



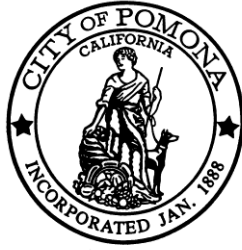
CITY OF POMONA

CALIFORNIA



COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Year Ended June 30, 2019



CITY OF POMONA, CALIFORNIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Year Ended June 30, 2019

Tim Sandoval	Mayor
Rubio R. Gonzalez	Councilmember, District 1
Victor Preciado	Councilmember, District 2
Nora Garcia	Councilmember, District 3
Elizabeth Ontiveros-Cole	Councilmember, District 4
Steve Lustro	Councilmember, District 5
Robert S. Torres	Councilmember, District 6

Prepared by the City of Pomona Finance Department
Andrew Mowbray, Finance Director

City of Pomona
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For the Year Ended June 30, 2019
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February 12, 2020

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, 2019 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, 2019. 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 Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the "Uniform Guidance"). 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, Accounting Manager, and the Deputy City Manager serve as the governing board for the Pomona Public Financing Authority. The Water Resources Director, Water Resource Operations Manager, Water Treatment/Water Quality Supervisor, Senior Accountant, 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.

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 Housing 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.

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 154,310 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 Pomona Valley Hospital, the school district (Pomona USD), California State Polytechnic University, the City of Pomona itself, and Casa Colina Rehabilitation Center. 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 2019 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 68,400 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". 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 \$11,656,073,274 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, etc.) were 34.66% of the 2018-19 General Fund revenues, while sales tax and related line items were 20.38% 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 2018-19 General Fund expenditure and fund balance numbers, the General Fund has already exceeded the final goal of 17%. The City realized the importance of long term financial planning especially with increased pension costs so the City along with Urban Futures Inc. created a 10 year sustainability plan. The 10 year sustainability plan identified a long term ongoing annual structural deficit amounting to \$8-10 million along with identifying various cuts or revenue generation strategies that would cover the gap. The City had to make significant cuts to the budget from FY 2010 to FY 2013. As a result, City services have suffered, programs had to be cut and various positions were laid off. The City has to maintain and even improve services provided so the City felt that the future was dependent on generating revenues and more specifically a Sales Tax measure.

OUTLOOK FOR THE FUTURE

In November of 2018, the residents of Pomona voted 66.50% in favor for a ¾ cent Sales Tax measure. The estimated \$12 million in increased revenues will vastly help balance the budget and will be a great benefit to the Citizens of Pomona. As the City looks ahead to 2019-20, staff is encouraged by the General Fund reserve balance and indicators that a consistent growth in the economy is currently underway. The adopted FY 2019-20 budget was adopted as a balanced budget largely due in part to the Measure PG. The City is fully aware that the rebounds to the tax revenues are steadily growing but is largely dependent on the state of the economy. This could mean the City's financial structure could be challenged in the future if a recession were to happen. The City of Pomona staff is continuing its efforts beyond the tax measure of identifying financial resources to address increasing retirement costs with a Net Pension Liability, 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 conformance with Single Audit Act of 1996 as amended and Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the "Uniform Guidance"). The results of the City's single audit for the fiscal year ended June 30, 2019 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 Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the "Uniform Guidance"). 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, 2018. The City of Pomona has received a Certificate of Achievement for the last twenty-six consecutive years (1993-2018). 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, 2019. 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 could not have been accomplished without the efficient and dedicated services of the entire Finance Department staff. Special recognition is given to all the Accounting division staff and the City's audit firm for their services in the coordination and assistance in the preparation of this year's report.

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

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Andrew Mowbray". The signature is fluid and cursive, with the first name "Andrew" written in a larger, more prominent script than the last name "Mowbray".

Andrew Mowbray
Finance Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Pomona
California**

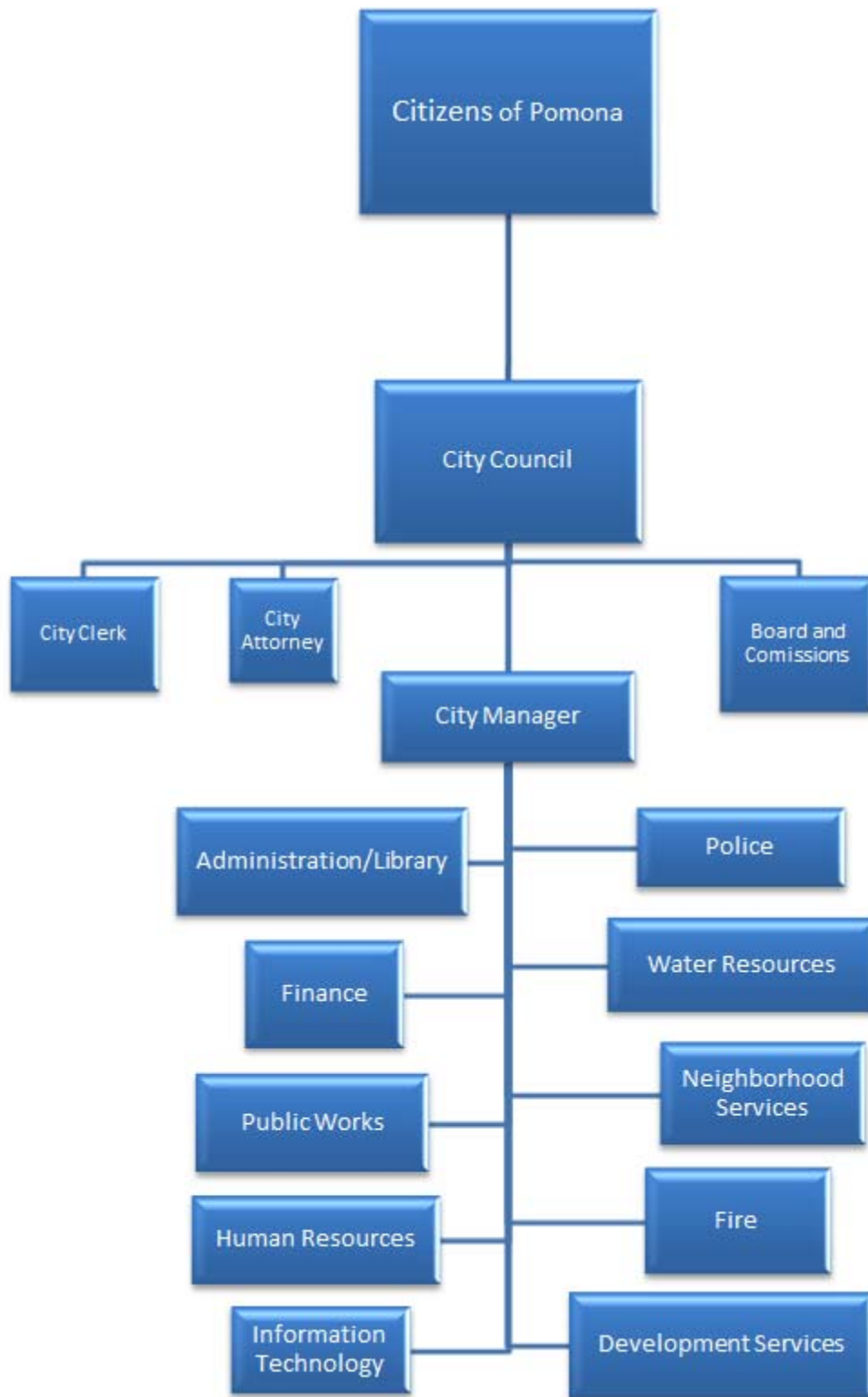
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2018

Christopher P. Morill

Executive Director/CEO

Organizational Chart



CITY OF POMONA
DIRECTORY OF CITY OFFICIALS

at June 30, 2019

CITY COUNCIL

Tim Sandoval

Mayor

Rubio R. Gonzalez

Councilmember

District 1

Victor Preciado

Councilmember

District 2

Nora Garcia

Councilmember

District 3

**Elizabeth
Ontiveros-Cole**

Councilmember

District 4

Steve Lustro

Councilmember

District 5

Robert S. Torres

Councilmember

District 6

APPOINTED ADMINISTRATIVE OFFICIALS

City ManagerLinda Lowry
City Attorney Christi Hogin (Interim)
City ClerkRosalia Butler
City Treasurer Andrew Mowbray

DEPARTMENT DIRECTORS

Finance Andrew Mowbray
Fire (Los Angeles County)..... Jim Robinson
Human Resources Linda Matthews
Information Technology John DePolis
Library..... Mark Gluba
Development ServicesAnita Gutierrez
Neighborhood Services Benita DeFrank
Police Chief.....Mike Olivieri
Public Works.....Rene Guerrero
Water ResourcesDarron Poulsen



INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and the 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, 2019, and the related notes to the basic 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.

Auditors' 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, 2019, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Budgetary Comparison Schedules, the Schedule of Changes in Net Pension Liability and Related Ratios, the Schedule of Contributions – Pensions, the Schedule of Changes in Net Other Postemployment Benefits Liability and Related Ratios, and the Schedule of Contributions – Other Postemployment Benefits Plan, on pages 5 to 15 and 137 to 148 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, the Combining and Individual Nonmajor Fund Financial Statements and the 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 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 are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Introductory and the 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.

To Honorable Mayor and the Members of the City Council
of the City of Pomona
Pomona, California
Page 3

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 12, 2020, 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 solely 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.

A handwritten signature in black ink that reads "The PwC Group, LLP". The signature is written in a cursive, flowing style.

Santa Ana, California
February 12, 2020

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MANAGEMENT'S DISCUSSION AND ANALYSIS

Fiscal Year Ended June 30, 2019

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, 2019. This narrative discussion and analysis focuses on the fiscal year 2018-19 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 and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$131.0 million. The Net Position is composed of \$293.3 million Investment in Fixed Assets, \$85.9 million Restricted and \$(248.2) Unrestricted. The negative unrestricted Net Position is mainly due to GASB 68 and GASB 75 which required the City to report the total unfunded pension and Other Post Employment Benefit liabilities in the amount of \$284 million combined.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$94.6 million.
- At the end of the current fiscal year, committed fund balance for fiscal sustainability in the General Fund was \$18.1 million, which is 17% of total general fund expenditures, including transfers out. The City was able to maintain a healthy fund balance in the General Fund resulting in \$3.9 million in excess of the Fiscal Sustainability requirement.

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 deferred outflows of resources and liabilities and deferred inflows of resources, both financial and capital, short-term and long-term, are included. All revenues and expenses during the year, regardless of when cash is received or disbursed, are reported. The government-wide financial statements include the Statement of Net Position and the Statement of Activities.

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

The *Statement of Activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event causing the change occurs, regardless of when cash is actually received or disbursed. This means that revenues and expenses in this statement are recorded when earned or a liability is incurred. Thus, items such as the value of earned but unused vacation leave will be recorded as an expense of the current period, even though the actual use of the vacation time may not be until subsequent periods.

Both of the government-wide statements distinguish between functions of the City of Pomona that are principally supported by taxes or intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City of Pomona include general government, public safety, urban development and public works, neighborhood services and library, 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 22 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 Special Revenue Grants Fund, the Capital Outlay Capital Projects Fund, the General Government Debt Service Fund, and the Public Financing Authority Debt Service Fund. Information for the remaining governmental funds is combined into a single "other governmental funds" column on the face of the financial statements. Individual fund data for each of these non-major governmental funds is provided in the form of "combining statements" presented in the Supplemental Data portion of the report.

Proprietary funds are used to report two types of funds: enterprise funds and internal service funds. Enterprise funds report the same functions presented as "business-type" activities in the government-wide financial statements. These include activities that the City operates similar to a private business. The City of Pomona

uses enterprise funds to account for the operations of the City and Canon Water Company all of which are considered "major" funds. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City of Pomona uses internal service funds to account for its self-insurance activities, equipment maintenance activities, information technology activities, and printing/mail service activities. Because these four services predominately benefit governmental rather than business-type functions, the activity has been included within "governmental activities" in the government-wide financial statements. All internal service funds are combined into a single aggregated column presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements presented in the Supplemental Data portion of the report. 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 mainly due to a slight decrease in long term debt and an increase in Investment in Fixed Assets. Below is a summary schedule showing the components that make up the City's net position (in millions) at June 30, 2019 and 2018.

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Current and other assets	\$ 126.4	\$ 120.0	\$ 77.7	\$ 72.6	\$ 204.1	\$ 192.6
Capital assets	282.9	279.2	159.4	161.9	442.3	441.1
Total assets	<u>\$ 409.3</u>	<u>\$ 399.2</u>	<u>\$ 237.1</u>	<u>\$ 234.5</u>	<u>\$ 646.4</u>	<u>\$ 633.7</u>
Deferred outflows of resources						
Deferred charge	0.4	0.4	0.5	0.5	0.9	0.9
Deferred pension related items	24.8	38.6	2.2	4.5	27.0	43.1
Deferred OPEB related items	3.2	4.6	0.8	1.2	4.0	5.8
Total deferred outflows of resources	<u>28.4</u>	<u>43.6</u>	<u>3.5</u>	<u>6.2</u>	<u>31.9</u>	<u>49.8</u>
Current and other liabilities	\$ 30.8	\$ 29.9	\$ 11.7	\$ 11.2	\$ 42.5	\$ 41.1
Long-term liabilities outstanding	345.8	349.7	148.1	153.1	493.9	502.8
Total liabilities	<u>\$ 376.6</u>	<u>\$ 379.6</u>	<u>\$ 159.8</u>	<u>\$ 164.3</u>	<u>\$ 536.4</u>	<u>\$ 543.9</u>
Deferred inflows of resources						
Deferred charge on refunding	0.4	0.4	3.2	3.3	3.6	3.7
Deferred pension related items	3.4	4.1	0.2	0.4	3.6	4.5
Deferred OPEB related items	3.0	-	0.7	-	3.7	-
Total deferred inflows of resources	<u>6.8</u>	<u>4.5</u>	<u>4.1</u>	<u>3.7</u>	<u>10.9</u>	<u>8.2</u>
Net Position:						
Net Investment in capital assets	\$ 243.1	\$ 239.7	\$ 50.2	\$ 49.9	\$ 293.3	\$ 289.6
Restricted*	78.4	76.5	7.5	7.4	85.9	83.9
Unrestricted*	(267.2)	(257.5)	19.0	15.4	(248.2)	(242.1)
Total net position	<u>\$ 54.3</u>	<u>\$ 58.7</u>	<u>\$ 76.7</u>	<u>\$ 72.7</u>	<u>\$ 131.0</u>	<u>\$ 131.4</u>

For the City of Pomona, total assets and deferred outflow of resources exceeded total liabilities and deferred inflows of resources by \$131.0 million at June 30, 2019. As the table above shows, an amount of \$293.3 million is reported as *net investment in capital assets*. This amount represents those capital assets (land, buildings, improvements, equipment, and work in progress), some of which have been acquired over time and financed by the issuance of long-term debt. The City of Pomona uses these capital assets to provide services to the citizens of the City, and the assets are therefore not available for meeting current financial obligations. Although net investment in capital assets is reported net of related debt, it 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 \$85.9 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 \$(248.2 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 bonds, the City's net pension liability in the amount of \$191.9 million, and the net OPEB liability in the amount of \$92.1 million.

Changes in net position. The statement of net position provides a snapshot at a given point in time of the assets and liabilities of the City. The other citywide statement provided is the *Statement of Activities*. This statement provides the reader with information regarding the revenues, expenses, and changes in net position over the fiscal year. Generally, all changes to the City's net position from one fiscal year to the next flow through the statement of activities. The City's programs for governmental activities include legislative and support services, Police, Fire, Public Works, Urban Development, Community Services, and Library. The programs for the business-type activities include water utilities, sewer, and residential refuse operations and Canon Water Company. 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, 2019 and 2018.

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Revenues:						
Program Revenues:						
Charges for services	\$ 13.9	\$ 14.1			\$ 13.9	\$ 14.1
Water	-	-	\$ 32.0	\$ 29.8	32.0	29.8
Sewer	-	-	4.8	4.3	4.8	4.3
Refuse	-	-	10.6	10.1	10.6	10.1
Operating contributions and grants	45.3	35.9	0.1	4.1	45.4	40.0
Capital contributions and grants	6.5	8.2	-	-	6.5	8.2
General Revenues:						
Taxes:						
Property taxes	39.2	35.6	-	-	39.2	35.6
Sales taxes	22.2	18.9	-	-	22.2	18.9
Motor vehicle licenses	0.1	0.1	-	-	0.1	0.1
Transient occupancy taxes	2.5	2.2	-	-	2.5	2.2
Property transfer taxes	1.8	1.9	-	-	1.8	1.9
Franchises taxes	4.9	6.6	-	-	4.9	6.6
Utility users taxes	15.9	16.5	-	-	15.9	16.5
Business licenses (nonregulatory)	4.2	3.8	-	-	4.2	3.8
Other taxes	-	-	-	-	-	-
Interest and rentals	3.1	1.8	1.7	0.5	4.8	2.3
Miscellaneous	1.4	1.7	-	0.7	1.4	2.4
Total revenues	\$ 161.0	\$ 147.3	\$ 49.2	\$ 49.5	\$ 210.2	\$ 196.8

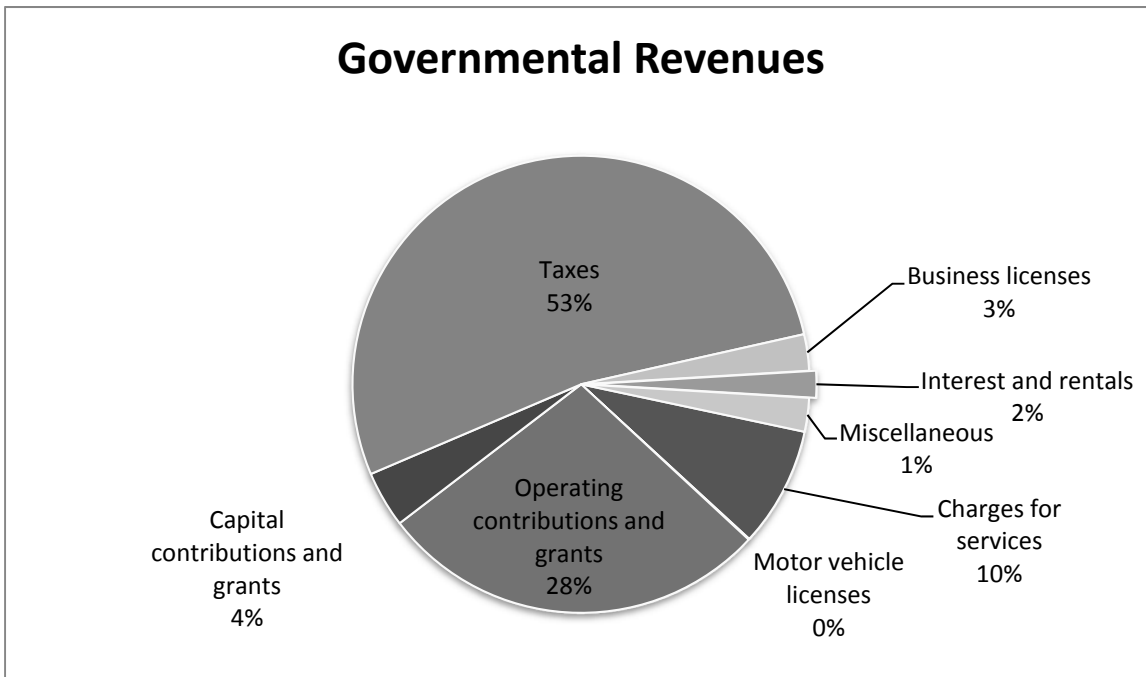
CITY OF POMONA

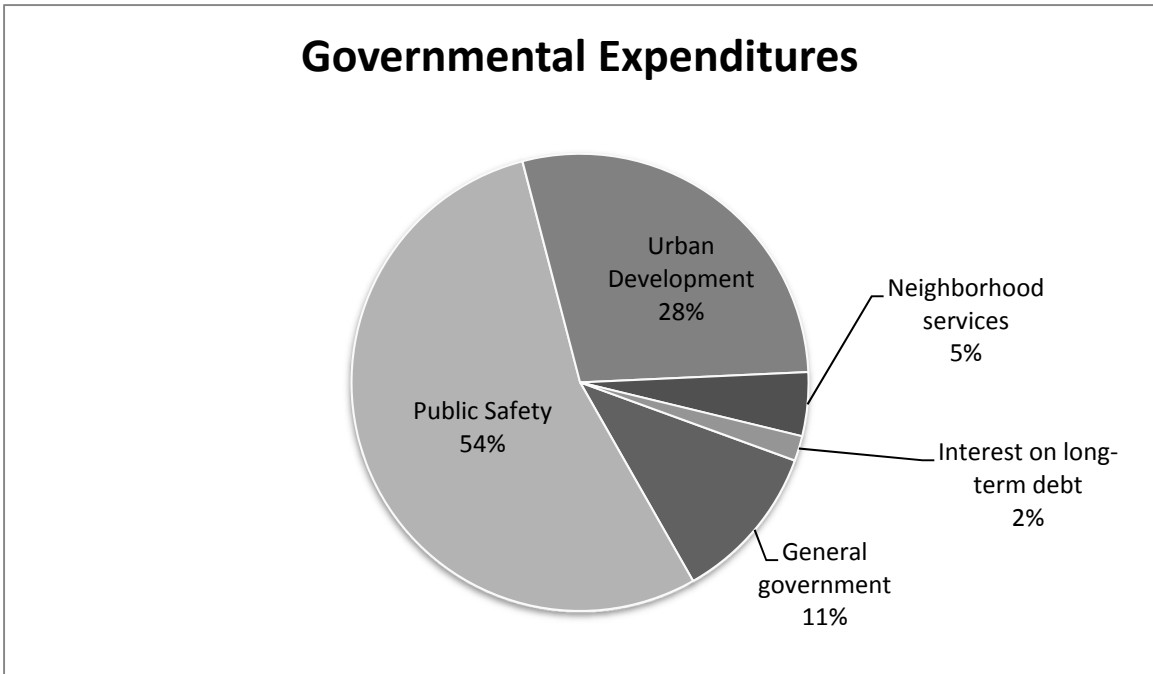
Management’s Discussion and Analysis, Continued
 Year Ended June 30, 2019

Expenses:

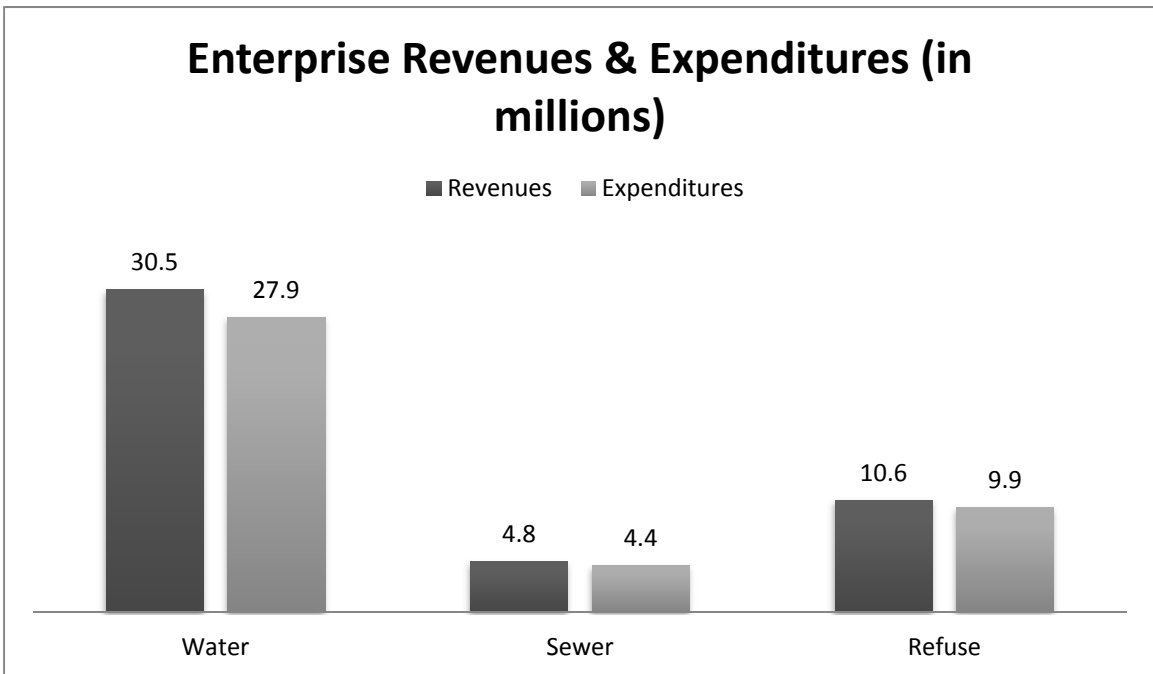
General government	\$ 18.4	\$ 17.4	\$ -	\$ -	\$ 18.4	\$ 17.4
Public safety	88.9	90.2	-	-	88.9	90.2
Urban development	50.2	39.3	-	-	50.2	39.3
Neighborhood services	7.4	7.6	-	-	7.4	7.6
Interest on long-term debt	3.4	4.0	-	-	3.4	4.0
Water	-	-	27.9	30.9	27.9	30.9
Sewer	-	-	4.4	4.1	4.4	4.1
Refuse	-	-	9.9	10.2	9.9	10.2
Canon Water Company	-	-	-	-	-	-
Total expenses	<u>\$ 168.3</u>	<u>\$ 158.5</u>	<u>\$ 42.2</u>	<u>\$ 45.2</u>	<u>\$ 210.5</u>	<u>\$ 203.7</u>
Increase(decrease) in net position before transfers	\$ (7.3)	\$ (11.2)	\$ 7.0	\$ 4.3	\$ (0.3)	\$ (6.9)
Transfers	3.0	3.1	(3.0)	(3.1)	-	-
Increase (decrease) in net position	<u>\$ (4.3)</u>	<u>\$ (8.1)</u>	<u>\$ 4.0</u>	<u>\$ 1.2</u>	<u>\$ (0.3)</u>	<u>\$ (6.9)</u>
Beginning Net Position	58.7	66.8	72.7	71.5	131.4	138.3
Ending Net Position	<u>\$ 54.3</u>	<u>\$ 58.7</u>	<u>\$ 76.7</u>	<u>\$ 72.7</u>	<u>\$ 131.0</u>	<u>\$ 131.4</u>

Governmental Activities - The City’s program revenues totaled \$65.7 million. The City paid for the remaining “public benefit” portion of governmental activities with \$90.8 million in taxes (some of which is restricted for certain programs). The cost of all governmental activities this year was \$168.3 million. However, as shown above in the changes in net position, the amount taxpayers ultimately financed for these activities was \$90.8 million since some of the cost was paid by Charge for Services revenue (\$13.9 million), or by other governments and organizations that subsidized certain programs with operating contributions and grants (\$45.3 million), and capital contributions and grants (\$6.5 million). The City had a \$4.3 million decrease in net position from governmental activities (see Financial Analysis of the City’s Funds – General Fund for explanation) in 2018-19.





Business Type Activities - The cost of all business-type activities in 2018-19 was \$42.3 million and the amount of resources received was \$49.2 million. Total business-type activities resources available at the fiscal year end is \$76.7 million. This is calculated by taking beginning Net Position of \$72.7 million adding revenues of \$49.2 million, subtracting expenditures of \$42.2 million and \$(3.0 million) in transfers. This equates to an increased net Position of \$4.0 million. The increase was primarily due to elevated use of water by City residents which resulted in increased water charges of services revenues and the department’s efforts to keep operational costs below budget.



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 \$105.9 million in revenues and \$100.9 million in expenditures resulting in revenues over expenditures in the amount of \$5.0 million before accounting for net other financing uses of \$(1.0) million, resulting in the General Fund fund balance to increase by \$4.0 million for the fiscal year. Total fund balance at June 30, 2019 is \$22.0 million, composed of \$28.0 million in assets combined with \$4.3 million in liabilities and \$1.7 million in deferred inflows and resources. Total fund balance includes less than \$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 \$18.1 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 of \$3.8 million is considered unassigned and above the fiscal sustainability policy. General fund revenues increased \$7.5 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 \$6.6 million 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 2020 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 \$20.3 million in revenues and \$24.2 million in expenditures and transfers, resulting in a net change in fund balance in the amount of \$(3.9) million. The Housing Authority fund is made up of \$23.1 million in assets, combined with \$1.4 million in liabilities and \$2.1 million in deferred inflows and resources resulting in \$19.6 million in fund balance. The \$19.6 million in fund balance is restricted for Urban Development. Housing Authority fund revenues increased by \$5.7 million in the fiscal year when compared to the prior year. This was due to increased efforts to obtain new grants. Housing Authority expenditures including transfers increased \$7.8 million when compared to the prior year. The majority of the change in fund balance was due to the transfers out of the Housing Authority. The Housing Authority is funding a large project to build a homeless shelter to help combat the homelessness the City faces.

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 \$4.4 million in revenues and \$4.3 in expenditures resulting in revenues over expenditures of \$0.1 million. After a total other financing sources of \$0.1, the resulting net change in fund balance totals \$0.2 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 \$23.8 million in assets combined with \$1.2 million in liabilities and \$2.9 million in deferred inflows and resources resulting in \$19.7 million in fund balance. The entire fund balance is restricted for specific purposes.

Capital Project Fund – The Capital Project fund accounts for the various capital projects throughout the City. The Capital Project is a "major" fund based on criterion set forth by GASB 34. For the fiscal year, the Capital Project fund reported \$4.8 million in revenues and \$18.9 million in expenditures. See the Capital Asset section for more detailed information on the expenditures. Many of the projects are funded by other funding sources so a large transfer in helps make the fund balanced. After total other financing sources of \$12.6 million, the

resulting net change in fund balance totals \$(1.5) million. The fund is made up of \$7.1 million in assets combined with \$3.0 million in liabilities and \$0.4 million in deferred inflows and resources resulting in \$3.7 million in fund balance. The entire fund balance is restricted for specific purposes.

General Government Debt Service Fund – The General Government Debt Service fund accounts for the various debts that are exclusively in the City's name. For the fiscal year, the General Government Debt Service fund reported \$0.7 million in revenues and \$3.9 million in expenditures. The expenditures are all principal and interest debt service payments. Other funds transfer in monies to help pay for the debt. After total other financing sources of \$5.2 million, the resulting net change in fund balance totals \$2.0 million. The liability is an advance from the Public Financing Authority for Series BC & BG.

Public Financing Authority Debt Service Fund – The Public Financing Authority (PFA) Debt Service fund accounts for the various City debts that are issued for the City in the name of the PFA. For the fiscal year, the PFA Debt Service fund reported \$0.2 million in revenues and \$3.1 in expenditures. The expenditures are all principal and interest debt service payments. The resulting net change in fund balance totals \$(2.9) million. The asset is an advance to the General Government Debt Service fund for Series BC & BG.

Non-Major Funds - The Non-Major Governmental Funds show a net increase of \$4.6 million in fund balance. The primary reason for the increase in fund balance was due to the use of bond proceeds for various construction projects instead of Prop A, C and Gas Tax funds.

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 \$32.1 million in operating revenues and operating expenses of \$24.7 million resulting in operating income of \$7.4 million. After consideration of non-operating revenues, expenses and transfers the total change in net position is \$3.3 million with total revenues in excess of expenses. The Water Fund is made up of \$48.4 million in current assets, \$134.0 in non-current assets, \$2.1 million in deferred outflows of resources, \$9.3 million in current liabilities, \$111.6 million in non-current liabilities and \$3.8 million in deferred inflow of resources resulting in net position of \$59.8 million.

Sewer Fund – The Sewer Fund is used to account for the operation and maintenance of the City's sewer network. The Sewer Fund reported \$4.8 million in operating revenues and operating expenses of \$3.4 million resulting in operating income of \$1.4 million. After consideration of non-operating revenues, non-operating expenses, and transfers, the total change in net position is \$0.3 million with total revenues in excess of expenses. The Sewer Fund is made up of \$5.9 million in current assets, \$37.2 million in non-current assets, \$0.8 million in deferred outflows of resources, \$0.7 million in current liabilities, \$28.2 in non-current liabilities and less than \$0.1 million in deferred inflow of resources resulting in net position of \$14.9 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 \$10.6 million in operating revenues and operating expenses of \$9.7 million resulting in operating income of \$0.9 million. After consideration of non-operating revenues, non-operating expenses and transfers the total change in net position is \$0.8 million with total revenues in excess of expenses. The Refuse Fund is made up of \$8.0 million in current assets, \$2.1 in non-current assets, \$0.6 million in deferred outflows of resources, \$1.6 million in current liabilities, \$8.2 in non-current liabilities and \$0.2 million in deferred inflow of resources resulting in net position of \$0.7 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 \$0.00 million in operating revenues and operating expenses of \$0.03 million resulting in an operating loss of \$0.03 million. After consideration of non-operating revenues the total change in net position is \$(0.03) million with total expenses in excess of revenues. The Canon Water Company Fund is made up of \$0.507 million in assets and \$0.036 in liabilities resulting in net position of \$0.471 million.

GENERAL FUND BUDGETARY INFORMATION

The originally adopted General Fund budget contained \$103.2 million in appropriations to fund operations and services. This amount increased to \$104.8 million by the end of the fiscal year through City Council approved budget amendments. This was an increase in the amount of \$1.6 million. The increase was due to:

- Increased costs associated with the Building and Safety contract as well as various other contracted services.
- Increased costs associated with the Police Department purchasing new police vehicles.

CITY OF POMONA			
Revenue / Expenditure Report			
	2018-2019	2018-2019	%
	Amended	Actuals	Actual/
	Budget	to Date	Budget
Total Revenue	110,079,487	110,843,338	101%
Total Expenditures	110,303,358	106,817,077	97%
Net	(223,871)	4,026,261	

General Fund revenues and expenditures as a whole were under budget at the completion of the fiscal year. The above chart includes transfers in and transfers out.

As adopted, the City's FY 2018-19 General Fund Revenue Budget reflected \$100.9 million in anticipated revenues. With approved budget adjustments the total was amended to \$105.1 million. To date \$105.9 million has been received. The large increase from the adopted budget to the final budget is primarily due to Measure PG which was a Sales Tax measure passed by the Citizens of Pomona. Actual tax revenues exceeded budget and Utility Users Tax came in below budget.

As adopted, the City's FY 2018-19 General Fund Expenditures Budget reflects \$103.2 million in appropriations. With approved budget adjustments the total was amended to \$104.8 million. Overall actual expenditures are at \$101 million, which creates savings of \$3.8 million. The main contributor to this savings is salary savings within the Police Department’s budget due to turnover and the cumulative vacancy of full time positions.

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 \$228.3 million.

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, 2019, net capital assets of the governmental activities totaled \$282.9

million and the net capital assets of the business-type activities totaled \$159.4 million. Depreciation on capital assets is recognized in the government-wide financial statements.

For Government Activities, the City had a total of 50 projects which varied in the amount of activity in FY 18/19. The largest increase in Capital Assets was in the Construction in Progress class. A total of \$16.3 million was added to Construction in Progress in FY 2018-19. The major projects were:

- Project #68558 – Street Preservation (\$1.7 million)
- Project #67918 – Major Street Rehabilitation – 2015 Metro Call (\$1.4 million)
- Project #71044 – Year Round Emergency Shelter (\$1.6 million)
- Project #71039 – City Hall AC Control System Upgrade (\$1.5 million)
- Project #71040 – Phil and Nell Soto Park (\$1.5 million)

For Enterprise Activities, the largest increase in Capital Assets was in the Construction in Progress class. There was \$0.8 million added to Construction in Progress. The main project was:

- Project #93135 – Corporate Yard Development (\$0.8 million)

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 2018-19. 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 2018-19 General Fund revenues grew by \$7.6 million (approximately 7.7%) versus prior year actuals. Overall, there were both modest increases and decreases across all revenues. A main reason for the increase in revenues is the increase in Sales Tax due to Measure PG (\$2.6 million). There was a significant increase in property sales distribution from the County due to selling Successor Agency properties (\$2.5 million).

General Fund expenditures increased by \$9.0 million (approximately 9.2%) versus the prior year actual including transfers out. The increase is mainly due to increased salary, continued reliance on the general fund 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 2020 and beyond. The City contracts with LA County for Fire Services and the contract continues to increase on an annual basis.

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 four budget cycles (FY2016-FY 2019) Council suspended this provision of the policy due to lack of General Fund Revenues received each year. Going forward, the City would like to reinstate that part of the Policy but will continue to remain conservative with its future.

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. The City has cut expenditures anywhere possible to maintain the services provided yet maintain a lean operating budget. In November of 2019, the residents of Pomona voted 66.50% in favor for a ¼ cent Sales Tax measure. The estimated \$12 million in increased revenues will vastly help the service deficit and will be a great benefit to the Citizens of Pomona.

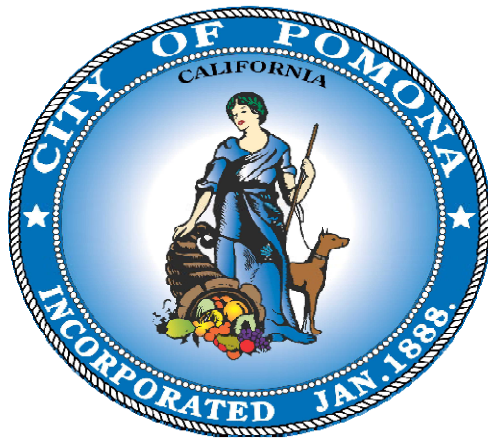
CONTACTING THE CITY'S FINANCIAL MANAGEMENT

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, 2019

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets:			
Cash and investments	\$ 62,214,563	\$ 52,559,954	\$ 114,774,517
Receivables (net):			
Accounts	5,519,314	9,653,875	15,173,189
Interest	287,498	217,169	504,667
Internal balances	(906,326)	906,326	-
Prepaid items	842,444	9,862	852,306
Due from other governments	12,506,796	5,765	12,512,561
Inventories	334,370	387,799	722,169
Total current assets	80,798,659	63,740,750	144,539,409
Noncurrent assets:			
Land held for resale	4,490,540	-	4,490,540
Advances to Successor Agency	3,000,000	-	3,000,000
Notes and loans receivables	32,750,061	-	32,750,061
Restricted cash and investments	5,324,692	13,967,874	19,292,566
Other investments	-	9,000	9,000
Capital assets:			
Not being depreciated	134,758,648	17,835,556	152,594,204
Being depreciated, net of depreciation	148,151,566	141,527,631	289,679,197
Total capital assets	282,910,214	159,363,187	442,273,401
Total noncurrent assets	328,475,507	173,340,061	501,815,568
Total assets	409,274,166	237,080,811	646,354,977
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charge on refunding	376,133	504,764	880,897
Deferred outflows of resources related to pensions	24,852,166	2,213,319	27,065,485
Deferred outflows of resources related to other postemployment benefits	3,266,501	789,836	4,056,337
Total deferred outflows of resources	28,494,800	3,507,919	32,002,719

City of Pomona
Statement of Net Position (Continued)
June 30, 2019

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
LIABILITIES			
Current liabilities:			
Accounts payable	8,165,560	2,565,266	10,730,826
Payroll payable	2,649,827	445,654	3,095,481
Accrued liabilities	684,334	9,375	693,709
Interest payable	911,681	630,818	1,542,499
Deposits payable	188,818	3,999,952	4,188,770
Unearned revenue	3,888,554	-	3,888,554
Long-term liabilities, due within one year	14,316,061	4,055,558	18,371,619
Total current liabilities	<u>30,804,835</u>	<u>11,706,623</u>	<u>42,511,458</u>
Noncurrent liabilities:			
Long-term liabilities, due in more than one year	99,561,344	110,366,823	209,928,167
Aggregate net pension liability	172,097,998	19,786,658	191,884,656
Other postemployment benefits liability	74,134,002	17,925,496	92,059,498
Total noncurrent liabilities	<u>345,793,344</u>	<u>148,078,977</u>	<u>493,872,321</u>
Total liabilities	<u>376,598,179</u>	<u>159,785,600</u>	<u>536,383,779</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred charge on refunding	405,179	3,153,643	3,558,822
Deferred inflows of resources related to pensions	3,372,258	221,750	3,594,008
Deferred inflows of resources related to other postemployment benefits	3,054,596	738,597	3,793,193
Total deferred inflows of resources	<u>6,832,033</u>	<u>4,113,990</u>	<u>10,946,023</u>
NET POSITION			
Net investment in capital assets	243,054,710	50,227,346	293,282,056
Restricted for:			
Community development projects	69,080,578	-	69,080,578
Special projects	1,814,797	-	1,814,797
Capital projects	3,218,334	-	3,218,334
Debt Service	4,350,311	7,474,831	11,825,142
Unrestricted	(267,179,976)	18,986,963	(248,193,013)
Total net position	<u>\$ 54,338,754</u>	<u>\$ 76,689,140</u>	<u>\$ 131,027,894</u>

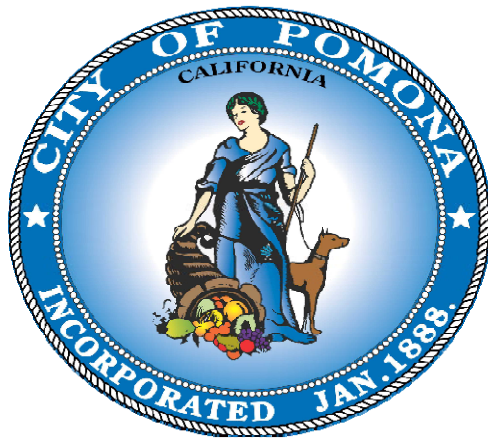
City of Pomona
Statement of Activities
For the Year Ended June 30, 2019

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Governmental:				
Governmental activities:				
General government	\$ 18,396,152	\$ 2,878,508	\$ -	\$ -
Public safety	88,954,171	4,729,612	2,320,936	-
Urban development and public works	50,233,428	5,125,663	22,078,232	4,638,269
Neighborhood services and library	7,406,631	1,167,316	20,915,298	1,839,262
Interest and fiscal charges	3,374,597	-	-	-
Total Governmental Activities	168,364,979	13,901,099	45,314,466	6,477,531
Business-type Activities:				
Water	27,972,506	32,097,521	-	-
Sewer	4,379,232	4,795,076	-	-
Refuse	9,934,035	10,600,103	83,280	-
Canon Water Company - February 28, 2019	23,903	-	-	-
Total Business-Type Activities	42,309,676	47,492,700	83,280	-
Total Primary Government	\$ 210,674,655	\$ 61,393,799	\$ 45,397,746	\$ 6,477,531

City of Pomona
Statement of Activities (Continued)
For the Year Ended June 30, 2019

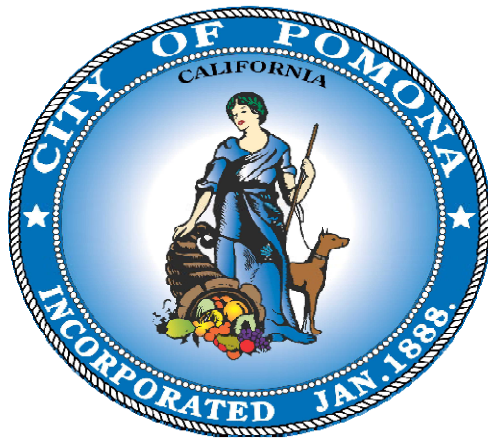
Functions/Programs	Net (Expense) Revenue and Changes in Net Position		
	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Primary Governmental:			
Governmental activities:			
General government	\$ (15,517,644)	\$ -	\$ (15,517,644)
Public safety	(81,903,623)	-	(81,903,623)
Urban development and public works	(18,391,264)	-	(18,391,264)
Neighborhood services and library	16,515,245	-	16,515,245
Interest and fiscal charges	(3,374,597)	-	(3,374,597)
Total Governmental Activities	(102,671,883)	-	(102,671,883)
Business-type Activities:			
Water	-	4,125,015	4,125,015
Sewer	-	415,844	415,844
Refuse	-	749,348	749,348
Canon Water Company - February 28, 2019	-	(23,903)	(23,903)
Total Business-Type Activities	-	5,266,304	5,266,304
Total Primary Government	(102,671,883)	5,266,304	(97,405,579)
General Revenues:			
Taxes:			
Property taxes	39,212,060	-	39,212,060
Sales taxes	22,239,249	-	22,239,249
Transient occupancy taxes	2,514,809	-	2,514,809
Property transfer taxes	1,790,878	-	1,790,878
Franchise taxes	4,921,153	-	4,921,153
Utility user taxes	15,897,932	-	15,897,932
Business licenses	4,207,458	-	4,207,458
Other taxes	2,049	-	2,049
Motor vehicle licenses	74,731	-	74,731
Interest and rentals	3,077,304	1,672,232	4,749,536
Miscellaneous	1,406,014	31,313	1,437,327
Gain on sale of property	9,441	-	9,441
Transfers	3,047,606	(3,047,606)	-
Total General Revenues and Transfers	98,400,684	(1,344,061)	97,056,623
Changes in Net Position	(4,271,199)	3,922,243	(348,956)
Net Position:			
Beginning of year	58,609,953	72,766,897	131,376,850
End of year	\$ 54,338,754	\$ 76,689,140	\$ 131,027,894

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FUND FINANCIAL STATEMENTS

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GOVERNMENTAL FUND FINANCIAL STATEMENTS

**City of Pomona
Balance Sheet
Governmental Funds
June 30, 2019**

	Special Revenue Funds			
	General Fund	Housing Authority	Miscellaneous Grants	Capital Outlay Capital Projects Fund
ASSETS				
Cash and investments	\$ 14,900,482	\$ 2,243,282	\$ 2,137,603	\$ 4,494,091
Receivables (net):				
Accounts	5,114,455	29,378	165	230,861
Notes and loans	-	11,007,909	20,192,080	-
Interest	105,273	13,897	778	2,653
Prepaid items	11,795	640	-	-
Due from other governments	7,241,752	1,263,978	1,470,707	1,538,174
Due from other funds	609,178	-	-	-
Advances to other funds	-	-	-	-
Advances to Successor Agency	-	3,000,000	-	-
Land held for resale	-	4,490,540	-	-
Restricted assets:				
Cash and investments	6,200	1,017,672	-	838,978
Total assets	\$ 27,989,135	\$ 23,067,296	\$ 23,801,333	\$ 7,104,757
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE				
Liabilities:				
Accounts payable	\$ 1,767,356	\$ 653,609	\$ 839,792	\$ 1,954,168
Payroll payable	2,135,273	68,116	84,869	39,853
Accrued liabilities	-	195,737	-	-
Deposit payable	85,200	32,470	-	68,814
Retention payable	-	-	-	994,139
Due to other funds	-	-	-	-
Advances from other funds	304,435	-	-	-
Unearned revenue	-	486,667	254,385	-
Total liabilities	4,292,264	1,436,599	1,179,046	3,056,974
Deferred Inflows of Resources:				
Unavailable revenues	1,696,610	2,090,275	2,973,343	665,250
Total deferred inflows of resources	1,696,610	2,090,275	2,973,343	665,250
Fund Balances:				
Nonspendable	11,795	640	-	-
Restricted	6,200	19,539,782	19,648,944	3,382,533
Committed	18,158,903	-	-	-
Unassigned (deficit)	3,823,363	-	-	-
Total fund balances	22,000,261	19,540,422	19,648,944	3,382,533
Total liabilities, deferred inflows of resources, and fund balances	\$ 27,989,135	\$ 23,067,296	\$ 23,801,333	\$ 7,104,757

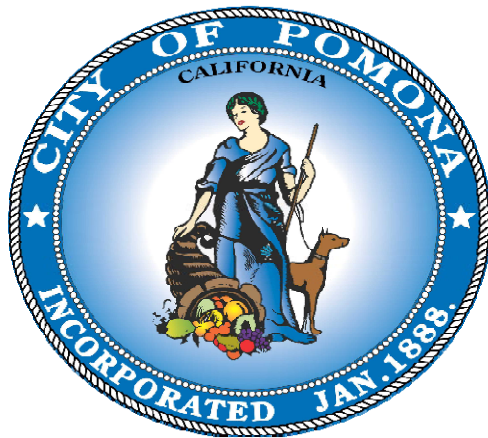
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City of Pomona
Balance Sheet (Continued)
Governmental Funds
June 30, 2019

	Debt Service Funds			Total
	General Government	Public Financing Authority	Nonmajor Governmental Funds	
ASSETS				
Cash and investments	\$ 1,124,240	\$ 1,011	\$ 28,106,633	\$ 53,007,342
Receivables (net):				
Accounts	-	-	143,864	5,518,723
Notes and loans	-	-	1,550,072	32,750,061
Interest	4,955	405	93,312	221,273
Prepaid items	820,130	-	8,441	841,006
Due from other governments	-	-	992,185	12,506,796
Due from other funds	-	-	-	609,178
Advances to other funds	-	73,740,000	304,435	74,044,435
Advances to Successor Agency	-	-	-	3,000,000
Land held for resale	-	-	-	4,490,540
Restricted assets:				
Cash and investments	568,108	2,890,183	3,551	5,324,692
Total assets	\$ 2,517,433	\$ 76,631,599	\$ 31,202,493	\$ 192,314,046
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE				
Liabilities:				
Accounts payable	\$ -	\$ 1,668	\$ 1,379,032	\$ 6,595,625
Payroll payable	-	3,517	202,105	2,533,733
Accrued liabilities	488,597	-	-	684,334
Deposit payable	-	-	2,334	188,818
Retention payable	-	-	-	994,139
Due to other funds	564,939	-	-	564,939
Advances from other funds	73,740,000	-	-	74,044,435
Unearned revenue	-	-	3,147,502	3,888,554
Total liabilities	74,793,536	5,185	4,730,973	89,494,577
Deferred Inflows of Resources:				
Unavailable revenues	-	-	805,494	8,230,972
Total deferred inflows of resources	-	-	805,494	8,230,972
Fund Balances:				
Nonspendable	820,130	-	8,441	841,006
Restricted	-	76,626,414	25,657,585	144,861,458
Committed	-	-	-	18,158,903
Unassigned (deficit)	(73,096,233)	-	-	(69,272,870)
Total fund balances	(72,276,103)	76,626,414	25,666,026	94,588,497
Total liabilities, deferred inflows of resources, and fund balances	\$ 2,517,433	\$ 76,631,599	\$ 31,202,493	\$ 192,314,046

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City of Pomona
Reconciliation of the Governmental Funds Balance Sheet
to the Government-Wide Statement of Net Position
June 30, 2019

Total Fund Balances - Total Governmental Funds \$ 94,588,497

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

Capital assets, net of accumulated depreciation and \$269,922 reported in Internal Service Funds, have not been included as financial resources. Therefore, they are not reported in governmental funds. 282,640,292

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 Position.

Pollution remediation	(500,763)	
Capital leases	(1,973,191)	
Notes payable	(667,818)	
Revenue bonds	(77,242,000)	
Pension obligation refunding bonds	(3,761,134)	
Accreted interest related to the pension obligation refunding bonds	(4,198,865)	
Collateralized borrowing	(3,131,140)	
Deferred losses on refunding	376,133	
Deferred gains on refunding	(405,179)	
Issuance premium	(1,917,819)	
Compensated absences, net \$(179,811) reported in Internal Service Funds	<u>(7,114,821)</u>	(100,536,597)

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 Position.

Deferred outflows of resources related to pensions, net of \$539,517 reported in Internal Service Funds	24,312,649	
Net pension liability, net of \$(4,823,180) reported in Internal Service Funds	(167,274,818)	
Deferred inflows of resources related to pensions, net of \$(54,054) reported in Internal Service Funds	<u>(3,318,204)</u>	(146,280,373)

Net other postemployment benefits 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 Position.

Deferred outflows of resources related to other postemployment benefits, net of \$180,381 reported in Internal Service Funds	3,086,120	
Net other postemployment benefits liability, net of \$(4,093,787) reported in Internal Service Funds	(70,040,215)	
Deferred inflows of resources related to other postemployment benefits, net of \$(168,679) reported in Internal Service Funds	<u>(2,885,917)</u>	(69,840,012)

Accrued interest payable for the current portion of interest due on bonds has not been reported in the governmental funds. (911,681)

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. 8,230,972

Internal service funds are used by management to charge the costs of certain activities, such as equipment management and self-insurance, to user departments. The assets and liabilities of the internal service funds must be added to the Statement of Net Position, net of \$906,326 reported in business-type activities. (13,552,344)

Net position of governmental activities \$ 54,338,754

See accompanying Notes to the Basic Financial Statements.

City of Pomona
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2019

	Special Revenue Funds			
	General Fund	Housing Authority	Miscellaneous Grants	Capital Outlay Capital Projects Fund
REVENUES:				
Taxes	\$ 86,578,130	\$ -	\$ -	\$ -
Special assessments	-	-	-	-
Licenses, permits and fees	10,083,988	-	-	348,952
Intergovernmental	147,571	16,632,013	3,748,279	2,201,476
Charges for services	3,489,895	1,714	337,537	23,980
Use of money and properties	1,880,272	627,355	141,376	39,357
Fines and forfeitures	2,404,578	-	-	-
Contributions from Successor Agency	-	2,839,262	-	1,973,565
Miscellaneous	1,348,954	159,514	138,758	209,460
Total Revenues	105,933,388	20,259,858	4,365,950	4,796,790
EXPENDITURES:				
Current:				
General government	6,883,193	-	-	-
Public safety	78,950,457	-	849,729	-
Urban development	10,344,109	18,262,477	326,243	-
Neighborhood services and library	4,310,817	-	2,865,944	-
Capital outlay	137,932	-	225,624	18,676,061
Debt service:				
Principal retirement	294,296	-	-	196,880
Interest and fiscal charges	28,516	-	-	35,597
Total Expenditures	100,949,320	18,262,477	4,267,540	18,908,538
Excess (Deficiency) of Revenues Over (Under) Expenditures	4,984,068	1,997,381	98,410	(14,111,748)
OTHER FINANCING SOURCES (USES):				
Transfers in	1,757,253	-	121,428	12,936,084
Transfers out	(5,867,757)	(5,933,339)	(13,000)	(361,049)
Issuance of collateralized borrowing	3,131,140	-	-	-
Proceeds from sale of assets	21,557	-	-	-
Total Other Financing Sources (Uses)	(957,807)	(5,933,339)	108,428	12,575,035
Net Changes in Fund Balances	4,026,261	(3,935,958)	206,838	(1,536,713)
FUND BALANCES:				
Beginning of year	17,974,000	23,476,380	19,442,106	4,919,246
End of year	\$ 22,000,261	\$ 19,540,422	\$ 19,648,944	\$ 3,382,533

(Continued)

City of Pomona
Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Governmental Funds
For the Year Ended June 30, 2019

	Debt Service Funds			Total
	General Government	Public Financing Authority	Nonmajor Governmental Funds	
REVENUES:				
Taxes	\$ 492,399	\$ -	\$ 14,526	\$ 87,085,055
Special assessments	-	-	1,216,193	1,216,193
Licenses, permits and fees	-	-	290,361	10,723,301
Intergovernmental	-	-	19,403,640	42,132,979
Charges for services	-	-	688,002	4,541,128
Use of money and properties	29,431	164,966	1,182,111	4,064,868
Fines and forfeitures	-	-	6	2,404,584
Contributions from Successor Agency	-	-	-	4,812,827
Miscellaneous	145,569	-	867,481	2,869,736
Total Revenues	667,399	164,966	23,662,320	159,850,671
EXPENDITURES:				
Current:				
General government	-	-	862,210	7,745,403
Public safety	-	-	1,290,198	81,090,384
Urban development	-	-	12,297,695	41,230,524
Neighborhood services and library	-	-	925	7,177,686
Capital outlay	-	-	528,336	19,567,953
Debt service:				
Principal retirement	734,120	2,850,000	84,964	4,160,260
Interest and fiscal charges	3,210,971	210,984	2,873	3,488,941
Total Expenditures	3,945,091	3,060,984	15,067,201	164,461,151
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,277,692)	(2,896,018)	8,595,119	(4,610,480)
OTHER FINANCING SOURCES (USES):				
Transfers in	5,296,746	-	600,270	20,711,781
Transfers out	(51,413)	-	(4,543,505)	(16,770,063)
Issuance of collateralized borrowing	-	-	-	3,131,140
Proceeds from sale of assets	-	-	-	21,557
Total Other Financing Sources (Uses)	5,245,333	-	(3,943,235)	7,094,415
Net Changes in Fund Balances	1,967,641	(2,896,018)	4,651,884	2,483,935
FUND BALANCES:				
Beginning of year	(74,243,744)	79,522,432	21,014,142	92,104,562
End of year	\$ (72,276,103)	\$ 76,626,414	\$ 25,666,026	\$ 94,588,497

(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, 2019

Net change in fund balances - total governmental funds: \$ 2,483,935

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	19,567,953	
Noncapitalized expenditures reclassified to functional expenses	(1,906,106)	
Net effects on disposal of capital assets	(3,733,338)	
Depreciation, net of \$36,887 reported in Internal Service Funds	<u>(10,243,870)</u>	3,684,639

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	627,457	
Obligation under capital leases	444,359	
Notes payable	131,781	
Revenue bonds	3,332,000	
Amortization of premium and deferred charges	113,807	
Pension obligation refunding bonds	252,120	
Accreted interest of pension obligation refunding bonds	(185,318)	
Liabilities incurred:		
Issuance of collateralized borrowing	(3,131,140)	
Pollution remediation	<u>(462,000)</u>	1,123,066

Accrued interest for long-term liabilities. This is the net change in accrued interest for the current period. 185,855

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, net of \$8,194 reported in Internal Service Funds. (8,686)

Other postemployment benefits expense adjustment, which is the net change in net other postemployment benefits liabilities and related deferred outflows and inflows of resources, net of \$830,752 OPEB expenditure adjustment reported in the Internal Service Funds. (686,808)

Pension expenses net of \$14,660,395 pension contribution made after measurement date and \$1,069,789 pension expense adjustment reported in the Internal Service Funds. (11,305,572)

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. 821,398

Internal service funds are used by management to charge the costs of certain activities, such as equipment management and self-insurance, to user departments. The net revenues (expenses) of the internal service funds is reported with governmental activities (net of \$517,410 allocated to business-type activities). (569,026)

Change in net position of governmental activities **\$ (4,271,199)**

PROPRIETARY FUND FINANCIAL STATEMENTS

City of Pomona
Statement of Net Position
Proprietary Funds
June 30, 2019

	Business-Type Activities		
	Enterprise Funds		
	Water	Sewer	Refuse
ASSETS			
Current assets:			
Cash and investments	\$ 40,784,896	\$ 5,169,556	\$ 6,275,386
Receivables (net):			
Accounts	7,037,105	774,857	1,713,471
Interest	171,736	20,312	25,121
Due from other government	-	-	5,765
Prepaid items	9,000	-	-
Inventories	387,799	-	-
Total current assets	48,390,536	5,964,725	8,019,743
Noncurrent assets:			
Restricted cash and investments	9,052,281	4,915,593	-
Other investments	9,000	-	-
Capital assets:			
Not being depreciated	13,463,269	4,372,287	-
Being depreciated, net of depreciation	111,485,179	27,904,825	2,090,497
Total capital assets	124,948,448	32,277,112	2,090,497
Total noncurrent assets	134,009,729	37,192,705	2,090,497
Total assets	182,400,265	43,157,430	10,110,240
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charges on refunding	-	504,764	-
Deferred outflows of resources related to pensions	1,548,673	217,757	446,889
Deferred outflows of resources related to other postemployment benefits	528,044	77,476	184,316
Total deferred outflows of resources	2,076,717	799,997	631,205

(Continued)

City of Pomona
Statement of Net Position (Continued)
Proprietary Funds
June 30, 2019

	Business-Type Activities		Governmental
	Enterprise Funds		Activities
	Cannon Water Company - February 28, 2019	Total	Internal Service Funds
ASSETS			
Current assets:			
Cash and investments	\$ 330,116	\$ 52,559,954	\$ 9,207,221
Receivables (net):			
Accounts	128,442	9,653,875	591
Interest	-	217,169	66,225
Due from other government	-	5,765	-
Prepaid items	862	9,862	1,438
Inventories	-	387,799	334,370
Total current assets	459,420	62,834,424	9,609,845
Noncurrent assets:			
Restricted cash and investments	-	13,967,874	-
Other investments	-	9,000	-
Capital assets:			
Not being depreciated	-	17,835,556	-
Being depreciated, net of depreciation	47,130	141,527,631	269,922
Total capital assets	47,130	159,363,187	269,922
Total noncurrent assets	47,130	173,340,061	269,922
Total assets	506,550	236,174,485	9,879,767
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charges on refunding	-	504,764	-
Deferred outflows of resources related to pensions	-	2,213,319	539,517
Deferred outflows of resources related to other postemployment benefits	-	789,836	180,381
Total deferred outflows of resources	-	3,507,919	719,898

(Continued)

City of Pomona
Statement of Net Position (Continued)
Proprietary Funds
June 30, 2019

	Business-Type Activities		
	Enterprise Funds		
	Water	Sewer	Refuse
LIABILITIES			
Current liabilities:			
Accounts payable	1,879,045	-	655,510
Payroll payable	325,261	25,386	95,007
Accrued liabilities	4,253	-	-
Interest payable	544,648	72,944	13,226
Deposits payable	3,999,952	-	-
Due to other funds	-	-	-
Compensated absences, due within one year	734,000	61,565	226,000
Claims and judgments, due within one year	-	-	-
Bonds, notes, and capital leases, due within one year	1,840,000	565,000	628,993
Total current liabilities	9,327,159	724,895	1,618,736
Noncurrent liabilities:			
Compensated absences, due in more than one year	359,847	-	60,963
Claims and judgments, due in more than one year	-	-	-
Bonds, notes, and capital leases	85,425,237	24,520,776	-
Aggregate net pension liability	13,844,850	1,946,705	3,995,103
Net other postemployment benefits liability	11,984,072	1,758,342	4,183,082
Total noncurrent liabilities	111,614,006	28,225,823	8,239,148
Total liabilities	120,941,165	28,950,718	9,857,884
DEFERRED INFLOWS OF RESOURCES			
Deferred charges on refunding	3,153,643	-	-
Deferred inflows of resources related to pensions	155,159	21,817	44,774
Deferred inflows of resources related to other postemployment benefits	493,788	72,450	172,359
Total deferred inflows of resources	3,802,590	94,267	217,133
NET POSITION			
Net investment in capital assets	38,335,537	10,383,175	1,461,504
Restricted for debt service	5,246,313	2,228,518	-
Unrestricted	16,151,377	2,300,749	(795,076)
Total net position	\$ 59,733,227	\$ 14,912,442	\$ 666,428

(Continued)

City of Pomona
Statement of Net Position (Continued)
Proprietary Funds
June 30, 2019

	Business-Type Activities		Governmental
	Enterprise Funds		Activities
	Cannon Water Company - February 28, 2019	Total	Internal Service Funds
LIABILITIES			
Current liabilities:			
Accounts payable	30,711	2,565,266	575,796
Payroll payable	-	445,654	116,094
Accrued liabilities	5,122	9,375	-
Interest payable	-	630,818	-
Deposits payable	-	3,999,952	-
Due to other funds	-	-	44,239
Compensated absences, due within one year	-	1,021,565	179,811
Claims and judgments, due within one year	-	-	4,244,000
Bonds, notes, and capital leases, due within one year	-	3,033,993	-
Total current liabilities	35,833	11,706,623	5,159,940
Noncurrent liabilities:			
Compensated absences, due in more than one year	-	420,810	-
Claims and judgments, due in more than one year	-	-	8,946,043
Bonds, notes, and capital leases	-	109,946,013	-
Aggregate net pension liability	-	19,786,658	4,823,180
Net other postemployment benefits liability	-	17,925,496	4,093,787
Total noncurrent liabilities	-	148,078,977	17,863,010
Total liabilities	35,833	159,785,600	23,022,950
DEFERRED INFLOWS OF RESOURCES			
Deferred charges on refunding	-	3,153,643	-
Deferred inflows of resources related to pensions	-	221,750	54,054
Deferred inflows of resources related to other postemployment benefits	-	738,597	168,679
Total deferred inflows of resources	-	4,113,990	222,733
NET POSITION			
Net investment in capital assets	47,130	50,227,346	269,922
Restricted for debt service	-	7,474,831	-
Unrestricted	423,587	18,080,637	(12,915,940)
Total net position	\$ 470,717	75,782,814	\$ (12,646,018)
Adjustments to reflect the consolidation of internal service activities related to enterprise funds		906,326	
Net position of business-type activities		\$ 76,689,140	(Concluded)

City of Pomona
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2019

	Business-Type Activities		
	Enterprise Funds		
	Water	Sewer	Refuse
OPERATING REVENUES:			
Charges for services	\$ 30,597,321	\$ 4,795,076	\$ 10,600,103
Sale of surplus water	1,500,200	-	-
Miscellaneous	5,720	21,842	3,751
Total operating revenues	32,103,241	4,816,918	10,603,854
OPERATING EXPENSES:			
Personnel services	9,264,557	1,829,283	2,779,241
Operations	11,620,507	902,835	6,030,194
Claims expense	19,681	7,246	198,940
Insurance	291,075	39,735	111,626
Franchise fees	-	-	-
Depreciation	3,481,669	618,665	525,496
Total operating expenses	24,677,489	3,397,764	9,645,497
OPERATING INCOME (LOSS)	7,425,752	1,419,154	958,357
NONOPERATING REVENUES (EXPENSES):			
Intergovernmental	-	-	83,280
Investment income	1,276,197	231,700	164,320
Interest expense	(3,086,991)	(936,222)	(29,100)
Gain on disposal of capital assets	4,700	-	-
Total nonoperating revenues (expenses)	(1,806,094)	(704,522)	218,500
INCOME BEFORE TRANSFERS	5,619,658	714,632	1,176,857
TRANSFERS:			
Transfers in	334,499	52,836	255,000
Transfers out	(2,617,330)	(445,131)	(627,480)
Total transfers	(2,282,831)	(392,295)	(372,480)
CHANGES IN NET POSITION	3,336,827	322,337	804,377
NET POSITION:			
Beginning of year	56,396,400	14,590,105	(137,949)
End of year	\$ 59,733,227	\$ 14,912,442	\$ 666,428

(Continued)

City of Pomona
Statement of Revenues, Expenses, and Changes in Net Position (Continued)
Proprietary Funds
For the Year Ended June 30, 2019

	Business-Type Activities		Governmental
	Enterprise Funds		Activities
	Cannon Water Company - February 28, 2019	Total	Internal Service Funds
OPERATING REVENUES:			
Charges for services	\$ -	\$ 45,992,500	\$ 10,703,296
Sale of surplus water	-	1,500,200	-
Miscellaneous	-	31,313	443,194
Total operating revenues	-	47,524,013	11,146,490
OPERATING EXPENSES:			
Personnel services	-	13,873,081	4,806,489
Operations	21,232	18,574,768	3,247,798
Claims expense	-	225,867	3,531,359
Insurance	-	442,436	80,945
Franchise fees	-	-	-
Depreciation	2,671	4,628,501	36,887
Total operating expenses	23,903	37,744,653	11,703,478
OPERATING INCOME (LOSS)	(23,903)	9,779,360	(556,988)
NONOPERATING REVENUES (EXPENSES):			
Intergovernmental	-	83,280	-
Investment income	15	1,672,232	364,664
Interest expense	-	(4,052,313)	-
Gain on disposal of capital assets	-	4,700	-
Total nonoperating revenues (expenses)	15	(2,292,101)	364,664
INCOME BEFORE TRANSFERS	(23,888)	7,487,259	(192,324)
TRANSFERS:			
Transfers in	-	642,335	5,888
Transfers out	-	(3,689,941)	(900,000)
Total transfers	-	(3,047,606)	(894,112)
CHANGES IN NET POSITION	(23,888)	4,439,653	(1,086,436)
NET POSITION:			
Beginning of year	494,605	71,343,161	(11,559,582)
End of year	<u>\$ 470,717</u>	<u>75,782,814</u>	<u>\$ (12,646,018)</u>
Adjustment to reflect the consolidation of internal service funds activities related to enterprise funds		(517,410)	
Changes in net position of business-type activities		<u>\$ 3,922,243</u>	(Concluded)

City of Pomona
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2019

	Business-Type Activities		
	Enterprise Funds		
	Water	Sewer	Refuse
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from customers and user	\$ 29,614,136	\$ 4,867,397	\$ 10,562,772
Cash paid to suppliers for goods and services	(11,608,589)	(1,079,719)	(6,313,860)
Cash paid for general and administrative expenses	(8,515,492)	(1,269,362)	(2,669,531)
Proceeds from sale of surplus water	1,500,200	-	-
Net cash provided by (used in) operating activities	10,990,255	2,518,316	1,579,381
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Cash transfers in	334,499	52,836	255,000
Cash transfers out	(2,617,330)	(445,131)	(627,480)
Grant subsidy received	-	-	80,399
Net cash used in noncapital financing activities	(2,282,831)	(392,295)	(292,081)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Acquisition and construction of capital assets	(1,513,323)	(498,067)	(1,493)
Principal paid on capital debt	(1,815,000)	(555,000)	(614,610)
Interest paid on capital debt	(3,316,620)	(894,913)	(42,024)
Proceed from sale of capital assets	12,033	-	-
Net cash used in capital and related financing activities	(6,632,910)	(1,947,980)	(658,127)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest received	1,243,262	231,423	161,189
Net cash provided by investing activities	1,243,262	231,423	161,189
Net increase (decrease) in cash and cash equivalents	3,317,776	409,464	790,362
CASH AND CASH EQUIVALENT:			
Beginning of year	46,519,401	9,675,685	5,485,024
End of year	<u>\$ 49,837,177</u>	<u>\$ 10,085,149</u>	<u>\$ 6,275,386</u>
CASH AND CASH EQUIVALENT:			
Cash and investments	\$ 40,784,896	\$ 5,169,556	\$ 6,275,386
Restricted cash and investments:	9,052,281	4,915,593	-
Total cash and cash equivalent	<u>\$ 49,837,177</u>	<u>\$ 10,085,149</u>	<u>\$ 6,275,386</u>

(Continued)

City of Pomona
Statement of Cash Flows (Continued)
Proprietary Funds
For the Year Ended June 30, 2019

	Business-Type Activities		Governmental
	Enterprise Funds		Activities
	Cannon Water Company - February 28, 2019	Total	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from customers and user	\$ -	\$ 45,044,305	\$ 11,154,133
Cash paid to suppliers for goods and services	(6,484)	(19,008,652)	(7,846,738)
Cash paid for general and administrative expenses	-	(12,454,385)	(2,950,489)
Proceeds from sale of surplus water	-	1,500,200	-
Net cash provided by (used in) operating activities	(6,484)	15,081,468	356,906
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Cash transfers in	-	642,335	12,123
Cash transfers out	-	(3,689,941)	(994,745)
Grant subsidy received	-	80,399	-
Net cash used in noncapital financing activities	-	(2,967,207)	(982,622)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Acquisition and construction of capital assets	(31,770)	(2,044,653)	(35,010)
Principal paid on capital debt	-	(2,984,610)	-
Interest paid on capital debt	-	(4,253,557)	-
Proceed from sale of capital assets	-	12,033	-
Net cash used in capital and related financing activities	(31,770)	(9,270,787)	(35,010)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest received	15	1,635,889	334,858
Net cash provided by investing activities	15	1,635,889	334,858
Net increase (decrease) in cash and cash equivalents	(38,239)	4,479,363	(325,868)
CASH AND CASH EQUIVALENT:			
Beginning of year	368,355	62,048,465	9,533,089
End of year	<u>\$ 330,116</u>	<u>\$ 66,527,828</u>	<u>\$ 9,207,221</u>
CASH AND CASH EQUIVALENT:			
Cash and investments	\$ 330,116	\$ 52,559,954	\$ 9,207,221
Restricted cash and investments:	-	13,967,874	-
Total cash and cash equivalent	<u>\$ 330,116</u>	<u>\$ 66,527,828</u>	<u>\$ 9,207,221</u>

(Continued)

City of Pomona
Statement of Cash Flows (Continued)
Proprietary Funds
For the Year Ended June 30, 2019

	Business-Type Activities		
	Enterprise Funds		
	Water	Sewer	Refuse
RECONCILIATION OF OPERATING INCOME (LOSS) TO			
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:			
Operating income (loss)	\$ 7,425,752	\$ 1,419,154	\$ 958,357
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation	3,481,669	618,665	525,496
(Increase) decrease in accounts receivable	(1,130,261)	50,479	(41,082)
(Increase) decrease in prepaid items	8,170	-	-
(Increase) decrease in inventories	(75,331)	-	-
(Increase) decrease in deferred outflows of resources related to pensions	1,653,157	178,467	497,305
(Increase) decrease in deferred outflows of resources related to other postemployment benefits	260,421	20,367	89,758
Increase (decrease) in accounts payable	385,582	(129,903)	26,900
Increase (decrease) in payroll payable	1,225	(464)	(2,953)
Increase (decrease) in accrued liabilities	4,253	-	-
Increase (decrease) in deposit payable	141,356	-	-
Increase (decrease) in due to other funds	-	-	-
Increase (decrease) in compensated absences	18,473	(10,023)	(10,315)
Increase (decrease) in claims and judgments	-	-	-
Increase (decrease) in net pension liabilities	(227,439)	205,268	(154,703)
Increase (decrease) in net other postemployment benefits liabilities	(1,334,717)	105,575	(446,599)
Increase (decrease) in deferred inflows of resources related to pensions	(115,843)	(11,719)	(35,142)
Increase (decrease) in deferred inflows of resources related to other postemployment benefits	493,788	72,450	172,359
Total adjustment	<u>3,564,503</u>	<u>1,099,162</u>	<u>621,024</u>
Net cash provided by (used in) operating activities	<u><u>\$ 10,990,255</u></u>	<u><u>\$ 2,518,316</u></u>	<u><u>\$ 1,579,381</u></u>
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES:			
Amortization of bond premium/(discount)	\$ (111,206)	\$ 4,464	\$ -
Amortization of deferred charges	(113,305)	28,868	-
Total noncash capital and related financing activities	<u><u>\$ (224,511)</u></u>	<u><u>\$ 33,332</u></u>	<u><u>\$ -</u></u>

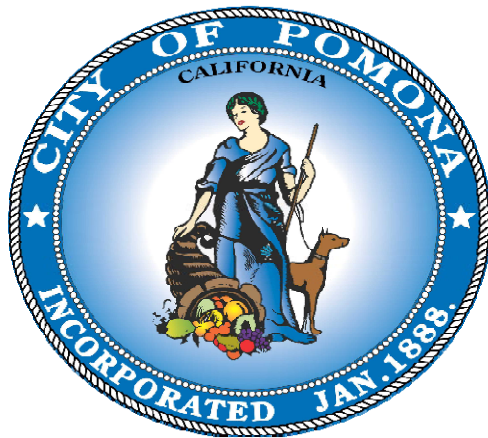
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City of Pomona
Statement of Cash Flows (Continued)
Proprietary Funds
For the Year Ended June 30, 2019

	<u>Business-Type Activities</u>		<u>Governmental</u>
	<u>Enterprise Funds</u>		<u>Activities</u>
	<u>Cannon Water Company - February 28, 2019</u>	<u>Total</u>	<u>Internal Service Funds</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:			
Operating income (loss)	\$ (23,903)	\$ 9,779,360	\$ (556,988)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation	2,671	4,628,501	36,887
(Increase) decrease in accounts receivable	-	(1,120,864)	7,643
(Increase) decrease in prepaid items	(862)	7,308	3,200
(Increase) decrease in inventories	-	(75,331)	96,294
(Increase) decrease in deferred outflows of resources related to pensions	-	2,328,929	399,619
(Increase) decrease in deferred outflows of resources related to other postemployment benefits	-	370,546	29,610
Increase (decrease) in accounts payable	21,772	304,351	220,945
Increase (decrease) in payroll payable	-	(2,192)	33,107
Increase (decrease) in accrued liabilities	(6,162)	(1,909)	-
Increase (decrease) in deposit payable	-	141,356	-
Increase (decrease) in due to other funds	-	-	-
Increase (decrease) in compensated absences	-	(1,865)	8,194
Increase (decrease) in claims and judgments	-	-	(1,307,075)
Increase (decrease) in net pension liabilities	-	(176,874)	695,604
Increase (decrease) in net other postemployment benefits liabilities	-	(1,675,741)	546,621
Increase (decrease) in deferred inflows of resources related to pensions	-	(162,704)	(25,434)
Increase (decrease) in deferred inflows of resources related to other postemployment benefits	-	738,597	168,679
Total adjustment	17,419	5,302,108	913,894
Net cash provided by (used in) operating activities	\$ (6,484)	\$ 15,081,468	\$ 356,906
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES:			
Amortization of bond premium/(discount)	\$ -	\$ (106,742)	\$ -
Amortization of deferred charges	-	(84,437)	-
Total noncash capital and related financing activities	\$ -	\$ (191,179)	\$ -

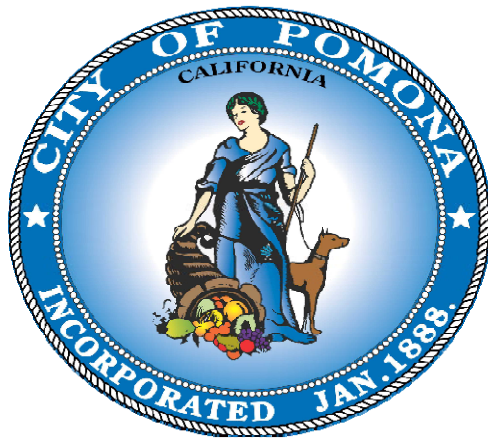
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FIDUCIARY FUND FINANCIAL STATEMENTS

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City of Pomona
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2019

	<u>Agency Funds</u>	<u>Private - Purpose Trust Fund Successor Agency of the Former RDA</u>
ASSETS:		
Cash and investments	\$ 3,815,699	\$ 14,061,128
Receivables (net):		
Accounts	161,586	5,952
Notes and loans	-	1,660,600
Interest	1,243	31,537
Deposits	-	600
Due from other governments	12,186	-
Land held for resale	-	792,458
Restricted assets:		
Cash and investments	-	31,575,441
Capital assets:		
Capital assets, not being depreciated	-	125,423
Capital assets, net of depreciation	-	44,188
Total assets	<u>\$ 3,990,714</u>	<u>48,297,327</u>
DEFERRED OUTFLOWS OF RESOURCES:		
Deferred charge on refunding		553,731
Total deferred outflows of resources		<u>553,731</u>
LIABILITIES:		
Accounts payable	\$ 990,216	26,034
Payroll payable	-	9,587
Interest payable	-	2,071,904
Deposits payable	2,774,407	169,040
Due to external parties/other agencies	226,091	-
Long-term liabilities:		
Due within one year	-	7,510,963
Due in more than one year	-	184,630,496
Total liabilities	<u>\$ 3,990,714</u>	<u>194,418,024</u>
NET POSITION:		
Held in trust for Successor Agency		<u>\$ (145,566,966)</u>

City of Pomona
Statement of Change in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2019

	Private - Purpose Trust Fund
	Successor Agency of the Former RDA
ADDITIONS:	
Taxes	\$ 15,518,661
Contributions from City	5,785,410
Charges for services	243
Investment income	977,585
Gain on sale of properties	10,594,087
Total additions	32,875,986
DEDUCTIONS:	
Personnel services	378,034
Operations	7,285,465
Interest and fiscal charges	5,821,678
Contributions to City	10,486,237
Contributions to other governments	12,880,771
Loss on sale of properties/investments	5,099,839
Total deductions	41,952,024
Changes in net position	(9,076,038)
NET POSITION (DEFICIT):	
Beginning of year	(136,490,928)
End of year	\$ (145,566,966)

NOTES TO THE BASIC FINANCIAL STATEMENTS

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City of Pomona
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For the Year Ended June 30, 2019

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For the Year Ended June 30, 2019

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City of Pomona
Notes to the Basic Financial Statements
For the Year Ended June 30, 2019

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 based on the criteria discussed above.

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 and the City has operational responsibility for the Authority. The Authority is blended in as a debt service fund based on the criteria discussed above.

City of Pomona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2019

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 since the governing boards for these entities were composed of either City Council members or City employees. 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 based on the criteria discussed above.

All component units had a fiscal year ended June 30, 2019, except for Canon Water Company, which had a fiscal year ended February 28, 2019.

The component units listed above issue separate financial statements which can be obtained at City Hall and on line at 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 Basic Financial Statements (Continued)
For the Year Ended June 30, 2019

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 Basic Financial Statements (Continued)
For the Year Ended June 30, 2019

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

The **General Government 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 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.

City of Pomona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2019

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

The Internal Service Funds account for the maintenance and repair of City vehicles and equipment, risk management (general liability, workers' compensation and unemployment), information technology and printing/mail service provided to other departments or agencies of the City. Internal service balances and activities have been combined with the governmental activities in the government-wide financial statements.

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 as well as monitoring of the local watershed as required by the MS4 permit as a lead agency of the East San Gabriel Valley Watershed Management Group.

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 reported at fair value.

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

City of Pomona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2019

Note 1 – Summary of Significant Accounting Policies (Continued)

C. Cash, Cash Equivalents and Investments (Continued)

- Concentration of Credit Risk
- Foreign Currency Risk

The City operates an internal cash management pool where the proprietary funds do not own specifically identifiable securities in the City's pool. For purposes of the statement of cash flows, the proprietary funds report the investments at the amortized cost and considered as cash equivalents.

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.

City of Pomona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2019

Note 1 – Summary of Significant Accounting Policies (Continued)

H. Land Held for Resale

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

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.

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.

City of Pomona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2019

Note 1 – Summary of Significant Accounting Policies (Continued)

J. Long-Term Debt (Continued)

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.

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 reports 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 pensions and other postemployment benefits related deferred outflows of resources in the government-wide and proprietary fund financial statements.

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 pensions related deferred inflows of resources in the government-wide and proprietary fund financial statements.

City of Pomona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2019

Note 1 – Summary of Significant Accounting Policies (Continued)

N. Pensions

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:

CalPERS:

Valuation Date	June 30, 2017
Measurement Date	June 30, 2018
Measurement Period	July 1, 2017 to June 30, 2018

Collateral Benefits Plan:

Valuation Date	June 30, 2018
Measurement Date	June 30, 2019
Measurement Period	July 1, 2018 to June 30, 2019

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. Other Postemployment Benefits ("OPEB")

For the purpose of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the City's OPEB Plan and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the OPEB Plan recognizes benefit payments when due and payable in accordance with the benefit terms.

The following timeframes are reported OPEB reporting:

Valuation Date	December 31, 2017
Measurement Date	December 31, 2018
Measurement Period	January 1, 2018 to December 31, 2018

Gains and losses related to changes in total OPEB liability are recognized in OPEB expense systematically over time. The first amortized amounts are recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense. The gains and losses are amortized on a straight-line basis over the average expected remaining service lives of all members.

City of Pomona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2019

Note 1 – Summary of Significant Accounting Policies (Continued)

P. 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, net of unspent debt proceeds.

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.

Q. 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 or 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.

City of Pomona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2019

Note 1 – Summary of Significant Accounting Policies (Continued)

R. 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.

S. 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.

T. Implementation of New GASB Pronouncements

GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements (GASB 88)*. The primary objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. This Statement defines debt for purposes of disclosure in notes to financial statements as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. See Note 10 for the City’s long-term debt disclosure.

GASB Statement No. 89, *Accounting for Interest Cost Incurred before the end of a Construction Period*. This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5–22 of Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund.

City of Pomona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2019

Note 2 – Stewardship, Compliance and Accountability

A. Deficit Fund Balances or Net Positions

At June 30, 2019, the following funds had the deficit fund balance/net position:

Governmental Funds	
General Government Debt Service	\$ (72,276,103)
Internal Services Funds	
Self Insurance	(5,957,995)
Equipment Maintenance	(4,315,891)
Information Technology	(2,325,386)
Printing/Mail Services	(46,746)
Fiduciary Funds	
Successor Agency of the Former RDA	(145,566,966)

The General Debt Service Fund deficit is the result of the issuance of bonds, and the Self-Insurance Fund deficit is due to increasing claims. The Equipment Maintenance Fund and the Information Technology Fund deficits are due to the net pension liabilities and the net OPEB 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 charges to user departments. The Successor Agency of Former RDA will be recover by future Redevelopment Property Tax Trust Fund revenue approved in Recognized Obligation Payment Schedule.

B. Excess of Expenditures over Appropriations

Excess expenditures over appropriations were as follows:

	<u>Expenditures</u>	<u>Appropriations</u>	<u>Excess</u>
Housing Authority Special Revenue Fund	\$ 18,262,477	\$ 17,314,698	\$ 947,779
General Government Debt Service Fund	3,945,091	3,928,368	16,723
Proposition A Special Revenue Fund	2,979,929	2,958,242	21,687
Proposition C Special Revenue Fund	120,112	91,587	28,525

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, 2019:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Fiduciary Funds</u>	<u>Total</u>
Cash and investments	\$ 62,214,563	\$ 52,559,954	\$ 17,876,827	\$ 132,651,344
Restricted cash and investments	5,324,692	13,967,874	31,575,441	50,868,007
Total	<u>\$ 67,539,255</u>	<u>\$ 66,527,828</u>	<u>\$ 49,452,268</u>	<u>\$ 183,519,351</u>

City of Pomona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2019

Note 3 – Cash and Investments (Continued)

Cash and investments is comprised of the following at June 30, 2019:

Petty cash and change funds	\$ 10,651
Demand deposits	11,152,162
Restricted cash held by City	162,731
Cash held in trust	47,701
Total cash	11,373,245
Investments	125,568,680
Investments with fiscal agent	46,577,426
Total investments	172,146,106
Total cash and investments	\$ 183,519,351

A. Demand Deposits

The carrying amounts of the City’s cash deposits were \$11,152,162 at June 30, 2019. Bank balances at June 30, 2019, were \$13,707,701 which were fully insured or collateralized with securities held by the pledging financial institutions in the City’s name as discussed below. The \$2,558,055 difference represents outstanding checks, deposits in transits, and other reconciling items.

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

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

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.

City of Pomona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2019

Note 3 – Cash and Investments (Continued)

B. Investments Authorized by the California Government Code and the City's Investment Policy (Continued)

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
Other State and local agency obligations	5 years	15%	N/A
Medium-term notes	5 years	30%	surplus funds
Bankers' acceptance	180 days	40%	5%
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
Supranational	5 years	30%	N/A

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

C. Investments 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.

City of Pomona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2019

Note 3 – Cash and Investments (Continued)

D. Fair Value Measurement Disclosure

At June 30, 2019, 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, 2019:

Investment Type	Measurement Input			Total
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Input (Level 2)	Uncategorized	
Investments:				
Local Agency Investment Fund	\$ -	\$ -	\$ 46,684,758	\$ 46,684,758
U.S. treasury obligations	18,991,158	-	-	18,991,158
U.S. government sponsored enterprise securities	-	36,915,182	-	36,915,182
Municipal bond	-	513,834	-	513,834
Medium-term notes	-	14,158,007	-	14,158,007
Negotiable certificates of deposit	-	4,412,234	-	4,412,234
Money market mutual funds	-	-	2,374,821	2,374,821
Commercial paper	-	998,501	-	998,501
Supranational	-	520,185	-	520,185
Investments with fiscal agent:				
Money market mutual funds	-	-	43,955,195	43,955,195
Municipal bonds	-	1,657,000	-	1,657,000
Insurance contract	-	-	965,231	965,231
Total	\$ 18,991,158	\$ 59,174,943	\$ 93,980,005	\$ 172,146,106

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 Basic Financial Statements (Continued)
For the Year Ended June 30, 2019

Note 3 – Cash and Investments (Continued)

E. Risk Disclosures (Continued)

Interest Rate Risk (Continued)

At June 30, 2019, 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	\$ 46,684,758	\$ -	\$ -	\$ -	\$ 46,684,758
U.S. treasury obligations	12,981,625	1,997,033	4,012,500	-	18,991,158
U.S. government sponsored enterprise securities	5,124,844	26,471,850	5,318,488	-	36,915,182
Municipal bond	166,650	347,184	-	-	513,834
Medium-term notes	776,714	9,298,472	4,082,821	-	14,158,007
Negotiable certificates of deposit	2,740,574	1,671,660	-	-	4,412,234
Money market mutual funds	2,374,821	-	-	-	2,374,821
Commercial paper	998,501	-	-	-	998,501
Supranational	-	-	520,185	-	520,185
Investments with fiscal agent:					
Money market mutual funds	43,955,195	-	-	-	43,955,195
Municipal bonds	1,657,000	-	-	-	1,657,000
Insurance contract	-	-	-	965,231	965,231
Total	<u>\$ 117,460,682</u>	<u>\$ 39,786,199</u>	<u>\$ 13,933,994</u>	<u>\$ 965,231</u>	<u>\$ 172,146,106</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, 2019, the City's investments are rated as following:

Investment Type	Fair Value at June 30, 2019	Minimum Legal Rating				
			AAA	AA	A	Not Rated
Investments:						
Local Agency Investment Fund	\$ 46,684,758	N/R	\$ -	\$ -	\$ -	\$ 46,684,758
U.S. treasury obligations	18,991,158	N/R	18,991,158	-	-	-
U.S. government sponsored enterprise securities	36,915,182	N/R	36,915,182	-	-	-
Municipal bond	513,834	A	-	513,834	-	-
Medium-term notes	14,158,007	A	1,008,243	5,433,799	7,715,965	-
Negotiable certificates of deposit	4,412,234	N/A	-	-	1,750,589	2,661,645
Money market mutual funds	2,374,821	AAA	2,374,821	-	-	-
Commercial paper	998,501	A	-	-	998,501	-
Supranational	520,185	AA	-	520,185	-	-
Investments with fiscal agent:						
Money market mutual funds	43,955,195	N/A	43,955,195	-	-	-
Municipal bonds	1,657,000	AA	-	-	-	1,657,000
Insurance contract	965,231	N/A	-	-	-	965,231
Total	<u>\$ 172,146,106</u>		<u>\$ 103,244,599</u>	<u>\$ 6,467,818</u>	<u>\$ 10,465,055</u>	<u>\$ 51,968,634</u>

N/R - Not required in California

N/A - Not applicable

City of Pomona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2019

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:

<u>Investment Type</u>	<u>Issuer</u>	<u>Amount</u>	<u>Percentage</u>
U.S. government sponsored enterprise securities	Fannie Mae	\$ 15,422,405	12.3%
U.S. government sponsored enterprise securities	Federal Home Loan Bank	9,885,555	7.9%

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 \$13,707,701 was held in collateralized accounts. Of the City's investments held by trustees and fiscal agents, \$50,868,007 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, 2019.

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, 2019, 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.

As of June 30, 2019, the City had \$46,684,758 invested in LAIF, which had invested 1.77% 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 at amortized cost.

City of Pomona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2019

Note 4 – Loans Receivable

At June 30, 2019, the City’s net loans receivable consisted of the following:

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019
Section 108 Loans	\$ 160,000	\$ -	\$ (10,000)	\$ 150,000
Deferred Home Improvement Loans	7,172,860	117,230	(318,507)	6,971,583
Prototype Pomona Apartment Loans	1,317,583	28,422	-	1,346,005
Rental Rehabilitation Loans	512,253	7,062	-	519,315
CHDO Loan (Shield of Faith)	1,329,333	-	-	1,329,333
HOPE III Loans	371,704	17,020	-	388,724
Shield of Faith	4,664,205	111,450	(104,892)	4,670,763
Manufactured Housing Rehabilitation Loans	2,069,785	204,598	(278,806)	1,995,577
Owner Occupied Loans	2,058,421	200,300	(25,984)	2,232,737
Mortgage Assistance Program Loans	6,583,102	380,000	(69,541)	6,893,561
Neighborhood In Progress Loans	2,811,623	50,693	(205,301)	2,657,015
Neighborhood Stabilization Program	311,716	-	-	311,716
Multi-Unit Rental Rehabilitation Program	318,000	-	(144,000)	174,000
Holt Avenue Housing Partners LP Loans	1,963,142	19,000	-	1,982,142
Telacu Housing Pomona	943,642	36,765	-	980,407
Tri-City Mental Health Center HOPE III Loan	147,183	-	-	147,183
Total	<u>\$ 32,734,552</u>	<u>\$ 1,172,540</u>	<u>\$ (1,157,031)</u>	<u>\$ 32,750,061</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, 2019 was \$150,000.

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, 2019 was \$6,971,583.

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%) per annum from the date of default and the outstanding balance of the loan. Total outstanding principal and accrued interest at June 30, 2019 was \$1,346,005.

D. Rental Rehabilitation Loans

The City used HOME fund and entered into sixteen various loan agreements for rental unit rehabilitation. Total principal 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, 2019 was \$519,315.

City of Pomona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2019

Note 4 – Loans Receivable (Continued)

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 term of the loan is 15 years and bears zero interest. The principal balance outstanding at June 30, 2019 was in the amount of \$1,329,333 and will be forgiven upon the fulfillment of the terms of the agreement upon maturity date.

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 the 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% per 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, 2019 was in the amount of \$388,724.

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 \$4,670,763. 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, 2019, total outstanding balance was in the amount of \$1,995,577.

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 title and refinance of the property with cash out.

Total outstanding principal and accrued interest at June 30, 2019 was in the amount of \$2,232,737.

City of Pomona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2019

Note 4 – Loans Receivable (Continued)

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, 2019, total outstanding balance, net of allowance, was in the amount of \$6,893,561.

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, 2019 is \$2,657,015.

L. Neighborhood Stabilization Program

The City through use of Neighborhood Stabilization Program funding 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, 2019, total outstanding balance was in the amount of \$311,716.

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, 2019 was \$174,000.

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, 2019 was \$1,982,142.

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, 2019 was \$980,407.

City of Pomona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2019

Note 4 – Loans Receivables (Continued)

P. Tri-City Mental Health Center Hope Loan

The loan between the City of Pomona and Tri-City Mental Health Center was to be used for rehabilitation of affordable rental housing, which may include properties with one or more housing units, transitional housing, group home or single room occupancies for Park Avenue Permanent Supportive Housing Project. The loan carries zero percent interest. The outstanding balance at June 30, 2019 was \$147,183.

Note 5 – Interfund Transactions

A. Government-Wide Financial Statements

Internal Balances – At June 30, 2019, the City had the following internal receivable and payable to consolidate the Internal Service Funds’ activities related to the Enterprise Funds.

	Internal Receivable
Internal Payable	Business-Type Activities
Governmental Activities	\$ 906,326

Transfers – For the year ended June 30, 2019, the City had the following transfers. The purpose of the transfers was for debt service payments and to reimburse a construction project.

	Transfers Out
Transfers In	Business-Type Activities
Governmental Activities	\$ 3,047,606

B. Fund Financial Statements

Due To/Due From – At June 30, 2019, the City had the following short-term interfund receivables and payables to cover negative cash at the end of the fiscal year.

	Due to Other Funds		
	Governmental Fund	Proprietary Fund	
	General	Internal Service Funds	
Due from Other Funds	Debt Service Fund	Funds	Total
Governmental Fund:			
General Fund	\$ 564,939	\$ 44,239	\$ 609,178

City of Pomona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2019

Note 5 – Interfund Transactions (Continued)

B. Fund Financial Statements (Continued)

Advances to/Advances from – At June 30, 2019, the City had the following long-term Interfund advances:

	Advance from Other Fund		Total
	Governmental Funds		
Advances to Other Funds	General Fund	General Debt Service Fund	
Governmental Fund:			
Public Financing Authority			
Debt Service Fund	\$ -	\$ 73,740,000	\$ 73,740,000
Nonmajor Governmental Funds	304,435	-	304,435
Total	\$ 304,435	\$ 73,740,000	\$ 74,044,435

Advances in the amount of \$73,740,000 from the Public Financing Authority Debt Service Fund to the General Debt Service Fund are loan proceeds advanced (2017 Taxable Lease Revenue Bonds, Series BC and BG).

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 zero interest. The principal is due when rent income is generated or when the property is sold. There is no fixed payment schedule. At June 30, 2019, the outstanding balance of the advances was in the amount of \$304,435.

Transfers – For the year ended June 30, 2019, the City had the following transfers:

Transfers Out	Transfers in										Total
	Governmental Funds					Proprietary Funds					
	General Fund	Miscellaneous Grant Special Revenue Fund	Capital Outlay Capital Projects Fund	General Government Debt Service Fund	Nonmajor Governmental Funds	Water Enterprise Fund	Sewer Enterprise Fund	Refuse Enterprise Fund	Internal Service Funds		
Governmental Funds:											
General Fund	\$ -	\$ 85,334	\$ 1,200,100	\$ 4,063,748	\$ 518,575	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,867,757
Housing Authority											
Special Revenue Fund	-	-	5,933,339	-	-	-	-	-	-	-	5,933,339
Miscellaneous Grant											
Special Revenue Fund	-	-	13,000	-	-	-	-	-	-	-	13,000
Capital Outlay											
Capital Project Fund	-	36,094	-	215,998	-	50,233	52,836	-	5,888	-	361,049
General Debt Service Fund	51,413	-	-	-	-	-	-	-	-	-	51,413
Nonmajor Governmental Funds	-	-	4,008,476	-	23,894	256,135	-	255,000	-	-	4,543,505
Proprietary Funds:											
Water Enterprise Fund	1,705,840	-	253,689	600,000	57,801	-	-	-	-	-	2,617,330
Sewer Enterprise Fund	-	-	-	417,000	-	28,131	-	-	-	-	445,131
Refuse Enterprise Fund	-	-	627,480	-	-	-	-	-	-	-	627,480
Internal Service Funds	-	-	900,000	-	-	-	-	-	-	-	900,000
Total	\$ 1,757,253	\$ 121,428	\$ 12,936,084	\$ 5,296,746	\$ 600,270	\$ 334,499	\$ 52,836	\$ 255,000	\$ 5,888	\$ -	\$ 21,360,004

The transfer of \$4,063,748 between the General Fund and the General Debt Service Fund was for Series AR, BC, and BG debt service payments.

Transfers in the amount of \$12,936,084 to Capital Outlay Capital Projects Fund were to provide funding for capital projects.

City of Pomona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2019

Note 5 – Interfund Transactions (Continued)

B. Fund Financial Statements (Continued)

The transfer of \$1,705,840 from Water Enterprise Fund to General Fund was to reimburse the City for the cost of services.

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

Note 6 – Due from Other Governments

At June 30, 2019, the City's due from other governments consisted of the following:

	Governmental Activities					Business - Type Activities	Total
	General Fund	Housing Authority Special Revenue Fund	Miscellaneous Grant Special Revenue Fund	Capital Outlay Capital Project Fund	Nonmajor Governmental Fund	Refuse Enterprise Fund	
Federal government	\$ -	\$ 283,241	\$ 780,701	\$ 1,538,174	\$ 270,996	\$ -	\$ 2,873,112
State of California	6,775,227	-	431,196	-	532,344	5,765	7,744,532
County of Los Angeles	442,525	980,737	258,810	-	12,643	-	1,694,715
Local government entities	24,000	-	-	-	176,202	-	200,202
Total	<u>\$ 7,241,752</u>	<u>\$ 1,263,978</u>	<u>\$ 1,470,707</u>	<u>\$ 1,538,174</u>	<u>\$ 992,185</u>	<u>\$ 5,765</u>	<u>\$ 12,512,561</u>

Note 7 – Land Held for Resale

At June 30, 2019, land held for resale in the amount of \$4,490,540 is reported at the acquisition cost in the Housing Authority Special Revenue Fund.

City of Pomona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2019

Note 8 – Capital Assets

A. Governmental-Wide Financial Statements

At June 30, 2019, the City’s capital assets consisted of the following:

	Governmental Activities	Business-type Activities	Total
Nondepreciable assets:			
Land	\$ 80,836,521	\$ 9,089,782	\$ 89,926,303
Construction in progress	53,922,127	8,745,774	62,667,901
Total nondepreciable assets	<u>134,758,648</u>	<u>17,835,556</u>	<u>152,594,204</u>
Depreciable assets:			
Building and building improvements	15,081,452	3,482,783	18,564,235
Improvements other than buildings	64,605,613	871,529	65,477,142
Machinery and equipment	22,185,075	227,627,407	249,812,482
Furniture and fixtures	1,044,044	5,105	1,049,149
Autos and trucks	11,674,847	6,474,435	18,149,282
Equipment under capitalized leases	3,557,892	4,257,381	7,815,273
Infrastructure	390,136,044	-	390,136,044
Total capital assets, at cost	<u>508,284,967</u>	<u>242,718,640</u>	<u>751,003,607</u>
Less accumulated depreciation:			
Building and building improvements	(13,018,963)	(3,330,584)	(16,349,547)
Improvements other than buildings	(30,585,621)	(184,816)	(30,770,437)
Machinery and equipment	(20,167,163)	(91,152,060)	(111,319,223)
Furniture and fixtures	(947,174)	(5,105)	(952,279)
Autos and trucks	(9,590,149)	(3,964,016)	(13,554,165)
Equipment under capitalized leases	(1,086,348)	(2,554,428)	(3,640,776)
Infrastructure	(284,737,983)	-	(284,737,983)
Total accumulated depreciation	<u>(360,133,401)</u>	<u>(101,191,009)</u>	<u>(461,324,410)</u>
Total depreciable assets, net	<u>148,151,566</u>	<u>141,527,631</u>	<u>289,679,197</u>
Total capital assets, net	<u>\$ 282,910,214</u>	<u>\$ 159,363,187</u>	<u>\$ 442,273,401</u>

City of Pomona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2019

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, 2019:

	Balance July 1, 2018	Additions	Deletions	Transfers	Balance June 30, 2019
Nondepreciable assets:					
Land	\$ 80,836,521	\$ -	\$ -	\$ -	\$ 80,836,521
Construction in progress	50,670,099	16,353,028	(3,721,222)	(9,379,778)	53,922,127
Total nondepreciable assets	<u>131,506,620</u>	<u>16,353,028</u>	<u>(3,721,222)</u>	<u>(9,379,778)</u>	<u>134,758,648</u>
Depreciable assets:					
Building and building improvements	15,081,452	-	-	-	15,081,452
Improvements other than buildings	60,040,172	-	-	4,565,441	64,605,613
Machinery and equipment	21,823,626	373,025	(11,576)	-	22,185,075
Furniture and fixtures	1,044,044	-	-	-	1,044,044
Autos and trucks	11,407,729	527,973	(260,855)	-	11,674,847
Equipment under capitalized leases	1,590,333	442,831	(63,146)	1,587,874	3,557,892
Infrastructure	386,909,581	-	-	3,226,463	390,136,044
Total capital assets, at cost	<u>497,896,937</u>	<u>1,343,829</u>	<u>(335,577)</u>	<u>9,379,778</u>	<u>508,284,967</u>
Less accumulated depreciation:					
Building and building improvements	(12,774,412)	(244,551)	-	-	(13,018,963)
Improvements other than buildings	(29,156,585)	(1,429,036)	-	-	(30,585,621)
Machinery and equipment	(19,672,101)	(506,638)	11,576	-	(20,167,163)
Furniture and fixtures	(923,298)	(23,876)	-	-	(947,174)
Autos and trucks	(9,311,711)	(533,630)	255,192	-	(9,590,149)
Equipment under capitalized leases	(912,421)	(230,620)	56,693	-	(1,086,348)
Infrastructure	(277,425,577)	(7,312,406)	-	-	(284,737,983)
Total accumulated depreciation	<u>(350,176,105)</u>	<u>(10,280,757)</u>	<u>323,461</u>	<u>-</u>	<u>(360,133,401)</u>
Total depreciable assets, net	<u>147,720,832</u>	<u>(8,936,928)</u>	<u>(12,116)</u>	<u>9,379,778</u>	<u>148,151,566</u>
Total capital assets, net	<u>\$ 279,227,452</u>	<u>\$ 7,416,100</u>	<u>\$ (3,733,338)</u>	<u>\$ -</u>	<u>\$ 282,910,214</u>

Depreciation expense for capital assets of the governmental activities for the year ended June 30, 2019, is as follows:

General government	\$ 255,116
Public safety	1,126,751
Development services	1,019,396
Neighborhood services	7,842,607
Internal service funds	<u>36,887</u>
Total	<u>\$ 10,280,757</u>

City of Pomona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2019

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, 2019:

	Balance July 1, 2018	Additions	Deletions	Transfers	Balance June 30, 2019
Nondepreciable assets:					
Land	\$ 9,089,782	\$ -	\$ -	\$ -	\$ 9,089,782
Construction in progress	7,848,654	897,120	-	-	8,745,774
Total nondepreciable assets	<u>16,938,436</u>	<u>897,120</u>	<u>-</u>	<u>-</u>	<u>17,835,556</u>
Depreciable assets:					
Building and building improvements	3,482,783	-	-	-	3,482,783
Improvements other than buildings	849,759	21,770	-	-	871,529
Machinery and equipment	227,444,856	215,843	(33,292)	-	227,627,407
Furniture and fixtures	5,105	-	-	-	5,105
Autos and trucks	5,580,422	909,920	(15,907)	-	6,474,435
Equipment under capitalized leases	4,257,381	-	-	-	4,257,381
Total capital assets, at cost	<u>241,620,306</u>	<u>1,147,533</u>	<u>(49,199)</u>	<u>-</u>	<u>242,718,640</u>
Less accumulated depreciation:					
Building and building improvements	(3,320,935)	(9,649)	-	-	(3,330,584)
Improvements other than buildings	(151,581)	(33,235)	-	-	(184,816)
Machinery and equipment	(87,373,832)	(3,804,187)	25,959	-	(91,152,060)
Furniture and fixtures	(5,105)	-	-	-	(5,105)
Autos and trucks	(3,624,231)	(355,692)	15,907	-	(3,964,016)
Equipment under capitalized leases	(2,128,690)	(425,738)	-	-	(2,554,428)
Total accumulated depreciation	<u>(96,604,374)</u>	<u>(4,628,501)</u>	<u>41,866</u>	<u>-</u>	<u>(101,191,009)</u>
Total depreciable assets, net	<u>145,015,932</u>	<u>(3,480,968)</u>	<u>(7,333)</u>	<u>-</u>	<u>141,527,631</u>
Total capital assets, net	<u>\$ 161,954,368</u>	<u>\$ (2,583,848)</u>	<u>\$ (7,333)</u>	<u>\$ -</u>	<u>\$ 159,363,187</u>

Depreciation expense for capital assets of the business-type activities for the year ended June 30, 2019, is as follows:

Water	\$ 3,481,669
Sewer	618,665
Refuse	525,496
Canon Water Company	<u>2,671</u>
Total	<u>\$ 4,628,501</u>

Note 9 – Other Investments

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

City of Pomona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2019

Note 10 – Long-Term Liabilities

The following is a summary of changes of long-term liabilities for the year ended June 30, 2019:

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019	Due within One Year	Due in more than One Year
Governmental Activities:						
Pollution remediation obligations	\$ 666,220	\$ 462,000	\$ (627,457)	\$ 500,763	\$ 500,763	\$ -
Obligation under capital leases	2,417,550	-	(444,359)	1,973,191	376,371	1,596,820
Collateralized borrowing	-	3,131,140	-	3,131,140	53,145	3,077,995
Notes payable	799,599	-	(131,781)	667,818	131,782	536,036
Revenue bonds	82,605,188	-	(3,445,369)	79,159,819	3,376,000	75,783,819
Pension obligation refunding bonds	4,013,254	-	(252,120)	3,761,134	268,533	3,492,601
Accreted interest	4,013,547	433,198	(247,880)	4,198,865	296,467	3,902,398
Subtotal	<u>94,515,358</u>	<u>4,026,338</u>	<u>(5,148,966)</u>	<u>93,392,730</u>	<u>5,003,061</u>	<u>88,389,669</u>
Compensated absences	7,277,752	5,068,614	(5,051,734)	7,294,632	5,069,000	2,225,632
Claims payable	14,497,118	4,242,404	(5,549,479)	13,190,043	4,244,000	8,946,043
Total governmental activities	<u>116,290,228</u>	<u>13,337,356</u>	<u>(15,750,179)</u>	<u>113,877,405</u>	<u>14,316,061</u>	<u>99,561,344</u>

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 \$627,457 on clean-up cost. The remaining outstanding cost to complete the clean-up is estimated at \$500,763 at June 30, 2019.

Obligations under Capital Leases

At June 30, 2019, obligations under capital leases consisted of the following:

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019	Due within One Year
PNC #1	67,987	-	(67,987)	-	-
BBVA	2,349,563	-	(376,372)	1,973,191	376,371
Total	<u>\$ 2,417,550</u>	<u>\$ -</u>	<u>\$ (444,359)</u>	<u>\$ 1,973,191</u>	<u>\$ 376,371</u>

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

City of Pomona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2019

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, 2019:

Machinery and equipment	\$ 1,848,490
Autos and trucks	<u>1,709,402</u>
Equipment under capitalized leases, at cost	3,557,892
Accumulated depreciation	<u>(1,086,348)</u>
Equipment under capitalized leases, net	<u><u>\$ 2,471,544</u></u>

The depreciation expense for equipment under capitalized leases was \$230,620 for the year ended June 30, 2019.

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, 2019 is as follows:

<u>Year Ending June 30,</u>	
2020	\$ 434,999
2021	423,255
2022	211,068
2023	205,628
2024	200,189
2025-2028	<u>746,358</u>
Subtotal	2,221,497
Less amount representing interest	<u>(248,306)</u>
Present value of future minimum lease payments	<u><u>\$ 1,973,191</u></u>

Collateralized Borrowing

During the year, the City entered into a 31 year lease agreement with Crown Castle on five cell tower sites and received a one-time payment of \$3,131,140 in exchange for future rent revenues totaling \$5,394,000. The rate of this agreement is 3.89% per annum.

City of Pomona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2019

Note 10 – Long-Term Liabilities (Continued)

A. Governmental Activities (Continued)

Collateralized Borrowing (Continued)

The annual debt service requirement for the collateralized borrowing at June 30, 2019, is as follows:

Year Ending June 30,	Principal	Interest	Total
2020	\$ 53,145	\$ 120,855	\$ 174,000
2021	55,249	118,751	174,000
2022	57,437	116,563	174,000
2023	59,712	114,288	174,000
2024	62,076	111,924	174,000
2025-2029	349,259	520,741	870,000
2030-2034	424,109	445,891	870,000
2035-2039	515,000	355,000	870,000
2040-2044	625,370	244,630	870,000
2045-2049	759,394	110,606	870,000
2050	170,389	3,611	174,000
Total	<u>\$ 3,131,140</u>	<u>\$ 2,262,860</u>	<u>\$ 5,394,000</u>

Notes Payable

At June 30, 2019, notes payable consisted of the following:

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019	Due within One Year
HUD Section 108 Loan	\$ 120,000	\$ -	\$ (20,000)	\$ 100,000	\$ 20,000
Fire Station Roof Replacement	93,267	-	(46,633)	46,634	46,634
Southern California Edison On bill Financing	586,332	-	(65,148)	521,184	65,148
	<u>\$ 799,599</u>	<u>\$ -</u>	<u>\$ (131,781)</u>	<u>\$ 667,818</u>	<u>\$ 131,782</u>

HUD Section 108 Loan

The City has three notes guaranteed by the United States Department of Housing and Urban Development (“HUD”) under Section 108 of the Community Development Act and are payable from future Community Development Block Grant (“CDBG”) entitlements. The notes were made to Casa Herrera (\$2,375,000) on February 1, 1998; Village Car Wash (\$100,000) on September 17, 2012; and Freddie’s Auto Repair (\$100,000) on August 20, 2012. On June 30, 2010, the balance of the original loan for Casa Herrera was defeased to refinance the loan at a lower interest rate. The new interest rate for Casa Herrera ranges from 4.96% to 5.77%, with new loan terms beginning on February 1, 2011 and maturing August 1, 2016. The interest rate for both Village Car Wash and Freddie’s Auto Repair is variable and equal to 20 basis points (0.2%) above the applicable London Interbank Offered Rates (“LIBOR”), 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.

City of Pomona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2019

Note 10 – Long-Term Liabilities (Continued)

A. Governmental Activities (Continued)

Notes Payable (Continued)

HUD Section 108 Loan (Continued)

The annual debt service requirement at June 30, 2019, is as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 20,000	\$ 3,000	\$ 23,000
2121	20,000	3,000	23,000
2022	20,000	3,000	23,000
2023	20,000	-	20,000
2024	20,000	-	20,000
Total	<u>\$ 100,000</u>	<u>\$ 9,000</u>	<u>\$ 109,000</u>

Fire Station Roof Replacement

On October 2, 2017, the City entered into a zero-interest repayment agreement with the County of Los Angeles for the cost for the roof repair on the City’s fire station in the amount of \$139,000.

The outstanding payment at June 30, 2019 is \$46,634 and the loan will be paid off during the year ending June 30, 2020.

Southern California Edison On Bill Financing

On September 26, 2017, the City entered into the on-bill financing agreement with the Southern California for the Energy Solution Incentive Applicable. The agreement provides zero-interest financing for the installation of certain energy efficient street lights up to \$623,628.

The annual debt service requirement at June 30, 2019 as follow:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 65,148	\$ -	\$ 65,148
2021	65,148	-	65,148
2022	65,148	-	65,148
2023	65,148	-	65,148
2024	65,148	-	65,148
2025-2028	195,444	-	195,444
Total	<u>\$ 521,184</u>	<u>\$ -</u>	<u>\$ 521,184</u>

City of Pomona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2019

Note 10 – Long-Term Liabilities (Continued)

A. Governmental Activities (Continued)

Revenue Bonds

At June 30, 2019, revenue bonds consisted of the following:

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019	Due within One Year
2005 Subordinate Revenue Bonds, Series AL	\$ 2,400,000	\$ -	\$ (555,000)	\$ 1,845,000	\$ 585,000
2005 Reassessment and Refunding Bonds, Series AM	2,139,000	-	(482,000)	1,657,000	516,000
2016 Lease Revenue Refunding Bonds, Series BC	25,560,000	-	(1,105,000)	24,455,000	1,125,000
Unamortized Bond Premium	2,031,188	-	(113,369)	1,917,819	-
2017 Taxable Lease Revenue Refunding Bonds, Series BG	50,475,000	-	(1,190,000)	49,285,000	1,150,000
Total	<u>\$ 82,605,188</u>	<u>\$ -</u>	<u>\$ (3,445,369)</u>	<u>\$ 79,159,819</u>	<u>\$ 3,376,000</u>

Unamortized Deferred Loss on Refunding

2017 Taxable Lease Revenue Refunding Bonds, Series BG	(399,646)	-	23,513	(376,133)
	<u>\$ (399,646)</u>	<u>\$ -</u>	<u>\$ 23,513</u>	<u>\$ (376,133)</u>

Unamortized Deferred Gain on Refunding

2016 Lease Revenue Refunding Bond, Series BC	\$ 429,130	\$ -	\$ (23,951)	\$ 405,179
	<u>\$ 429,130</u>	<u>\$ -</u>	<u>\$ (23,951)</u>	<u>\$ 405,179</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.

The annual debt service requirement for the 2005 Subordinate Revenue Bonds, Series AL outstanding at June 30, 2019, is as follows:

Year Ending June 30,	Principal	Interest	Total
2020	\$ 585,000	\$ 78,270	\$ 663,270
2021	615,000	48,270	663,270
2022	645,000	16,448	661,448
Total	<u>\$ 1,845,000</u>	<u>\$ 142,988</u>	<u>\$ 1,987,988</u>

City of Pomona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2019

Note 10 – Long-Term Liabilities (Continued)

A. Governmental Activities (Continued)

Revenue Bonds (Continued)

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, 2019, is as follows:

Year Ending June 30,	Principal	Interest	Total
2020	\$ 516,000	\$ 101,008	\$ 617,008
2021	549,000	62,561	611,561
2022	592,000	21,371	613,371
Total	<u>\$ 1,657,000</u>	<u>\$ 184,940</u>	<u>\$ 1,841,940</u>

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.

The annual debt service requirement for the 2016 Lease Revenue Refunding Bonds, Series BC outstanding at June 30, 2019, is as follows:

Year Ending June 30,	Principal	Interest	Total
2020	\$ 1,125,000	\$ 845,512	\$ 1,970,512
2021	1,160,000	811,762	1,971,762
2022	1,195,000	776,962	1,971,962
2023	1,230,000	741,112	1,971,112
2024	1,265,000	704,212	1,969,212
2025-2029	7,140,000	2,719,063	9,859,063
2030-2034	8,500,000	1,362,744	9,862,744
2035-2036	2,840,000	149,650	2,989,650
Total	<u>\$ 24,455,000</u>	<u>\$ 8,111,017</u>	<u>\$ 32,566,017</u>

City of Pomona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2019

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

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.

The annual debt service requirement for the 2017 Lease Revenue Refunding Bonds, Series BG outstanding at June 30, 2019, is as follows:

Year Ending June 30,	Principal	Interest	Total
2020	\$ 1,150,000	\$ 1,895,646	\$ 3,045,646
2021	1,105,000	1,871,496	2,976,496
2022	1,055,000	1,844,799	2,899,799
2023	990,000	1,817,728	2,807,728
2024	940,000	1,789,701	2,729,701
2025-2029	3,645,000	8,547,193	12,192,193
2030-2034	8,925,000	7,632,376	16,557,376
2035-2039	12,605,000	5,441,757	18,046,757
2040-2044	15,400,000	2,650,593	18,050,593
2045	3,470,000	141,992	3,611,992
Total	<u>\$ 49,285,000</u>	<u>\$ 33,633,281</u>	<u>\$ 82,918,281</u>

Pension Obligation Bonds

	Balance July 1, 2018	Addition	Deletions	Balance June 30, 2019	Due within One Year
2006 Pension Obligation Bonds, Series AR	\$ 4,013,254	\$ -	\$ (252,120)	\$ 3,761,134	\$ 268,533
Accreted Interest	4,013,547	433,198	(247,880)	4,198,865	296,467
Total	<u>\$ 8,026,801</u>	<u>\$ 433,198</u>	<u>\$ (500,000)</u>	<u>\$ 7,959,999</u>	<u>\$ 565,000</u>

City of Pomona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2019

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

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 5.492% 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.

The capital appreciation bonds bear interest ranges from 5.24% to 5.68% and are payable only at maturity. 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 redeemed 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, 2019, is as follows:

Year Ending June 30,	Principal	Interest	Accreted Interest	Total
2020	\$ 268,533	\$ -	\$ 296,467	\$ 565,000
2021	284,302	34,474	316,224	635,000
2022	299,726	75,246	335,028	710,000
2023	319,328	123,736	356,936	800,000
2024	332,130	176,634	371,236	880,000
2025-2029	1,853,914	1,923,795	2,072,291	5,850,000
2030	403,201	641,116	450,683	1,495,000
Total	<u>\$ 3,761,134</u>	<u>\$ 2,975,001</u>	<u>\$ 4,198,865</u>	<u>\$ 10,935,000</u>

City of Pomona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2019

Note 10 – Long-Term Liabilities (Continued)

A. Governmental Activities (Continued)

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, 2019, of capital assets related debt:

2016 Refunding Revenue Bond, Series BC	\$ 26,372,819
2017 Taxable Lease Revenue Refunding Bonds, Series BG (24.4%)	12,025,540
Capital Lease Obligations	<u>1,973,191</u>
Total	<u><u>\$ 40,371,550</u></u>

B. Business-Type Activities

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019	Due within One Year	Due in more than One Year
Business-type Activities:						
Obligations under capital leases	\$ 1,243,603	\$ -	\$ (614,610)	\$ 628,993	\$ 628,993	\$ -
Revenue bonds	<u>114,827,755</u>	-	<u>(2,476,742)</u>	<u>112,351,013</u>	<u>2,405,000</u>	<u>109,946,013</u>
Subtotal	116,071,358	-	(3,091,352)	112,980,006	3,033,993	109,946,013
Compensated absences	<u>1,444,240</u>	<u>1,068,968</u>	<u>(1,070,833)</u>	<u>1,442,375</u>	<u>1,021,565</u>	<u>420,810</u>
Total business-type activities	<u><u>117,515,598</u></u>	<u><u>1,068,968</u></u>	<u><u>(4,162,185)</u></u>	<u><u>114,422,381</u></u>	<u><u>4,055,558</u></u>	<u><u>110,366,823</u></u>

Obligations under Capital Leases

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019	Due within One Year
HCC #1	<u>\$ 1,243,603</u>	<u>\$ -</u>	<u>\$ (614,610)</u>	<u>\$ 628,993</u>	<u>\$ 628,993</u>

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

The total leased assets by major asset class consisted of the following at June 30, 2019:

Equipment	\$ 4,257,381
Accumulated depreciation	<u>(2,554,428)</u>
Equipment under capitalized lease, net	<u><u>\$ 1,702,953</u></u>

City of Pomona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2019

Note 10 – Long-Term Liabilities (Continued)

B. Business-Type Activities (Continued)

Obligations under Capital Leases (Continued)

The depreciation expense for equipment under capitalized leases was \$425,738 for the year ended June 30, 2019.

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

<u>Year Ended June 30,</u>	
2020	\$ 643,711
Less amount representing interest	<u>(14,718)</u>
Present value of future minimum lease payments	<u>\$ 628,993</u>

Revenue Bonds

	<u>Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u>	<u>Due within</u>
	<u>July 1, 2018</u>			<u>June 30, 2019</u>	<u>One Year</u>
2016 Revenue Refunding Bonds, (Sewer Project), Series BB	\$ 8,425,000	\$ -	\$ -	\$ 8,425,000	\$ -
Unamortized Bond Discount	(18,960)	-	777	(18,183)	-
2016 Taxable Revenue Refunding Bonds (Sewer Project), Series BD	3,880,000	-	(345,000)	3,535,000	350,000
Unamortized Bond Discount	(39,728)	-	3,687	(36,041)	-
2017 Refunding Revenue Bonds (Water Facilities), Series BE	32,355,000	-	-	32,355,000	-
Unamortized Bond Premium	3,206,443	-	(111,206)	3,095,237	-
2017 Taxable Refunding Revenue Bonds (Water Facilities), Series BF	53,630,000	-	(1,815,000)	51,815,000	1,840,000
2018 Taxable Refunding Revenue (Sewer Project), Series BH	13,390,000	-	(210,000)	13,180,000	215,000
Total	<u>\$ 114,827,755</u>	<u>\$ -</u>	<u>\$ (2,476,742)</u>	<u>\$ 112,351,013</u>	<u>\$ 2,405,000</u>

Unamortized Deferred Loss on Refunding:

2016 Revenue Refunding Bonds, (Sewer Project), Series BB	\$ (383,639)	\$ -	\$ 26,233	\$ (357,406)
2016 Taxable Revenue Refunding Bonds (Sewer Project), Series BD	(149,993)	-	21,881	(128,112)
Total	<u>\$ (533,632)</u>	<u>\$ -</u>	<u>\$ 48,114</u>	<u>\$ (485,518)</u>

Unamortized Deferred Gain on Refunding:

2017 Refunding Revenue Bonds (Water Facilities), Series BE	\$ 1,345,686	\$ -	\$ (46,672)	\$ 1,299,014
2017 Taxable Refunding Revenue Bonds (Water Facilities), Series BF	1,921,262	-	(66,633)	1,854,629
Total	<u>\$ 3,266,948</u>	<u>\$ -</u>	<u>\$ (113,305)</u>	<u>\$ 3,153,643</u>

City of Pomona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2019

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, 2019, is as follows:

Year Ending June 30,	Principal	Interest	Total
2020	\$ -	\$ 292,019	\$ 292,019
2021	-	292,019	292,019
2022	-	292,019	292,019
2023	-	292,019	292,019
2024	-	292,019	292,019
2025-2029	360,000	1,452,894	1,812,894
2030-2034	2,455,000	1,157,919	3,612,919
2035-2039	2,915,000	703,750	3,618,750
2040-2043	2,695,000	185,878	2,880,878
Total	<u>\$ 8,425,000</u>	<u>\$ 4,960,536</u>	<u>\$ 13,385,536</u>

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.

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.

City of Pomona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2019

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)

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, 2019, is as follows:

Year Ending June 30,	Principal	Interest	Total
2020	\$ 350,000	\$ 83,150	\$ 433,150
2021	355,000	76,538	431,538
2022	365,000	69,109	434,109
2023	370,000	61,069	431,069
2024	380,000	52,156	432,156
2025-2029	1,715,000	103,922	1,818,922
Total	<u>\$ 3,535,000</u>	<u>\$ 445,944</u>	<u>\$ 3,980,944</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.

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.

City of Pomona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2019

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)

The annual debt service requirement for the 2017 Refunding Revenue Bonds (Water Facility Project), Series BE outstanding at June 30, 2019, is as follows:

Year Ending June 30,	Principal	Interest	Total
2020	\$ -	\$ 1,452,150	\$ 1,452,150
2021	-	1,452,150	1,452,150
2022	-	1,452,150	1,452,150
2023	-	1,452,150	1,452,150
2024	-	1,452,150	1,452,150
2025-2029	745,000	7,260,750	8,005,750
2030-2034	6,570,000	6,462,300	13,032,300
2035-2039	8,080,000	4,951,350	13,031,350
2040-2044	9,855,000	3,180,500	13,035,500
2045-2047	7,105,000	722,000	7,827,000
Total	<u>\$ 32,355,000</u>	<u>\$ 29,837,650</u>	<u>\$ 62,192,650</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 Basic Financial Statements (Continued)
For the Year Ended June 30, 2019

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, 2019, is as follows:

Year Ending June 30,	Principal	Interest	Total
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	1,970,000	1,703,379	3,673,379
2024	2,025,000	1,649,953	3,674,953
2025-2029	10,335,000	7,290,705	17,625,705
2030-2034	6,775,000	5,818,095	12,593,095
2035-2039	8,165,000	4,421,543	12,586,543
2040-2044	9,930,000	2,650,320	12,580,320
2045-2047	6,975,000	572,670	7,547,670
Total	<u>\$ 51,815,000</u>	<u>\$ 29,488,877</u>	<u>\$ 81,303,877</u>

2018 Taxable Refunding Revenue Bonds (Sewer Project), Series BH – Original Issuance \$13,390,000

On February 14, 2018, the City issued \$13,390,000 in 2018 Refunding Revenue Bonds (Sewer Project), Series BH, (a) to current refund the Authority's 2007 Revenue Bonds (Sewer Project) Series BA and (b) to pay for the cost of issuance.

The current refunding resulted in the economic gain in the amount of \$1,807,498 and the debt service payment saving in the amount of \$3,155,990. The current refunding resulted in no deferred gains or losses as the bond proceeds net of the issuance discount was sufficient to cover repayment of 2007 Revenue Bonds (Sewer Project), Series BA, the interest due, and the issuance cost on the 2018 Taxable Refunding Revenue Bonds (Sewer Project), Series BH.

Interests on the bonds is payable semiannually on each December 1 and June 1 and the final principal matures on December 1, 2046. The rates of interest range from 3.80% to 4.50% per annum.

City of Pomona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2019

Note 10 – Long-Term Liabilities (Continued)

B. Business-Type Activities (Continued)

Revenue Bonds (Continued)

2018 Taxable Refunding Revenue Bonds (Sewer Project), Series BH – Original Issuance \$13,390,000 (Continued)

The annual debt service requirement for the 2017 Taxable Refunding Revenue Bonds (Sewer Project), Series BH outstanding at June 30, 2019, is as follows:

Year Ending June 30,	Principal	Interest	Total
2020	\$ 215,000	\$ 509,207	\$ 724,207
2021	225,000	503,698	728,698
2022	225,000	497,622	722,622
2023	235,000	491,013	726,013
2024	240,000	483,793	723,793
2025-2029	1,315,000	2,292,698	3,607,698
2030-2034	1,585,000	2,023,488	3,608,488
2035-2039	1,925,000	1,677,975	3,602,975
2040-2044	3,110,000	1,229,385	4,339,385
2045-2047	4,105,000	256,968	4,361,968
Total	<u>\$ 13,180,000</u>	<u>\$ 9,965,847</u>	<u>\$ 23,145,847</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, AZ, and BA. All net available revenues are irrevocably pledged by the City to the repayment of the bonds debt services. During the year ended June 30, 2019, the Water and Sewer Enterprise Funds have net available revenues of \$14,453,137 and total debt service paid was \$6,521,077. 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 45% of future net revenue. The total principal and interest remaining to be paid at June 30, 2019, on the Bonds is as follows:

<u>Debt Issue</u>	<u>Remaining Balance</u>
2016 Revenue Refunding Bonds, Series BB	\$ 13,385,536
2016 Taxable Revenue Refunding Bonds, Series BD	3,980,944
2017 Refunding Revenue Bonds, Series BE	62,192,650
2017 Taxable Refunding Revenue Bonds, Series BF	81,303,877
2018 Revenue Bonds (Sewer Project), Series BH	<u>23,145,847</u>
Total	<u>\$ 184,008,854</u>
<u>Revenue</u>	<u>2018-2019</u>
Net available revenues, excluding debt service	<u>\$ 14,453,137</u>

City of Pomona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2019

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 of capital assets related debt at June 30, 2019.

	Outstanding Capital Related Debt, net
Water Enterprise Fund:	
2017 Refunding Revenue Bonds, Series BE	\$ 35,450,237
2017 Taxable Refunding Revenue Bonds, Series BF	51,815,000
Subtotal	87,265,237
Sewer Enterprise Fund:	
2016 Revenue Refunding Bonds, Series BB	8,406,817
2016 Taxable Revenue Refunding Bonds, Series BD	3,498,959
2018 Taxable Revenue Refunding Bonds, Series BH	13,180,000
Subtotal	25,085,776
Refuse Enterprise Fund:	
Capital Lease Obligations	628,993
Total	\$ 112,980,006

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, 2019, is as follows:

	Balance June 30, 2019
Mortgage Revenue Bonds	
Single Family Mortgage Refunding Bonds 90A	\$ 16,820,000
Single Family Mortgage Refunding Bonds 90B	7,730,000
Total	\$ 24,550,000

City of Pomona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2019

Note 12 – Defined Benefit Pension Plan

At June 30, 2019, 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>
Deferred Outflows of Resources:			
Pension contribution made after measurement date:			
Miscellaneous	\$ 4,664,851	\$ 1,746,434	\$ 6,411,285
Safety	9,995,544	-	9,995,544
Change in assumption			
Miscellaneous	544,898	204,000	748,898
Safety	6,650,742	-	6,650,742
Difference between expected and actual experience:			
Miscellaneous	60,031	22,474	82,505
Safety	939,418	-	939,418
Difference in projected and actual earnings on pension plan investments:			
Miscellaneous	642,154	240,411	882,565
Safety	1,351,225	-	1,351,225
Collateral Plan	3,303	-	3,303
Total deferred outflows of resources	<u>\$ 24,852,166</u>	<u>\$ 2,213,319</u>	<u>\$ 27,065,485</u>
Net Pension Liabilities:			
Miscellaneous	52,851,587	19,786,658	72,638,245
Safety	118,508,840	-	118,508,840
Collateral Plan	737,571	-	737,571
Total net pension liabilities	<u>\$ 172,097,998</u>	<u>\$ 19,786,658</u>	<u>\$ 191,884,656</u>
Deferred Inflows of Resources:			
Change in assumption			
Miscellaneous	497,913	186,410	684,323
Safety	1,255,510	-	1,255,510
Difference between expected and actual experience:			
Miscellaneous	94,395	35,340	129,735
Safety	1,524,440	-	1,524,440
Total deferred inflows of resources	<u>\$ 3,372,258</u>	<u>\$ 221,750</u>	<u>\$ 3,594,008</u>
Pension Expense (Credit):			
Miscellaneous	9,332,397	3,735,786	13,068,183
Safety	17,748,479	-	17,748,479
Collateral Plan	(45,121)	-	(45,121)
Total pension expense	<u>\$ 27,035,755</u>	<u>\$ 3,735,786</u>	<u>\$ 30,771,541</u>

City of Pomona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2019

Note 12 – Defined Benefit Pension Plans (Continued)

A. CalPERS Plans

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 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, 2018 are summarized as follows:

	Miscellaneous Plan		
	Tier 1*	Tier 2*	PEPRA
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 employer contribution rates	7.888%	7.888%	7.888%

* Plan is closed to new entrants

City of Pomona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2019

Note 12 – Defined Benefit Pension Plans (Continued)

A. CalPERS Plans (Continued)

General Information about the Pension Plan (Continued)

Benefit Provided (Continued)

	Safety Plan		
	Tier 1*	Tier 2*	PEPRA
Hire date	Prior to November 21, 2010	On or after November 21, 2010 but prior to January 1, 2013	On or after January 1, 2013
Benefit formula	3.0% @ 50	3.0% @ 55	2.7% @ 57
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	minimum 50 yrs	minimum 50 yrs	minimum 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%	12.000%
Required employer contribution rates	22.274%	22.274%	22.274%

* 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 Basic Financial Statements (Continued)
For the Year Ended June 30, 2019

Note 12 – Defined Benefit Pension Plans (Continued)

A. CalPERS Plans (Continued)

General Information about the Pension Plan (Continued)

Employees Covered by Benefit Terms

At June 30, 2017, the valuation date, the following employees were covered by the benefit terms:

	Plans	
	Miscellaneous	Safety
Active members	344	150
Transferred members	320	21
Terminated members	188	20
Retired members and beneficiaries	893	392
Total	1,745	583

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.

Net Pension Liability

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

For the measurement period ended June 30, 2018, the total pension liability was determined by rolling forward the June 30, 2017 total pension liability. The June 30, 2018 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	7.15%
Inflation	2.50%
Salary Increases	Varies by Entry Age and Service
Mortality Rate Table ¹	Derived using CalPERS’ Membership Data for all Funds.
Post Retirement Benefit Increase	Contract COLA up to 2.00% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.50% thereafter

¹ The mortality table used was developed based on CalPERS’ specific data. The table includes 15 years of mortality improvements using Society of Actuaries Scale 90% of scale MP 2016. For more details on this table, please refer to the December 2017 experience study report (based on CalPERS demographic data from 1997 to 2015) that can be found on the CalPERS website.

City of Pomona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2019

Note 12 – Defined Benefit Pension Plans (Continued)

A. CalPERS Plans (Continued)

Net Pension Liability (Continued)

Change of Assumptions

In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in discount rate.

Long-term Expected Rate of Return

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

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all of the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ 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 fund. The expected rate of return was set by calculating the rounded 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 adjusted to account for assumed administrative expenses.

The expected real rates of return by asset class are as followed:

Asset Class ¹	Assumed Asset Allocation	Real Return Years 1 - 10 ²	Real Return Years 11+ ³
Global Equity	50.00%	4.80%	5.98%
Fixed Income	28.00%	1.00%	2.62%
Inflation Assets	0.00%	0.77%	1.81%
Private Equity	8.00%	6.30%	7.23%
Real Assets	13.00%	3.75%	4.93%
Liquidity	1.00%	0.00%	-0.92%
	<u>100.00%</u>		

¹In the CalPERS' Basic Financial Statements, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities

²An expected inflation of 2.00% used for this period

³An expected inflation of 2.92% used for this period

Discount Rate

The discount rate used to measure the total pension liability was 7.15 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

City of Pomona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2019

Note 12 – Defined Benefit Pension Plans (Continued)

A. CalPERS Plans (Continued)

Changes in the Net Pension Liability

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

<u>Miscellaneous Plan</u>	<u>Increase (Decrease)</u>		
	<u>Total Pension Liability (a)</u>	<u>Plan Fiduciary Net Position (b)</u>	<u>Net Pension Liability (c) = (a) - (b)</u>
Balance at June 30, 2017 (Valuation Date)	\$ 285,176,736	\$ 211,073,053	\$ 74,103,683
Changes Recognized for the Measurement Period:			
Service Cost	3,684,403	-	3,684,403
Interest on the Total Pension Liability	19,890,698	-	19,890,698
Changes of Benefit Terms	-	-	-
Difference between Expected and Actual Experience	165,010	-	165,010
Changes of Assumptions	(1,368,646)	-	(1,368,646)
Contribution from the Employer	-	5,562,823	(5,562,823)
Contribution from Employees	-	1,718,844	(1,718,844)
Net Investment Income	-	17,509,262	(17,509,262)
Benefit Payments including Refunds of Employee Contributions	(15,247,444)	(15,247,444)	-
Plan to Plan Resource Movement	-	(510)	510
Administrative Expense	-	(328,910)	328,910
Other Miscellaneous Income/(Expense)	-	(624,606)	624,606
Net Changes during July 1, 2017 to June 30, 2018	<u>7,124,021</u>	<u>8,589,459</u>	<u>(1,465,438)</u>
Balance at June 30, 2018 (Measurement Date)	<u>\$ 292,300,757</u>	<u>\$ 219,662,512</u>	<u>\$ 72,638,245</u>

<u>Safety Plan</u>	<u>Increase (Decrease)</u>		
	<u>Total Pension Liability (a)</u>	<u>Plan Fiduciary Net Position (b)</u>	<u>Net Pension Liability (c) = (a) - (b)</u>
Balance at June 30, 2017 (Valuation Date)	\$ 365,325,001	\$ 247,505,666	\$ 117,819,335
Changes Recognized for the Measurement Period:			
Service Cost	5,447,465	-	5,447,465
Interest on the Total Pension Liability	25,520,009	-	25,520,009
Changes of Benefit Terms	-	-	-
Difference between Expected and Actual Experience	1,433,848	-	1,433,848
Changes of Assumptions	(1,916,304)	-	(1,916,304)
Contribution from the Employer	-	8,917,280	(8,917,280)
Contribution from Employees	-	1,611,014	(1,611,014)
Net Investment Income	-	20,385,914	(20,385,914)
Benefit Payments including Refunds of Employee Contributions	(21,286,165)	(21,286,165)	-
Plan to Plan Resource Movement	-	(596)	596
Administrative Expense	-	(385,682)	385,682
Other Miscellaneous Income/(Expense)	-	(732,417)	732,417
Net Changes during July 1, 2017 to June 30, 2018	<u>9,198,853</u>	<u>8,509,348</u>	<u>689,505</u>
Balance at June 30, 2018 (Measurement Date)	<u>\$ 374,523,854</u>	<u>\$ 256,015,014</u>	<u>\$ 118,508,840</u>

City of Pomona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2019

Note 12 – Defined Benefit Pension Plans (Continued)

A. CalPERS Plans (Continued)

Changes in the Net Pension Liability

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 7.15%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.15%) or 1 percentage-point higher (8.15%) than the current rate:

	Plan's Net Pension Liability		
	Discount Rate	Current Discount	Discount Rate
	- 1% (6.15%)	Rate (7.15%)	+ 1% (8.15%)
Miscellaneous Plan	\$ 110,095,876	\$ 72,638,245	\$ 41,635,825
Safety Plan	\$ 166,760,454	\$ 118,508,840	\$ 78,752,926

Pension Plan Fiduciary Net Position

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

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

For the measurement period ending June 30, 2018, the City incurred a pension expense of \$13,068,183 and \$17,748,479 for Miscellaneous and Safety plans, respectively.

As of measurement date of June 30, 2018, 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	\$ 6,411,285	\$ -	\$ 9,995,544	\$ -
Changes of assumptions	748,898	(684,323)	6,650,742	(1,255,510)
Differences between expected and actual experiences	82,505	(129,735)	939,418	(1,524,440)
Net difference between projected and actual earning on pension plan investments	882,565	-	1,351,225	-
Total	<u>\$ 8,125,253</u>	<u>\$ (814,058)</u>	<u>\$ 18,936,929</u>	<u>\$ (2,779,950)</u>

The amounts above are net of outflows and inflows recognized in the 2017-18 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 2017-18 measurement period is 2.0 and 2.9 years, which was obtained by dividing the total service years of 3,486 and 1,684 (the sum of remaining service lifetimes of the active employees) by 1,745 and 583 (the total number of participants: active, inactive, and retired), respectively.

City of Pomona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2019

Note 12 – Defined Benefit Pension Plans (Continued)

A. CalPERS Plans (Continued)

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

The \$6,411,285 and \$9,995,544 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, 2019 will be recognized as a reduction of the net pension liability in the year ending June 30, 2020. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in future pension expense as follows:

Year Ending June 30,	Deferred Outflows/(Inflows) of Resources	
	Miscellaneous	Safety
2020	\$ 2,904,032	\$ 8,491,684
2021	694,176	762,156
2022	(2,142,040)	(2,467,217)
2023	(556,258)	(625,188)
2024	-	-
Thereafter	-	-
Total	\$ 899,910	\$ 6,161,435

B. Collateral Benefits Plan

General Information about the Pension 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, 2012, are not eligible for this plan.

Eligibility

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

Benefit Provided

As discussed in the plan description and eligibility above, the Plan provides a monthly benefit of \$100 until the age of 65 for the eligible retirees.

City of Pomona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2019

Note 12 – Defined Benefit Pension Plans (Continued)

B. Collateral Benefits Plan (Continued)

General Information about the Pension Plan (Continued)

Employees Covered by Benefit Terms

At June 30, 2018, the valuation date, the following employees were covered by the benefit terms:

Active employees	285
Terminated employees	0
Retired employees and beneficiaries	92
	377
	377

Contributions

The employer contributions \$102,949 toward the Plan during the year ended June 30, 2019.

Net Pension Liability

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

The June 30, 2018 valuation was used to determine the June 30, 2019 total pension liability, based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Amortization Methods:	
Level Percent or level dollar	Level dollar
Closed, Open, or Layered Periods	Closed
Amortization Period at June 30, 2018	7.5 years
Amortization Growth Rate	0.00%
Actuarial Assumptions:	
Discount Rate	6.50%
Inflation	N/A
Salary Increases	Not applicable
Cost of Living Adjustment	Not applicable
Investment Rate of Return	6.50% Net of Pension Plan Investment and Administrative Expenses; Includes inflation
Mortality Rate	Pre-Retirement: Consistent with the Non- industrial rates used to value the Miscellaneous Public Agency CalPERS Pension Plans. Post-Retirement: Consistent with the Non- Industrial rates used to value the Miscellaneous Public Agency CalPERS Pension
Post Retirement Benefit Increase	Consistent with the Non-Industrial rates used to value the Miscellaneous Public Agency CalPERS Pension Plans.

Change of Assumption

There was no change in assumption during June 30, 2019.

City of Pomona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2019

Note 12 – Defined Benefit Pension Plans (Continued)

B. Collateral Benefits Plan (Continued)

Net Pension Liability

Actuarial Methods and Assumptions Used to Determine Total Pension Liability (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 6.50 percent. The long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

Long-term Expected Rate of Return

The assumption for the long-term expected rate of return was selected by the City. Below is a projection of the 30-year average return derived by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation on the Plan's current asset allocation.

The table below reflects long-term expected real return adjusted for inflation by asset classes:

Asset Class	Index	Target Allocation	Long-Term Expected Arithmetic Real Rate of Return	Long-Term Expected Geometric Real Rate of Return
US Cash	BAML 3-Mon Tbill	2.31%	0.71%	0.71%
US Core Fixed Income	Barclays Aggregate	46.46%	1.83%	1.73%
US Equity Market	Russell 3000	38.69%	4.71%	3.52%
Foreign Developed Equity	MSCI EAFE NR	5.81%	6.06%	4.55%
Emerging Markets Equity	MSCI EM NR	4.34%	8.23%	5.43%
US EREITs	FTSE NAREIT Equity REIT	2.39%	5.05%	3.42%
		100.00%		
Assumed Inflation - Mean			2.21%	2.20%
Assumed Inflation - Standard Deviation			1.65%	1.65%
Portfolio Real Mean Return			3.52%	3.16%
Portfolio Nominal Mean Return			5.73%	5.43%
Portfolio Standard Deviation				8.13%
Long-Term Expected Rate of Return				6.50%

City of Pomona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2019

Note 12 – Defined Benefit Pension Plans (Continued)

B. Collateral Benefits Plan (Continued)

Change in Net Pension Liability

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

Collateral Benefits Plan	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (c) = (a) - (b)
Balance at June 30, 2018	\$ 963,924	\$ 183,156	\$ 780,768
Changes Recognized for the Measurement Period:			
Service Cost	8,761	-	8,761
Interest on the Total Pension Liability	59,294	-	59,294
Changes of Benefit Terms	-	-	-
Difference between Expected and Actual Experience	-	-	-
Changes of Assumptions	-	-	-
Contribution from the Employer	-	102,949	(102,949)
Contribution from Employees	-	-	-
Net Investment Income	-	8,427	(8,427)
Benefit Payments including Refunds of Employee Contributions	(122,900)	(122,900)	-
Plan to Plan Resource Movement	-	-	-
Administrative Expense	-	(124)	124
Net Changes during July 1, 2018 to June 30, 2019	(54,845)	(11,648)	(43,197)
Balance at June 30, 2019 (Measurement Date)	<u>\$ 909,079</u>	<u>\$ 171,508</u>	<u>\$ 737,571</u>

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

The following presents the net pension liability of the Plan as of the measurement date, calculated using the discount rate of 6.50%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (5.50%) or 1 percentage-point higher (7.50%) than the current rate:

Plan's Net Pension Liability		
Discount Rate - 1% (5.50%)	Current Discount Rate (6.50%)	Discount Rate + 1% (7.50%)
\$ 793,489	\$ 737,571	\$ 686,260

Pension Plan Fiduciary Net Position

Detailed information about the plan's fiduciary net position is available upon request.

City of Pomona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2019

Note 12 – Defined Benefit Pension Plans (Continued)

B. Collateral Benefits Plan (Continued)

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

For the measurement period ended June 30, 2019, the City incurred a pension credit of \$45,121.

As of measurement date of June 30, 2019, the City has deferred outflows and deferred inflows of resources related to pensions as follows:

	Collateral Benefits Plan	
	Deferred outflows of Resources	Deferred inflows of Resources
Net difference between projected and actual earning on pension plan investments	\$ 3,303	\$ -

The amounts above are net of outflows and inflows recognized in the 2018-19 measurement period expense.

Amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in future pension expense as follows:

Year Ending June 30,	Deferred Outflows/ (Inflows) of Resources
2020	\$ 912
2021	912
2022	911
2023	568
2024	-
Thereafter	-
Total	\$ 3,303

Note 13 – Other Postemployment Benefits (“OPEB”)

At June 30, 2019, net OPEB liabilities, related deferred outflows of resources and OPEB expense are as follow:

	Governmental Activities	Business-Type Activities	Total
Deferred Outflows of Resources:			
OPEB contribution made after measurement date	\$ 1,883,595	\$ 455,451	\$ 2,339,046
Change in assumption	1,382,906	334,385	1,717,291
Total deferred outflows of resources	\$ 3,266,501	\$ 789,836	\$ 4,056,337
Net OPEB Liabilities:	\$ 74,134,002	\$ 17,925,496	\$ 92,059,498
Deferred Inflows of Resources:			
Change in assumption	\$ 3,054,596	\$ 738,597	\$ 3,793,193
OPEB Expense:	\$ 3,093,020	\$ 111,146	\$ 3,204,166

City of Pomona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2019

Note 13 – Other Postemployment Benefits (“OPEB”) (Continued)

A. General Information About Public Employees’ Medical and Hospital Care Program (“PEMHCA”) Plan (“OPEB”)

Plan Description

The City has participated in the CalPERS Health Plan since 1988, a single-employer defined benefit pension plan. The City provides eligible retirees a contribution based on the “unequal method” under the Public Employees’ Medical and Hospital Care Program (“PEMHCA”) contribution requirements for participating employers. Under the “unequal method”, the City’s contribution for the retiree is equal to 100% of the active contribution after 20 years of participation in PEMHCA. Eligibility for continuing medical coverage requires retirement from the City (on or after age 50 with at least 5 years of PERS service) and commencement of the PERS pension benefit. Retirement under disability does not have an age requirement.

Employees of the City who retire through CalPERS, their spouses, and eligible dependents, may receive health plan coverage through 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:

Bargaining Group	Benefit
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

Membership in the Plan consisted of the following at December 31, 2017, the date of the latest actuarial valuation:

Active employees	500
Inactive plan members entitled to but not yet receiving benefits	38
Inactive plan members or beneficiaries currently receiving benefits	0
	525
	1,063

Contributions

The City currently finances benefits on a pay-as-you-go basis.

City of Pomona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2019

Note 13 – Other Postemployment Benefits (“OPEB”) (Continued)

B. Net OPEB Liability

Total OPEB Liability

The City’s net OPEB liability was measured as of December 31, 2018 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2017. The total OPEB liability at December 31, 2018, measurement date was \$92,059,198.

Actuarial Assumptions

The total OPEB liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Discount Rate	3.80% as of December 31, 2018
Inflation	2.75% per annum
Salary Increases	3.0% per annum, in aggregate
Cost of Living Adjustment	Not applicable
Investment Rate of Return	N/A - As of the valuation date there are no GASB eligible plan assets.
Pre-Retirement Turnover/ Mortality Rate/Disability Rate/ Retirement Age	Pre-Retirement: Consistent with the most recent CalPERS pension plan valuation. Post-Retirement: Consistent the most recent CalPERS pension plan valuation.
Participant Rates	90% of future retirees are assumed to elect medical coverage at retirement through the CalPERS Health Plan and to continue coverage through the CalPERS Health Plan beyond Medicare eligibility age. Actual coverage is used for current retirees. For current retirees under age 65 and currently waiving coverage, 10% are assumed to elect coverage at age 65.
Spouse Coverage	50% of future retirees (65% for Safety) are assumed to elect coverage for their spouse. Male spouses are assumed to be 3 years older than female spouses. Actual spouse age is used for current retirees.
Medical Trend Rates	6.0% (HMO) and 6.5% (PPO) to ultimate 5% in 2023 and beyond.

Change of Assumptions

In 2018, the accounting discount rate changed from 3.30% to 3.80% from the measurement date December 31, 2017 to the measurement date December 31, 2018.

City of Pomona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2019

Note 13 – Other Postemployment Benefits (“OPEB”) (Continued)

B. Net OPEB Liability (Continued)

Discount Rate

3.80% per annum. This discount rate is the average, rounded to 5 basis points, of the range of 3-20 year municipal bond rate indices: S&P Municipal Bond 20 Year High Grade Rate Index, Bond Buyer 20-Bond GO index, Fidelity GO AA 20 Year Bond Index.

C. Change in the Net OPEB Liability

The following table show the changes in the net OPEB liability recognized over the measurement period.

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability/(Asset) (c) = (a) - (b)
Balance at January 1, 2018	\$ 96,653,040	\$ -	\$ 96,653,040
Changes Recognized for the Measurement Period:			
Service Cost	2,322,129	-	2,322,129
Interest on the Total Pension Liability	3,193,265	-	3,193,265
Changes of Benefit Terms	-	-	-
Difference between Expected and Actual Experience	-	-	-
Changes of Assumptions	(5,689,789)	-	(5,689,789)
Contribution from the Employer	-	4,419,147	(4,419,147)
Contribution from Employees	-	-	-
Net Investment Income	-	-	-
Benefit Payments including Refunds of Employee Contributions	(4,419,147)	(4,419,147)	-
Plan to Plan Resource Movement	-	-	-
Administrative Expense	-	-	-
Net Changes during January 1, 2018 to December 31, 2018	(4,593,542)	-	(4,593,542)
Balance at December 31, 2018 (Measurement Date)	<u>\$ 92,059,498</u>	<u>\$ -</u>	<u>\$ 92,059,498</u>

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

The following presents the total OPEB liability of the City, as well as what the City’s total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.80 percent) or 1-percentage-point higher (4.80 percent) than the current discount rate:

Plan's Net OPEB Liability/(Asset)		
Discount Rate	Current Discount	Discount Rate
- 1% (2.80%)	Rate (3.80%)	+ 1% (4.80%)
\$ 104,009,065	\$ 92,059,498	\$ 82,141,331

City of Pomona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2019

Note 13 – Other Postemployment Benefits (“OPEB”) (Continued)

C. Change in the Net OPEB Liability (Continued)

Sensitivity of the Net OPEB Liability to Changes in the Health Care Cost Trend Rates

The following presents the total OPEB liability of the City, as well as what the City’s total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (5.00 percent – HMO or 5.50% - PPO decreasing to 4.00 percent) or 1-percentage-point higher (7.00 percent – HMO or 7.50% - PPO decreasing to 6.00 percent) than the current healthcare cost trend rates:

Plan's Net OPEB Liability/(Asset)		
-1%	Current Healthcare Cost Trend Rates	+1%
(5.00% HMO/5.5% PPO decreasing to 4.00% HMO /4.00% PPO)	(6.00% HMO/6.5% PPO decreasing to 5.00% HMO /5.00% PPO)	(7.00% HMO/7.50% PPO decreasing to 6.00% HMO /6.00% PPO)
\$ 88,525,402	\$ 92,059,498	\$ 95,327,160

D. OPEB Expense and Deferred Outflows of Resources Related to OPEB

For the fiscal year ended June 30, 2019, the City recognized OPEB expenses in the amount of \$3,204,166. At June 30, 2019, the City reported deferred outflows of resources related to OPEB from the following sources:

	Deferred outflows of Resources	Deferred inflows of Resources
Pension contribution after measurement date	\$ 2,339,046	\$ -
Changes of assumptions	1,717,291	(3,793,193)
Total	\$ 4,056,337	\$ (3,793,193)

The amounts above are net of outflows recognized in the 2018 measurement period expense.

The \$2,339,406 reported as deferred outflows of resources related to OPEB resulting from the City’s contributions subsequent to the measurement date during the year ended June 30, 2019 will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2020. Other amounts reported as deferred outflows of resources related to OPEB will be recognized in future OPEB expense as follows:

Year Ending June 30,	Deferred Outflows/ (Inflows) of Resources
2020	\$ (179,305)
2021	(1,896,597)
2022	-
2023	-
2024	-
Thereafter	-
Total	\$ (2,075,902)

City of Pomona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2019

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. There was no payments made during the year ended June 30, 2019.

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, 2019.

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. There was no payments made during the year ended June 30, 2019.

Below are the most currently available condensed audited financial statements of the JPA as of June 30, 2019. Separate financial statements of Foothill Transit are available from its offices located in West Covina, California.

Assets	\$ 336,163,919
Liabilities	74,412,621
Net Position	\$ 261,751,298
Revenues	\$ 17,321,438
Expenses	121,655,515
Operating income	(104,334,077)
Nonoperating revenue (expenses)	82,829,094
Net income	(21,504,983)
Capital contributions	36,046,101
Net Position - July 1, 2018	247,210,180
Net Position - June 30, 2019	\$ 261,751,298

City of Pomona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2019

Note 14 – Joint Powers Agreements (Continued)

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 County Transportation Authority. Los Angeles County Metropolitan Transportation Agency (“LACMTA”) will have the responsibility to operate and maintain the rail after its completion. Member agencies will be paid for attending meetings, not to exceed \$1,800 per year, per member agency, plus direct expenses. Member agencies are not allowed to withdraw from the GLCA and each member agency is required to pay \$31,445 in 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, 2019. 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, 2019.

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 \$7,765 for the fiscal year ending June 30, 2019.

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. There was no payments made during the year ended June 30, 2019.

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.

City of Pomona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2019

Note 14 – Joint Powers Agreements (Continued)

I. Pomona Valley Transportation Authority (Continued)

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

The City does not have an equity interest in the PVTA. However, the City does have an ongoing financial interest. Because the City also has an ongoing financial responsibility for continued funding of the PVTA, the City is able to influence operations. As a result, the PVTA uses its resources on behalf of the City.

Following are the most currently available condensed audited financial statements of the PVTA as of June 30, 2019. Separate financial statements of the PVTA are available from its offices located in La Verne, California.

Assets	\$ 3,793,702
Liabilities	\$ 1,884,631
Contributed capital	245,966
Net position	1,663,105
Total liabilities and fund equity	\$ 3,793,702
Operating revenues	\$ 230,042
Operating expenses	4,843,211
Operating (income)	(4,613,169)
Nonoperating revenue	4,739,038
Net income	125,869
Net Position - July 1, 2018	1,537,236
Net Position - June 30, 2019	\$ 1,663,105

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 \$4,145,834 during the year ended June 30, 2019, which is comprised of \$3,976,276 for water use and \$169,558 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, 2019, was \$608,219.

City of Pomona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2019

Note 14 – Joint Powers Agreements (Continued)

J. Pomona-Walnut-Rowland Joint Water Line Commission (Continued)

As of June 30, 2019, the three participants had the following approximate ownership equity interest:

Member	Percentages	Agreement Balance
City of Pomona	20%	\$ 608,219
Walnut Valley Water District	35%	1,064,383
Rowland Water District	23%	699,451
Unallocated	22%	669,040
Total	100%	\$ 3,041,093

The Commission’s condensed financial statements for the fiscal year ended June 30, 2019 is as follows:

Total Assets	\$ 6,371,405
Total Liabilities	3,330,312
Net Position	\$ 3,041,093

The Commission does not recognize income or loss. Net operating expenditures in excess of users’ assessments are treated as accounts receivable on the Commission’s books and charged to each user’s account in the following year. Conversely, user’s assessments in excess of net operating expenditures are treated as a liability and credited against each user’s account, also in the following year. Under this basis, operating expenses for the Commission totaled \$17,981,985 compared to total operating revenues of \$17,986,235 for the year ended June 30, 2019. Complete financial statements can be obtained from the Pomona-Walnut-Rowland Joint Water Line Commission, P.O. Box 8460, Rowland Heights, CA 91748.

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 \$33,992 in annual dues for the fiscal year ending June 30, 2019.

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, 2019.

City of Pomona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2019

Note 14 – Joint Powers Agreements (Continued)

L. Tri-City Mental Health Center (Continued)

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, 2019. Separate financial statements of the Center are available from its offices located in Pomona, California.

Assets	\$	45,272,922
Deferred outflows of resources		2,671,142
Liabilities		14,930,255
Deferred inflows of resources		8,542,698
Net Position	\$	24,471,111
Revenues	\$	8,225,543
Expenses		20,586,181
Operating income		(12,360,638)
Nonoperating revenue (expenses)		16,358,922
Net income		3,998,284
Net Position - July 1, 2018		20,472,827
Net Position - June 30, 2019	\$	24,471,111

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, 2019, estimated claims payable amounted to \$13,190,043.

The estimated claims payable is reported at June 30, 2019 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.

City of Pomona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2019

Note 15 – Risk Management (Continued)

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, 2019. 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, 2017	\$ 14,057,215	\$ 4,887,517	\$ (4,504,568)	\$ 14,440,164
June 30, 2018	14,440,164	5,435,161	(5,378,207)	14,497,118
June 30, 2019	14,497,118	4,242,404	(5,549,479)	13,190,043

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.

B. Contractual Commitments

The following schedule summarizes the major capital project contractual commitments of the City as of June 30, 2019:

Vendors	Remaining Commitments
Victorious R.E.D.	\$1,591,600
Telacu	1,451,199
CEM	1,109,501
R K A Consulting Group	843,297
MDJ Management LLC	693,060
Hardy & Harper Inc.	449,815
Ensafe Inc.	339,027
Owen Group	338,562
PCM-G	337,505
Griffin Structures Inc.	301,397
All Other Commitment	1,620,053
Total	\$9,075,016

City of Pomona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2019

Note 16 – Commitments and Contingencies (Continued)

B. Contractual Commitments (Continued)

The following summarizes the significant encumbrances by major funds at June 30, 2019:

	Remaining Commitments
Miscellaneous Grants Special Revenue Fund	\$ 10,025
Capital Outlay Capital Projects Fund	8,229,120
Water Enterprise Fund	772,877
Sewer Enterprise Fund	62,994
Total	\$9,075,016

C. Lawsuits

The City is a defendant in certain other legal actions arising in the normal course of operations. As of June 30, 2019, 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.

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, 2019:

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Capital assets, net of accumulated depreciation	\$ 282,910,214	\$ 159,363,187	\$ 442,273,401
Less: Outstanding principal on capital related debt, net	(40,371,550)	(112,980,006)	(153,351,556)
Add: Deferred loss on refunding	91,776	504,764	596,540
Less: Deferred gain on refunding	(405,179)	(3,153,643)	(3,558,822)
Add: Unspent debt proceeds	829,449	6,493,044	7,322,493
Net investment in capital assets	\$ 243,054,710	\$ 50,227,346	\$ 293,282,056

Unrestricted Net Position

The unrestricted net position for governmental activities has a deficit balance of \$267,179,976 at June 30, 2019.

City of Pomona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2019

Note 17 – Net Position and Fund Balance (Continued)

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, 2019:

	<u>Enterprise Funds</u>				Total	Internal Service Funds
	Water	Sewer	Refuse	Canon Water		
Capital assets, net of accumulated depreciation	\$ 124,948,448	\$ 32,277,112	\$ 2,090,497	\$ 47,130	\$ 159,363,187	\$ 269,922
Less: Outstanding principal on capital related debt, net	(87,265,237)	(25,085,776)	(628,993)	-	(112,980,006)	-
Add: Deferred loss on refunding	-	504,764	-	-	504,764	-
Less: Deferred gain on refunding	(3,153,643)	-	-	-	(3,153,643)	-
Add: Unspent debt proceeds	3,805,969	2,687,075	-	-	6,493,044	-
Net investment in capital assets	\$ 38,335,537	\$ 10,383,175	\$ 1,461,504	\$ 47,130	\$ 50,227,346	\$ 269,922

Fund Balance Classification

The Governmental Funds' fund balance classification at June 30, 2019 is as follows:

	<u>Major Funds</u>							Total
	General	Housing Authority Special Revenue	Miscellaneous Grants Special Revenue	Capital Outlay Capital Project Revenue	General Debt Service	Public Financing Authority Debt Service	Nonmajor Governmental Funds	
Nonspendable:								
Prepaid items	\$ 11,795	\$ 640	\$ -	\$ -	\$ 820,130	\$ -	\$ 8,441	\$ 841,006
Total nonspendable	11,795	640	-	-	820,130	-	8,441	841,006
Restricted:								
Development service	-	19,539,782	-	-	-	-	23,252,029	42,791,811
Public safety	6,200	-	-	-	-	-	1,499,199	1,505,399
Neighborhood service	-	-	19,648,944	-	-	-	-	19,648,944
Capital projects	-	-	-	3,382,533	-	-	906,357	4,288,890
Debt service	-	-	-	-	-	76,626,414	-	76,626,414
Total restricted	6,200	19,539,782	19,648,944	3,382,533	-	76,626,414	25,657,585	144,861,458
Committed:								
Fiscal sustainability	18,158,903	-	-	-	-	-	-	18,158,903
Total committed	18,158,903	-	-	-	-	-	-	18,158,903
Unassigned	3,823,363	-	-	-	(73,096,233)	-	-	(69,272,870)
Total	\$ 22,000,261	\$ 19,540,422	\$ 19,648,944	\$ 3,382,533	\$ (72,276,103)	\$ 76,626,414	\$ 25,666,026	\$ 94,588,497

The City Council adopted the fiscal sustainability policy through resolution. At the end of each fiscal year, the City maintains 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.

City of Pomona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2019

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.

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.

City of Pomona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2019

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

A. Cash and Investments

The following is a summary of cash and investments of the Successor Agency at June 30, 2019:

Cash and investments	\$ 14,061,128
Restricted cash	<u>31,575,441</u>
Total	<u>\$ 45,636,569</u>

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

B. Loans Receivable (Net)

At June 30, 2019, the Successor Agency’s net loans receivable consisted of the following:

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019
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>\$ (2,439,060)</u>	<u>\$ 1,660,600</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, 2019 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. The loan was forgiven at June 30, 2019.

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. The loan was forgiven at June 30, 2019.

C. Land Held for Resale

At June 30, 2019, land held for resale in the amount of \$792,458 is recorded at the acquisition cost in the Successor Agency Trust Fund.

City of Pomona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2019

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, 2019:

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019
Nondepreciable assets:				
Land	\$ 125,423	\$ -	\$ -	\$ 125,423
Total nondepreciable assets	125,423	-	-	125,423
Depreciable assets:				
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
Less accumulated depreciation:				
Building and building improvements	(17,675)	(1,262)	-	(18,937)
Improvements other than buildings	(143,036)	(5,960)	-	(148,996)
Machinery and equipment	(429,179)	-	-	(429,179)
Furniture and fixtures	(8,361)	-	-	(8,361)
Autos and trucks	(19,513)	-	-	(19,513)
Total accumulated depreciation	(617,764)	(7,222)	-	(624,986)
Total depreciable assets, net	51,410	(7,222)	-	44,188
Total capital assets, net	\$ 176,833	\$ (7,222)	\$ -	\$ 169,611

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, 2019:

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019	Due within One Year
Pollution remediation obligations	\$ 1,673,463	\$ -	\$ (1,673,463)	\$ -	\$ -
County deferred tax loans	60,526,587	4,058,842	(2,543,123)	62,042,306	-
Notes payable	864,164	-	(864,164)	-	-
Tax allocation bonds	5,985,000	128,885,000	(7,845,000)	127,025,000	7,440,000
Advances from the Public Financing Authority	136,755,000	-	(136,755,000)	-	-
Advances from the Housing Authority SERAF loan	4,000,000	-	(1,000,000)	3,000,000	-
Compensated absences	71,657	39,868	(37,372)	74,153	70,963
Total	\$ 209,875,871	\$ 132,983,710	\$ (150,718,122)	\$ 192,141,459	\$ 7,510,963

City of Pomona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2019

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, 2019, the remediation cost is estimated at \$1,673,463. Sale of the property is contingent upon the completion of the remediation.

County Deferred Tax Loans

At June 30, 2019, the County deferred tax loans consisted of the following:

	Balance July 1, 2018	Accrued Interest	Deletions	Balance June 30, 2019
Southwest Pomona Project Area	\$ 50,349,436	\$ 3,482,330	\$ (601,862)	\$ 53,229,904
South Garey/Freeway Corridor Project Area	10,177,151	576,512	(1,941,261)	8,812,402
Total	<u>\$ 60,526,587</u>	<u>\$ 4,058,842</u>	<u>\$ (2,543,123)</u>	<u>\$ 62,042,306</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, 2018	Additions	Deletions	Balance June 30, 2019	Due within One Year
PVEF Note	\$ 167,129	\$ -	\$ (167,129)	\$ -	\$ -
US Bank Loans	697,035	-	(697,035)	-	-
Total	<u>\$ 864,164</u>	<u>\$ -</u>	<u>\$ (864,164)</u>	<u>\$ -</u>	<u>\$ -</u>

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 Note was paid off during the year ended June 30, 2019.

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 Loans was paid off during the year ended June 30, 2019.

City of Pomona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2019

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

E. Long-Term Liabilities (Continued)

Tax Allocation Bonds

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019	Due within One Year
1998 Tax Allocation Bonds, Series X	\$ 415,000	\$ -	\$ (50,000)	\$ 365,000	\$ 50,000
1998 Tax Allocation Bonds, Series Y	5,570,000	-	(275,000)	5,295,000	290,000
2018 Tax Allocation Bonds, Series BI	-	128,885,000	(7,520,000)	121,365,000	7,100,000
Total	<u>\$ 5,985,000</u>	<u>\$ 128,885,000</u>	<u>\$ (7,845,000)</u>	<u>\$ 127,025,000</u>	<u>\$ 7,440,000</u>

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

On October 1, 1998, the former Redevelopment Agency issued \$5,055,000 in 1998 Tax Allocation Refunding Bonds, Series X, for the Mountain Meadows Redevelopment Project to refund \$4,360,000 of the loan between the former Redevelopment Agency and the Public Financing Authority related to the Public Financing Authority's 1993 Refunding Revenue Bonds, Series N.

Interest is payable semiannually on June 1 and December 1 at rates varying from 3.0% to 5.1% per annum. \$3,595,000 of bond principal is payable in annual installments ranging from \$95,000 to \$300,000 through December 1, 2013. Term bonds of \$1,000,000 and \$460,000 mature on December 1, 2016 and December 1, 2024, respectively, and are subject to mandatory redemption from a sinking fund account in amounts ranging from \$45,000 to \$350,000, as outlined in the bonds' official statement. A municipal bond insurance policy has been issued that insures the payment of the principal and interest on the bonds when due. During 2007, the bonds in the amount of \$790,000 were refunded by the 2006 Taxable Revenue Bonds, series AT.

The annual debt service requirements outstanding at June 30, 2019, is as follows:

Year Ending June 30,	Principal	Interest	Total
2020	\$ 50,000	\$ 18,360	\$ 68,360
2021	55,000	15,525	70,525
2022	60,000	12,420	72,420
2023	65,000	9,045	74,045
2024	65,000	5,535	70,535
2025	70,000	1,890	71,890
Total	<u>\$ 365,000</u>	<u>\$ 62,775</u>	<u>\$ 427,775</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.

City of Pomona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2019

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 (Continued)

Interest on the bonds is payable semiannually on November 1 and May 1 at rates varying from 3.0% to 5.0% per annum. \$1,770,000 of bond principal is payable in annual installments ranging from \$115,000 to \$180,000 through May 1, 2011. Terms bonds of \$390,000, \$2,360,000 and \$4,380,000 mature on May 1, 2013, May 1, 2022, and May 1, 2032, respectively, and are subject to mandatory redemption from a sinking fund account in amounts ranging from \$190,000 to \$550,000 as outlined in the bonds' official statements. Bonds maturing on May 1, 2009 through May 1, 2011 are subject to redemption prior to maturity, as a whole or in part, at the option of the Agency on any date on or after May 1, 2008 at redemption prices ranging from 100% to 101% of principal. A municipal bond insurance policy has been issued that insures the payment of the principal and interest on the bonds when due. During 2007, the bonds in the amount of \$645,000 were refunded by the 2006 Taxable Revenue Bonds, Series AT.

The annual debt service requirements outstanding at June 30, 2019, is as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 290,000	\$ 290,768	\$ 580,768
2021	305,000	274,963	579,963
2022	320,000	258,340	578,340
2023	340,000	240,900	580,900
2024	360,000	222,200	582,200
2025-2029	2,115,000	791,725	2,906,725
2030-2032	1,565,000	175,175	1,740,175
Total	<u>\$ 5,295,000</u>	<u>\$ 2,254,071</u>	<u>\$ 7,549,071</u>

2018 Tax Allocation Refunding Bonds, Series BI – Original Issuance \$128,885,000

On October 11, 2018, the Successor Agency to the Redevelopment Agency of the City of Pomona, issued 2018 Tax Allocation Refunding Bonds, Series BI in the amount of \$128,885,000 to repay the advances from the Public Financing Authority for 1998 Series W, 2001 Series AD, 2003 Series AH, 2005 Series AQ, 2006 Series AS/AT/AX and 2007 Series AW and created annual debt service savings of approximately \$1.6 million. There was no economic gain due to the unused bond proceeds paid down the principal portion of the new issuance.

Interest on the bonds is payable semiannually on each August 1 and February 1. The rates of interest range from 2.65% to 4.51% per annum. Principal is payable in annual installments ranging from \$690,000 to \$9,805,000. Bonds are secured by the pledged tax revenues deposited in the Redevelopment Property Tax Trust Fund.

City of Pomona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2019

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

E. Long-Term Liabilities (Continued)

Tax Allocation Bonds (Continued)

2018 Tax Allocation Refunding Bonds, Series BI – Original Issuance \$128,885,000 (Continued)

The annual debt service requirement for the 2018 Tax Allocation Refunding Bonds, Series BI outstanding at June 30, 2019, is as follows:

Year Ending June 30,	Principal	Interest	Total
2020	\$ 7,100,000	\$ 4,779,145	\$ 11,879,145
2021	7,240,000	4,546,478	11,786,478
2022	7,450,000	4,299,883	11,749,883
2023	7,495,000	4,035,259	11,530,259
2024	7,765,000	3,763,041	11,528,041
2025-2029	43,220,000	14,090,801	57,310,801
2030-2034	34,060,000	5,109,203	39,169,203
2035-2039	5,215,000	1,117,263	6,332,263
2040-2041	1,820,000	113,100	1,933,100
Total	<u>\$ 121,365,000</u>	<u>\$ 41,854,173</u>	<u>\$ 163,219,173</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, 2019, of the long-term debts issued through the Public Financing Authority with proceeds advanced to the Successor Agency:

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019	Due within One Year
1998 Revenue Refunding Bonds, Series W	\$ 34,365,000	\$ -	\$ (34,365,000)	\$ -	\$ -
2001 Revenue Refunding Bonds, Series AD	23,720,000	-	(23,720,000)	-	-
2003 Revenue Refunding Bonds, Series AH	14,205,000	-	(14,205,000)	-	-
2005 Taxable Housing Tax Revenue Bonds, Series AQ	7,010,000	-	(7,010,000)	-	-
2006 Revenue Bonds, Series AS	25,635,000	-	(25,635,000)	-	-
2006 Taxable Revenue Bonds, Series AT	5,550,000	-	(5,550,000)	-	-
2007 Subordinate Revenue Bonds, Series AW	6,515,000	-	(6,515,000)	-	-
2006 Subordinate Revenue Bonds, Series AX	19,755,000	-	(19,755,000)	-	-
Total	<u>\$ 136,755,000</u>	<u>\$ -</u>	<u>\$ (136,755,000)</u>	<u>\$ -</u>	<u>\$ -</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 Basic Financial Statements (Continued)
For the Year Ended June 30, 2019

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. During the year ended June 30, 2019, the bonds in the amount of \$34,365,000 were currently refunded by the 2018 Tax Allocation Refunding Bonds, Series BI.

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. During the year ended June 30, 2019, the bonds in the amount of \$23,720,000 were currently refunded by the 2018 Tax Allocation Refunding Bonds, Series BI.

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. During the year ended June 30, 2019, the bonds in the amount of \$14,205,000 were currently refunded by the 2018 Tax Allocation Refunding Bonds, Series BI.

City of Pomona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2019

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).

During the year ended June 30, 2019, the bonds in the amount of \$7,010,000 were currently refunded by the 2018 Tax Allocation Refunding Bonds, Series BI.

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.

During the year ended June 30, 2019, the bonds in the amount of \$25,635,000 were currently refunded by the 2018 Tax Allocation Refunding Bonds, Series BI.

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.

City of Pomona
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2019

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 Taxable Revenue Bonds, Series AT – Original Issuance \$8,355,000 (Continued)

During the year ended June 30, 2019, the bonds in the amount of \$5,550,000 were currently refunded by the 2018 Tax Allocation Refunding Bonds, Series BI.

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 of \$1,348,000 on 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.

During the year ended June 30, 2019, the bonds in the amount of \$6,515,000 were currently refunded by the 2018 Tax Allocation Refunding Bonds, Series BI.

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.

During the year ended June 30, 2019, the bonds in the amount of \$19,755,000 were currently refunded by the 2018 Tax Allocation Refunding Bonds, Series BI.

City of Pomona
Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2019

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

E. Long-Term Liabilities (Continued)

Advances from the Housing Authority

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019	Due within One Year
SERAF loan	\$ 4,000,000	\$ -	\$ (1,000,000)	\$ 3,000,000	\$ -

On July 24, 2009, Assembly Bill AB4-26 that shifts former Redevelopment Agency funds and established a Supplemental Educational Revenue Augmentation Fund (“SERAF”) was passed. It was a “budget trailer bill” that was part of the State’s legislation to balance 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, 2019, is \$3,000,000.

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, 2041, or earlier retirement, whichever occurs first.

Tax revenues consist of tax increment revenues allocated to the Successor Agency to various project areas pursuant to Section 33670 of the Redevelopment Law. Such Law excludes a portion of tax increment revenues required to be paid under Tax-Sharing Agreements unless the payment of such amounts has been subordinated to the payment of debt service on the Bonds. Assembly Bill 1X 26 provided that upon dissolution of the Redevelopment Agency, property taxes allocated to redevelopment agencies no longer are deemed tax increment but rather property tax revenues and will be allocated first to local agency and school entity pursuant to any pass through agreement, then second to 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 Successor Agency was \$15,518,661 and the debt service payments on the bonds was \$12,236,123.

Remaining balance on the debt at June 30, 2019, is as follows:

Debt Issues	
County of LA Agreement	\$ 62,042,306
1998 Series X Bonds	427,775
1998 Series Y Bonds	7,549,071
2018 Series BI Bonds	163,219,173
Total	\$ 233,238,325

City of Pomona
Notes to the Financial Statements (Continued)
For the Year Ended June 30, 2019

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

F. Contributions to Other Government

The Successor Agency sold multiple lands during the year ended June 30, 2019 and disbursed the proceeds from the sale of the land held for resale to Los Angeles County in the amount of \$12,880,771.

G. Insurance

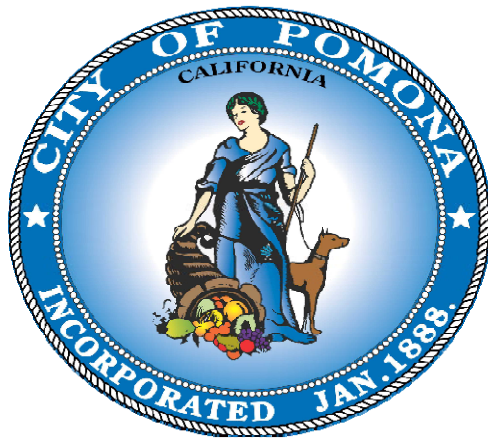
The Successor Agency is covered under the City of Pomona’s insurance policies. Therefore, the limitation and self-insured retentions applicable to the City also apply to the Successor Agency. Additional information as to coverage and self-insured retentions can be found in Note 15.

H. 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, 2019.

**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, 2019

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	\$ 84,479,835	\$ 86,836,835	\$ 86,578,130	\$ (258,705)
Licenses, permits and fees	9,198,035	9,801,731	10,083,988	282,257
Intergovernmental	141,000	141,000	147,571	6,571
Charges for services	2,791,393	3,378,482	3,489,895	111,413
Use of money and properties	1,615,231	1,615,231	1,880,272	265,041
Fines and forfeitures	2,310,480	2,310,480	2,404,578	94,098
Miscellaneous	459,350	1,038,475	1,348,954	310,479
Total revenues	<u>100,995,324</u>	<u>105,122,234</u>	<u>105,933,388</u>	<u>811,154</u>
EXPENDITURES:				
Current:				
General government	7,078,827	7,449,786	6,883,193	566,593
Public safety	80,677,396	81,205,094	78,950,457	2,254,637
Urban development	10,351,764	10,838,120	10,344,109	494,011
Neighborhood services and library	4,627,864	4,651,319	4,310,817	340,502
Capital outlay	99,200	354,169	137,932	216,237
Debt service:				
Principal retirement	327,272	327,272	294,296	32,976
Interest and fiscal charges	-	-	28,516	(28,516)
Total expenditures	<u>103,162,323</u>	<u>104,825,760</u>	<u>100,949,320</u>	<u>3,876,440</u>
REVENUES OVER EXPENDITURES	<u>(2,166,999)</u>	<u>296,474</u>	<u>4,984,068</u>	<u>4,687,594</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	1,705,840	1,757,253	1,757,253	-
Transfers out	(4,277,498)	(5,477,598)	(5,867,757)	(390,159)
Issuance of collateralized borrowing	-	3,200,000	3,131,140	(68,860)
Proceed from sale of assets	-	-	21,557	21,557
Total other financing sources (uses)	<u>(2,571,658)</u>	<u>(520,345)</u>	<u>(957,807)</u>	<u>(437,462)</u>
Net changes in fund balance	<u>\$ (4,738,657)</u>	<u>\$ (223,871)</u>	4,026,261	<u>\$ 4,250,132</u>
FUND BALANCE:				
Beginning of year			<u>17,974,000</u>	
End of year			<u>\$ 22,000,261</u>	

City of Pomona
Required Supplementary Information (Unaudited)
Budgetary Comparison Schedule - Housing Authority Special Revenue Fund
For the Year Ended June 30, 2019

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Intergovernmental	\$ 15,827,103	\$ 20,146,133	\$ 16,632,013	\$ (3,514,120)
Charges for services	4,456	4,456	1,714	(2,742)
Use of money and properties	412,336	412,336	627,355	215,019
Contributions from Successor Agency	-	-	2,839,262	2,839,262
Miscellaneous	24,288	24,288	159,514	135,226
Total revenues	<u>16,268,183</u>	<u>20,587,213</u>	<u>20,259,858</u>	<u>(327,355)</u>
EXPENDITURES:				
Current:				
Urban development	16,572,781	17,314,698	18,262,477	(947,779)
Total expenditures	<u>16,572,781</u>	<u>17,314,698</u>	<u>18,262,477</u>	<u>(947,779)</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(304,598)</u>	<u>3,272,515</u>	<u>1,997,381</u>	<u>(1,275,134)</u>
OTHER FINANCING USES:				
Transfers out	-	(5,596,191)	(5,933,339)	(337,148)
Total other financing uses	<u>-</u>	<u>(5,596,191)</u>	<u>(5,933,339)</u>	<u>(337,148)</u>
Net changes in fund balance	<u>\$ (304,598)</u>	<u>\$ (2,323,676)</u>	<u>(3,935,958)</u>	<u>\$ (1,612,282)</u>
FUND BALANCE:				
Beginning of year			<u>23,476,380</u>	
End of year			<u>\$ 19,540,422</u>	

City of Pomona
Required Supplementary Information (Unaudited)
Budgetary Comparison Schedule - Miscellaneous Grants Special Revenue Fund
For the Year Ended June 30, 2019

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 4,936,022	\$ 7,575,533	\$ 3,748,279	\$ (3,827,254)
Charges for services	994,660	1,312,988	337,537	(975,451)
Use of money and properties	26,457	26,457	141,376	114,919
Miscellaneous	360,117	336,322	138,758	(197,564)
Total revenues	<u>6,317,256</u>	<u>9,251,300</u>	<u>4,365,950</u>	<u>(4,885,350)</u>
EXPENDITURES:				
Current:				
Public safety	673,610	1,534,518	849,729	684,789
Urban development	305,200	305,200	326,243	(21,043)
Neighborhood services and library	5,144,893	6,957,937	2,865,944	4,091,993
Capital outlay	-	311,865	225,624	86,241
Total expenditures	<u>6,123,703</u>	<u>9,109,520</u>	<u>4,267,540</u>	<u>4,841,980</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>193,553</u>	<u>141,780</u>	<u>98,410</u>	<u>(43,370)</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	82,000	(84,775)	121,428	206,203
Transfers out	(13,000)	(13,000)	(13,000)	-
Total other financing sources (uses)	<u>69,000</u>	<u>(97,775)</u>	<u>108,428</u>	<u>206,203</u>
Net changes in fund balance	<u>\$ 262,553</u>	<u>\$ 44,005</u>	<u>206,838</u>	<u>\$ 162,833</u>
FUND BALANCE:				
Beginning of year			<u>19,442,106</u>	
End of year			<u>\$ 19,648,944</u>	

City of Pomona
Required Supplementary Information (Unaudited)
Notes to the Budgetary Comparison Schedule
For the Year Ended June 30, 2019

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. For the year ended June 30, 2019, there were no adopted operating budgets for General Sanitation Fees Operations Special Revenue Fund.
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, 2019

Last Ten Fiscal Years

Miscellaneous Plan - Agent Multiple - Employer Defined Benefit Plan

Measurement period	2013-14 ¹	2014-15	2015-16	2016-17	2017-18
Total pension liability					
Service cost	\$ 3,310,829	\$ 3,161,189	\$ 3,278,100	\$ 3,757,355	\$ 3,684,403
Interest	18,086,982	18,495,828	19,115,591	19,389,644	19,890,698
Differences between expected and actual experience	-	(3,363,816)	123,335	(2,724,421)	165,010
Changes of assumptions	-	(4,427,183)	-	15,726,854	(1,368,646)
Benefit payments, including refunds of employee contributions	(12,464,852)	(13,367,634)	(14,106,985)	(14,550,855)	(15,247,444)
Net change in total pension liability	8,932,959	498,384	8,410,041	21,598,577	7,124,021
Total pension liability - beginning	245,736,775	254,669,734	255,168,118	263,578,159	285,176,736
Total pension liability - ending (a)	<u>\$ 254,669,734</u>	<u>\$ 255,168,118</u>	<u>\$ 263,578,159</u>	<u>\$ 285,176,736</u>	<u>\$ 292,300,757</u>
Pension fiduciary net position					
Contributions - employer	\$ 3,191,964	\$ 3,747,091	\$ 4,508,818	\$ 4,965,420	\$ 5,562,823
Contributions - employee	1,640,223	1,622,551	1,710,782	1,824,492	1,718,844
Net investment income	31,444,609	4,578,528	1,092,440	21,714,550	17,509,262
Benefit payments, including refunds of employee contributions	(12,464,852)	(13,367,634)	(14,106,985)	(14,550,855)	(15,247,444)
Net plan to plan resource movement	-	(521)	30,199	-	(510)
Administrative expenses	-	(235,754)	(124,510)	(291,464)	(328,910)
Other miscellaneous income/(expense) ²	-	-	-	-	(624,606)
Net change in plan fiduciary net position	23,811,944	(3,655,739)	(6,889,256)	13,662,143	8,589,459
Plan fiduciary net position - beginning	184,143,961	207,955,905	204,300,166	197,410,910	211,073,053
Plan fiduciary net position - ending (b)	<u>\$ 207,955,905</u>	<u>\$ 204,300,166</u>	<u>\$ 197,410,910</u>	<u>\$ 211,073,053</u>	<u>\$ 219,662,512</u>
Plan net pension liability - ending (a) - (b)	<u>\$ 46,713,829</u>	<u>\$ 50,867,952</u>	<u>\$ 66,167,249</u>	<u>\$ 74,103,683</u>	<u>\$ 72,638,245</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>81.66%</u>	<u>80.06%</u>	<u>74.90%</u>	<u>74.01%</u>	<u>75.15%</u>
Covered payroll	<u>\$ 21,843,562</u>	<u>\$ 21,768,272</u>	<u>\$ 22,899,750</u>	<u>\$ 23,628,194</u>	<u>\$ 23,219,075</u>
Plan net pension liability as a percentage of covered payroll	<u>213.86%</u>	<u>233.68%</u>	<u>288.94%</u>	<u>313.62%</u>	<u>312.84%</u>

¹ 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.

² During Fiscal Year 2017-18, as a result of Governmental Accounting Standards Board Statement (GASB) No. 75, Accounting and Financial Reporting for Postemployment Benefit Plans Other than Pensions (GASB 75), CalPERS reported its proportionate share of activity related to postemployment benefits for participation in the State of California's agent OPEB plan. Accordingly, CalPERS recorded a one-time expense as a result of the adoption of GASB 75.

Notes to Schedule:

Benefit Changes: There were no changes in benefit terms

Changes of Assumptions: In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. In 2017, the accounting discount rate reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense.) 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, 2019

Last Ten Fiscal Years

Safety Plan - Agent Multiple - Employer Defined Benefit Plan

Measurement period	2013-14 ¹	2014-15	2015-16	2016-17	2017-18
Total pension liability					
Service cost	\$ 4,880,486	\$ 4,785,362	\$ 4,884,739	\$ 5,801,213	\$ 5,447,465
Interest	23,069,282	23,712,742	24,593,728	24,844,637	25,520,009
Differences between expected and actual experience	-	(2,090,216)	1,506,206	(4,573,322)	1,433,848
Changes of assumptions	-	(5,565,887)	-	19,952,226	(1,916,304)
Benefit payments, including refunds of employee contributions	(17,510,572)	(18,221,480)	(18,854,232)	(19,795,369)	(21,286,165)
Net change in total pension liability	10,439,196	2,620,521	12,130,441	26,229,385	9,198,853
Total pension liability - beginning	313,905,458	324,344,654	326,965,175	339,095,616	365,325,001
Total pension liability - ending (a)	<u>\$ 324,344,654</u>	<u>\$ 326,965,175</u>	<u>\$ 339,095,616</u>	<u>\$ 365,325,001</u>	<u>\$ 374,523,854</u>
Pension fiduciary net position					
Contributions - employer	\$ 5,669,824	\$ 6,367,577	\$ 7,278,178	\$ 8,239,937	\$ 8,917,280
Contributions - employee	1,402,077	1,554,104	1,534,930	1,568,799	1,611,014
Net investment income	37,455,889	5,342,317	1,164,032	25,441,922	20,385,914
Benefit payments, including refunds of employee contributions	(17,510,572)	(18,221,480)	(18,854,232)	(19,795,369)	(21,286,165)
Net plan to plan resource movement	-	521	1,096	-	(596)
Administrative expense	-	(271,705)	(147,131)	(343,113)	(385,682)
Other miscellaneous income/(expense) ²	-	-	-	-	(732,417)
Net change in plan fiduciary net position	27,017,218	(5,228,666)	(9,023,127)	15,112,176	8,509,348
Plan fiduciary net position - beginning	219,628,065	246,645,283	241,416,617	232,393,490	247,505,666
Plan fiduciary net position - ending (b)	<u>\$ 246,645,283</u>	<u>\$ 241,416,617</u>	<u>\$ 232,393,490</u>	<u>\$ 247,505,666</u>	<u>\$ 256,015,014</u>
Plan net pension liability - ending (a) - (b)	<u>\$ 77,699,371</u>	<u>\$ 85,548,558</u>	<u>\$ 106,702,126</u>	<u>\$ 117,819,335</u>	<u>\$ 118,508,840</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>76.04%</u>	<u>73.84%</u>	<u>68.53%</u>	<u>67.75%</u>	<u>68.36%</u>
Covered payroll	<u>\$ 15,182,720</u>	<u>\$ 15,528,316</u>	<u>\$ 16,122,314</u>	<u>\$ 17,199,482</u>	<u>\$ 16,421,383</u>
Plan net pension liability as a percentage of covered payroll	<u>511.76%</u>	<u>550.92%</u>	<u>661.83%</u>	<u>685.02%</u>	<u>721.67%</u>

¹ 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.

² During Fiscal Year 2017-18, as a result of Governmental Accounting Standards Board Statement (GASB) No. 75, Accounting and Financial Reporting for Postemployment Benefit Plans Other than Pensions (GASB 75), CalPERS reported its proportionate share of activity related to postemployment benefits for participation in the State of California's agent OPEB plan. Accordingly, CalPERS recorded a one-time expense as a result of the adoption of GASB 75.

Notes to Schedule:

Benefit Changes: There were no changes in benefit terms

Changes of Assumptions: In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. In 2017, the accounting discount rate reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense.) 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, 2019

Last Ten Fiscal Years

Collateral Benefits Plan

Measurement period	2017-18 ¹	2018-19
Total pension liability		
Service cost	\$ 8,761	\$ 8,761
Interest	61,845	59,294
Differences between expected and actual experience	-	-
Changes in assumptions	-	-
Benefit payments, including refunds of employee contributions	(114,500)	(122,900)
Net change in total pension liability	(43,894)	(54,845)
Total pension liability - beginning	1,007,818	963,924
Total pension liability - ending (a)	<u>\$ 963,924</u>	<u>\$ 909,079</u>
Pension fiduciary net position		
Contributions - employer	\$ -	\$ 102,949
Contributions - employee	-	-
Net investment income	13,113	8,427
Benefit payments, including refunds of employee contributions	(114,500)	(122,900)
Net plan to plan resource movement	-	-
Administrative expense	(126)	(124)
Other miscellaneous income	-	-
Net change in plan fiduciary net position	(101,513)	(11,648)
Plan fiduciary net position - beginning	284,669	183,156
Plan fiduciary net position - ending (b)	<u>\$ 183,156</u>	<u>\$ 171,508</u>
Plan net pension liability - ending (a) - (b)	<u>\$ 780,768</u>	<u>\$ 737,571</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>19.00%</u>	<u>18.87%</u>
Covered payroll	<u>N/A</u>	<u>N/A</u>
Plan net pension liability as a percentage of covered payroll	<u>N/A</u>	<u>N/A</u>

¹ Historical information is presented only when available.

Notes to Schedule:

Changes of Assumptions: There were no change of assumptions.

City of Pomona
Required Supplementary Information (Unaudited)
Schedule of Contributions - Pensions
For the Year Ended June 30, 2019

Last Ten Fiscal Years

Miscellaneous Plan - Agent Multiple - Employer Defined Benefit Plan

	<u>2013-14¹</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
Actuarially determined contribution	\$ 3,191,964	\$ 3,747,091	\$ 4,508,818	\$ 4,965,420	\$ 5,562,823
Contributions in relation to the actuarially determined contribution	<u>(3,191,964)</u>	<u>(3,747,091)</u>	<u>(4,508,818)</u>	<u>(4,965,420)</u>	<u>(5,562,823)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 21,843,562	\$ 21,768,272	\$ 22,899,750	\$ 23,628,194	\$ 23,219,075
Contributions as a percentage of covered payroll ²	14.61%	17.21%	19.69%	21.01%	23.96%

Safety Plan - Agent Multiple - Employer Defined Benefit Plan

	<u>2013-14¹</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>
Actuarially determined contribution	\$ 5,669,824	\$ 6,367,577	\$ 7,278,178	\$ 8,239,937	\$ 8,917,280
Contributions in relation to the actuarially determined contribution	<u>(5,669,824)</u>	<u>(6,367,577)</u>	<u>(7,278,178)</u>	<u>(8,239,937)</u>	<u>(8,917,280)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll ²	\$ 15,182,720	\$ 15,528,316	\$ 16,122,314	\$ 17,199,482	\$ 16,421,383
Contributions as a percentage of covered payroll ²	37.34%	41.01%	45.14%	47.91%	54.30%

¹ 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.

² Included one year's payroll growth using 3.00 percent payroll assumption from 2017-18 to 2018-19

Notes to Schedule:

The actuarial methods and assumptions used to set the actuarially determined contributions for fiscal year 2018-19 were derived from the June 30, 2016 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 of Assets
Inflation	2.75%
Salary increases	Varies by Entry Age and Service
Payroll Growth	3.00%
Investment rate of return	7.50% compounded annually (net of administrative expenses)
Retirement age	The probabilities of Retirement are based on the 2014 CalPERS Experience Study for the period from 1997 to 2011.
Mortality	The probabilities of mortality are based on the 2014 CalPERS Experience Study for the period from 1997 to 2011. Pre-retirement and Post-retirement mortality rates include 20 years of projected mortality improvement using Scale BB published by the Society of Actuaries.

City of Pomona
Required Supplementary Information (Unaudited)
Schedule of Contributions - Pensions (Continued)
For the Year Ended June 30, 2019

Last Ten Fiscal Years

Miscellaneous Plan - Agent Multiple - Employer Defined Benefit Plan

	2018-19
Actuarially determined contribution	\$ 6,411,285
Contributions in relation to the actuarially determined contribution	(6,411,285)
Contribution deficiency (excess)	\$ -
Covered payroll ²	\$ 23,288,732
Contributions as a percentage of covered payroll ²	27.53%

Safety Plan - Agent Multiple - Employer Defined Benefit Plan

	2018-19
Actuarially determined contribution	\$ 9,995,544
Contributions in relation to the actuarially determined contribution	(9,995,544)
Contribution deficiency (excess)	\$ -
Covered payroll ²	\$ 16,470,647
Contributions as a percentage of covered payroll ²	60.69%

City of Pomona
Required Supplementary Information (Unaudited)
Schedule of Contributions - Pensions (Continued)
For the Year Ended June 30, 2019

	Last Ten Fiscal Years				
	Collateral Benefits Plan				
	<u>2014-15¹</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>
Actuarially determined contribution	\$ 110,032	\$ 102,949	\$ 102,949	\$ 102,949	\$ 102,949
Contributions in relation to the actuarially determined contribution	<u>(110,032)</u>	<u>(102,949)</u>	<u>(102,949)</u>	<u>(114,500)</u>	<u>(102,949)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (11,551)</u>	<u>\$ -</u>
Covered payroll	N/A	N/A	N/A	N/A	N/A
Contributions as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A

¹ 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:

The actuarial methods and assumptions used to set the actuarially determined contributions for fiscal year 2018-19 were derived from the June 30, 2015 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	N/A
Discount rate	6.50%
Payroll Growth	N/A
Individual salary growth	N/A
Retirement age	The retirement rates are consistent with those used to value the Miscellaneous Public Agency CalPERS "2.0% at age 55" Pension Plans for retirees with 25 years of service.
Mortality	Consistent with the Non-industrial rates used to value the Miscellaneous Public Agency CalPERS Pension Plans.

City of Pomona
Required Supplementary Information (Unaudited)
Schedule of Changes in Net OPEB Liability and Related Ratios
June 30, 2019

Last Ten Fiscal Years

Other Postemployment Benefits Plan

Measurement period	2017 ¹	2018
Total OPEB liability		
Service cost	\$ 2,019,938	\$ 2,322,129
Interest	3,382,262	3,193,265
Differences between expected and actual experience	-	-
Changes of assumptions	5,151,873	(5,689,789)
Benefit payments, including refunds of employee contributions	(4,149,518)	(4,419,147)
Net change in total OPEB liability	6,404,555	(4,593,542)
Total OPEB liability - beginning	90,248,485	96,653,040
Total OPEB liability - ending (a)	\$ 96,653,040	\$ 92,059,498
OPEB fiduciary net position		
Contributions - employer	\$ 4,149,518	\$ 4,419,147
Contributions - employee	-	-
Net investment income	-	-
Benefit payments, including refunds of employee contributions	(4,149,518)	(4,419,147)
Net plan to plan resource movement	-	-
Administrative expenses	-	-
Other miscellaneous income	-	-
Net change in plan fiduciary net position	-	-
Plan fiduciary net position - beginning	-	-
Plan fiduciary net position - ending (b)	\$ -	\$ -
Plan net pension liability - ending (a) - (b)	\$ 96,653,040	\$ 92,059,498
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%
Covered payroll	\$ 40,827,676	\$ 40,089,863
Plan net OPEB liability as a percentage of covered payroll	236.73%	229.63%

¹ Historical information is presented only for measurement periods for which GASB 75 is applicable. Additional years of information will be presented as it becomes available.

Notes to Schedule:

Benefit Changes: There were no changes in benefit terms

Changes of Assumptions: In 2018, the accounting discount rate increased from 3.3 percent to 3.8 percent. In 2017, the accounting discount rate reduced from 3.75 percent to 3.3 percent.

City of Pomona
Required Supplementary Information (Unaudited)
Schedule of Contributions - Other Postemployment Benefits Plan
For the Year Ended June 30, 2019

Last Ten Fiscal Years

Other Postemployment Benefits Plan

Fiscal Year	2017-18 ¹	2018-19
Actuarially determined contribution	\$ 3,910,352	\$ 3,697,013
Contributions in relation to the actuarially determined contribution	(3,910,352)	(3,697,013)
Contribution deficiency (excess)	\$ -	\$ -
Covered payroll	\$ 40,827,676	\$ 40,570,643
Contributions as a percentage of covered payroll	9.58%	9.11%

¹ Historical information is presented only for measurement periods for which GASB 75 is applicable. Additional years of information will be presented as it becomes available.

Notes to Schedule:

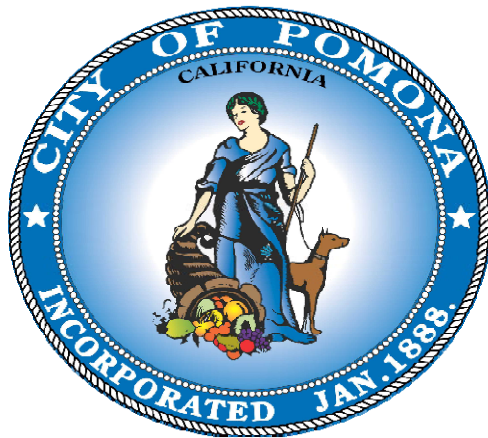
The actuarial methods and assumptions used to set the actuarially determined contributions for calendar year 2018 were derived from the January 1, 2017 funding valuation reports.

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% per annum
Discount rate	3.80% as of December 31, 2018 and 3.30% as of December 31, 2017
Payroll Growth	3.0% per annum, in aggregate
Individual salary growth	N/A
Retirement age	Consistent with the most recent CalPERS pension plan valuation.
Mortality	Consistent with the most recent CalPERS pension plan valuation.
Medical Trend Rates	6.0% (HMO) and 6.5% (PPO) to ultimate 5% in 2023 and beyond.

SUPPLEMENTARY INFORMATION

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City of Pomona
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Capital Outlay Capital Projects Fund
For the Year Ended June 30, 2019

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Licenses and permits	\$ 569,276	\$ 569,276	\$ 348,952	\$ (220,324)
Intergovernmental	1,390,069	2,469,719	2,201,476	(268,243)
Charges for services	-	-	23,980	23,980
Use of money and properties	7,716	7,716	39,357	31,641
Contributions from Successor Agency	-	3,080,116	1,973,565	(1,106,551)
Miscellaneous	-	545,155	209,460	(335,695)
Total revenues	<u>1,967,061</u>	<u>6,671,982</u>	<u>4,796,790</u>	<u>(1,875,192)</u>
EXPENDITURES:				
Capital outlay	11,616,082	23,877,635	18,676,061	5,201,574
Debt service:				
Principal retirement	232,417	232,417	196,880	35,537
Interest and fiscal charges	-	-	35,597	(35,597)
Total expenditures	<u>11,848,499</u>	<u>24,110,052</u>	<u>18,908,538</u>	<u>5,201,514</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(9,881,438)</u>	<u>(17,438,070)</u>	<u>(14,111,748)</u>	<u>3,326,322</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	10,087,678	19,088,894	12,936,084	(6,152,810)
Transfers out	(342,843)	(176,068)	(361,049)	(184,981)
Total other financing sources (uses)	<u>9,744,835</u>	<u>18,912,826</u>	<u>12,575,035</u>	<u>(6,337,791)</u>
Net change in fund balance	<u>\$ (136,603)</u>	<u>\$ 1,474,756</u>	<u>(1,536,713)</u>	<u>\$ (3,011,469)</u>
FUND BALANCE:				
Beginning of year			<u>4,919,246</u>	
End of year			<u>\$ 3,382,533</u>	

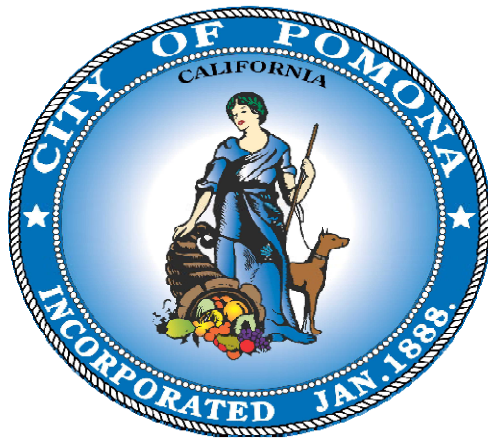
City of Pomona
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual (Continued)
General Government Debt Service Fund
For the Year Ended June 30, 2019

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	\$ 660,721	\$ 660,721	\$ 492,399	\$ (168,322)
Use of money and properties	15,815	15,815	29,431	13,616
Miscellaneous	291,142	291,142	145,569	(145,573)
Total revenues	<u>967,678</u>	<u>967,678</u>	<u>667,399</u>	<u>(300,279)</u>
EXPENDITURES:				
Debt service:				
Principal retirement	734,120	734,120	734,120	-
Interest and fiscal charges	3,194,248	3,194,248	3,210,971	(16,723)
Total expenditures	<u>3,928,368</u>	<u>3,928,368</u>	<u>3,945,091</u>	<u>(16,723)</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(2,960,690)</u>	<u>(2,960,690)</u>	<u>(3,277,692)</u>	<u>(317,002)</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	5,296,746	5,296,746	5,296,746	-
Transfers out	(2,295,000)	(2,295,000)	(51,413)	2,243,587
Total other financing sources (uses)	<u>3,001,746</u>	<u>3,001,746</u>	<u>5,245,333</u>	<u>2,243,587</u>
Net change in fund balance	<u>\$ 41,056</u>	<u>\$ 41,056</u>	1,967,641	<u>\$ 1,926,585</u>
FUND BALANCE:				
Beginning of year			<u>(74,243,744)</u>	
End of year			<u>\$ (72,276,103)</u>	

City of Pomona
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual (Continued)
Public Financing Authority Debt Service Fund
For the Year Ended June 30, 2019

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Use of money and properties	\$ 15,991,072	\$ 15,991,072	\$ 164,966	\$ (15,826,106)
Miscellaneous	1,917,590	1,917,590	-	(1,917,590)
Total revenues	<u>17,908,662</u>	<u>17,908,662</u>	<u>164,966</u>	<u>(17,743,696)</u>
EXPENDITURES:				
Debt service:				
Principal retirement	10,035,000	10,035,000	2,850,000	7,185,000
Interest and fiscal charges	10,259,557	10,259,557	210,984	10,048,573
Total expenditure	<u>20,294,557</u>	<u>20,294,557</u>	<u>3,060,984</u>	<u>17,233,573</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(2,385,895)</u>	<u>(2,385,895)</u>	<u>(2,896,018)</u>	<u>(510,123)</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	2,295,000	2,295,000	-	(2,295,000)
Transfers out	-	(26,604)	-	26,604
Total other financing sources (uses)	<u>2,295,000</u>	<u>2,268,396</u>	<u>-</u>	<u>(2,268,396)</u>
Net change in fund balance	<u>\$ (90,895)</u>	<u>\$ (117,499)</u>	<u>(2,896,018)</u>	<u>\$ (2,778,519)</u>
FUND BALANCE:				
Beginning of year			<u>79,522,432</u>	
End of year			<u>\$ 76,626,414</u>	

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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 **Measure "M" Fund** accounts for new transit and highway projects, enhanced bus and rail operations, and several other transportation improvements in Los Angeles County which is 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 fund was closed during the year ended June 30, 2019

The **Special Fees Fund** accounts for fee analysis rate review and public art fees.

The **PEG Fee Fund** accounts for Public, Education, and Government (PEG) fees collected by service providers through the franchise agreements with the City. These fees pay for capital equipment and projects that provide for continuation of PEG programming.

The **OATH (Officers Assisting and Homeless) Initiative Fund** accounts for providing local police officers with the proper tools based on nationally-recognized best practices and trauma-informed care for interactions with the homeless population.

Nonmajor Capital Projects Fund:

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, 2019

		Special Revenue Funds			
		Community Development Block Grant	State Gas Tax	Proposition A	Proposition C
Assets					
Cash and investments		\$ 148,224	\$ 2,640,686	\$ 2,997,491	\$ 7,549,872
Receivable (net):					
Accounts		-	2,552	4,000	-
Notes and loans		1,550,072	-	-	-
Interest		-	9,763	10,216	31,128
Prepaid items		-	-	-	-
Due from other governments		265,916	509,537	142,807	-
Advances to other funds		-	-	-	-
Restricted assets:					
Cash and investments		-	-	-	-
Total assets		<u>\$ 1,964,212</u>	<u>\$ 3,162,538</u>	<u>\$ 3,154,514</u>	<u>\$ 7,581,000</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances					
Liabilities:					
Accounts payable		\$ 55,852	\$ 503,581	\$ 101,556	\$ 3,038
Payroll payable		43,438	47,884	5,671	3,595
Deposits payable		-	-	-	-
Unearned revenue		-	-	-	-
Total liabilities		<u>99,290</u>	<u>551,465</u>	<u>107,227</u>	<u>6,633</u>
Deferred Inflows of Resources:					
Unavailable revenues		782,687	-	22,807	-
Total deferred inflows of resources		<u>782,687</u>	<u>-</u>	<u>22,807</u>	<u>-</u>
Fund Balances:					
Nonspendable		-	-	-	-
Restricted					
Development and public works		1,082,235	2,611,073	3,024,480	7,574,367
Public safety		-	-	-	-
Assessment district improvement		-	-	-	-
Total fund balances		<u>1,082,235</u>	<u>2,611,073</u>	<u>3,024,480</u>	<u>7,574,367</u>
Total liabilities, deferred inflows of resources and fund balances		<u>\$ 1,964,212</u>	<u>\$ 3,162,538</u>	<u>\$ 3,154,514</u>	<u>\$ 7,581,000</u>

(Continued)

City of Pomona
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2019

	Special Revenue Funds			
	Vehicle Parking District	Air Quality Improvement	Landscape Maintenance District	Asset Forfeiture
Assets				
Cash and investments	\$ 2,088,554	\$ 207,906	\$ 1,167,946	\$ 1,345,338
Receivable (net):				
Accounts	106,325	-	-	-
Notes and loans	-	-	-	-
Interest	9,240	1,309	4,881	5,584
Prepaid items	-	-	-	8,441
Due from other governments	179	52,352	12,464	5,080
Advances to other funds	304,435	-	-	-
Restricted assets:				
Cash and investments	-	-	-	-
Total assets	\$ 2,508,733	\$ 261,567	\$ 1,185,291	\$ 1,364,443
Liabilities, Deferred Inflows of Resources, and Fund Balances				
Liabilities:				
Accounts payable	\$ 14,322	\$ 1,647	\$ 334,289	\$ 84,215
Payroll payable	10,159	1,606	5,594	-
Deposits payable	2,334	-	-	-
Unearned revenue	-	-	-	-
Total liabilities	26,815	3,253	339,883	84,215
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	-
Total deferred inflows of resources	-	-	-	-
Fund Balances:				
Nonspendable	-	-	-	8,441
Restricted				
Development and public works	2,481,918	258,314	-	-
Public safety	-	-	-	1,271,787
Assessment district improvement	-	-	845,408	-
Total fund balances	2,481,918	258,314	845,408	1,280,228
Total liabilities, deferred inflows of resources and fund balances	\$ 2,508,733	\$ 261,567	\$ 1,185,291	\$ 1,364,443

(Continued)

City of Pomona
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2019

	Special Revenue Funds			
	Traffic Offender	Measure R	Measure M	General Sanitation Fees Operations
Assets				
Cash and investments	\$ 260,189	\$ 3,203,926	\$ 1,382,473	\$ -
Receivable (net):				
Accounts	-	-	-	-
Notes and loans	-	-	-	-
Interest	1,025	13,559	6,369	-
Prepaid items	-	-	-	-
Due from other governments	3,850	-	-	-
Advances to other funds	-	-	-	-
Restricted assets:				
Cash and investments	-	-	-	-
Total assets	\$ 265,064	\$ 3,217,485	\$ 1,388,842	\$ -
Liabilities, Deferred Inflows of Resources, and Fund Balances				
Liabilities:				
Accounts payable	\$ 30,835	\$ 87,963	\$ 74,589	\$ -
Payroll payable	6,817	31,827	6,391	-
Deposits payable	-	-	-	-
Unearned revenue	-	-	-	-
Total liabilities	37,652	119,790	80,980	-
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	-
Total deferred inflows of resources	-	-	-	-
Fund Balances:				
Nonspendable	-	-	-	-
Restricted				
Development and public works	-	3,097,695	1,307,862	-
Public safety	227,412	-	-	-
Assessment district improvement	-	-	-	-
Total fund balances	227,412	3,097,695	1,307,862	-
Total liabilities, deferred inflows of resources and fund balances	\$ 265,064	\$ 3,217,485	\$ 1,388,842	\$ -

(Continued)

City of Pomona
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2019

	Special Revenue Funds			Capital Projects Fund
	Special Fees	PEG Fee	OATH Initiative	Assessment District Improvement
Assets				
Cash and investments	\$ 1,673,978	\$ 109,120	\$ 3,273,770	\$ 57,160
Receivable (net):				
Accounts	-	30,987	-	-
Notes and loans	-	-	-	-
Interest	-	-	-	238
Prepaid items	-	-	-	-
Due from other governments	-	-	-	-
Advances to other funds	-	-	-	-
Restricted assets:				
Cash and investments	-	-	-	3,551
Total assets	\$ 1,673,978	\$ 140,107	\$ 3,273,770	\$ 60,949
Liabilities, Deferred Inflows of Resources, and Fund Balances				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ 87,145	\$ -
Payroll payable	-	-	39,123	-
Deposits payable	-	-	-	-
Unearned revenue	-	-	3,147,502	-
Total liabilities	-	-	3,273,770	-
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	-
Total deferred inflows of resources	-	-	-	-
Fund Balances:				
Nonspendable	-	-	-	-
Restricted				
Development and public works	1,673,978	140,107	-	-
Public safety	-	-	-	-
Assessment district improvement	-	-	-	60,949
Total fund balances	1,673,978	140,107	-	60,949
Total liabilities, deferred inflows of resources and fund balances	\$ 1,673,978	\$ 140,107	\$ 3,273,770	\$ 60,949

(Continued)

City of Pomona
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2019

	Total Nonmajor Governmental Funds
Assets	
Cash and investments	\$ 28,106,633
Receivable (net):	
Accounts	143,864
Notes and loans	1,550,072
Interest	93,312
Prepaid items	8,441
Due from other governments	992,185
Advances to other funds	304,435
Restricted assets:	
Cash and investments	3,551
Total assets	\$ 31,202,493
Liabilities, Deferred Inflows of Resources, and Fund Balances	
Liabilities:	
Accounts payable	\$ 1,379,032
Payroll payable	202,105
Deposits payable	2,334
Unearned revenue	3,147,502
Total liabilities	4,730,973
Deferred Inflows of Resources:	
Unavailable revenues	805,494
Total deferred inflows of resources	805,494
Fund Balances:	
Nonspendable	8,441
Restricted	
Development and public works	23,252,029
Public safety	1,499,199
Assessment district improvement	906,357
Total fund balances	25,666,026
Total liabilities, deferred inflows of resources and fund balances	\$ 31,202,493

(Concluded)

City of Pomona
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2019

	Special Revenue Funds			
	Community Development Block Grant	State Gas Tax	Proposition A	Proposition C
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-
Licenses, permits and fees	-	-	-	-
Intergovernmental	1,548,082	5,827,768	4,242,939	2,586,242
Charges for services	181,753	169	-	-
Use of money and properties	4,268	57,422	73,833	175,721
Fines and forfeitures	-	-	-	-
Miscellaneous	-	236,546	29,609	-
Total revenues	1,734,103	6,121,905	4,346,381	2,761,963
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	104,804	-	-	-
Urban development	1,754,396	3,884,523	2,979,929	120,112
Neighborhood services and library	-	-	-	-
Capital outlay	6,460	3,859	-	-
Debt service:				
Principal retirement	20,000	64,964	-	-
Interest and fiscal charges	2,873	-	-	-
Total expenditures	1,888,533	3,953,346	2,979,929	120,112
Excess (Deficiency) of Revenues Over (Under) Expenditures	(154,430)	2,168,559	1,366,452	2,641,851
Other Financing Sources (Uses):				
Transfers in	-	131,750	-	-
Transfers out	(194,663)	(1,205,099)	(592,048)	(310,328)
Total other financing sources (uses)	(194,663)	(1,073,349)	(592,048)	(310,328)
Net Changes in Fund Balances	(349,093)	1,095,210	774,404	2,331,523
Fund Balances				
Beginning of year	1,431,328	1,515,863	2,250,076	5,242,844
End of year	<u>\$ 1,082,235</u>	<u>\$ 2,611,073</u>	<u>\$ 3,024,480</u>	<u>\$ 7,574,367</u>

(Continued)

City of Pomona
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2019

	Special Revenue Funds			
	Vehicle Parking District	Air Quality Improvement	Landscape Maintenance District	Asset Forfeiture
Revenues:				
Taxes	\$ 14,526	\$ -	\$ -	\$ -
Special assessments	-	-	1,216,193	-
Licenses, permits and fees	-	-	-	-
Intergovernmental	-	201,935	-	18,499
Charges for services	109,484	-	-	203,746
Use of money and properties	671,653	7,231	27,471	31,461
Fines and forfeitures	-	-	-	-
Miscellaneous	-	-	-	601,055
Total revenues	795,663	209,166	1,243,664	854,761
Expenditures:				
Current:				
General government	862,210	-	-	-
Public safety	-	-	-	463,159
Urban development	112,000	65,876	1,265,284	-
Neighborhood services and library	-	-	925	-
Capital outlay	-	46,562	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	974,210	112,438	1,266,209	463,159
Excess (Deficiency) of Revenues Over (Under) Expenditures	(178,547)	96,728	(22,545)	391,602
Other Financing Sources (Uses):				
Transfers in	-	21,691	-	-
Transfers out	-	(255,257)	-	-
Total other financing sources (uses)	-	(233,566)	-	-
Net Changes in Fund Balances	(178,547)	(136,838)	(22,545)	391,602
Fund Balances				
Beginning of year	2,660,465	395,152	867,953	888,626
End of year	<u>\$ 2,481,918</u>	<u>\$ 258,314</u>	<u>\$ 845,408</u>	<u>\$ 1,280,228</u>

(Continued)

City of Pomona
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2019

	Special Revenue Funds			
	Traffic Offender	Measure R	Measure M	General Sanitation Fees Operations
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-
Licenses, permits and fees	-	-	-	44,999
Intergovernmental	-	1,940,239	2,185,438	-
Charges for services	192,850	-	-	-
Use of money and properties	5,897	82,980	37,873	-
Fines and forfeitures	-	-	-	6
Miscellaneous	-	-	-	271
Total revenues	198,747	2,023,219	2,223,311	45,276
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	106,543	-	-	-
Urban development	-	1,443,368	631,119	41,086
Neighborhood services and library	-	-	-	-
Capital outlay	27,396	7,951	135,495	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	133,939	1,451,319	766,614	41,086
Excess (Deficiency) of Revenues Over (Under) Expenditures	64,808	571,900	1,456,697	4,190
Other Financing Sources (Uses):				
Transfers in	-	2,203	-	444,626
Transfers out	-	(277,060)	(1,709,050)	-
Total other financing sources (uses)	-	(274,857)	(1,709,050)	444,626
Net Changes in Fund Balances	64,808	297,043	(252,353)	448,816
Fund Balances				
Beginning of year	162,604	2,800,652	1,560,215	(448,816)
End of year	<u>\$ 227,412</u>	<u>\$ 3,097,695</u>	<u>\$ 1,307,862</u>	<u>\$ -</u>

(Continued)

City of Pomona
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2019

	Special Revenue Funds			Capital Projects Fund
	Special Fees	PEG Fee	OATH Initiative	Assessment District Improvement
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-
Licenses, permits and fees	122,385	122,977	-	-
Intergovernmental	-	-	852,498	-
Charges for services	-	-	-	-
Use of money and properties	4,078	339	-	1,884
Fines and forfeitures	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	126,463	123,316	852,498	1,884
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	615,692	-
Urban development	2	-	-	-
Neighborhood services and library	-	-	-	-
Capital outlay	-	63,807	236,806	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	2	63,807	852,498	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	126,461	59,509	-	1,884
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net Changes in Fund Balances	126,461	59,509	-	1,884
Fund Balances				
Beginning of year	1,547,517	80,598	-	59,065
End of year	<u>\$ 1,673,978</u>	<u>\$ 140,107</u>	<u>\$ -</u>	<u>\$ 60,949</u>

(Continued)

City of Pomona
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2019

	Total Nonmajor Governmental Funds
Revenues:	
Taxes	\$ 14,526
Special assessments	1,216,193
Licenses, permits and fees	290,361
Intergovernmental	19,403,640
Charges for services	688,002
Use of money and properties	1,182,111
Fines and forfeitures	6
Miscellaneous	867,481
	867,481
Total revenues	23,662,320
Expenditures:	
Current:	
General government	862,210
Public safety	1,290,198
Urban development	12,297,695
Neighborhood services and library	925
Capital outlay	528,336
Debt service:	
Principal retirement	84,964
Interest and fiscal charges	2,873
	2,873
Total expenditures	15,067,201
Excess (Deficiency) of Revenues Over (Under) Expenditures	8,595,119
Other Financing Sources (Uses):	
Transfers in	600,270
Transfers out	(4,543,505)
	(3,943,235)
Total other financing sources (uses)	(3,943,235)
Net Changes in Fund Balances	4,651,884
Fund Balances	
Beginning of year	21,014,142
End of year	\$ 25,666,026

(Concluded)

City of Pomona
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Community Development Block Grant Special Revenue Fund
For the Year Ended June 30, 2019

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Intergovernmental	\$ 2,275,355	\$ 2,579,137	\$ 1,548,082	\$ (1,031,055)
Charges for services	-	59,776	181,753	121,977
Use of money and properties	2,441	2,441	4,268	1,827
Miscellaneous	10,700	10,700	-	(10,700)
Total revenues	<u>2,288,496</u>	<u>2,652,054</u>	<u>1,734,103</u>	<u>(917,951)</u>
EXPENDITURES:				
Current:				
Public safety	89,824	79,510	104,804	(25,294)
Urban development	1,434,549	1,796,701	1,754,396	42,305
Capital outlay	-	11,720	6,460	5,260
Debt service:				
Principal retirement	10,700	10,700	20,000	(9,300)
Interest and fiscal charges	-	-	2,873	(2,873)
Total expenditures	<u>1,535,073</u>	<u>1,898,631</u>	<u>1,888,533</u>	<u>10,098</u>
REVENUES OVER EXPENDITURES	<u>753,423</u>	<u>753,423</u>	<u>(154,430)</u>	<u>(907,853)</u>
OTHER FINANCING USES:				
Transfers out	<u>(779,520)</u>	<u>(779,520)</u>	<u>(194,663)</u>	<u>584,857</u>
Net change in fund balance	<u>\$ (26,097)</u>	<u>\$ (26,097)</u>	<u>(349,093)</u>	<u>\$ (322,996)</u>
FUND BALANCE:				
Beginning of year			<u>1,431,328</u>	
End of year			<u>\$ 1,082,235</u>	

City of Pomona
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual (Continued)
State Gas Tax Special Revenue Fund
For the Year Ended June 30, 2019

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 6,306,236	\$ 6,306,236	\$ 5,827,768	\$ (478,468)
Charges for services	-	-	169	169
Use of money and properties	12,135	12,135	57,422	45,287
Miscellaneous	176,556	176,556	236,546	59,990
Total revenues	<u>6,494,927</u>	<u>6,494,927</u>	<u>6,121,905</u>	<u>(373,022)</u>
EXPENDITURES:				
Current:				
Urban development	4,022,552	4,166,248	3,884,523	281,725
Capital outlay	101,950	4,004	3,859	145
Debt service:				
Principal retirement	-	-	64,964	(64,964)
Total expenditures	<u>4,124,502</u>	<u>4,170,252</u>	<u>3,953,346</u>	<u>216,906</u>
REVENUES OVER EXPENDITURES	<u>2,370,425</u>	<u>2,324,675</u>	<u>2,168,559</u>	<u>(156,116)</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	131,750	131,750	131,750	-
Transfers out	(3,114,963)	(3,123,963)	(1,205,099)	1,918,864
Total other financing sources (uses)	<u>(2,983,213)</u>	<u>(2,992,213)</u>	<u>(1,073,349)</u>	<u>1,918,864</u>
Net change in fund balance	<u>\$ (612,788)</u>	<u>\$ (667,538)</u>	1,095,210	<u>\$ 1,762,748</u>
FUND BALANCE:				
Beginning of year			1,515,863	
End of year			<u>\$ 2,611,073</u>	

City of Pomona
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual (Continued)
Proposition A Special Revenue Fund
For the Year Ended June 30, 2019

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 2,838,022	\$ 4,028,022	\$ 4,242,939	\$ 214,917
Use of money and properties	27,115	27,115	73,833	46,718
Miscellaneous	15,000	15,000	29,609	14,609
Total revenues	<u>2,880,137</u>	<u>4,070,137</u>	<u>4,346,381</u>	<u>276,244</u>
EXPENDITURES:				
Current:				
Urban development	2,858,242	2,858,242	2,979,929	(121,687)
Capital outlay	-	100,000	-	100,000
Total expenditures	<u>2,858,242</u>	<u>2,958,242</u>	<u>2,979,929</u>	<u>(21,687)</u>
REVENUES OVER EXPENDITURES	<u>21,895</u>	<u>1,111,895</u>	<u>1,366,452</u>	<u>254,557</u>
OTHER FINANCING USES:				
Transfers out	(460,000)	(1,795,000)	(592,048)	1,202,952
Net change in fund balance	<u>\$ (438,105)</u>	<u>\$ (683,105)</u>	774,404	<u>\$ 1,457,509</u>
FUND BALANCE:				
Beginning of year			<u>2,250,076</u>	
End of year			<u>\$ 3,024,480</u>	

City of Pomona
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual (Continued)
Proposition C Special Revenue Fund
For the Year Ended June 30, 2019

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Intergovernmental	\$ 2,338,206	\$ 2,338,206	\$ 2,586,242	\$ 248,036
Use of money and properties	53,100	53,100	175,721	122,621
Total revenues	<u>2,391,306</u>	<u>2,391,306</u>	<u>2,761,963</u>	<u>370,657</u>
EXPENDITURES:				
Current:				
Urban development	91,587	91,587	120,112	(28,525)
Total expenditures	<u>91,587</u>	<u>91,587</u>	<u>120,112</u>	<u>(28,525)</u>
REVENUES OVER EXPENDITURES	<u>2,299,719</u>	<u>2,299,719</u>	<u>2,641,851</u>	<u>342,132</u>
OTHER FINANCING USES:				
Transfers out	(2,344,852)	(2,357,352)	(310,328)	2,047,024
Net change in fund balance	<u>\$ (45,133)</u>	<u>\$ (57,633)</u>	2,331,523	<u>\$ 2,389,156</u>
FUND BALANCE:				
Beginning of year			5,242,844	
End of year			<u>\$ 7,574,367</u>	

City of Pomona
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual (Continued)
Vehicle Parking District Special Revenue Fund
For the Year Ended June 30, 2019

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	\$ 15,105	\$ 15,105	\$ 14,526	\$ (579)
Charges for services	163,500	163,500	109,484	(54,016)
Use of money and properties	545,657	545,657	671,653	125,996
Total revenues	<u>724,262</u>	<u>724,262</u>	<u>795,663</u>	<u>71,401</u>
EXPENDITURES:				
Current:				
General government	839,077	839,077	862,210	(23,133)
Urban development	-	-	112,000	(112,000)
Capital outlay	200,100	200,100	-	200,100
Total expenditures	<u>1,039,177</u>	<u>1,039,177</u>	<u>974,210</u>	<u>64,967</u>
REVENUES OVER (UNDER) EXPENDITURES	(314,915)	(314,915)	(178,547)	136,368
OTHER FINANCING SOURCES (USES):				
Transfers in	200,100	200,100	-	(200,100)
Transfers out	(312,100)	(312,100)	-	312,100
Proceeds from sale of capital assets	831,666	831,666	-	(831,666)
Total other financing sources (uses)	<u>719,666</u>	<u>719,666</u>	<u>-</u>	<u>(719,666)</u>
Net change in fund balance	<u>\$ 404,751</u>	<u>\$ 404,751</u>	(178,547)	<u>\$ (583,298)</u>
FUND BALANCE:				
Beginning of year			<u>2,660,465</u>	
End of year			<u>\$ 2,481,918</u>	

City of Pomona
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual (Continued)
Air Quality Improvement Special Revenue Fund
For the Year Ended June 30, 2019

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 326,702	\$ 326,702	\$ 201,935	\$ (124,767)
Use of money and properties	8,103	8,103	7,231	(872)
Total revenues	<u>334,805</u>	<u>334,805</u>	<u>209,166</u>	<u>(125,639)</u>
EXPENDITURES:				
Current:				
Urban development	27,449	27,449	65,876	(38,427)
Capital outlay	127,952	221,409	46,562	174,847
Total expenditures	<u>155,401</u>	<u>248,858</u>	<u>112,438</u>	<u>136,420</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>179,404</u>	<u>85,947</u>	<u>96,728</u>	<u>10,781</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	21,691	21,691
Transfers out	(275,148)	(275,148)	(255,257)	19,891
Total other financing sources (uses)	<u>(275,148)</u>	<u>(275,148)</u>	<u>(233,566)</u>	<u>41,582</u>
Net change in fund balance	<u>\$ (95,744)</u>	<u>\$ (189,201)</u>	<u>(136,838)</u>	<u>\$ 52,363</u>
FUND BALANCE:				
Beginning of year			<u>395,152</u>	
End of year			<u>\$ 258,314</u>	

City of Pomona
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual (Continued)
Landscape Maintenance District Special Revenue Fund
For the Year Ended June 30, 2019

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Special assessments	\$ 1,216,234	\$ 1,216,234	\$ 1,216,193	\$ (41)
Use of money and properties	10,094	10,094	27,471	17,377
Total revenues	<u>1,226,328</u>	<u>1,226,328</u>	<u>1,243,664</u>	<u>17,336</u>
EXPENDITURES:				
Current:				
Urban development	1,313,829	1,413,062	1,265,284	147,778
Neighborhood services and library	-	1,073	925	148
Total expenditures	<u>1,313,829</u>	<u>1,414,135</u>	<u>1,266,209</u>	<u>147,926</u>
Net change in fund balance	<u>\$ (87,501)</u>	<u>\$ (187,807)</u>	(22,545)	<u>\$ 165,262</u>
FUND BALANCE:				
Beginning of year			<u>867,953</u>	
End of year			<u>\$ 845,408</u>	

City of Pomona
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual (Continued)
Asset Forfeiture Special Revenue Fund
For the Year Ended June 30, 2019

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Intergovernmental	\$ 50,000	\$ 50,000	\$ 18,499	\$ (31,501)
Charges for services	-	-	203,746	203,746
Use of money and properties	7,059	7,059	31,461	24,402
Miscellaneous	270,000	270,000	601,055	331,055
Total revenues	<u>327,059</u>	<u>327,059</u>	<u>854,761</u>	<u>527,702</u>
EXPENDITURES:				
Current:				
Public safety	489,384	606,044	463,159	142,885
Total expenditures	<u>489,384</u>	<u>606,044</u>	<u>463,159</u>	<u>142,885</u>
Net change in fund balance	<u>\$ (162,325)</u>	<u>\$ (278,985)</u>	391,602	<u>\$ 670,587</u>
FUND BALANCE:				
Beginning of year			888,626	
End of year			<u>\$ 1,280,228</u>	

City of Pomona
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual (Continued)
Traffic Offender Special Revenue Fund
For the Year Ended June 30, 2019

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Charges for services	\$ 260,000	\$ 260,000	\$ 192,850	\$ (67,150)
Use of money and properties	2,640	2,640	5,897	3,257
Total revenues	<u>262,640</u>	<u>262,640</u>	<u>198,747</u>	<u>(63,893)</u>
EXPENDITURES:				
Current:				
Public safety	202,610	202,610	106,543	96,067
Capital outlay	65,000	65,000	27,396	37,604
Total expenditure	<u>267,610</u>	<u>267,610</u>	<u>133,939</u>	<u>133,671</u>
Net change in fund balance	<u>\$ (4,970)</u>	<u>\$ (4,970)</u>	64,808	<u>\$ 69,778</u>
FUND BALANCE:				
Beginning of year			<u>162,604</u>	
End of year			<u>\$ 227,412</u>	

City of Pomona
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual (Continued)
Measure R Special Revenue Fund
For the Year Ended June 30, 2019

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 1,776,241	\$ 1,776,241	\$ 1,940,239	\$ 163,998
Use of money and properties	33,787	33,787	82,980	49,193
Miscellaneous	1,000	1,000	-	(1,000)
Total revenues	<u>1,811,028</u>	<u>1,811,028</u>	<u>2,023,219</u>	<u>212,191</u>
EXPENDITURES:				
Current:				
Urban development	1,582,462	1,577,124	1,443,368	133,756
Capital outlay	3,650	7,648	7,951	(303)
Total expenditures	<u>1,586,112</u>	<u>1,584,772</u>	<u>1,451,319</u>	<u>133,453</u>
REVENUES OVER EXPENDITURES	<u>224,916</u>	<u>226,256</u>	<u>571,900</u>	<u>345,644</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	2,203	2,203
Transfers out	(981,851)	(984,851)	(277,060)	707,791
Total other financing sources (uses)	<u>(981,851)</u>	<u>(984,851)</u>	<u>(274,857)</u>	<u>709,994</u>
Net change in fund balance	<u>\$ (756,935)</u>	<u>\$ (758,595)</u>	297,043	<u>\$ 1,055,638</u>
FUND BALANCE:				
Beginning of year			<u>2,800,652</u>	
End of year			<u>\$ 3,097,695</u>	

City of Pomona
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual (Continued)
Measure M Special Revenue Fund
For the Year Ended June 30, 2019

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 2,165,400	\$ 2,165,400	\$ 2,185,438	\$ 20,038
Use of money and properties	8,698	8,698	37,873	29,175
Total revenues	<u>2,174,098</u>	<u>2,174,098</u>	<u>2,223,311</u>	<u>49,213</u>
EXPENDITURES:				
Current:				
Urban development	772,236	811,226	631,119	180,107
Capital outlay	5,150	355,784	135,495	220,289
Total expenditures	<u>777,386</u>	<u>1,167,010</u>	<u>766,614</u>	<u>400,396</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>1,396,712</u>	<u>1,007,088</u>	<u>1,456,697</u>	<u>449,609</u>
OTHER FINANCING USES:				
Transfers out	(1,348,763)	(1,433,763)	(1,709,050)	(275,287)
Total other financing uses	<u>(1,348,763)</u>	<u>(1,433,763)</u>	<u>(1,709,050)</u>	<u>(275,287)</u>
Net change in fund balance	<u>\$ 47,949</u>	<u>\$ (426,675)</u>	<u>(252,353)</u>	<u>\$ 174,322</u>
FUND BALANCE:				
Beginning of year			<u>1,560,215</u>	
End of year			<u>\$ 1,307,862</u>	

City of Pomona
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual (Continued)
Special Fees Fund Special Revenue Fund
For the Year Ended June 30, 2019

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Licenses, permits and fees	\$ 251,200	\$ 251,200	\$ 122,385	\$ (128,815)
Use of money and properties	-	-	4,078	4,078
Total revenues	<u>251,200</u>	<u>251,200</u>	<u>126,463</u>	<u>(124,737)</u>
EXPENDITURES:				
Current:				
Urban development	<u>250,000</u>	<u>250,000</u>	<u>2</u>	<u>249,998</u>
Total expenditures	<u>250,000</u>	<u>250,000</u>	<u>2</u>	<u>249,998</u>
Net change in fund balance	<u>\$ 1,200</u>	<u>\$ 1,200</u>	126,461	<u>\$ 125,261</u>
FUND BALANCE:				
Beginning of year			<u>1,547,517</u>	
End of year			<u>\$ 1,673,978</u>	

City of Pomona
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual (Continued)
PEG Fee Special Revenue Fund
For the Year Ended June 30, 2019

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Licenses, permits and fees	\$ 80,000	\$ 80,000	\$ 122,977	\$ 42,977
Use of money and properties	-	-	339	339
Total revenues	<u>80,000</u>	<u>80,000</u>	<u>123,316</u>	<u>43,316</u>
EXPENDITURES:				
Capital outlay	<u>80,000</u>	<u>80,000</u>	<u>63,807</u>	<u>16,193</u>
Total expenditures	<u>80,000</u>	<u>80,000</u>	<u>63,807</u>	<u>16,193</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	59,509	<u>\$ 59,509</u>
FUND BALANCE:				
Beginning of year			<u>80,598</u>	
End of year			<u>\$ 140,107</u>	

City of Pomona
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual (Continued)
OATH Initiative Special Revenue Fund
For the Year Ended June 30, 2019

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Intergovernmental	\$ -	\$ 4,000,000	\$ 852,498	\$ (3,147,502)
Total revenues	<u>-</u>	<u>4,000,000</u>	<u>852,498</u>	<u>(3,147,502)</u>
EXPENDITURES:				
Current:				
Public safety	-	3,756,860	615,692	3,141,168
Capital outlay	-	243,140	236,806	6,334
Total expenditure	<u>-</u>	<u>4,000,000</u>	<u>852,498</u>	<u>3,147,502</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
FUND BALANCE:				
Beginning of year			<u>-</u>	
End of year			<u>\$ -</u>	

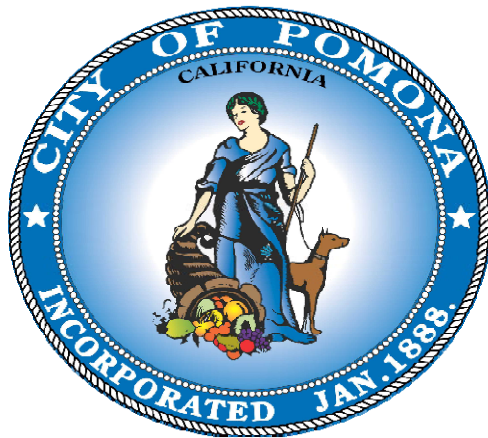
City of Pomona
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual (Continued)
Assessment District Improvement Capital Projects Fund
For the Year Ended June 30, 2019

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES:				
Use of money and properties	\$ 1,084	\$ 1,084	\$ 1,884	\$ 800
Total revenues	1,084	1,084	1,884	800
Net change in fund balance	\$ 1,084	\$ 1,084	1,884	\$ 800
FUND BALANCE:				
Beginning of year			59,065	
End of year			\$ 60,949	

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, 2019

	Self - Insurance	Equipment Maintenance	Information Technology	Printing/Mail Services	Total
ASSETS					
Current assets:					
Cash and investments	\$ 8,484,062	\$ 530,419	\$ 192,740	\$ -	\$ 9,207,221
Receivables, net:					
Accounts	591	-	-	-	591
Interest	66,225	-	-	-	66,225
Prepaid items	-	-	-	1,438	1,438
Inventories	-	334,370	-	-	334,370
Total current assets	8,550,878	864,789	192,740	1,438	9,609,845
Noncurrent assets:					
Capital assets, net of accumulated depreciation	-	125,841	144,081	-	269,922
Total noncurrent assets	-	125,841	144,081	-	269,922
Total assets	8,550,878	990,630	336,821	1,438	9,879,767
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflows of resources related to pensions	89,378	277,884	172,255	-	539,517
Deferred outflows of resources related to other postemployment benefits	25,460	105,235	49,686	-	180,381
Total deferred outflows of resources	114,838	383,119	221,941	-	719,898
LIABILITIES					
Current liabilities:					
Accounts payable	4,950	451,772	115,129	3,945	575,796
Payroll payable	19,114	59,244	37,736	-	116,094
Due to other funds	-	-	-	44,239	44,239
Compensated absences, due within one year	-	179,811	-	-	179,811
Claims and judgments, due within one year	4,244,000	-	-	-	4,244,000
Total current liabilities	4,268,064	690,827	152,865	48,184	5,159,940
Noncurrent liabilities:					
Claims and judgments, due in more than one year	8,946,043	-	-	-	8,946,043
Net pension liabilities	799,021	2,484,228	1,539,931	-	4,823,180
Net other postemployment benefits liabilities	577,820	2,388,336	1,127,631	-	4,093,787
Total noncurrent liabilities	10,322,884	4,872,564	2,667,562	-	17,863,010
Total liabilities	14,590,948	5,563,391	2,820,427	48,184	23,022,950
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows of resources related to pensions	8,955	27,841	17,258	-	54,054
Deferred inflows of resources related to other postemployment benefits	23,808	98,408	46,463	-	168,679
Total deferred inflows of resources	32,763	126,249	63,721	-	222,733
NET POSITION					
Investment in capital assets	-	125,841	144,081	-	269,922
Unrestricted (deficit)	(5,957,995)	(4,441,732)	(2,469,467)	(46,746)	(12,915,940)
Total Net Position	\$ (5,957,995)	\$ (4,315,891)	\$ (2,325,386)	\$ (46,746)	\$ (12,646,018)

City of Pomona
Combining Statement of Revenues, Expenses, and Changes in Net Position
Internal Service Funds
For the Year Ended June 30, 2019

	Self - Insurance	Equipment Maintenance	Information Technology	Printing/Mail Services	Total
OPERATING REVENUES:					
Charges for services	\$ 4,938,475	\$ 3,905,876	\$ 1,850,709	\$ 8,236	\$ 10,703,296
Miscellaneous	443,194	-	-	-	443,194
Total operating revenues	<u>5,381,669</u>	<u>3,905,876</u>	<u>1,850,709</u>	<u>8,236</u>	<u>11,146,490</u>
OPERATING EXPENSES:					
Personnel services	746,357	1,948,032	2,112,100	-	4,806,489
Operations	-	2,473,960	759,184	14,654	3,247,798
Claims expense	3,530,736	623	-	-	3,531,359
Insurance	-	55,444	25,501	-	80,945
Depreciation	-	13,098	23,789	-	36,887
Total operating expenses	<u>4,277,093</u>	<u>4,491,157</u>	<u>2,920,574</u>	<u>14,654</u>	<u>11,703,478</u>
Operating income (loss)	<u>1,104,576</u>	<u>(585,281)</u>	<u>(1,069,865)</u>	<u>(6,418)</u>	<u>(556,988)</u>
NONOPERATING REVENUES:					
Investment income	362,831	1,292	541	-	364,664
Total nonoperating revenues	<u>362,831</u>	<u>1,292</u>	<u>541</u>	<u>-</u>	<u>364,664</u>
INCOME BEFORE TRANSFERS	1,467,407	(583,989)	(1,069,324)	(6,418)	(192,324)
TRANSFERS:					
Transfers in	-	5,888	-	-	5,888
Transfers out	-	(900,000)	-	-	(900,000)
Total transfers	<u>-</u>	<u>(894,112)</u>	<u>-</u>	<u>-</u>	<u>(894,112)</u>
Changes in Net Position	1,467,407	(1,478,101)	(1,069,324)	(6,418)	(1,086,436)
Net Positions:					
Beginning of the year	(7,425,402)	(2,837,790)	(1,256,062)	(40,328)	(11,559,582)
End of the Year	<u>\$ (5,957,995)</u>	<u>\$ (4,315,891)</u>	<u>\$ (2,325,386)</u>	<u>\$ (46,746)</u>	<u>\$ (12,646,018)</u>

City of Pomona
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2019

	Self - Insurance	Equipment Maintenance	Information Technology	Printing/Mail Services	Total
CASH FLOWS FROM OPERATING ACTIVITIES:					
Cash received from customers and users	\$ 5,389,312	\$ 3,905,876	\$ 1,850,709	\$ 8,236	\$ 11,154,133
Cash paid to suppliers for goods and services	(4,848,107)	(2,296,406)	(687,754)	(14,471)	(7,846,738)
Cash paid for general and administrative expenses	(462,929)	(1,611,549)	(876,011)	-	(2,950,489)
Net cash provided by (used in) operating activities	78,276	(2,079)	286,944	(6,235)	356,906
CASH FLOW FROM NONCAPITAL FINANCING ACTIVITIES:					
Cash transfers in	-	5,888	-	6,235	12,123
Cash transfers out	-	(900,000)	(94,745)	-	(994,745)
Net cash provided by (used in) noncapital financing activities	-	(894,112)	(94,745)	6,235	(982,622)
CASH FLOW FROM CAPITAL FINANCING ACTIVITIES:					
Acquisition of capital assets	-	(35,010)	-	-	(35,010)
Net cash (used in) capital financing activities	-	(35,010)	-	-	(35,010)
CASH FLOW FROM INVESTING ACTIVITIES:					
Interest received	333,025	1,292	541	-	334,858
Net cash provided by investing activities	333,025	1,292	541	-	334,858
Net increase (decrease) in cash and cash equivalents	411,301	(929,909)	192,740	-	(325,868)
CASH AND CASH EQUIVALENTS:					
Beginning of Year	8,072,761	1,460,328	-	-	9,533,089
End of Year	<u>\$ 8,484,062</u>	<u>\$ 530,419</u>	<u>\$ 192,740</u>	<u>\$ -</u>	<u>\$ 9,207,221</u>

(Continued)

City of Pomona
Combining Statement of Cash Flows (Continued)
Internal Service Funds
For the Year Ended June 30, 2019

	Self - Insurance	Equipment Maintenance	Information Technology	Printing/Mail Services	Total
RECONCILIATION OF OPERATING INCOME					
(LOSS) TO NET CASH PROVIDED BY					
(USED IN) OPERATING ACTIVITIES:					
Operating income (loss)	\$ 1,104,576	\$ (585,281)	\$ (1,069,865)	\$ (6,418)	\$ (556,988)
Adjustments to reconcile operating loss to net cash provided by operating activities:					
Depreciation	-	13,098	23,789	-	36,887
(Increase) decrease in accounts receivable	7,643	-	-	-	7,643
(Increase) decrease in prepaid items	3,200	-	-	-	3,200
(Increase) decrease in inventories	-	96,294	-	-	96,294
(Increase) decrease in deferred outflows of resources related to pensions	87,658	270,086	41,875	-	399,619
(Increase) decrease in deferred outflows of resources related to other postemployment benefits	(284)	45,249	(15,355)	-	29,610
Increase (decrease) in accounts payable	(13,496)	137,327	96,931	183	220,945
Increase (decrease) in payroll payable	4,796	10,866	17,445	-	33,107
Increase (decrease) in claims and judgments	(1,307,075)	-	-	-	(1,307,075)
Increase (decrease) in compensation absences	-	8,194	-	-	8,194
Increase (decrease) in net pension liability	20,932	75,858	598,814	-	695,604
Increase (decrease) in net other postemployment benefits liability	152,547	(153,639)	547,713	-	546,621
Increase (decrease) in deferred inflows of resources related to pensions	(6,029)	(18,539)	(866)	-	(25,434)
Increase (decrease) in deferred inflows of resources related to other postemployment benefits	23,808	98,408	46,463	-	168,679
Total adjustment	(1,026,300)	583,202	1,356,809	183	913,894
Net cash provided by (used in) operating activities	\$ 78,276	\$ (2,079)	\$ 286,944	\$ (6,235)	\$ 356,906

(Concluded)

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 as well as monitoring of the local watershed as required by the MS4 permit as a lead agency of the East San Gabriel Valley Watershed Management Group.

City of Pomona
Combining Statement of Fiduciary Assets and Liabilities
All Agency Funds
June 30, 2019

	Assessment Districts	Engineers' Revolving	Construction Guarantee	Municipal Revolving
ASSETS:				
Cash and investments	\$ 231,280	\$ 430,644	\$ 799,582	\$ 1,495,759
Accounts receivables	-	-	-	83,779
Interest receivables	967	212	-	-
Due from other governments	12,186	-	-	-
Total Assets	244,433	430,856	799,582	1,579,538
LIABILITIES:				
Accounts payable	-	-	250	78,061
Deposits payable	18,342	430,856	799,332	1,501,477
Due to external parties/other agencies	226,091	-	-	-
Total Liabilities	\$ 244,433	\$ 430,856	\$ 799,582	\$ 1,579,538

City of Pomona
Combining Statement of Fiduciary Assets and Liabilities (Continued)
All Agency Funds
June 30, 2019

	Employee Benefits/ Deductions	East San Gabriel Valley Water Management	Total
ASSETS:			
Cash and investments	\$ 797,291	\$ 61,143	\$ 3,815,699
Accounts receivables	-	77,807	161,586
Interest receivables	-	64	1,243
Due from other governments	-	-	12,186
Total Assets	797,291	139,014	3,990,714
LIABILITIES:			
Accounts payable	797,291	114,614	990,216
Deposits payable	-	24,400	2,774,407
Due to external parties/other agencies	-	-	226,091
Total Liabilities	\$ 797,291	\$ 139,014	\$ 3,990,714

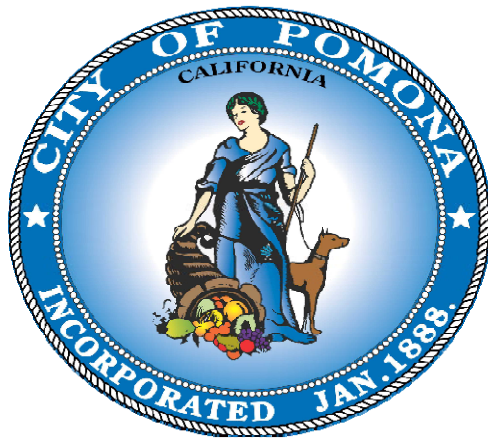
City of Pomona
Combining Statement of Changes in Fiduciary Assets and Liabilities
All Agency Funds
For the Year Ended June 30, 2019

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019
<u>Assessment Districts</u>				
ASSETS:				
Cash and investments	\$ 225,807	\$ 5,473	\$ -	\$ 231,280
Interest receivable	798	967	(798)	967
Due from other governments	15,220	12,186	(15,220)	12,186
Total Assets	\$ 241,825	\$ 18,626	\$ (16,018)	\$ 244,433
LIABILITIES:				
Deposits payable	\$ 12,710	\$ 5,632	\$ -	\$ 18,342
Due to external parties/other agencies	229,115	808	(3,832)	226,091
Total Liabilities	\$ 241,825	\$ 6,440	\$ (3,832)	\$ 244,433
<u>Engineers' Revolving</u>				
ASSETS:				
Cash and investments	\$ 422,307	\$ 8,337	\$ -	\$ 430,644
Interest receivable	1,290	212	(1,290)	212
Total Assets	\$ 423,597	\$ 8,549	\$ (1,290)	\$ 430,856
LIABILITIES:				
Deposits payable	\$ 423,597	\$ 7,259	\$ -	\$ 430,856
Total Liabilities	\$ 423,597	\$ 7,259	\$ -	\$ 430,856
<u>Construction Guarantee</u>				
ASSETS:				
Cash and investments	\$ 784,702	\$ 55,119	\$ (40,239)	\$ 799,582
Total Assets	\$ 784,702	\$ 55,119	\$ (40,239)	\$ 799,582
LIABILITIES:				
Accounts payable	\$ 1,568	\$ 38,921	\$ (40,239)	\$ 250
Deposits payable	783,134	55,119	(38,921)	799,332
Total Liabilities	\$ 784,702	\$ 94,040	\$ (79,160)	\$ 799,582
<u>Municipal Revolving</u>				
ASSETS:				
Cash and investments	\$ 1,179,707	\$ 1,900,758	\$ (1,584,706)	\$ 1,495,759
Accounts receivable	157,923	918,344	(992,488)	83,779
Total Assets	\$ 1,337,630	\$ 2,819,102	\$ (2,577,194)	\$ 1,579,538
LIABILITIES:				
Accounts payable	\$ 181,473	\$ 1,391,764	\$ (1,495,176)	\$ 78,061
Deposits payable	1,156,157	345,320	-	1,501,477
Total Liabilities	\$ 1,337,630	\$ 1,737,084	\$ (1,495,176)	\$ 1,579,538

City of Pomona
Combining Statement of Changes in Fiduciary Assets and Liabilities (Continued)
All Agency Funds
For the Year Ended June 30, 2019

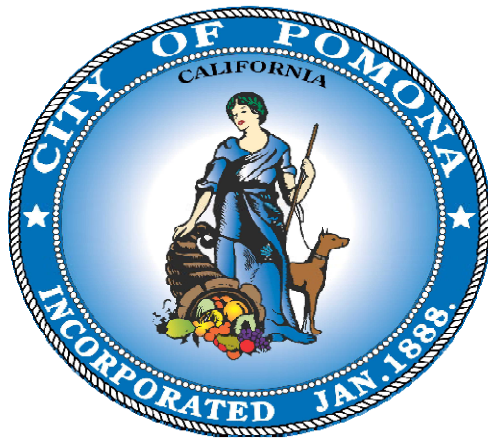
	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019
<u>Employee Benefits/Deductions</u>				
ASSETS:				
Cash and investments	\$ 1,023,921	\$ 33,669,947	\$ (33,896,577)	\$ 797,291
Total Assets	\$ 1,023,921	\$ 33,669,947	\$ (33,896,577)	\$ 797,291
LIABILITIES:				
Accounts payable	\$ 1,023,921	\$ 35,466,236	\$ (35,692,866)	\$ 797,291
Total Liabilities	\$ 1,023,921	\$ 35,466,236	\$ (35,692,866)	\$ 797,291
<u>East San Gabriel Valley Water Management</u>				
ASSETS:				
Cash and investments	\$ 160,683	\$ 320,445	\$ (419,985)	\$ 61,143
Accounts receivable	135,137	189,705	(247,035)	77,807
Interest receivable	-	64	-	64
Total Assets	\$ 295,820	\$ 510,214	\$ (667,020)	\$ 139,014
LIABILITIES:				
Accounts payable	\$ 36,501	\$ 417,215	\$ (339,102)	\$ 114,614
Deposits payable	259,319	-	(234,919)	24,400
Total Liabilities	\$ 295,820	\$ 417,215	\$ (574,021)	\$ 139,014
<u>Total - All Agency Funds</u>				
ASSETS:				
Cash and investments	\$ 3,797,127	\$ 35,960,079	\$ (35,941,507)	\$ 3,815,699
Receivables:				
Accounts	293,060	1,108,049	(1,239,523)	161,586
Interest	2,088	1,243	(2,088)	1,243
Due from other governments	15,220	12,186	(15,220)	12,186
Total Assets	\$ 4,107,495	\$ 37,081,557	\$ (37,198,338)	\$ 3,990,714
LIABILITIES:				
Accounts payable	\$ 1,243,463	\$ 37,314,136	\$ (37,567,383)	\$ 990,216
Deposits payable	2,634,917	413,330	(273,840)	2,774,407
Due to external parties/other agencies	229,115	808	(3,832)	226,091
Total Liabilities	\$ 4,107,495	\$ 37,728,274	\$ (37,845,055)	\$ 3,990,714

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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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Financial Trends - *These schedules contain information to help the reader to understand how the City's financial performance and well-being have changed over time.*

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

Schedule 1

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

Source: City of Pomona

City of Pomona
Net Position by Component, Continued
Last Ten Fiscal Years

Schedule 1

	Fiscal Year				
	2015	2016	2017*	2018	2019
Governmental activities:					
Net investment in capital assets	\$ 232,263,791	\$ 224,471,223	\$ 234,174,328	\$ 239,698,525	\$ 243,054,710
Restricted	138,440,707	116,594,550	73,828,441	76,407,528	78,464,020
Unrestricted	(255,237,644)	(227,001,243)	(241,201,601)	(257,496,100)	(267,179,976)
Total governmental activities net position	\$ 115,466,854	\$ 114,064,530	\$ 66,801,168	\$ 58,609,953	\$ 54,338,754
Business-type activities:					
Net investment in capital assets	\$ 42,086,156	\$ 42,988,769	\$ 47,223,963	\$ 49,968,356	\$ 50,227,346
Restricted	28,900,238	23,984,978	1,885,849	7,352,171	7,474,831
Unrestricted	15,566,032	25,022,337	22,446,812	15,446,370	18,986,963
Total business-type activities net position	\$ 86,552,426	\$ 91,996,084	\$ 71,556,624	\$ 72,766,897	\$ 76,689,140
Primary government:					
Net investment in capital assets	\$ 274,349,947	\$ 267,459,992	\$ 281,398,291	\$ 289,666,881	\$ 293,282,056
Restricted	167,340,945	140,579,528	75,714,290	83,759,699	85,938,851
Unrestricted	(239,671,612)	(201,978,906)	(218,754,789)	(242,049,730)	(248,193,013)
Total primary government net position	\$ 202,019,280	\$ 206,060,614	\$ 138,357,792	\$ 131,376,850	\$ 131,027,894

* Restricted net position for 2017 was restated due to the restatements related to notes receivables and unrestricted net position and unrestricted net position was restated due to implementation of GASB 75.

Source: City of Pomona

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

Schedule 2

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

Source: City of Pomona

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

Schedule 2

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

Source: City of Pomona

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

Schedule 2

	Fiscal Year				
	2015	2016	2017	2018	2019
Expenses					
Governmental activities:					
General government	\$ 5,559,844	\$ 7,562,244	\$ 6,469,953	\$ 17,361,635	\$ 18,396,152
Public safety	67,614,853	68,882,651	80,253,767	90,198,911	88,954,171
Urban development	42,134,924	43,544,386	42,113,740	39,353,774	50,233,428
Neighborhood services	6,151,817	7,853,695	7,410,753	7,624,657	7,406,631
Interest on long-term debt	5,252,517	5,027,126	5,225,017	4,011,254	3,374,597
Total governmental activities	126,713,955	132,870,102	141,473,230	158,550,231	168,364,979
Business-type activities:					
Water	27,125,628	25,763,116	28,440,029	30,919,855	27,972,506
Sewer	3,962,091	4,026,081	3,792,538	4,067,892	4,379,232
Refuse	8,467,884	8,028,531	9,443,548	10,197,844	9,934,035
Canon Water Company	26,747	21,080	19,718	29,972	23,903
Total business-type activities	39,582,350	37,838,808	41,695,833	45,215,563	42,309,676
Total primary government expenses	\$ 166,296,305	\$ 170,708,910	\$ 183,169,063	\$ 203,765,794	\$ 210,674,655
Program Revenues					
Governmental activities:					
Charges for services:					
Police revenues	\$ 3,488,416	\$ 3,376,174	\$ 3,205,255	\$ 3,468,394	\$ 2,932,265
Plan check fees	778,349	1,219,738	988,963	866,034	1,110,162
Building permits	1,093,143	2,353,704	1,790,114	1,925,425	2,108,774
Graffiti abatement	566,547	568,757	566,597	556,879	18,721
Street sweeping fees	474,722	476,646	474,051	465,927	15,030
Maintenance assessment fees	1,213,094	1,176,050	1,200,732	1,191,903	1,216,193
All other	6,708,617	8,100,519	5,900,327	5,667,496	6,499,954
Operating contributions and grants	17,564,805	16,994,223	29,965,692	35,876,846	45,314,466
Capital contributions and grants	12,627,464	11,413,949	8,071,688	8,191,910	6,477,531
Total governmental activities program revenues	44,515,157	45,679,760	52,163,419	58,210,814	65,693,096
Business-type activities:					
Charges for services:					
Water	29,888,243	28,189,546	29,239,473	29,713,762	32,097,521
Sewer	4,733,661	4,425,247	4,291,847	4,312,373	4,795,076
Refuse	9,523,134	9,692,936	10,071,188	10,104,225	10,600,103
Canon Water Company	64,221	64,221	64,221	64,221	-
Operating contributions and grants	42,052	45,841	396,147	4,137,026	83,280
Capital contributions and grants	-	-	-	-	-
Total business-type activities program revenues	44,251,311	42,417,791	44,062,876	48,331,607	47,575,980
Total primary government program revenues	\$ 88,766,468	\$ 88,097,551	\$ 96,226,295	\$ 106,542,421	\$ 113,269,076

Source: City of Pomona

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

Schedule 2

	Fiscal Year				
	2015	2016	2017	2018	2019
Net (Expense)/Revenue					
Governmental activities	\$ (82,198,798)	\$ (87,190,342)	\$ (89,309,811)	\$ (100,339,417)	\$ (102,671,883)
Business-type activities	4,668,961	4,578,983	2,367,043	3,116,044	5,266,304
Total primary government net expense	\$ (77,529,837)	\$ (82,611,359)	\$ (86,942,768)	\$ (97,223,373)	\$ (97,405,579)
General Revenues and Other Changes in Net Position					
Governmental activities:					
Taxes:					
Property taxes	\$ 36,408,806	\$ 33,716,887	\$ 33,649,454	\$ 35,564,811	\$ 39,212,060
Sales taxes	13,544,946	15,171,472	18,135,287	18,913,339	22,239,249
Motor vehicle licenses	67,079	61,498	69,708	81,751	74,731
Transient occupancy taxes	1,568,387	1,723,719	2,101,946	2,183,989	2,514,809
Property transfer taxes	1,581,039	1,859,615	1,924,198	1,874,513	1,790,878
Franchise taxes	6,563,245	6,425,511	6,418,863	6,630,484	4,921,153
Utility users taxes	17,465,816	16,419,345	16,022,386	16,455,057	15,897,932
Business licenses	3,346,851	3,408,813	3,830,673	3,762,860	4,207,458
Other taxes	59,221	139,498	-	2,546	2,049
Investment earnings/(expenses)	2,109,521	2,665,388	2,198,733	1,880,240	3,077,304
Miscellaneous	3,461,493	3,759,791	309,624	1,735,726	1,406,014
Gain on sale of property	-	-	-	-	9,441
Extraordinary gain/(loss) on dissolution of Redevelopment Agency	808,340	-	-	-	-
Transfers	1,011,800	(482,001)	2,710,344	3,062,886	3,047,606
Total governmental activities	87,996,544	84,869,536	87,371,216	92,148,202	98,400,684
Business-type activities:					
Investment earnings/(expenses)	92,349	313,933	134,138	454,394	1,672,232
Miscellaneous	121,408	817,020	1,709,825	692,721	31,313
Income (loss) on sale of capital assets	1,965	-	-	-	-
Transfers	(1,011,800)	482,001	(2,710,344)	(3,062,886)	(3,047,606)
Total business-type activities	(796,078)	1,612,954	(866,381)	(1,915,771)	(1,344,061)
Total primary government	\$ 87,200,466	\$ 86,482,490	\$ 86,504,835	\$ 90,232,431	\$ 97,056,623
Changes in Net Position					
Governmental activities	\$ 5,797,746	\$ (2,320,806)	\$ (1,938,595)	\$ (8,191,215)	\$ (4,271,199)
Business-type activities	3,872,883	6,191,937	1,500,662	1,200,273	3,922,243
Total primary government	\$ 9,670,629	\$ 3,871,131	\$ (437,933)	\$ (6,990,942)	\$ (348,956)

Source: City of Pomona

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

Schedule 3

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

⁽¹⁾ Classification of fund balances were changed due to implementation of GASB 54.

Source: City of Pomona

City of Pomona
Fund Balances - Governmental Funds, Continued
Last Ten Years

Schedule 3

	Fiscal Year				
	2015	2016 ⁽²⁾	2017 ⁽²⁾	2018	2019
General Fund:					
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-	-
Non-spendable	102,280	106,876	65,843	11,795	11,795
Restricted	-	-	8,791	17,170	6,200
Committed	14,467,914	15,664,972	16,151,859	16,635,397	18,158,903
Assigned	-	-	-	-	-
Unassigned	2,717,909	1,067,804	938,380	1,309,638	3,823,363
Total General Fund	\$ 17,288,103	\$ 16,839,652	\$ 17,164,873	\$ 17,974,000	\$ 22,000,261
All Other Governmental Funds:					
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, designated	-	-	-	-	-
Unreserved, reported in:					
Special revenue funds	-	-	-	-	-
Debt service funds	-	-	-	-	-
Capital projects funds	-	-	-	-	-
Non-spendable	84,397,170	9,081	900,707	864,959	829,211
Restricted	54,043,537	116,479,028	145,324,171	148,814,041	144,855,258
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	(59,893,036)	(39,170,313)	(76,496,881)	(75,548,438)	(73,096,233)
Total All Other Governmental Funds	\$ 78,547,671	\$ 77,317,796	\$ 69,727,997	\$ 74,130,562	\$ 72,588,236

⁽²⁾ 2016 and 2017 balances were restated due to prior period adjustments.

Source: City of Pomona

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

Schedule 4

	Fiscal Year				
	2010	2011	2012	2013	2014
Revenues:					
Taxes	\$ 98,510,896	\$ 95,691,191	\$ 79,677,392	\$ 72,063,654	\$ 74,894,452
Special assessments	1,214,569	1,214,829	1,229,707	1,229,658	1,193,067
Licenses, permits and fees	4,297,116	3,333,417	4,234,901	5,770,483	6,637,168
Intergovernmental	48,689,417	50,654,510	38,432,208	35,229,918	32,189,819
Charges for services	8,855,789	3,625,992	3,637,583	4,619,080	4,145,014
Interest and rentals	14,542,222	15,732,587	13,417,141	4,364,959	2,294,343
Fines and forfeitures	2,065,041	1,784,123	1,820,973	1,960,621	2,119,972
Loans repaid	46,814	-	-	-	-
Contributions and donations	-	-	-	-	-
Miscellaneous	3,401,802	4,663,782	5,223,877	5,040,269	2,329,091
Total Revenues	181,623,666	176,700,431	147,673,782	130,278,642	125,802,926
Expenditures:					
General government	4,046,274	3,073,323	2,385,778	4,388,871	3,569,806
Public safety	67,888,838	61,574,218	61,362,969	62,362,342	65,349,307
Urban development	88,899,216	83,925,250	59,708,273	45,707,873	43,679,402
Neighborhood services	7,121,480	5,889,207	5,577,913	5,007,798	4,748,939
Capital outlay	2,969,473	2,644,383	1,835,062	2,040,791	1,660,811
Debt service:					
Principal retirement	4,338,517	5,480,210	8,123,605	2,437,533	2,817,951
Interest and fiscal charges	27,311,933	26,522,841	25,243,568	7,358,464	4,974,045
Debt issuance costs	-	-	-	-	-
Total Expenditures	202,575,731	189,109,432	164,237,168	129,303,672	126,800,261
Excess (Deficiency) of Revenues Over (Under) Expenditures	(20,952,065)	(12,409,001)	(16,563,386)	974,970	(997,335)
Other Financing Sources (Uses):					
Notes and loans issued	533,765	649,425	-	200,000	300,000
Bond premium	-	-	-	-	-
Payments to escrow agent	-	-	-	-	-
Proceeds from capital leases	-	-	620,860	695,000	-
Proceeds from sale of capital assets	5,640,158	1,764,196	271,938	4,529,370	1,047,249
Issuance of collateralized borrowing	-	-	-	-	-
Transfers in	21,194,695	25,487,284	15,766,850	16,654,519	8,628,509
Transfers out	(20,150,085)	(29,524,748)	(15,076,732)	(15,699,821)	(7,764,284)
Total Other Financing Sources (Uses)	7,218,533	(1,623,843)	1,582,916	6,379,068	2,211,474
Extraordinary gain/(loss) on dissolution of Redevelopment Agency	-	-	(68,237,733)	(195,359)	-
Net Change in Fund Balances	\$ (13,733,532)	\$ (14,032,844)	\$ (83,218,203)	\$ 7,158,679	\$ 1,214,139
Debt service as a percentage of noncapital expenditures	15.86%	17.16%	20.55%	7.70%	6.23%

Source: City of Pomona

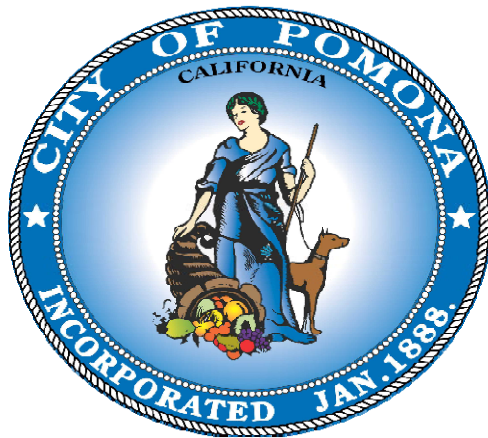
City of Pomona
Changes in Fund Balances - Governmental Funds, Continued
Last Ten Fiscal Years

Schedule 4

	Fiscal Year				
	2015	2016	2017	2018	2019
Revenues:					
Taxes	\$ 79,325,218	\$ 77,688,810	\$ 78,376,705	\$ 81,805,282	\$ 87,085,055
Special assessments	1,213,093	1,176,050	1,200,732	1,191,903	1,216,193
Licenses, permits and fees	6,569,523	9,416,790	11,515,855	10,739,196	10,723,301
Intergovernmental	30,287,748	27,724,855	27,086,788	34,680,502	42,132,979
Charges for services	4,009,626	4,633,898	3,709,494	5,013,473	4,541,128
Interest and rentals	2,098,902	2,605,626	3,114,537	3,012,296	4,064,868
Fines and forfeitures	2,063,417	2,055,615	2,206,305	2,295,944	2,404,584
Loans repaid	-	-	-	-	-
Contributions and donations	51,581	602,278	7,691,802	4,821,406	4,812,827
Miscellaneous	3,175,185	3,266,373	2,685,309	3,782,618	2,869,736
Total Revenues	128,794,293	129,170,295	137,587,527	147,342,620	159,850,671
Expenditures:					
General government	4,037,452	5,002,584	5,918,673	5,751,221	7,745,403
Public safety	68,400,434	71,798,453	74,843,810	77,756,206	81,090,384
Urban development	43,859,126	35,196,589	34,097,446	36,209,571	41,230,524
Neighborhood services	4,702,795	4,637,086	6,013,429	6,784,633	7,177,686
Capital outlay	993,126	6,851,535	20,296,897	16,821,629	19,567,953
Debt service:					
Principal retirement	2,916,051	3,894,921	80,240,987	2,524,919	4,160,260
Interest and fiscal charges	4,855,160	4,627,698	5,714,773	2,788,617	3,488,941
Debt issuance costs	-	-	-	-	-
Total Expenditures	129,764,144	132,008,866	227,126,015	148,636,796	164,461,151
Excess (Deficiency) of Revenues Over (Under) Expenditures	(969,851)	(2,838,571)	(89,538,488)	(1,294,176)	(4,610,480)
Other Financing Sources (Uses):					
Notes and loans issued	-	-	77,120,000	763,528	-
Bond premium	-	-	2,239,031	-	-
Payments to escrow agent	-	-	-	-	-
Proceeds from capital leases	-	400,408	-	2,349,563	-
Proceeds from sale of capital assets	35,530	-	1,640	148,124	21,557
Issuance of collateralized borrowing	-	-	-	-	3,131,140
Transfers in	9,379,865	9,899,873	21,108,888	12,822,718	20,711,781
Transfers out	(8,368,065)	(9,781,874)	(18,398,544)	(9,578,065)	(16,770,063)
Total Other Financing Sources (Uses)	1,047,330	518,407	82,071,015	6,505,868	7,094,415
Extraordinary gain/(loss) on dissolution of Redevelopment Agency	-	-	-	-	-
Net Change in Fund Balances	\$ 77,479	\$ (2,320,164)	\$ (7,467,473)	\$ 5,211,692	\$ 2,483,935
Debt service as a percentage of noncapital expenditures	6.03%	6.81%	41.56%	4.03%	5.28%

Source: City of Pomona

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

Schedule 5

Fiscal Year Ended June 30	Property Tax	Sales Tax	Motor Vehicle License	Transient Occupancy	Property Transfer Tax	Franchise	Utility Users Tax	Business Licenses	Other	Total
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
2018	35,565	18,913	82	2,184	1,875	6,630	16,455	3,763	3	85,470
2019	39,212	22,239	74	2,515	1,791	4,921	15,898	4,208	2	90,860

Source: Numbers from the Statement of Activities

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

Schedule 6

Fiscal Year Ended June 30	Residential Property	Commercial Property	Industrial Property	Other	Unitary Values	Unsecured Property
2009	6,486,480	1,019,941	1,104,778	754,630	790	384,081
2010	5,759,284	1,039,418	1,197,842	830,321	788	381,397
2011	5,441,493	1,034,597	1,244,142	885,973	788	352,403
2012	5,571,482	998,040	1,226,077	905,772	655	360,777
2013	5,679,812	1,019,770	1,178,211	884,418	655	350,896
2014	5,932,623	1,059,762	1,233,924	869,787	374	372,621
2015	6,396,012	1,070,267	1,261,918	942,134	-	379,640
2016	6,713,231	1,111,554	1,325,414	305,936	-	383,971
2017	7,072,432	1,194,489	1,517,293	367,221	-	368,869
2018	7,453,284	1,246,745	1,556,649	353,138	-	409,305
2019	7,892,684	1,285,252	1,690,716	373,330	-	414,091

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.

Assessed Value and Estimated Actual Value of Taxable Property, Continued
Last Ten Fiscal Years (in thousands of dollars)

Fiscal Year Ended June 30	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)
2009	447,378	9,303,322	0.14340	8,726,237	0.937970
2010	459,461	8,749,589	0.17547	8,691,272	1.004839
2011	538,120	8,421,276	0.20728	8,288,686	0.984255
2012	652,301	8,410,502	0.20375	8,637,468	1.026986
2013	678,279	8,435,483	0.21734	9,148,296	1.084502
2014	647,264	8,821,827	0.18781	11,575,340	1.312125
2015	814,565	9,235,406	0.19079	12,340,257	1.336190
2016	818,224	9,840,106	0.22197	10,658,330	1.339440
2017	811,349	10,520,304	0.22256	11,411,995	1.336080
2018	948,940	11,019,121	0.21967	11,968,061	1.384510
2019	960,220	11,656,073	0.22089	12,616,293	1.387900

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

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Basic City and County Levy:					
City of Pomona	0.310821	0.233504	0.233504	0.233504	0.233504
Other taxing agencies	0.689179	0.766496	0.766496	0.766496	0.766496
Total	<u>1.000000</u>	<u>1.000000</u>	<u>1.000000</u>	<u>1.000000</u>	<u>1.000000</u>
Override Assessments:					
County	0.000000	0.000000	0.000000	0.000000	0.000000
Unified Schools	0.145455	0.177212	0.173636	0.184882	0.164074
Community College	0.025710	0.026363	0.026415	0.028957	0.020231
Flood Control	0.000000	0.000000	0.000000	0.000000	0.000000
Metro Water District	0.004300	0.003700	0.003700	0.003500	0.003500
Total	<u>0.175465</u>	<u>0.207275</u>	<u>0.203751</u>	<u>0.217339</u>	<u>0.187805</u>
Total Tax Rate	<u><u>1.175465</u></u>	<u><u>1.207275</u></u>	<u><u>1.203751</u></u>	<u><u>1.217339</u></u>	<u><u>1.187805</u></u>

Source: Los Angeles County Auditor/Controller data, MuniServices, LLC (for years 2007 to 2015), HdL for the 16, 17, 18, and 19 years.
 2007-08 and prior: prior year CAFR reports
 For presentation purposes, TRA 007-790 is represented

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

Schedule 7

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Basic City and County Levy:					
City of Pomona	0.233504	0.233504	0.233504	0.233504	0.233504
Other taxing agencies	<u>0.766496</u>	<u>0.766496</u>	<u>0.766496</u>	<u>0.766496</u>	<u>0.766496</u>
Total	<u>1.000000</u>	<u>1.000000</u>	<u>1.000000</u>	<u>1.000000</u>	<u>1.000000</u>
Override Assessments:					
County	0.000000	0.000000	0.000000	0.000000	0.000000
Unified Schools	0.165993	0.297990	0.284510	0.335000	0.337670
Community College	0.021294	0.037950	0.048060	0.046000	0.046730
Flood Control	0.000000	0.000000	0.000000	0.000000	0.000000
Metro Water District	<u>0.003500</u>	<u>0.003500</u>	<u>0.003500</u>	<u>0.003500</u>	<u>0.003500</u>
Total	<u>0.190787</u>	<u>0.339440</u>	<u>0.336070</u>	<u>0.384500</u>	<u>0.387900</u>
Total Tax Rate	<u><u>1.190787</u></u>	<u><u>1.339440</u></u>	<u><u>1.336070</u></u>	<u><u>1.384500</u></u>	<u><u>1.387900</u></u>

Source: Los Angeles County Auditor/Controller data, MuniServices, LLC (for years 2007 to 2015), HdL for the 16, 17, 18, and 19 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	2019			2010		
	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	\$ 88,479,126	1	0.76%			
Los Angeles County Fair Assoc	82,401,644	2	0.71%	43,404,738	4	0.50%
Prologis USLV NEWCA 5 LLC	49,116,372	3	0.42%			
Rexford Industrial Realty LP	43,037,520	4	0.37%			
PI Properties No. 97 Pomona LLC	40,085,842	5	0.34%			
Altagas Pomona Energy Storage	37,516,384	6	0.32%			
1271 W Sunset LLC	37,513,350	7	0.32%			
BPP Pacific Industrial CA REIT Owner	33,123,480	8	0.28%			
CMC Dragon LP	31,409,249	9	0.27%			
Investel One LLC	31,256,910	10	0.27%			
Udr Crest Lp				65,159,810	1	0.74%
KTR Pomona LLC				54,723,000	2	0.63%
Realty Associates Fund VII LP				53,103,509	3	0.61%
Western University of Heal Science				30,587,074	5	0.35%
CH Realty III Pomona LP				27,162,090	6	0.31%
Realty Associates Iowa Corp				26,488,413	7	0.30%
The Coca-Cola Company				25,122,414	8	0.29%
Topanga Owensmouth 7 LLC				24,529,332	9	0.28%
F D S Manufacturing Co				24,156,066	10	0.28%

Source: Los Angeles County Assessor data, HdL, Coren & Cone

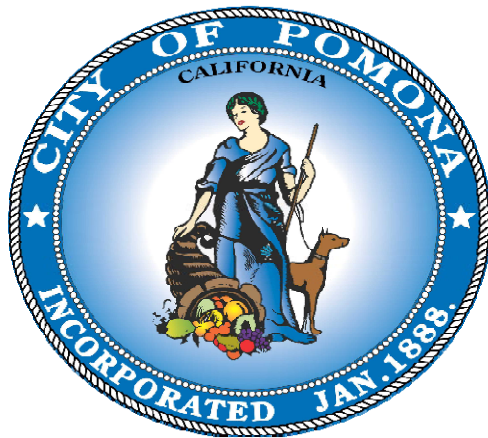
City of Pomona
Top 25 Sales Tax Generators
in Alphabetical Order
Current Fiscal Year and Nine Years Ago

Schedule 9

2019	2010
76	All Star KIA
Arco AM PM	Cardenas Markets
Chevron	Cornucopia Foods
dd's Discounts	CVS Pharmacy
Ferguson Enterprises	Fairplex Chevron
Food 4 Less	Ferguson Enterprises
Giant RV	Food 4 Less
Global Rental Co	Garys Chevron
HD Supply Home Improvement Solutions	Gte Supply
Home Depot	Harsco
Hub Construction Specialties	Hd Supply Repair & Remodeling
Huntington Hardware	Home Depot
Marco Equipment	Marco Equipment
Mike Thompsons RVs	Mike Thompsons RV
Ovations Fanfare	Pomona Shell
Plug in Auto	Rancho Valley Chevrolet
Rohr Steel	Rio Rancho Pontiac GMC Buick
Roofline Supply & Delivery	Siemens Building Technologies
Ryder Vehicle Sales	Siemens Energy & Automation
Sheraton Suites Fairplex	Tesoro Refining & Marketing
Superior Duct Fabrication	Towne Arco
Target	United Oil
Towne Arco	Walmart Supercenter
USA Gas	West Coast Petroleum Services
Walmart Supercenter	Winco Foods 57

Source: HdL

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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 by levy year	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
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%
2018	15,617,055	15,448,699	98.9%	285,086	15,733,785	100.7%
2019	15,870,148	16,259,418	102.5%	525,464	16,784,882	105.8%

Source: Los Angeles County Auditor/Controller, City of Pomona Finance Department

City of Pomona
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Schedule 11

Fiscal Year Ended June 30	Governmental Activities					Total Governmental Activities
	Tax Allocation Bonds	Revenue Bonds	Pension Obligation Ref Bonds	Certificates of Participation	Other	
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
2018	-	82,605,188	4,013,547	-	3,217,149	89,835,884
2019	-	79,159,819	3,761,134	-	2,641,009	85,561,962

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				
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
2018	114,827,755	1,243,603	116,071,358	205,907,242	n/a	1,323
2019	112,351,013	628,993	112,980,006	198,541,968	n/a	1,287

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 General Bonded Debt Outstanding
Last Ten Fiscal Years (dollars in thousands, except per capita)

Schedule 12

Fiscal Year Ended June 30	General Bonded Debt Outstanding						Restricted for Debt Service *	Net Bonded Debt	Percentage of Actual Value of Property (1)	Per Capita (2)
	Revenue Bonds	Tax Allocation Bonds	Pension Obligation Ref Bonds	Certificates of Participation	Total					
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	
2018	82,605	-	4,013	-	86,618	67,771	18,847	0.8%	514	
2019	79,159	-	3,761	-	82,920	65,249	17,671	0.7%	519	

* 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 06/30/2018:	Total Debt 6/30/2019	% Applicable (1)	City's Share of Debt 06/30/2019
Metropolitan Water District	23,317,224	0.608%	177,356
Citrus Community College District	89,360,727	1.194%	1,123,211
Mount San Antonio Community College District	640,315,691	12.241%	42,151,959
Bonita Unified School District	119,874,790	0.227%	285,575
Claremont Unified School District	74,015,000	5.958%	3,387,631
Pomona Unified School District	316,875,311	76.358%	213,622,333
Total Overlapping Debt	<u>1,263,758,743</u>		<u>260,748,065</u>
Obligations Under Capital Leases	1,973,191	100.000%	1,973,191
Notes Payable	667,818	100.000%	667,818
Revenue Bonds	79,159,819	100.000%	79,159,819
Pension Obligation Refunding Bonds	3,761,134	100.000%	3,761,134
Accreted Interest	3,765,667	100.000%	3,765,667
Total Direct Debt	<u>89,327,629</u>		<u>89,327,629</u>
TOTAL DIRECT AND OVERLAPPING DEBT	<u>\$ 1,353,086,372</u>		<u>\$ 350,075,694</u>
OVERLAPPING DEBT 06/30/2010:	Total Debt 6/30/2010	% Applicable (1)	City's Share of Debt 06/30/2010
Metropolitan Water District	121,475,156	0.664%	807,076
Citrus Community College District	82,820,302	1.743%	1,443,324
Mount San Antonio Community College District	178,771,144	12.586%	22,499,574
Bonita Unified School District	82,764,790	0.107%	88,640
Claremont Unified School District	39,100,000	7.092%	2,773,010
Pomona Unified School District	171,847,934	76.324%	131,161,233
Total Overlapping Debt	<u>676,779,326</u>		<u>158,772,857</u>
TOTAL OVERLAPPING DEBT	<u>\$ 676,779,326</u>		<u>\$ 158,772,857</u>

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)

Schedule 14

	2010	2011	2012	2013	2014
Assessed valuation	\$ 8,749,589	\$ 8,421,276	\$ 8,410,502	\$ 8,435,483	\$ 8,821,827
Debt limit percentage	15.00%	15.00%	15.00%	15.00%	15.00%
Debt limit	\$ 1,312,438	\$ 1,263,191	\$ 1,261,575	\$ 1,265,322	\$ 1,323,274
Amount of debt applicable to debt limit	-	-	-	-	-
Legal debt margin	\$ 1,312,438	\$ 1,263,191	\$ 1,261,575	\$ 1,265,322	\$ 1,323,274
Total debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%

City of Pomona
Legal Debt Margin Information, Continued
Last Ten Fiscal Years (in thousands of dollars)

Schedule 14

	2015	2016	2017	2018	2019
Assessed valuation	\$ 9,329,596	\$ 9,840,106	\$ 10,520,304	\$ 11,019,121	\$ 11,656,073
Debt limit percentage	15.00%	15.00%	15.00%	15.00%	15.00%
Debt limit	\$ 1,399,439	\$ 1,476,016	\$ 1,578,046	\$ 1,652,868	\$ 1,748,411
Amount of debt applicable to debt limit	-	-	-	-	-
Legal debt margin	\$ 1,399,439	\$ 1,476,016	\$ 1,578,046	\$ 1,652,868	\$ 1,748,411
Total debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%

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

Schedule 15

Fiscal Year Ended June 30	Water Revenue Bonds							Net Revenue Coverage
	Water Revenue (1)	Less Operating Expenses (2)	Net Available Revenue	Rate Stabilization Fund (3)	Debt Service			
					Principal	Interest	Total	
2010	27,071,134	20,970,174	6,100,960	-	200,000	5,099,665	5,299,665	1.15
2011	27,087,846	19,041,122	8,046,724	-	1,095,000	5,087,935	6,182,935	1.30
2012	27,735,841	18,961,467	8,774,374	-	1,140,000	5,041,155	6,181,155	1.42
2013*	30,638,933	20,160,007	10,478,926	-	1,190,000	5,149,571	6,339,571	1.65
2014*	31,680,312	21,494,289	10,186,023	-	1,240,000	5,098,994	6,338,994	1.61
2015*	29,925,501	19,626,529	10,298,972	-	1,295,000	5,046,289	6,341,289	1.62
2016*	28,964,078	18,073,465	10,890,613	-	1,350,000	4,991,195	6,341,195	1.72
2017*	31,404,614	21,474,204	9,930,410	-	1,415,000	4,922,961	6,337,961	1.57
2018*	34,749,625	24,423,625	10,326,000	5,130,000	1,925,000	3,197,357	5,122,357	2.02
2019*	33,379,437	21,195,818	12,183,619	5,226,026	1,815,000	3,316,618	5,131,618	2.37

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

*Information has been restated for consistency and compliance with GASB No. 44 and Continued Disclosure Reporting of debt coverage

- (1) Water Revenue consists of Charges for services, Interest Revenue, Intergovernmental, and Sale of Surplus Water
- (2) Operating expenses does not include depreciation or amortization.
- (3) During FY2018, the City established a Rate Stabilization Fund (RSF) equal to annual debt service payments. Transfers from the RSF may be made to meet annual debt service expenses or to comply with debt service coverage.

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

Schedule 16

Fiscal Year Ended June 30	Sewer Revenue Bonds							Net Revenue Coverage
	Sewer Revenue (1)	Less Operating Expenses (2)	Net Available Revenue	Rate Stabilization Fund (3)	Debt Service			
					Principal	Interest	Total	
2010	4,348,448	2,530,093	1,818,355	-	295,000	1,310,465	1,605,465	1.13
2011	4,400,436	2,444,519	1,955,917	-	325,000	1,301,753	1,626,753	1.20
2012	4,570,662	2,445,349	2,125,313	-	340,000	1,290,216	1,630,216	1.30
2013	4,497,533	2,511,043	1,986,490	-	355,000	1,277,020	1,632,020	1.22
2014*	4,854,056	2,187,639	2,666,417	-	370,000	1,263,530	1,633,530	1.63
2015*	4,838,316	2,203,618	2,634,698	-	385,000	1,247,875	1,632,875	1.61
2016*	4,580,735	2,014,093	2,566,642	-	400,000	420,703	820,703	3.13
2017*	4,330,205	2,146,411	2,183,794	-	175,000	863,174	1,038,174	2.10
2018*	4,435,747	2,331,657	2,104,090	1,453,169	305,000	591,009	896,009	2.35
2019*	5,048,618	2,779,101	2,269,517	1,480,198	555,000	842,546	1,397,546	1.62

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

*Information has been restated for consistency and compliance with GASB No. 44 and Continued Disclosure Reporting of debt coverage

- (1) Operating Revenues represent charges to customers for sales and services. Charges for services excludes sewer connection fees (also referred to as development impact fees), which are included in Miscellaneous
- (2) Operating Expenses include cost of sales and services and administrative expenses and excludes depreciation on capital assets.
- (3) During FY2018, the City established a Rate Stabilization Fund (RSF) equal to annual debt service payments. Transfers from the RSF may be made to meet annual debt service expenses or to comply with debt service coverage.

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

Schedule 17

<u>Fiscal Year</u>	<u>Population (1)</u>	<u>Personal Income (2) (in thousands)</u>	<u>Per Capita Personal Income (2)</u>	<u>Median Age</u>	<u>Public School Enrollment (3)</u>	<u>Unemployment Rate (4)</u>
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%
2018	155,687	2,722,806	17,488	31.0	23,635	5.9%
2019	154,310	2,885,143	18,697	31.5	23,806	5.1%

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, 2017-18, 2018-19 : 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.

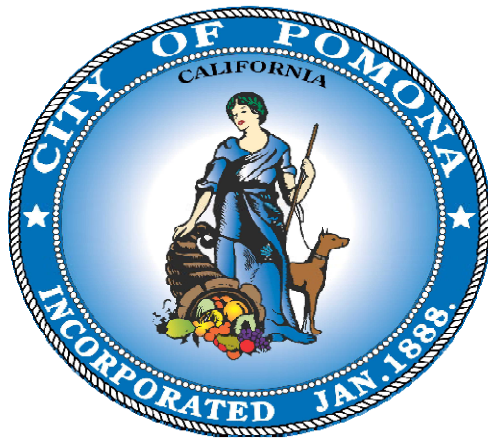
**City of Pomona
Principal Employers
Current Year and Nine Years Ago**

Schedule 18

Employer	2019			2010		
	Number of Employees	Rank	Percentage of Total City Employment	Number of Employees	Rank	Percentage of Total City Employment
Pomona Valley Hospital	3,587	1	5.2%	3,189	2	5.6%
Pomona Unified School District	3,288	2	4.8%	3,286	1	5.7%
California State Polytechnic University	2,714	3	4.0%	2,191	3	3.8%
Fairplex	1,106	4	1.6%			
Casa Colina Rehabilitation Center	1,031	5	1.5%	702	5	1.2%
City of Pomona	619	6	0.9%	690	6	1.2%
County of Los Angeles Department of Social Services	358	7	0.5%	390	8	0.7%
Kittrich Corporation	294	8	0.4%			
Torn & Glasser Inc.	250	9	0.4%			
Hayward Industries Inc	230	10	0.3%	258	11	0.4%
B2Sign Inc	199	11	0.3%			
Anheuser Busch Sales Pomona	189	12	0.3%			
Royal Cabinets	166	13	0.2%			
Ferguson Enterprises Inc.	163	14	0.2%			
Durham Schoopl Services LP	139	15	0.2%			
Lanterman Developmental Center				1,197	4	2.1%
Verizon				596	7	1.0%
First Transit				320	9	0.6%
Inland Valley Care & Rehab				282	10	0.5%
Lloyd's Material Supply				250	12	0.4%
Walmart Stores Inc				236	13	0.4%
Hamilton Sundstrand				220	14	0.4%
Consolidated Foundries				187	15	0.3%

Source: City of Pomona business license data and Businesses; 2010 CAFR
Total Employment Source: www.labormarketinfo.edd.ca.gov

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

Schedule 19

Function	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Government	26	24	20	19	19	20	20	20	20	20
Support Services	36	33	32	32	32	31	32	33	41	46
Police	335	271	270	269	270	268	270	271	271	280
Public Works	199	184	184	170	169	170	106	106	93	96
Water/Wastewater	0	0	0	0	0	0	68	68	74	75
Community Development	38	47	40	38	40	0	0	0	0	0
Dev & Neighborhood Svcs	0	0	0	0	0	47	47	48	48	53
Utility Services	0	0	0	0	0	0	0	0	0	0
Community Services and Library	32	21	21	11	9	2	2	2	2	1.6
Total	666	580	567	539	539	538	545	548	549	571.6

Various departments were consolidated in 2009-2010

Source: City of Pomona Finance Department

City of Pomona
Operating Indicators by Function
Last Ten Fiscal Years

Schedule 20

	2010	2011	2012	2013	2014
Police:					
Felony Arrests	3,150	2,825	2,713	3,145	3,105
Misdemeanor Arrests	6,686	5,557	5,780	5,821	5,876
Parking Citations	24,305	22,685	21,462	36,718	30,145
Moving Citations	18,412	11,554	10,452	9,179	9,791
Fire:					
Incidents	12,317	12,239	11,807	12,447	13,675
Urban development:					
Residential building permits issued	1,314	655	720	622	722
Inspections	6,918	5,378	5,645	4,054	6,050
Asphalt repaired (square feet)	26,489	38,842	9,222	19,400	36,068
Sidewalk repaired (square feet)	12,508	18,700	12,415	7,285	1,500
Community services:*					
Community Center participants	335,931	502,674	572,270	520,157	501,727
Senior Program participants	101,104	120,095	121,165	108,086	100,703
Youth program participants	254,827	381,280	403,617	362,217	337,180
Other program participants	64,574	36,296	42,343	49,854	66,743
Sports participants	314,405	254,989	311,201	309,795	366,978
Facility rentals	248	310	547	635	687
Library:					
Program attendance (all programs)	10,855	8,857	8,568	1,770	2,578
Literacy instruction (hours)	968	709	749	-	-
Water:					
New connections	10	5	7	17	9
Average daily consumption (thousands of gallons)	18,487	17,719	17,865	18,670	19,615
Refuse:					
Curbside Collection (in tons)	37,436	38,068	36,472	37,246	36,593
Recycle Collection (in tons)	7,512	7,108	6,801	6,896	6,907
Greenwaste Collection (in tons)	13,975	14,280	13,234	12,510	11,934

Source: Various City Departments

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

City of Pomona
Operating Indicators by Function, Continued
Last Ten Fiscal Years

Schedule 20

	2015	2016	2017	2018	2019
Police:					
Felony Arrests	2,726	2,441	2,142	2,049	2,270
Misdemeanor Arrests	6,424	7,446	6,825	6,067	6,228
Parking Citations	30,788	31,807	32,107	27,959	26,214
Moving Citations	9,153	8,898	7,157	6,714	6,884
Fire:					
Incidents	15,289	16,381	16,901	16,367	16,340
Urban development:					
Residential building permits issued	925	294	969	3,476	660
Inspections	5,536	6,236	7,947	11,764	11,723
Asphalt repaired (square feet)	84,879	84,649	95,104	78,765	84,516
Sidewalk repaired (square feet)	1,750	2,279	2,997	7,001	99,111
Community services:*					
Community Center participants	-	-	-	-	-
Senior Program participants	44,768	44,228	59,967	59,065	48,229
Youth program participants	56,728	52,075	33,579	40,917	37,696
Other program participants	32,480	26,126	18,901	16,919	30,768
Sports participants	168,034	182,529	154,670	144,680	120,002
Facility rentals	2,090	1,815	2,183	1,644	1,679
Library:					
Program attendance (all programs)	2,940	3,077	3,069	3,058	2,623
Literacy instruction (hours)	-	-	-	-	-
Water:					
New connections	12	21	12	13	12
Average daily consumption (thousands of gallons)	17,905	14,450	15,084	20,243	18,471
Refuse:					
Curbside Collection (in tons)	35,474	36,682	37,934	37,257	40,793
Recycle Collection (in tons)	7,218	6,544	6,759	7,083	4,722
Greenwaste Collection (in tons)	11,904	13,480	13,699	13,143	12,618

Source: Various City Departments

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

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

Schedule 21

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	44	44	42	58	51	51	46	44	45	44
Fire:										
Fire stations	8	8	8	8	8	8	8	8	8	8
Public works:										
Streets (miles)	388	388	388	388	388	388	388	388	388	388
Streetlights	7,645	7,645	7,645	7,701	7,721	7,725	7,725	7,725	7,725	7,725
Traffic signals	180	180	161	162	164	164	169	169	169	169
Community services:										
Parks	26	26	26	26	26	26	26	26	27	27
Park Acreage	221	221	221	221	221	221	221	221	221	221
Baseball fields	14	14	14	14	14	14	14	14	14	14
Soccer fields	17	17	17	17	17	17	17	17	17	17
Basketball courts	22	22	22	22	22	22	22	22	22	22
Tennis courts	9	9	9	9	9	9	9	9	9	9
Community centers	13	14	14	14	14	14	14	14	14	14
Libraries	1	1	1	1	1	1	1	1	1	1
Water:										
Water mains (miles)	439	467	457	457	457	457	457	457	457	457
Sewer:										
Sanitary sewers (miles)	313	357	305	305	305	305	305	305	305	305
Storm drains (miles)	120	120	120	120	120	120	120	120	120	120

Source: Various City Departments



**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Independent Auditors' Report

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

We have audited, in accordance with the 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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Pomona, California (the "City") as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated February 12, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting ("internal control") to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we considered to be material weaknesses. However, material weaknesses may exist that were not identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

To the Honorable Mayor and the Members of City Council
of the City of Pomona
Pomona, California
Page 2

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

The PwC Group, LLP

Santa Ana, California
February 12, 2020