37,246	36,593	35,474	36,682	37,934
Recycle Collection (in tons)	6,896	6,907	7,218	6,544	6,759
Greenwaste Collection (in tons)	12,510	11,934	11,904	13,480	13,699

Source: Various City Departments

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

\* Method for calculating inspections changed in 2009-2010

\*\*Methodology for Community services calculations changed in 2015

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

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

Source: Various City Departments

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

**Schedule 22**

	2013	2014	2015	2016	2017
Police:					
Stations	1	1	1	1	1
Patrol Units	58	51	51	46	44
Fire:					
Fire stations	8	8	8	8	8
Public works:					
Streets (miles)	388	388	388	388	388
Streetlights	7,701	7,721	7,725	7,725	7,725
Traffic signals	162	164	164	169	169
Community services:					
Parks	26	26	26	26	26
Park Acreage	221	221	221	221	221
Baseball fields	14	14	14	14	14
Soccer fields	17	17	17	17	17
Basketball courts	22	22	22	22	22
Tennis courts	9	9	9	9	9
Community centers	14	14	14	14	14
Libraries	1	1	1	1	1
Water:					
Water mains (miles)	457	457	457	457	457
Sewer:					
Sanitary sewers (miles)	305	305	305	305	305
Storm drains (miles)	120	120	120	120	120

Source: Various City Departments

