

CITY OF POMONA, CALIFORNIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Edward S. Cortez
Mayor

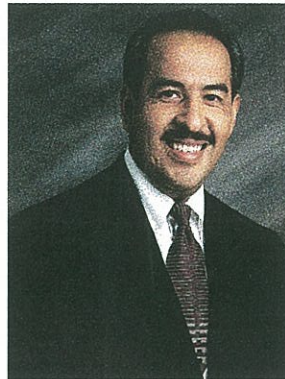


Year ended June 30, 1998

Nell Soto
Councilmember
District 1



Marco Robles
Councilmember
District 2



Cristina Carrizosa
Councilmember
District 3



Paula Lantz
Councilmember
District 4



Elliott Rothman
Councilmember
District 5



Willie White
Councilmember
District 6



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Year ended June 30, 1998

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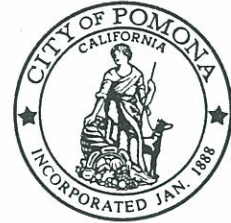
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THE CITY OF POMONA

PAULA CHAMBERLAIN
Finance Director

Finance Department



December 7, 1998

Honorable Mayor and City Council
and Citizens of the City of Pomona

The comprehensive annual financial report of the City of Pomona for the fiscal year ended June 30, 1998 is hereby submitted.

The Comprehensive Annual Financial Report is prepared in accordance with Generally Accepted Accounting Principles (GAAP) as promulgated by the Governmental Accounting Standards Board (GASB). GASB has primary responsibility for determining current accounting and financial reporting standards for activities and transactions of state and local government entities. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge, the data enclosed is accurate in all material aspects; that it is presented in a manner 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 and account groups; and that all disclosures necessary to enable the reader to gain the maximum understanding of the City's financial activities have been included. The comprehensive annual financial report is presented in three sections:

- Introductory section -** includes this transmittal letter; a list of principal officials, the City's organizational chart, and the Government Finance Officers Association of the United States (GFOA) Certificate of Achievement for Excellence in Financial Reporting for the fiscal year ending June 30, 1997.
- Financial section -** includes the independent auditor's report; the general purpose financial statements; notes to the financial statements, the combining and individual fund and account group financial statements and schedules, and supplemental data.
- Statistical section -** includes a number of tables depicting selected financial and demographic information, generally presented on a multi-year basis.

The City is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 and U.S. Office of Management and Budget Circular A-133, Audits of

State, Local Governments and Non-Profit Organizations. Information related to this single audit, including a schedule of federal financial assistance, findings and recommendations and auditor's report on the internal control structure and compliance with applicable laws and regulations, is provided in a separate single audit report.

REPORTING ENTITY

The comprehensive annual financial report includes all funds and account groups of the City of Pomona, as well as all of its component units. Component units are legally separate entities for which the primary government is financially accountable. The City provides a full range of services to its residents including public safety, land use planning and zoning, housing and economic development, building and safety regulation and inspection, water and sanitation services, maintenance of parks, streets and related infrastructure, recreational activities and library services.

Blended component units, although legally separate entities, are, in substance, part of the primary government's operations and are included as part of the primary government. Accordingly, the Pomona Redevelopment Agency (Agency), the Pomona Public Financing Authority, and the Pomona Civic Center Corporation are presented in this manner in the City's financial statement. The operating funds of the Pomona Redevelopment Agency are shown as capital projects, special revenue and debt service funds, with the Agency's fixed assets and long-term debt included in the General Fixed Assets and General Long-Term Debt Account Groups. City Council members serve as the governing board of the Pomona Redevelopment Agency. The City Administrator, City Attorney, City Clerk, Finance Director, and the Economic Development Director serve as the governing board of the Pomona Financing Authority. Separate audited financial statements are issued for the Pomona Redevelopment Agency and the Pomona Public Financing Authority, both of which are available for review in the Public Library.

Pomona was founded on January 6, 1888, became a charter city in 1911, and operates under a Council-Administrator form of municipal government. The City of Pomona 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. Pomona has a population of 143,152, covers an area of approximately 23 square miles, and enjoys a dry sub-tropical climate with an average temperature of 73° Fahrenheit with an average rainfall of 12.02 inches.

ECONOMIC CONDITIONS & OUTLOOK

As we look to the balance of Fiscal Year 1998/99, we are starting the fifth year of the statewide and local economic recovery from the recession of the early 1990s. Continued growth in employment, hourly earnings, and retail sales, coupled with relatively low inflation and interest rates, may be seen as promoting fairly strong activity throughout the local economy. Although there is reason for concern arising from financial crises in Asia and the Pacific rim, we have yet

to see a significant impact on the national level, as the Federal Reserve's recent reduction of interest rates may serve to moderate the effect of outside events. Moreover, the historical tendency of Southern California to lag behind the rest of the nation in "feeling the pinch" should result in a reasonably healthy economic year to come.

In keeping with that outlook, and in view of new development projected to come online in the next twelve months, we anticipate the City's share (1%) of Retail Sales Tax to exceed \$10.0 million once again during Fiscal Year 1998/99. Collection of Motor Vehicle In-Lieu Fees reflecting, in part, new car registration, should again approach \$6.0 million for the year, although we should not expect a continuation of recent growth rates in this area. Additionally, the Documentary Transfer Tax, which mirrors activity in the local housing sector, will also tend to be strongly influenced by both employment and interest rates, and should grow accordingly.

With respect to revenue derived from the City's share of Property Taxes, there is a mixed bag of news to report. While aforementioned local growth throughout the City should generate a modest increase in receipts, there has been little or no progress made in efforts to recapture funds lost by the "allocation shifts" (cuts) imposed by the State of California in recent years. The change in political power in Sacramento may ultimately help this cause, but it is doubtful that there would be any meaningful change in policy in time for the coming Fiscal Year.

Finally, an ongoing area of concern remains the income derived from collection of the City's 9% Utility User Tax. As the largest single component of the City's revenue stream (\$12.25 million estimated in Fiscal 1998/99), it is of critical importance, but is also probably the source of funds most influenced by factors outside our control. The recent deregulation of the electric industry in the State of California has resulted in substantial rate reductions to the consumer, concurrently reducing the City's share of taxes. When coupled with extremely aggressive pricing throughout the telecommunications industry, which also erodes the tax base, this revenue line item is clearly at a significant degree of risk. Ongoing efforts to capture taxes on the increasing use of cellular phones will serve as a partial offset to these potential losses, and we will actively be watching for other opportunities in the coming months.

In summary, when considering the "big picture" with respect to the City of Pomona's potential for continued revenue growth, we remain optimistic about the economic prospects for Fiscal Year 1998/99.

KEY ACCOMPLISHMENTS

Through the vision and leadership of Pomona residents as articulated by the City Council, Pomona continues to march toward the new millennium with a bright path ahead of her. Through the combined effort of City Council and staff, the City of Pomona was able to accomplish goals of significance in the areas of revenue enhancement and job development, public safety, library services and literacy training, and recreational/athletic activities.

The Home Depot Grand Opening was held on January 21, 1998. At approximately 105,700 square feet, Home Depot joins Circuit City and Toys-R-U's as the third major anchor at the Pomona MarketPlace. Home Depot anticipates creating approximately 475 new jobs to staff this newest edition to the MarketPlace development. Adjacent to Home Depot is the new home of a 23,500 square foot OfficeMax. OfficeMax opened for business April 1998, creating approximately 100 new employment opportunities.

Re-use of the former General Dynamics site took several steps forward this year. On November 12, 1997, the City Council, sitting as the Board of the Redevelopment Agency, closed escrow on the purchase of the site. Approximately 22 acres of the site has already been sold to a furniture manufacturing company. TechSystems Group will be rehabilitating an existing 475,000 square foot building for manufacturing purposes and constructing an additional 20,000 square feet for a commercial retail area. TechSystems Group estimates that an additional 1,000 new jobs will be created over a two year period, with up to 2,000 new jobs created over five years.

The development of the Pomona Ranch Plaza took a giant step forward with the City Council approving an agreement with Regal Cinemas for the development of an 18 screen, 4,000 seat cinema complex. Regal Cinemas will break ground during Fall 1998 and is expected to create approximately 100 new jobs when it's up and running. The City Council/Agency Board also approved an agreement with Inland Mexican Foods for the development of a 2,500 square foot El Pollo Loco restaurant. El Pollo Loco began construction in November 1997 and celebrated their grand opening in April 1998. This newest addition to the Pomona Ranch Plaza is expected to create another 30 new employment opportunities.

The Pomona Auto Center unveiled its Master Sign Program amongst much fanfare on September 29, 1997. The Sign Program consists of 3 components - 1) a major freeway sign with an electric message board and tri-vision rotating sign board; 2) freeway directional signs; and, 3) two entry monument signs. The Master Sign Program will increase the visibility of the Pomona Auto Center and designate the area as a major auto dealership destination.

The City worked closely with representatives from the Familian Corporation to relocate their headquarters to a 23-acre site in Pomona. Familian Corp. began rehabilitation of an existing 300,000 square foot building and broke ground for the construction of an additional 30,000 square feet of office space. Familian Corp. is expected to complete improvements by September 1998. Familian Corp. is expected to create approximately 200 new jobs and generate an estimated \$1,000,000 in sales tax per year (starting next calendar year).

The City also entered into an agreement with Integral Phases for the development of a 1,950 square foot Fatburger restaurant at 555 Vinton Avenue. Integral Phases is currently negotiating the purchase of the Vinton Avenue site. Fatburger will create 25 new jobs.

One of the economic development goals of the City is to improve the image and reputation of Pomona by actively marketing its assets and showcasing the economic advantages available throughout the city. To that end, the City saw the installation of 200 banners along major thoroughfares. The goal of the banner program is to provide a festive theme while highlighting

the major commercial areas through a common identity. Several merchants/business owners participated in the program by purchasing banners.

The City continues to assist small businesses by providing educational and technical assistance programs designed to improve their competitiveness and maximize their use of regional resources. The program includes outreach to existing organizations, including hands-on service and support for businesses, and the pursuit of a business-friendly environment at City Hall. Staff continues to work with educational institutions and community-based organizations for training opportunities for business-owners.

The effort to maintain affordable housing in Pomona has also seen tremendous success this year.

Pomona's Mortgage Assistance Program (MAP) provides financial assistance for down payment and closing costs for qualified homebuyers. During 1997/98, the City processed 187 MAP loans utilizing \$1.3 million in Low/Mod funds for down payment assistance. This equated to \$22 million worth of real estate transactions benefiting first time homebuyers. A total of \$1.2 million was paid in real estate commissions to local Realtors.

The Rehabilitation Loan Program offers various home improvement loans and grants to qualified property owners at zero to 3% interest on deferred loans. To date over 658 interest inquiries have been mailed out, 202 applications have been received, with a total of 130 potential clients interviewed. Under the Low/Mod funded portion of the program, eighteen units at an average cost of \$25,000 per unit were completed during the 1997/98 fiscal year.

During the 1997/98 fiscal year, the federal Department of Housing and Urban Development (HUD) requested assistance from the City of Pomona to administer a local "Officer Next Door Program." This program provides assistance to law enforcement officers in purchasing homes that are currently vacant and have been repossessed by HUD. These homes can be purchased with as little as \$100 down and at a 50% discount of their current appraised value. Approximately thirty law enforcement officers have reserved properties with eighteen of these properties located within the City.

Pomona continues to make public safety a top priority. This year witnessed the opening of a new police training center, successful efforts to augment available funds, and a continued reduction in violent crimes.

Through successful negotiations with the federal government, the City was able to obtain ownership of the former Naval Reserve Training Center and complete its conversion to a new police training facility. The training center is located just south of "The Village" (formerly the Plaza Azteca).

In FY 1997/98, the City was awarded a \$479,945 Local Law Enforcement Block Grant, as well as an \$84,583 Alcoholic Beverage Control "GALE" program grant. Additionally, the City received \$325,218 from California's Supplemental Law Enforcement Services Fund. All grants, either large or small, help support Pomona's commitment to safe streets.

In the area of violent crime, the City achieved notable success in solving multiple gang homicides and previously unsolved homicides resulting in the conviction of felony offenders. The City's Major Narcotics Unit was equally successful in its efforts by accounting for some of the largest narcotics seizures in the state.

But by far the most significant accomplishment was the continued reduction in felony "Part I" crimes. Part I crimes consist of homicide, forcible rape, robbery, aggravated assault, burglary, larceny, and auto theft. Part I crimes were 13.2% lower than the previous year. This decrease amounts to 2.38 fewer crimes being committed each day as compared to the same measure last year. Moreover, as the number of crimes decreased, the arrest of suspects committing such crimes increased by 14.7% - showing substantial progress in both reducing crime and investigating and apprehending criminal suspects.

The big news this year was El Nino. Because of anticipated rains and potentially heavy flooding, the Street Maintenance crew began preparations in September 1997 for this much publicized weather event. Crews cleaned storm drains and worked with volunteer youth groups to fill over 22,000 sandbags. This aggressive approach paid off in that no damage to any private or public facilities was due to this year's record breaking rainfall. The heavy rains, however, did create a much higher than normal number of potholes. Crews filled potholes on a daily basis throughout the storm season and will make permanent repairs in the summer months.

In an effort to minimize costs, the City's water utility took advantage of the winter season cyclic exchange program offered by the Metropolitan Water District (MWD). In effect, the City "turned-off" its pumps and delivered excess MWD water to our customers. Taking advantage of the difference in the cost of pumping our own water and MWD's winter water rate helped the City hold down overall operating costs.

Currently, a customer calling for water and solid waste service has to speak with two different offices. In an attempt to respond more efficiently, the City's Customer Service personnel have been crossed-trained to handle solid waste calls. This training should result in improving customer service for all utility users.

State Assembly Bill 939 mandates that all cities recycle 25% of their generated waste stream by the year 1995 and 50% by the year 2000. In a recent review of our recycling program, we found that the City is currently recycling 34% of our generated waste stream. This puts the City on target with the state mandate. The City is now working with commercial refuse haulers to help Pomona meet the year 2000 reduction goal.

The City's attempt to broaden access to local government was augmented by the installation of a new Laser Fiche Computer System. This electronic filing system improves access to all City Council legislative actions. In addition, the City utilized twenty-five bilingual high school students to assist non-English speaking residents cast their vote in the primary and general election.

This year the City challenged employees to improve professional skills and customer service by continuing the Training and Organization Development Plan. Workshops were coordinated for 283 employees in the areas of Clear Business Writing, Customer First Pomona, Project Management Academy, Harassment Prevention, and Advanced Management & Supervisory Skills.

1997/98 saw remarkable efforts by the City to expand library services, public access to the Internet, and adult literacy.

The Pomona Library upgraded its automated library system earlier this year. A windows based network was installed with seventy-two access ports, replacing the existing system. Additional bookshelves were added to the public area of the library to accommodate the increasing demand for foreign language material.

The Library's Children Services division offered 462 programs, which were attended by 11,000 children and parents. The Library also provided literacy training through the PARENTS program (Parental Adults Reading, Encouraging, Nurturing, Teaching, Supporting Program). Adults enrolled in the literacy program participated in a six-week pilot program-using curriculum developed by Library staff.

The Pomona Concert Band celebrated its fiftieth year in 1997. Special events were held at Ganesha Park to commemorate this outstanding achievement.

Currently, the City is operating its after school activities at fourteen sites throughout Pomona, with an estimated attendance of 176,000 Pomona youngsters. Over 6,500 children participated in little league baseball, softball, soccer and football this year. The City also sponsored league sports in flag football, basketball, and cheerleading.

Pomonans can be proud of statewide recognition. The renovation and maintenance of the Ganesha Park Picnic Pavilion and Children's Play Area have won the 1997 California Park and Recreation Society's Award of Excellence. Pomona's entry won the state-wide award for cities over 100,000 in population.

The Senior Program served more than 48,176 hot meals to seniors at Palomares Park, Washington Park, and Emerson Village centers. In addition, 350 influenza vaccines were administered to seniors through the Los Angeles County Health Clinic.

Recognition of Pomona continued with distinction from the U.S. Department of Housing & Urban Development (HUD) as a "Best Practice" entity for development of a comprehensive five-year Consolidated Plan. The plan coordinated the City's economic development strategy with local public/private projects to create a "viable community of growth and opportunity." Pomona was selected number one out of 223 entries nationwide.

The recognition of excellence continued for the City of Pomona with four awards relating to the budget presentation and documents related to the budget process. The City was recognized by

the California Society of Municipal Financial Officers, a statewide organization of finance professions, for Excellence in Innovations for our computer-generated slide show presentation of the 1997/98 budget; Excellence in Operational Budgeting for the preparation of the City operating budget; Excellence in Innovation for the production and distribution of the "Budget Facts" brochure mailed to all Pomona residents; and Excellence in Public Communications for the production of the "Citizen's Guide to the Annual Budget," a users guide to the budget process and related information.

For the Future

The City has adopted a balanced budget for fiscal year 1998/99. This budget, once again, offers little opportunity for new or expanding programs. It is basically a no-growth budget prudently prepared to match expenditures with anticipated revenues in order to maintain the City's fiscal integrity.

The Redevelopment Agency continues its efforts to promote economic development activities to attract, retain and expand industrial and or manufacturing businesses around the City.

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 generally accepted accounting principles. 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 annual audit performed by independent certified public accountants selected by the City.

As part of the City's single audit, tests are made to determine the adequacy of the internal control structure, including that portion related to federal financial assistance programs, as well as to determine that the City has complied with applicable laws and regulations. The result of the City's single audit for the fiscal year ended June 30, 1997 indicated no instances of material weakness in the internal control structure or significant violation of applicable laws and regulations.

Accounting System. The City uses the modified accrual basis of accounting to record general

governmental operations. Under this method, revenues are recognized in the accounting period in which they become measurable and available to finance expenditures of the fiscal period. For proprietary funds (enterprise and internal service funds), the full accrual method of accounting is utilized. Accordingly, revenues are recognized in the accounting period when they are earned and expenses are recognized when they are incurred.

Budgetary Controls. The City maintains budgetary controls to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City’s governing body. The level of budgetary control (that is, the level at which expenditures cannot exceed the appropriated amount) is at the department level. 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.

FINANCIAL STATEMENT ANALYSIS

Revenues. The following schedule presents a summary of general governmental funds (general, special revenue, debt service, and capital projects funds) revenues for the fiscal year ended June 30, 1998 and the amount and percentage of increases and decreases in relation to prior year revenues.

Revenue Source	Amount	Percent of Total	Increase (Decrease) from 1997	Percent of Increase (Decrease)
Taxes	\$50,376,194	48.27%	(\$2,943,849)	(5.52%)
Special Assessments	1,814,070	1.74%	(695,196)	(27.71%)
Licenses & Permits	3,940,599	3.78%	77,869	2.02%
Fines & Forfeitures	880,245	0.84%	(262,690)	(22.98%)
Investment Earnings	7,252,758	6.95%	751,790	11.56%
Charges for Services	2,514,549	2.41%	208,780	9.05%
Intergovernmental	33,010,989	31.63%	2,051,510	6.63%
Other Revenues	4,574,450	4.38%	7,068,824	(283.39%)
Total	\$104,363,854	100.00%	\$6,257,038	6.38%

The decrease in the category “Taxes” was primarily the result of a reduction in utility tax collections as well as a prior year tax recalculation in fiscal year 1996/97 that did not repeat in fiscal year 1997/98.

The “Special Assessments” category experienced a one time decrease due to transfer from an agency fund of remaining balance in old assessment district account.

“Licenses and Permits” basically held fairly constant in comparison to the prior year.

The decrease in “Fines and Forfeitures” was primarily due to reduced collections in the Asset Forfeiture Fund as well as some reclassifications in the General Fund.

The increase in “Investment Earnings” was primarily in the General Fund as a result of the issuance of Tax and Revenue Anticipation Notes. The Debt Service Funds also experienced an increase due to an increase in Redevelopment Agency interfund borrowings through the Financing Authority.

“Charges for Services” experienced a modest increase primarily due to an increase in rates used to charge other funds for administrative services.

The category “Intergovernmental” experienced an increase primarily due to an increase in motor vehicle in-lieu revenue as well as grant funds received from HUD.

“Other Revenues” experienced an increase primarily due to land sales in fiscal year 1997/98 which resulted in a net gain as opposed to a net loss in fiscal year 1996/97. In addition, a large donation was received for the development of a new park at the old General Dynamics site.

Expenditures. The following schedule presents a summary of general governmental funds (general, special revenue, debt service, and capital projects funds) expenditures for the fiscal year ended June 30, 1998 and the amount and the percentage of increases and decreases in relation to prior amounts.

Function	Amount	Percent of total	Increase (Decrease) from 1997	Percent of Increase (Decrease)
General Government	\$9,265,507	6.49%	(\$3,403,286)	(26.86%)
Public Safety	41,164,031	28.81%	2,198,751	5.64%
Urban Development	12,883,594	9.02%	(1,284,577)	(9.07%)
Community Services	15,200,737	10.64%	749,974	5.19%
Capital Outlay	9,184,079	6.43%	5,607,231	156.76%
Debt Service:				
Principal	29,842,915	20.89%	24,420,830	450.40%
Interest & fiscal charges	15,539,912	10.88%	4,175,272	36.74%
Pass through payments	6,481,013	4.54%	(290,883)	(4.30%)
Payment to refunded bond escrow agent	3,292,578	2.30%	1,266,377	62.50%
Total	\$142,854,366	100.00%	\$33,439,689	30.56%

General Government expenditures decreased significantly due to large one-time disbursements in the prior year for property taxes and a significant tenant improvement allowance paid to Circuit City.

Public Safety realized an increase primarily due to increased benefit costs as well as various operating line item increases in fiscal year 1998.

Urban Development realized a decrease due to a reduction of expenditures related to various DDA agreements and the completion of lease purchase payments in the prior year.

Community Services experienced a modest increase primarily due to an increase of grant funded expenditures.

Capital Outlay activity increased significantly primarily due to the construction of the downtown Metrolink station as well as large State Gas Tax projects, including Garey Avenue Underpass improvements and street light upgrades on 2nd Street.

The overall Debt Service activity increased primarily due to the refunding of various tax allocation bonds and revenue bonds as well as Redevelopment Agency repayment of loans due to the City for the South Garey Market Place project.

General Fund Balance. As a result of the economic conditions of the City and an increased transfer from other funds, the General fund balance decreased by \$75,899 or 1.0% below prior year.

Enterprise Operations. The City's enterprise operations are comprised of three separate activities: Water, Sanitation, and Ganesha Pool Funds. Enterprise funds are used to finance and account for the acquisition, operation, and maintenance of City facilities and services that are entirely, or predominantly, self-supporting from user charges. The operations of an enterprise fund are accounted for in such a manner as to show a profit or loss similar to comparable private enterprise operations.

Water Fund. The water system currently serves 27,942 customers. Operating revenues for the water system were \$12,077,888 or 17.0% below fiscal year 1996/97. Operating expenses were \$11,821,946, a decrease of \$2,708,354 or 18.6% below fiscal year 1996/97. Nonoperating revenues net of nonoperating expenses were \$748,802. Net income for fiscal year ended June 30, 1998 was \$401,623.

Sanitation Fund. The Sanitation fund provides refuse service to residential customers within the City. Operating revenues for the fund were \$8,766,706, a decrease of \$1,092,481 or 11.1% below fiscal year 1996/97. Operating expenses were \$7,330,112, an increase of \$697,998 or 10.5% over fiscal year 1996/97. Nonoperating revenues net of nonoperating expenses was \$270,781. Net income for fiscal year ended June 30, 1998 was \$1,286,045.

Ganesha Pool Fund. The Ganesha Pool fund accounts for activities associated with the

operation of the City's swimming pool at Ganesha Park. Operating revenues for the fund were \$57,526, an increase of \$154 or less than 1.0% over fiscal year 1996/97. Operating expenses were \$161,766, an increase of \$13,270 or 8.9% over fiscal year 1996/97. Net income (loss) for fiscal year ended June 30, 1998 was (\$104,240).

Internal Service Operations. The City utilizes internal service funds to account for goods and/or services provided by one department of the City to other departments of the City. This allows for more accurate allocation of the cost of providing certain goods and/or services to user departments.

Internal service funds are proprietary in nature and are accounted for in a manner similar to Enterprise funds. Funds are obtained from the user departments on a cost-reimbursement basis with the long-term intent of not producing any significant profit. The funds received by the internal service funds are recorded as expenditures of the user departments. During the fiscal year ended June 30, 1998, the City maintained four internal service funds. The Self Insurance fund provides for the liability, workers compensation and unemployment insurance programs. The Equipment Maintenance fund is used to account for the maintenance of all automobiles, trucks, etc. The Contribution/Reimbursement fund provides funding for future Public Employee Retirement System rate increases related to safety disability retirements. The Information Systems fund provides for computer and information services to all departments.

Debt Administration. A summary of outstanding general long-term indebtedness is as follows:

<u>Description</u>	<u>Balance Outstanding at June 30, 1998</u>
Tax Allocation Bonds	\$11,385,000
Revenue Bonds	128,005,000
Notes Payable	10,402,519
Participation & Fee Agreements	1,381,951
Loans Payable	47,745,395
Assessment District AD294	12,445,000
Compensated Absences Payable	6,887,893
Estimated aerospace sales tax rebate	153,900
Capitalized lease obligation	<u>922,186</u>
Total Debt Outstanding - All Funds	\$ 219,328,844

The major change in long-term debt was due primarily to the issuance of refunding revenue bonds for the purpose of refunding existing tax allocation bonds.

Cash Management. To obtain flexibility in cash management, the City employs a pooled cash system (see Note 2 in the Notes to the 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 the City's Investment Policy. The goals of the City's Investment Policy are safety, liquidity and yield.

The City Treasurer submits a monthly investment report to the City Council that provides a summary of the status of the current investment portfolio and material transactions entered into during the month.

General Fixed Assets. The general fixed assets of the City are those fixed assets which are used in the performance of the General Government function and exclude assets of the proprietary funds. The cost of roads, streets, curbs and gutters, and lighting systems are not capitalized. Depreciation of general fixed assets is not recognized in accounting records of governmental fund types, but is recognized in proprietary funds such as the Water, Sanitation, Ganesha Pool, Self-Funded Insurance, Information Systems, and Equipment Maintenance Funds.

Risk Management. The City of Pomona maintains a self-insurance program to provide for the general liability, workers compensation and unemployment benefits claims. These activities are accounted for as an Internal Service Fund, which is a proprietary fund type. The fund revenues are primarily premium charges to other funds.

OTHER INFORMATION

Independent Audit. The accounting firm of Conrad and Associates was selected to perform the annual independent audit. The annual audit is designed to meet the requirements of the Federal Single Audit Act of 1984 and related OMB Circular A-133. The auditors' report on the general purpose 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, 1997. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of a state and local government financial reports.

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 and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The City of Pomona has received a Certificate of Achievement for the last five consecutive years (fiscal years ended 1993-1997). We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA for consideration.

Acknowledgments. The preparation of this report on a timely basis could not have been accomplished without the efficient and dedicated services of the entire Finance Department staff.

Special recognition is given to Karen Zane, Accounting Manager, Jane Rich, Senior Accountant, all other Accounting division staff, and our City auditors for their services in the coordination and 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 cursive script that reads "Paula Chamberlain".

Paula Chamberlain
Finance Director

CITY OF POMONA
DIRECTORY OF CITY OFFICIALS

CITY COUNCIL

Edward Cortez
Mayor

Nell Soto
Councilmember
District 1

Marco Robles
Councilmember
District 2

Cristina Carrizosa
Councilmember
District 3

Paula Lantz
Councilmember
District 4

Elliott Rothman
Councilmember
District 5

Willie White
Councilmember
District 6

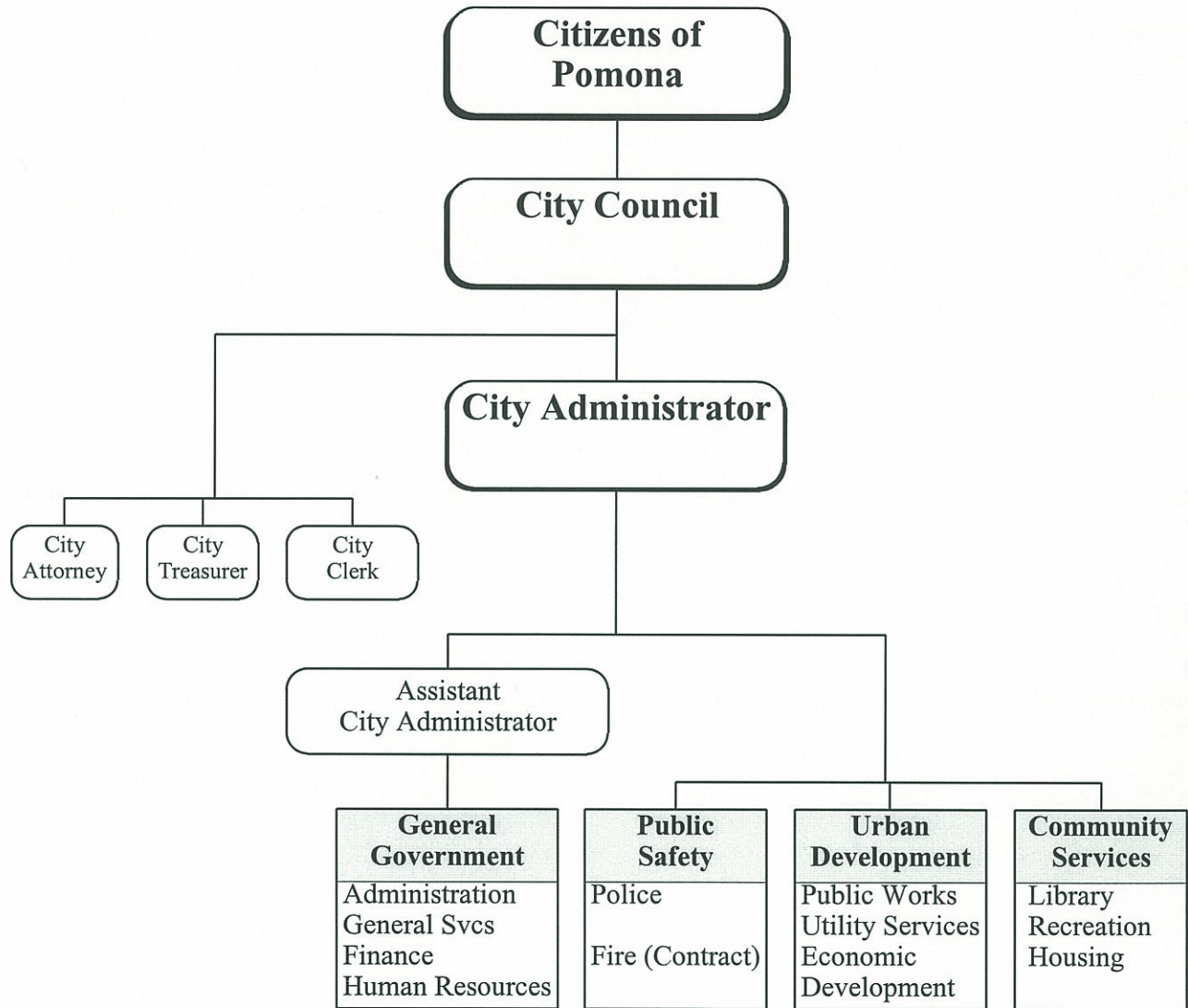
APPOINTED ADMINISTRATIVE OFFICIALS

City Administrator Severo Esquivel
City Attorney.....Arnold Alvarez-Glasman
City Treasurer (Interim) Severo Esquivel
City Clerk.....Elizabeth Villeral

DEPARTMENT DIRECTORS

Assistant City Administrator.....Noelia F. Chapa
Community Services Hal Watson
Economic Development William Bopf
FinancePaula Chamberlain
Fire Chief (Los Angeles County)..... Gil Herrera
Housing Hector Apodaca
Human Resources.....Jose Mesa
Police Chief..... Fred Sanchez
Public Works.....Victor Rollinger

CITY OF POMONA
Organizational Chart



Certificate of Achievement

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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, 1997

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Douglas R. Ellsworth
President

Jeffrey L. Esler
Executive Director

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Honorable Mayor and City Council
City of Pomona, California

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying general purpose financial statements of the City of Pomona, California as of and for the year ended June 30, 1998, as listed in the table of contents. These general purpose financial statements are the responsibility of the management of the City of Pomona, California. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

Except as discussed in the following paragraph, we conducted our audit in accordance with generally accepted auditing standards 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 general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Governmental Accounting Standards Board Technical Bulletin 98-1, *Disclosures about Year 2000 Issues*, requires disclosure of certain matters regarding the year 2000 issue. The City of Pomona has included such disclosures in Note 31. Because of the unprecedented nature of the year 2000 issue, its effects and the success of related remediation efforts will not be fully determinable until the year 2000 and thereafter. Accordingly, insufficient audit evidence exists to support the City of Pomona's disclosures with respect to the year 2000 issue made in Note 31. Further, we do not provide assurance that the City of Pomona is or will be year 2000 ready, that the City's year 2000 remediation efforts will be successful in whole or in part, or that parties with which the City of Pomona does business will be year 2000 ready.

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had we been able to examine evidence regarding year 2000 disclosures, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the City of Pomona, California as of June 30, 1998, and the results of its operations and the cash flows of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles.

During the year ended June 30, 1998, the City of Pomona implemented GASB Statement No. 31 which changed the manner in which the City accounts for investments, as discussed further in Note 30 to the financial statements.

Honorable Mayor and City Council
City of Pomona, California
Page Two

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining, individual funds, and individual account group financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the City of Pomona, California. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole. The scope of our audit did not include the supplemental statistical schedules listed in the table of contents and we do not express an opinion on them.

In accordance with *Government Auditing Standards*, we have also issued a report dated November 9, 1998 on our consideration of the City of Pomona's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Conrad & Associates, L.L.P.

November 9, 1998

GENERAL PURPOSE FINANCIAL STATEMENTS

CITY OF POMONA
 Combined Balance Sheet - All Fund Types and Account Groups
 June 30, 1998

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
<u>Assets and Other Debits</u>				
Assets:				
Cash and investments (note 3)	\$11,577,649	19,341,212	2,327,073	14,315,961
Cash and investments with fiscal agents (note 3)	-	193,461	20,875,827	11,755,722
Receivables:				
Accounts	169,531	55,934	-	-
Interest	92,237	211,422	50,043	134,051
Loans (note 4)	-	8,374,510	18,900,000	19,040,675
Inventories	159,937	-	-	-
Prepaid items	12,337	297,784	-	51,089
Deferred charges	-	-	-	-
Due from other funds (note 5)	1,006,518	417,015	-	-
Due from other governments	4,073,784	992,745	5,740,381	217,180
Assessments receivable	-	-	10,863,680	-
Advances to other funds (note 6)	2,626,516	1,113,000	-	-
Property, plant and equipment (net, where applicable, of accumulated depreciation) (note 7)	-	-	-	-
Property held for resale	-	6,337,611	-	28,783,766
Other debits:				
Amount available in debt service funds	-	-	-	-
Amount to be provided for retirement of general long-term debt	-	-	-	-
Total assets and other debits	<u>\$19,718,509</u>	<u>37,334,694</u>	<u>58,757,004</u>	<u>74,298,444</u>
<u>Liabilities, Equity and Other Credits</u>				
Liabilities:				
Accounts payable	\$ 817,635	1,067,567	-	628,271
Accrued liabilities	1,919,127	169,456	2,018	93,601
Due to other funds (note 5)	236,100	437,093	384,254	32,761
Due to other governments	-	546,155	-	-
Deferred revenue	1,316,069	7,895,116	10,863,680	-
Deposits payable	-	100,613	-	-
Deferred compensation payable (note 18)	-	-	-	-
Due to bondholders	-	-	-	-
Retentions payable	-	278,209	-	449,942
Participation agreement (note 8)	-	-	-	-
Loans payable (notes 8, 9 and 10)	-	-	-	-
Advances from other funds (note 6)	-	-	-	3,605,848
Obligation under capital leases (notes 8 and 10)	-	-	-	-
Compensated absences (notes 8 and 10)	-	-	-	-
Claims payable (notes 8 and 16)	-	-	-	-
Notes payable (notes 8 and 9)	-	-	-	-
Revenue bonds (notes 8, 9 and 10)	-	-	-	-
Tax allocation bonds (notes 8 and 9)	-	-	-	-
Special assessment debt with government commitment (notes 8 and 9)	-	-	-	-
Tax and revenue anticipation notes	8,700,000	-	-	-
Total liabilities	<u>12,988,931</u>	<u>10,494,209</u>	<u>11,249,952</u>	<u>4,810,423</u>
Equity and other credits:				
Contributed capital (note 15)	-	-	-	-
Investment in general fixed assets	-	-	-	-
Retained earnings (deficit) (notes 12 and 13):				
Reserved	-	-	-	-
Unreserved	-	-	-	-
Fund balances (deficit) (note 11):				
Reserved	1,616,633	17,161,868	47,507,052	48,737,326
Unreserved - designated	3,000,000	10,553,947	-	20,750,695
Unreserved - undesignated	2,112,945	(875,330)	-	-
Total equity and other credits	<u>6,729,578</u>	<u>26,840,485</u>	<u>47,507,052</u>	<u>69,488,021</u>
Total liabilities, equity and other credits	<u>\$19,718,509</u>	<u>37,334,694</u>	<u>58,757,004</u>	<u>74,298,444</u>

See accompanying notes to financial statements.

<u>Proprietary Fund Types</u>		Fiduciary Fund Type	<u>Account Groups</u>		<u>Totals</u> (Memorandum Only)	
<u>Enterprise</u>	<u>Internal Service</u>	<u>Agency</u>	<u>General Fixed Assets</u>	<u>General Long-Term Debt</u>	<u>1998</u>	<u>1997</u>
7,603,746	1,064,115	5,847,591	-	-	62,077,347	48,025,729
13,558,168	39,071	20,822,619	-	-	67,244,868	62,002,937
6,690,662	-	582	-	-	6,916,709	5,987,398
84,295	9,503	58,116	-	-	639,667	560,266
2,354,280	-	-	-	-	48,669,465	56,876,471
206,518	291,436	-	-	-	657,891	667,328
43,511	-	-	-	-	404,721	10,691
793,120	-	-	-	-	793,120	825,899
1,605,728	-	-	-	-	3,029,261	2,898,400
-	-	818,881	-	-	11,842,971	16,215,794
-	-	-	-	-	10,863,680	10,173,212
-	-	-	-	-	3,739,516	6,783,351
49,844,158	983,978	-	40,578,781	-	91,406,917	87,009,742
-	-	-	-	-	35,121,377	31,092,275
-	-	-	-	28,607,052	28,607,052	38,853,737
-	-	-	-	<u>190,721,792</u>	<u>190,721,792</u>	<u>164,748,137</u>
<u>82,784,186</u>	<u>2,388,103</u>	<u>27,547,789</u>	<u>40,578,781</u>	<u>219,328,844</u>	<u>562,736,354</u>	<u>532,731,367</u>
667,679	128,633	402,637	-	-	3,712,422	4,846,967
539,454	98,069	768	-	-	2,822,493	2,280,195
1,527,062	411,991	-	-	-	3,029,261	2,898,400
1,947	-	4,096,595	-	-	4,644,697	3,590,201
-	-	-	-	-	20,074,865	17,426,781
1,637,626	-	1,608,052	-	-	3,346,291	2,410,618
-	-	20,822,619	-	-	20,822,619	17,473,117
-	-	617,118	-	-	617,118	622,691
139,961	-	-	-	-	868,112	416,335
-	-	-	-	1,381,951	1,381,951	1,422,681
2,354,280	-	-	-	47,745,395	50,099,675	61,505,029
133,668	-	-	-	-	3,739,516	6,783,351
2,630,559	8,395	-	-	922,186	3,561,140	5,051,212
854,362	173,504	-	-	6,887,893	7,915,759	7,904,752
-	6,552,718	-	-	153,900	6,706,618	5,442,414
-	-	-	-	10,402,519	10,402,519	316,170
18,250,000	-	-	-	128,005,000	146,255,000	119,215,000
-	-	-	-	11,385,000	11,385,000	25,515,000
-	-	-	-	12,445,000	12,445,000	12,453,214
-	-	-	-	-	8,700,000	-
<u>28,736,598</u>	<u>7,373,310</u>	<u>27,547,789</u>	<u>-</u>	<u>219,328,844</u>	<u>322,530,056</u>	<u>297,574,128</u>
20,591,919	363,298	-	-	-	20,955,217	21,045,521
-	-	-	40,578,781	-	40,578,781	40,050,052
1,559,496	-	-	-	-	1,559,496	1,559,424
31,896,173	(5,348,505)	-	-	-	26,547,668	28,223,764
-	-	-	-	-	115,022,879	127,189,853
-	-	-	-	-	34,304,642	21,331,460
-	-	-	-	-	1,237,615	(4,242,835)
<u>54,047,588</u>	<u>(4,985,207)</u>	<u>-</u>	<u>40,578,781</u>	<u>-</u>	<u>240,206,298</u>	<u>235,157,239</u>
<u>82,784,186</u>	<u>2,388,103</u>	<u>27,547,789</u>	<u>40,578,781</u>	<u>219,328,844</u>	<u>562,736,354</u>	<u>532,731,367</u>

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CITY OF POMONA

Combined Statement of Revenues, Expenditures and Changes in Fund Balances -
All Governmental Fund Types

Year ended June 30, 1998

	General	Special Revenue	Debt Service	Capital Projects	Totals (Memorandum Only)	
					1998	1997
Revenues:						
Taxes	\$35,131,639	-	13,961,139	1,283,416	50,376,194	53,320,043
Special assessments	-	1,297,973	516,097	-	1,814,070	2,509,266
Licenses and permits	3,754,183	-	-	186,416	3,940,599	3,862,730
Fines and forfeitures	396,834	483,411	-	-	880,245	1,142,935
Investments income	1,386,454	1,156,890	2,297,718	2,411,696	7,252,758	6,500,968
Charges for services	2,514,549	-	-	-	2,514,549	2,305,769
Intergovernmental	7,174,371	18,233,938	4,051,295	3,551,385	33,010,989	30,959,479
Contributions	-	-	-	1,003,767	1,003,767	-
Miscellaneous	352,870	353,265	-	433,641	1,139,776	992,111
Gain (loss) on sale of property	-	63,229	-	2,367,678	2,430,907	(3,486,485)
Total revenues	50,710,900	21,588,706	20,826,249	11,237,999	104,363,854	98,106,816
Expenditures:						
Current:						
General government	4,190,669	652,142	1,207,524	3,215,172	9,265,507	12,668,793
Public safety	40,368,040	730,379	-	65,612	41,164,031	38,965,280
Urban development	7,228,757	5,243,601	-	411,236	12,883,594	14,168,171
Community services	3,416,628	11,784,109	-	-	15,200,737	14,450,763
Capital outlay	-	3,609,905	-	5,574,174	9,184,079	3,576,848
Debt service:						
Principal retirement	15,577	380,294	24,982,223	4,464,821	29,842,915	5,422,085
Interest and fiscal charges	23,591	177,204	13,688,302	1,650,815	15,539,912	11,364,640
Pass through payments	-	-	5,969,971	511,042	6,481,013	6,771,896
Payment to refunded bond escrow agent	-	-	3,292,578	-	3,292,578	2,026,201
Total expenditures	55,243,262	22,577,634	49,140,598	15,892,872	142,854,366	109,414,677
Excess (deficiency) of revenues over (under) expenditures	(4,532,362)	(988,928)	(28,314,349)	(4,654,873)	(38,490,512)	(11,307,861)
Other financing sources (uses):						
Proceeds of loans	-	-	1,509,282	-	1,509,282	21,003,138
Proceeds of notes	-	2,945,000	-	7,258,490	10,203,490	-
Proceeds of capital lease	-	-	-	-	-	818,250
Proceeds of bonds (net of discount of \$1,949,919)	-	-	61,175,081	-	61,175,081	11,943,103
Payment to refunded bond escrow agent	-	-	(30,166,248)	-	(30,166,248)	(11,355,671)
Sale of general fixed assets	-	-	-	84,909	84,909	17,585
Operating transfers in	4,731,998	6,022,609	3,282,417	16,309,909	30,346,933	11,347,063
Operating transfers out	(464,740)	(3,389,948)	(21,681,147)	(921,738)	(26,457,573)	(11,286,797)
Total other financing sources (uses)	4,267,258	5,577,661	14,119,385	22,731,570	46,695,874	22,486,671
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(265,104)	4,588,733	(14,194,964)	18,076,697	8,205,362	11,178,810
Fund balances at beginning of year, as restated (note 2)	6,994,682	22,251,752	61,702,016	51,411,324	142,359,774	130,548,375
Residual equity transfer	-	-	-	-	-	2,551,293
Fund balances at end of year	\$ 6,729,578	26,840,485	47,507,052	69,488,021	150,565,136	144,278,478

See accompanying notes to financial statements.

CITY OF POMONA

Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual -
All Governmental Fund Types

Year ended June 30, 1998

	General			Special Revenue		
	Budget	Actual	Variance-Favorable (Unfavorable)	Budget	Actual	Variance-Favorable (Unfavorable)
Revenues:						
Taxes	\$35,611,700	35,131,639	(480,061)	-	-	-
Special assessments	-	-	-	1,202,980	1,297,973	94,993
Licenses and permits	3,754,480	3,754,183	(297)	-	-	-
Fines and forfeitures	450,185	396,834	(53,351)	266,000	483,411	217,411
Investments income	1,314,665	1,386,454	71,789	553,926	1,156,890	602,964
Charges for services	2,271,987	2,514,549	242,562	-	-	-
Intergovernmental	6,467,317	7,174,371	707,054	18,941,034	18,233,938	(707,096)
Contributions	-	-	-	-	-	-
Miscellaneous	200,220	352,870	152,650	331,304	353,265	21,961
Gain (loss) on sale of property	-	-	-	-	63,229	63,229
Total revenues	<u>50,070,554</u>	<u>50,710,900</u>	<u>640,346</u>	<u>21,295,244</u>	<u>21,588,706</u>	<u>293,462</u>
Expenditures:						
Current:						
General government	3,701,584	4,190,669	(489,085)	811,093	652,142	158,951
Public safety	39,061,692	40,368,040	(1,306,348)	837,318	730,379	106,939
Urban development	7,144,591	7,228,757	(84,166)	5,353,135	5,243,601	109,534
Community services	3,398,971	3,416,628	(17,657)	12,666,324	11,784,109	882,215
Capital outlay	-	-	-	7,180,041	3,609,905	3,570,136
Debt service:						
Principal retirement	13,083	15,577	(2,494)	299,153	380,294	(81,141)
Interest and fiscal charges	5,057	23,591	(18,534)	220,747	177,204	43,543
Pass through payments	-	-	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	-	-
Total expenditures	<u>53,324,978</u>	<u>55,243,262</u>	<u>(1,918,284)</u>	<u>27,367,811</u>	<u>22,577,634</u>	<u>4,790,177</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,254,424)</u>	<u>(4,532,362)</u>	<u>(1,277,938)</u>	<u>(6,072,567)</u>	<u>(988,928)</u>	<u>5,083,639</u>
Other financing sources (uses):						
Proceeds of loans	-	-	-	-	-	-
Proceeds of notes	-	-	-	-	2,945,000	2,945,000
Proceeds of bonds (net of discount of \$1,949,919)	-	-	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	-	-
Sale of general fixed assets	-	-	-	-	-	-
Operating transfers in	3,360,654	4,731,998	1,371,344	3,090,868	6,022,609	2,931,741
Operating transfers out	(182,129)	(464,740)	(282,611)	(3,247,250)	(3,389,948)	(142,698)
Total other financing sources (uses)	<u>3,178,525</u>	<u>4,267,258</u>	<u>1,088,733</u>	<u>(156,382)</u>	<u>5,577,661</u>	<u>5,734,043</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>(75,899)</u>	<u>(265,104)</u>	<u>(189,205)</u>	<u>(6,228,949)</u>	<u>4,588,733</u>	<u>10,817,682</u>
Fund balances at beginning of year, as restated (note 2)	<u>6,994,682</u>	<u>6,994,682</u>	<u>-</u>	<u>22,251,752</u>	<u>22,251,752</u>	<u>-</u>
Fund balances at end of year	<u>\$ 6,918,783</u>	<u>6,729,578</u>	<u>(189,205)</u>	<u>16,022,803</u>	<u>26,840,485</u>	<u>10,817,682</u>

See accompanying notes to financial statements.

Debt Service			Capital Projects		
<u>Budget</u>	<u>Actual</u>	Variance-Favorable (Unfavorable)	<u>Budget</u>	<u>Actual</u>	Variance-Favorable (Unfavorable)
12,876,985	13,961,139	1,084,154	1,337,350	1,283,416	(53,934)
-	516,097	516,097	-	-	-
-	-	-	250,000	186,416	(63,584)
-	-	-	-	-	-
694,022	2,297,718	1,603,696	3,418,047	2,411,696	(1,006,351)
-	-	-	-	-	-
4,341,896	4,051,295	(290,601)	-	3,551,385	3,551,385
-	-	-	-	1,003,767	1,003,767
-	-	-	-	433,641	433,641
-	-	-	<u>5,113,000</u>	<u>2,367,678</u>	<u>(2,745,322)</u>
<u>17,912,903</u>	<u>20,826,249</u>	<u>2,913,346</u>	<u>10,118,397</u>	<u>11,237,999</u>	<u>1,119,602</u>
1,222,912	1,207,524	15,388	3,195,566	3,215,172	(19,606)
-	-	-	-	65,612	(65,612)
-	-	-	2,536,928	411,236	2,125,692
-	-	-	-	-	-
-	-	-	2,024,300	5,574,174	(3,549,874)
3,700,730	24,982,223	(21,281,493)	14,970,777	4,464,821	10,505,956
9,088,881	13,688,302	(4,599,421)	1,568,213	1,650,815	(82,602)
6,170,992	5,969,971	201,021	587,710	511,042	76,668
-	<u>3,292,578</u>	<u>(3,292,578)</u>	-	-	-
<u>20,183,515</u>	<u>49,140,598</u>	<u>(28,957,083)</u>	<u>24,883,494</u>	<u>15,892,872</u>	<u>8,990,622</u>
<u>(2,270,612)</u>	<u>(28,314,349)</u>	<u>(26,043,737)</u>	<u>(14,765,097)</u>	<u>(4,654,873)</u>	<u>10,110,224</u>
1,299,640	1,509,282	209,642	14,500,000	-	(14,500,000)
-	-	-	-	7,258,490	7,258,490
-	61,175,081	61,175,081	-	-	-
-	(30,166,248)	(30,166,248)	-	-	-
-	-	-	-	84,909	84,909
4,314,453	3,282,417	(1,032,036)	999,397	16,309,909	15,310,512
<u>(3,346,558)</u>	<u>(21,681,147)</u>	<u>(18,334,589)</u>	<u>(1,725,281)</u>	<u>(921,738)</u>	<u>803,543</u>
<u>2,267,535</u>	<u>14,119,385</u>	<u>11,851,850</u>	<u>13,774,116</u>	<u>22,731,570</u>	<u>8,957,454</u>
(3,077)	(14,194,964)	(14,191,887)	(990,981)	18,076,697	19,067,678
<u>61,702,016</u>	<u>61,702,016</u>	<u>-</u>	<u>51,411,324</u>	<u>51,411,324</u>	<u>-</u>
<u>61,698,939</u>	<u>47,507,052</u>	<u>(14,191,887)</u>	<u>50,420,343</u>	<u>69,488,021</u>	<u>19,067,678</u>

CITY OF POMONA

Combined Statement of Revenues, Expenses and Changes in Retained Earnings -
All Proprietary Fund Types

Year ended June 30, 1998

	Enterprise	Internal Service	Totals (Memorandum Only)	
			1998	1997
Operating revenues:				
Charges for services	\$20,854,420	7,819,696	28,674,116	32,075,075
Miscellaneous	<u>47,700</u>	<u>50,818</u>	<u>98,518</u>	<u>55,638</u>
Total operating revenues	<u>20,902,120</u>	<u>7,870,514</u>	<u>28,772,634</u>	<u>32,130,713</u>
Operating expenses:				
Personnel services	6,041,210	1,885,684	7,926,894	9,568,329
Operations	11,399,175	1,864,565	13,263,740	13,617,086
Claims expense	-	4,747,333	4,747,333	3,529,811
Depreciation	1,873,439	84,641	1,958,080	1,934,580
Workers compensation insurance	-	32,065	32,065	20,497
General liability insurance	<u>-</u>	<u>573,260</u>	<u>573,260</u>	<u>671,659</u>
Total operating expenses	<u>19,313,824</u>	<u>9,187,548</u>	<u>28,501,372</u>	<u>29,341,962</u>
Operating income (loss)	<u>1,588,296</u>	<u>(1,317,034)</u>	<u>271,262</u>	<u>2,788,751</u>
Nonoperating revenues (expenses):				
Investments income	1,342,128	17,248	1,359,376	1,368,858
Retirement surplus refund	-	-	-	834,560
Interest expense	(1,286,173)	(536)	(1,286,709)	(1,108,294)
Fiscal charges	(44,372)	-	(44,372)	(202,502)
Sale of surplus water	<u>1,008,000</u>	<u>-</u>	<u>1,008,000</u>	<u>80,197</u>
Total nonoperating revenues (expenses)	<u>1,019,583</u>	<u>16,712</u>	<u>1,036,295</u>	<u>972,819</u>
Income (loss) before operating transfers	2,607,879	(1,300,322)	1,307,557	3,761,570
Operating transfers in	-	14,738	14,738	3,224,207
Operating transfers out	<u>(1,024,451)</u>	<u>(2,879,647)</u>	<u>(3,904,098)</u>	<u>(3,284,473)</u>
Net income (loss)	1,583,428	(4,165,231)	(2,581,803)	3,701,304
Add back depreciation on certain contributed assets	69,762	-	69,762	69,762
Retained earnings (deficit) at beginning of year, as restated (note 2)	<u>31,802,479</u>	<u>(1,183,274)</u>	<u>30,619,205</u>	<u>26,012,122</u>
Retained earnings (deficit) as end of year	<u>\$33,455,669</u>	<u>(5,348,505)</u>	<u>28,107,164</u>	<u>29,783,188</u>

See accompanying notes to financial statements.

CITY OF POMONA
Proprietary Funds

Combined Statement of Cash Flows

Year ended June 30, 1998

	<u>Enterprise</u>	<u>Internal Service</u>	<u>Totals (Memorandum Only)</u>	
			<u>1998</u>	<u>1997</u>
Cash flows from operating activities:				
Cash received from customers	\$21,088,701	-	21,088,701	21,374,026
Cash received from user departments	-	7,819,696	7,819,696	7,649,498
Cash payments to suppliers for goods and services	(13,137,988)	(5,691,697)	(18,829,685)	(16,200,369)
Cash payments to employees for services	(6,040,196)	(1,851,959)	(7,892,155)	(9,391,863)
Cash received for refund of retirement surplus	-	-	-	834,560
Cash received for other operations	324,396	443,329	767,725	2,285,624
Cash paid for other operations	<u>(214,760)</u>	<u>(575,415)</u>	<u>(790,175)</u>	<u>(19,576)</u>
Net cash provided by (used for) operating activities	<u>2,020,153</u>	<u>143,954</u>	<u>2,164,107</u>	<u>6,531,900</u>
Cash flows from noncapital financing activities:				
Cash received from loans	-	600,000	600,000	-
Cash received from advances	-	3,086,542	3,086,542	-
Cash received from other funds	292,707	14,738	307,445	2,069,339
Cash paid to other funds	<u>(1,274,451)</u>	<u>(2,879,647)</u>	<u>(4,154,098)</u>	<u>(3,884,473)</u>
Net cash provided by (used for) noncapital financing activities	<u>(981,744)</u>	<u>821,633</u>	<u>(160,111)</u>	<u>(1,815,134)</u>
Cash flows from capital and related financing activities:				
Cash paid for acquisition and construction of capital assets	(5,820,848)	(5,678)	(5,826,526)	(6,667,590)
Proceeds from sale of fixed assets	-	-	-	576,127
Proceeds from advances	-	-	-	26,210
Cash received from contributions	82,665	-	82,665	-
Principal paid on leases	(905,832)	(44,424)	(950,256)	(1,025,262)
Principal paid on debt	(360,000)	-	(360,000)	(350,000)
Interest and fiscal charges paid on debt	<u>(1,297,766)</u>	<u>(536)</u>	<u>(1,298,302)</u>	<u>(1,310,796)</u>
Net cash provided by (used for) capital and related financing activities	<u>(8,301,781)</u>	<u>(50,638)</u>	<u>(8,352,419)</u>	<u>(8,751,311)</u>

(Continued)

CITY OF POMONA
Proprietary Funds

Combined Statement of Cash Flows

(Continued)

	<u>Enterprise</u>	<u>Internal Service</u>	<u>Totals (Memorandum Only)</u>	
			<u>1998</u>	<u>1997</u>
Cash flows from investing activities:				
Proceeds from investment earnings	1,364,191	14,136	1,378,327	1,791,283
Cash received from sale of surplus water	<u>-</u>	<u>-</u>	<u>-</u>	<u>80,197</u>
Net cash provided by (used for) investing activities	<u>1,364,191</u>	<u>14,136</u>	<u>1,378,327</u>	<u>1,871,480</u>
Net increase (decrease) in cash and cash equivalents	(5,899,181)	929,085	(4,970,096)	(2,163,065)
Cash and cash equivalents at beginning of year, as restated (note 1(g))	<u>15,617,786</u>	<u>174,101</u>	<u>15,791,887</u>	<u>28,516,862</u>
Cash and cash equivalents at end of year	<u>\$ 9,718,605</u>	<u>1,103,186</u>	<u>10,821,791</u>	<u>26,353,797</u>
Reconciliation of operating income to net cash provided by (used for) operating activities:				
Operating income (loss)	<u>\$ 1,588,296</u>	(1,317,034)	<u>271,262</u>	<u>2,788,751</u>
Adjustments to reconcile operating income to net cash provided by (used for) operating activities:				
Depreciation	1,873,439	84,641	1,958,080	1,934,580
Retirement surplus refund	-	-	-	834,560
(Increase) decrease in accounts receivable	156,763	-	156,763	(3,074,736)
(Increase) decrease in loans receivable	-	-	-	785,963
(Increase) decrease in due from other funds	(170,764)	-	(170,764)	(280,096)
(Increase) decrease in inventory	4,102	5,810	9,912	13,186
(Increase) decrease in deferred charges	-	-	-	32,777
(Increase) decrease in prepaid items	(43,511)	-	(43,511)	-
Increase (decrease) in accounts payable	(1,574,061)	29,842	(1,544,219)	1,418,540
Increase (decrease) in accrued liabilities	(4,162)	7,982	3,820	147,788
Increase (decrease) in due to other funds	232,700	(182,904)	49,796	1,693,059
Increase (decrease) in deposits payable	77,518	-	77,518	23,185
Increase (decrease) in claims payable	-	1,489,874	1,489,874	(65,202)
Increase (decrease) in retentions payable	(125,343)	-	(125,343)	250,867
Increase (decrease) in compensated absences	<u>5,176</u>	<u>25,743</u>	<u>30,919</u>	<u>28,678</u>
Total adjustments	<u>431,857</u>	<u>1,460,988</u>	<u>1,892,845</u>	<u>3,743,149</u>
Net cash provided by (used for) operating activities	<u>\$ 2,020,153</u>	<u>143,954</u>	<u>2,164,107</u>	<u>6,531,900</u>

Noncash investing, capital and financing activities:

During fiscal year 1997-98, there were no noncash investing, capital or financing activities.

CITY OF POMONA

Notes to General Purpose Financial Statements

Year ended June 30, 1998

(1) Summary of Significant Accounting Policies

The general purpose financial statements of the City of Pomona, California (City) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies of the City are described below.

(a) Reporting Entity

The City of Pomona was incorporated in 1888 as a "Charter Law" City under the laws of the State of California. The City operates under the Council - Administrator form of government. The City principally provides general administrative services; public safety services; street, highway and bridge repairs and maintenance; and water and sanitation services.

As required by generally accepted accounting principles, these financial statements present the City and its component units, entities for which the City is considered to be financially accountable. The City is considered to be financially accountable for an organization if the City appoints a voting majority of that organization's governing body and the City is able to impose its will on that organization or there is a potential for that organization to provide specific financial benefits to or impose specific financial burdens on the City. The City is also considered to be financially accountable if that organization is fiscally dependent (i.e., it is unable to adopt its budget, levy taxes, set rates or charges, or issued bonded debt without approval from the City). In certain cases, other organizations are included as component units if the nature and significance of their relationship with the City are such that their exclusion would cause the City's financial statements to be misleading or incomplete.

Blended Component Units:

All of the City's component units are considered to be blended component units. Blended component units, although legally separate entities, are, in substance, part of the City's operations and so data from these units are reported with the interfund data of the City. The following organizations are considered to be component units of the City:

CITY OF POMONA

Notes to General Purpose Financial Statements, (Continued)

Year ended June 30, 1998

(1) Summary of Significant Accounting Policies, (Continued)

(a) Reporting Entity, (Continued)

The Redevelopment Agency of the City of Pomona was established August 27, 1966, pursuant to the State of California Health and Safety Code, Section 3300 entitled "Community Redevelopment Law". Its purpose is to prepare and carry out plans for improvement, rehabilitation and redevelopment of blighted areas within the territorial limits of the City of Pomona. The City provides management assistance to the Agency, and the members of the City Council also act as the governing body of the Agency. The Agency's financial data and transactions are blended with the special revenue fund type, the debt service fund type, the capital projects fund type, and the general long-term debt account group.

The Pomona Public Financing Authority is a joint powers authority organized under Article 4 of Chapter 5, Division 7, Title 1 of the Government Code of the State of California, as amended. The Authority exists pursuant to a Joint Exercise of Powers Agreement dated October 26, 1988, between the City of Pomona, the Redevelopment Agency of the City of West Covina, and the Redevelopment Agency of the City of Pomona. Its purpose is to borrow money for financing the acquisition of bonds, notes, and other obligations of, or for making loans to, any members of the Authority in order to provide financing for public capital improvements or for working capital requirements of such members. Currently, the Authority has no financing arrangements with the City of West Covina and intends to provide financing services solely to the City of Pomona. The Authority's financial data and transactions are blended with the debt service fund type and the general long-term debt account group.

The Housing Authority of the City of Pomona is an authority organized pursuant to the State of California Health and Safety Code, Section 34242. The Authority exists pursuant to adopted resolution No. 93-114 adopted June 7, 1993. Its purpose is to prepare and carry out plans for improvement to the unsanitary and unsafe inhabited dwelling accommodations that exist in the City of Pomona; and the shortage of safe and sanitary dwelling accommodations in the City of Pomona available to persons of low income at rentals they can afford. The City provides management assistance to the Authority, and the members of the City Council also act as the governing body of the Authority. The Authority's financial data and transactions are blended with the special revenue fund type.

CITY OF POMONA

Notes to General Purpose Financial Statements, (Continued)

Year ended June 30, 1998

(1) Summary of Significant Accounting Policies, (Continued)

(a) Reporting Entity, (Continued)

The Pomona Civic Center Corporation was incorporated as a California nonprofit corporation on April 19, 1966. Its purpose is to provide, through the issuance of leasehold mortgage bonds, the financing for the construction of City hall. Its fiscal year ends April 30. The Corporation's financial data and transactions are blended with the debt service fund type and the general long-term debt account group. During the fiscal year ended June 30, 1998, the Pomona Civic Center Corporation was formally dissolved as a California nonprofit corporation.

Complete financial statements are only prepared for the Redevelopment Agency of the City of Pomona and the Pomona Public Financing Authority. Copies of these component unit financial statements can be obtained from the Finance Department at the City of Pomona, 505 South Garey, Pomona, California 91769.

(b) Fund Accounting

The basic accounting and reporting entity is a "fund". A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts recording resources, related liabilities, obligations, reserves, and equities segregated for the purpose of carrying out specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

The accounting records of the City are organized on the basis of funds and account groups classified for reporting purpose as follows:

GOVERNMENTAL FUNDS

General Fund

The General Fund is the general operating fund of the City. All general tax revenues and other receipts that are not allocated by law or contractual agreement to some other fund are accounted for in this fund. Expenditures of this fund include the general operating expenses and capital improvement costs which are not paid through other funds.

Special Revenue Funds

Special Revenue Funds are used to account for revenues derived from specific sources that are restricted by law or administrative action for specified purposes.

CITY OF POMONA

Notes to General Purpose Financial Statements, (Continued)

Year ended June 30, 1998

(1) Summary of Significant Accounting Policies, (Continued)

GOVERNMENTAL FUNDS, (Continued)

Debt Service Funds

The Debt Service Funds are used to account for the resources set aside for repayment of general long-term debt.

Capital Projects Funds

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds).

PROPRIETARY FUNDS

The City applies all applicable GASB pronouncements in accounting and reporting for its proprietary operations as well as the following pronouncements issued on or before November 30, 1989, unless these pronouncements conflict with or contradict GASB pronouncements: Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board (APB) Opinions, and Accounting Research Bulletins (ARBs) of the Committee on Accounting Procedure. Proprietary funds include the following types:

Enterprise Funds

The Enterprise Funds are used to account for the costs (including depreciation) of providing water, sanitation and pool facility services to the general public and to account for the user charges by which these costs are recovered.

Internal Service Funds

The Internal Service Funds are used to account for the cost of providing insurance coverage, retirement benefits, vehicle maintenance and information system services to the various departments. The costs accumulated in these funds are allocated as interfund user charges to other City departments in proportion to the benefit received.

CITY OF POMONA

Notes to General Purpose Financial Statements, (Continued)

Year ended June 30, 1998

(1) Summary of Significant Accounting Policies, (Continued)

FIDUCIARY FUND

Agency Funds

The Agency Funds are used to account for assets held by the City in an agency capacity for individuals, private businesses, and other governmental agencies.

ACCOUNT GROUPS

General Fixed Assets Account Group

The General Fixed Assets Account Group is used to account for the cost of fixed assets acquired to perform general government functions.

Assets purchased are recorded as expenditures in the governmental funds and capitalized at cost in the general fixed asset account group. Fixed asset records include estimates of original historical cost as determined by knowledgeable individuals in the City. Contributed fixed assets are recorded in the general fixed assets at fair market value at the time received. Fixed assets acquired under a capital lease are recorded at the net present value of future lease payments.

Fixed assets consisting of certain improvements other than buildings, including roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems, have not been capitalized. Such assets normally are immovable and of value only to the City. Therefore, the purpose of stewardship for capital expenditures is satisfied without recording these assets.

No depreciation has been provided on general fixed assets.

General Long-Term Debt Account Group

The General Long-Term Debt Account Group is used to account for all long-term debt of the City except that accounted for in the proprietary funds.

CITY OF POMONA

Notes to General Purpose Financial Statements, (Continued)

Year ended June 30, 1998

(1) Summary of Significant Accounting Policies, (Continued)

(c) Measurement Focus and Basis of Accounting

Governmental (general, special revenue, debt service and capital projects) fund types are accounted for on a "spending" measurement focus. Accordingly, only current assets and current liabilities are included on their balance sheets. The reported fund balance provides an indication of available, spendable resources. Operating statements for governmental fund types report increases (revenues) and decreases (expenditures) in available spendable resources.

The proprietary (enterprise and internal service) fund types are accounted for on an "income determination" or "cost of services" measurement focus. Accordingly, all assets and liabilities are included on the balance sheet, and the reported fund equity provides an indication of the economic net worth of the fund. Operating statements for proprietary fund types report increases (revenues) and decreases (expenses) in total economic net worth.

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

The modified accrual basis of accounting is followed by the governmental and agency funds. Under the modified accrual basis of accounting, revenues are susceptible to accrual when they become both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures, other than interest on long-term debt, are recorded when a current liability is incurred. Liabilities are considered current when they are normally expected to be liquidated with expendable available financial resources.

Taxes, subventions, taxpayer-assessed revenues, and entitlements held at year-end by an intermediary collecting government are recognized as revenue under the modified accrual basis of accounting. Reimbursement grant revenues are recognized when the related expenditures are incurred. Investment earnings are recorded when earned.

Licenses, permits, fines, forfeits, charges for services, and miscellaneous revenues are recorded as governmental fund revenues when received in cash because they are generally not measurable until actually received.

The accrual basis of accounting is utilized by the proprietary funds. Revenues are recognized when they are earned and expenses are recorded when the related liability is incurred. Unbilled service receivables, if material, have been reflected in the financial statements.

CITY OF POMONA

Notes to General Purpose Financial Statements, (Continued)

Year ended June 30, 1998

(1) Summary of Significant Accounting Policies, (Continued)

(d) Budgetary Data

The budget is prepared by the City Administrator in accordance with Municipal Code Sections 1103 through 1107 and is adopted by the City Council. Public hearings are held prior to its adoption. All appropriations lapse at fiscal year end. The City Council has the legal authority to amend the budget at any time during the fiscal year. The City Administrator is authorized to make budget transfers within departments. There were no significant budget amendments during the fiscal year.

Budgets are legally adopted for the General, Special Revenue, Debt Service, and Capital Projects funds. The budgets are adopted on a basis which does not differ materially from generally accepted accounting principles (GAAP).

The City maintains budgetary controls to ensure compliance with legal provisions embodied in the appropriated budget approved by the City Council. The level of budgetary control (the level at which expenditures cannot legally exceed the appropriated amount) is the department level. For budgeting purposes, the General Fund is composed of several departments while all other budgeted funds are each considered to be a single department.

(e) Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of funds are recorded in order to reserve that portion of the fund balance, is employed in the governmental funds. Encumbrances are reported as reservations of fund balances since they do not constitute expenditures or liabilities.

(f) Investments

Investments are reported in the accompanying balance sheet at fair value, except for certain certificates of deposit and investment contracts that are reported at cost because they are not transferable and they have terms that are not affected by changes in market interest rates.

Changes in fair value that occur during a fiscal year are recognized as *investments income* reported for that fiscal year. *Investments income* includes interest earnings, changes in fair value, rentals, leases and any gains or losses realized upon the liquidation, maturity, or sale of investments.

CITY OF POMONA

Notes to General Purpose Financial Statements, (Continued)

Year ended June 30, 1998

(1) Summary of Significant Accounting Policies, (Continued)

(f) Investments, (Continued)

The City pools cash and investments of all funds, except for deferred compensation assets and assets held by fiscal agents. Each fund's share in this pool is displayed in the accompanying financial statements as *cash and investments*. Investment income earned by the pooled investments is allocated to the various funds based on each fund's average cash and investment balance, except for investment income associated with funds not legally required to receive pooled investment income which has been assigned to and recorded as revenue of the general fund, as provided by California Government Code Section 53647.

(g) Cash Equivalents

For purposes of the statement of cash flows, cash equivalents are defined as short-term, highly liquid investments that are both readily convertible to known amounts of cash or so near their maturity that they present insignificant risk of changes in value because of changes in interest rates. Cash equivalents also represent the proprietary funds' share in the cash and investment pool of the City of Pomona. Cash equivalents have an original maturity date of three months or less from the date of purchase. All cash and investments of the Internal Service Proprietary Funds are considered cash equivalents at June 30, 1998. The following items on the combined balance sheet of the Enterprise Proprietary Funds are considered cash and cash equivalents for purposes of the statement of cash flows:

	<u>Cash</u> <u>Equivalents</u>	<u>Investments</u>	<u>Total</u>
Pooled cash and investments held by City	\$7,603,746	-	7,603,746
Money market mutual funds	2,114,859	-	2,114,859
Investments agreements	<u>-</u>	11,443,309	11,443,309
	<u>\$9,718,605</u>	<u>11,443,309</u>	<u>21,161,914</u>

The beginning cash and cash equivalent balance for the Enterprise Proprietary Fund was restated by \$10,561,910 to properly reflect cash equivalents as defined above.

CITY OF POMONA

Notes to General Purpose Financial Statements, (Continued)

Year ended June 30, 1998

(1) Summary of Significant Accounting Policies, (Continued)

(h) Inventories

Inventories (General Fund, Water Utility Fund, and Equipment Maintenance Fund) are valued at cost (first-in, first-out). Inventory in the General Fund consists of supplies held for consumption and is equally offset by a fund balance reserve which indicates that inventory does not constitute "available spendable resources" even though it is a component of assets. Inventory items are considered expenditures when used.

(i) Due from Other Governments

The amounts recorded as a receivable due from other governments include grant revenues and other state subventions, collected or provided by Federal, State, County and City Governments and unremitted to the City as of June 30, 1998.

(j) Advances to Other Funds

Long-term interfund advances are recorded as a receivable and as reserved fund balance by the advancing governmental fund.

(k) Property Held for Resale

Property held for resale represents land, structures, and their related improvements that were acquired for resale. These costs will be charged to current year project expenditures when the related land and structures are sold. Property held for resale is valued at cost. A portion of fund balance is reserved for property held for resale to indicate that a portion of fund balance is not available for future expenditures.

(l) Fixed Assets - Proprietary Funds

Fixed assets of proprietary funds are capitalized at historical cost. Depreciation is charged to operations using a straight-line method, based on the average useful life of the asset. No depreciation is recorded on assets acquired during the second half of the year. The estimated useful lives of the assets are as follows:

Structures and improvements	50 years
Transmission and distribution mains and hydrants	40 years
Meters	20 years
Equipment	5-14 years
Pools	20 years

CITY OF POMONA

Notes to General Purpose Financial Statements, (Continued)

Year ended June 30, 1998

(1) Summary of Significant Accounting Policies, (Continued)

(l) Fixed Assets - Proprietary Funds, (Continued)

Contributed fixed assets are recorded in the proprietary funds at fair market value at the time received.

(m) Employee Leave Benefits

Under separation, employees are paid for all of their unused vacation leave subject to maximums ranging from 470 hours to the amount of a three year accrual.

Generally, employees are paid upon separation for up to 50% of their unpaid sick leave balance depending on date of hire, number of hours accumulated, number of years of service, which employee group they belong to, etc. The maximum number of hours that can be accumulated ranges from 1,000 hours to 2,000 hours depending on the employee's labor group.

In accordance with GASB Statement No. 16, a liability is recorded for unused vacation and similar compensatory leave balances since the employees' entitlement to these balances are attributable to services already rendered and it is probable that virtually all of these balances will be liquidated by either paid time off or payments upon termination or retirement.

Under GASB Statement No. 16 a liability is recorded for unused sick leave balances only to the extent that it is probable that the unused balances will result in termination payments. This is estimated by including in the liability the unused balances of employees currently entitled to receive termination payment, as well as those who are expected to become eligible to receive termination benefits as a result of continuing their employment with the City. Other amounts of unused sick leave are excluded from the liability since their payment is contingent solely upon the occurrence of a future event (illness) which is outside the control of the City and the employee.

If material, a proprietary fund liability is accrued for all leave benefits relating to the operations of the proprietary funds. A current liability is accrued in the governmental funds for material leave benefits due on demand to governmental fund employees that have terminated prior to year end. All other amounts are recorded in the general long-term debt account group. These non-current amounts will be recorded as fund expenditures in the year in which they are paid or become due.

CITY OF POMONA

Notes to General Purpose Financial Statements, (Continued)

Year ended June 30, 1998

(1) Summary of Significant Accounting Policies, (Continued)

(n) Claims and Judgments

The City records a liability for material litigation, judgments, and claims (including incurred but not reported losses) when it is probable that an asset has been significantly impaired or a material liability has been incurred prior to year end and the probable amount of loss (net of any insurance coverage) can be reasonably estimated. This liability is recorded in the City's Self Insurance Internal Service Fund.

(o) Sale of Surplus Water

Certain revenue from the sale of water to other water utility agencies are incidental to the water utility fund's primary activity and are therefore reflected as nonoperating revenue.

(p) Capital Projects

Capital projects expenditures include public domain or infrastructure projects which are not capitalized as additions to general fixed assets.

(q) Property Taxes

The assessment, levy and collection of property taxes are the responsibility of the County of Los Angeles. The City records property taxes as revenue when received from the County, except at year end, when property taxes received within 60 days are accrued as revenue.

Property taxes are assessed and collected each fiscal year according to the following property tax calendar:

Lien	March 1
Levy	July 1 to June 30
Due	November 1 - 1st installment March 1 - 2nd installment
Collection	December 10 - 1st installment April 10 - 2nd installment

CITY OF POMONA

Notes to General Purpose Financial Statements, (Continued)

Year ended June 30, 1998

(1) Summary of Significant Accounting Policies, (Continued)

(r) Comparative Data

Comparative total data for the prior year has been presented in the accompanying financial statements in order to provide an understanding of changes in the City's financial position and operations. However, a complete presentation of prior year data (i.e., presentation of prior year totals by fund type) has not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to read. Certain reclassifications of prior year data have been made in order to enhance their comparability with current year figures.

(s) Memorandum Only Totals

Columns in the accompanying financial statements captioned "Totals (Memorandum Only)" are not necessary for a fair presentation of the financial statements in accordance with generally accepted accounting principles, but are presented as additional analytical data. Interfund balances and transactions have not been eliminated and the columns do not present consolidated financial information.

(2) Restatement of Beginning Fund Balances/Retained Earnings

The accompanying financial statements reflect adjustments which resulted in the restatement of beginning fund balances/retained earnings of the Special Revenue, Capital Projects, Enterprise and Internal Service Funds.

The following schedule summarizes the effects of the prior period adjustments to the beginning fund balances/retained earnings as of July 1, 1997:

CITY OF POMONA

Notes to General Purpose Financial Statements, (Continued)

Year ended June 30, 1998

(2) Restatement of Beginning Fund Balances/Retained Earnings, (Continued)

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Enterprise</u>	<u>Internal Service</u>
Retained earnings at beginning of year, as previously reported	\$23,343,860	52,237,920	30,921,908	(1,138,720)
a) Reclassification of Sewer Construction Fund	(880,571)	-	880,571	-
b) Recognition of prior year revenue in appropriate fund type	(211,537)	211,537	-	-
c) Reduction of due from other governments recorded in the prior year	-	(1,038,133)	-	-
d) To properly reflect contributed capital	-	-	-	103,207
e) Recognition of prior years liability for compensated absences	-	-	-	<u>(147,761)</u>
Fund balances/retained earnings at beginning of year, as restated	<u>\$22,251,752</u>	<u>51,411,324</u>	<u>31,802,479</u>	<u>(1,183,274)</u>

a) As of July 1, 1997, management has decided to account for the activities of the Sewer Construction Fund (previously reported as a Special Revenue Fund) on a Proprietary Fund Type basis. This was due to the realization that the activities of the Sewer Construction Fund represent Enterprise sanitation services to the general public. Therefore, the operations of the Sewer Construction Fund for fiscal year 1997-98 have been recorded along with other activities in the Enterprise Sanitation Fund.

b) The Proposition "C" Special Revenue Fund and the Capital Outlay Capital Projects Fund have been adjusted to reflect intergovernmental revenues received in prior years that was recorded in the Special Revenue Fund, but should have been reflected in the Capital Projects Fund.

c) The Capital Outlay Capital Projects Fund has also been restated to reduce an overstatement of amounts due from other governments in the amount of \$1,038,133.

CITY OF POMONA

Notes to General Purpose Financial Statements, (Continued)

Year ended June 30, 1998

(2) Restatement of Beginning Fund Balances/Retained Earnings, (Continued)

- d) The Equipment Maintenance Internal Service Fund was adjusted to write-off the prior year misstatement of contributed capital in the amount of \$103,207.
- e) The Equipment Maintenance and Self-Insurance Internal Service Funds were also restated in the amount of \$114,461 and \$33,300, respectively to properly account for prior year liabilities related to compensated absences for employees.

(3) Cash and Investments

Cash and investments held by the City at June 30, 1998 consisted of the following:

Petty cash	\$ 8,566
Demand deposits	(385,030)
U.S. Government agency securities	24,987,814
U.S. Treasury notes	1,501,213
Municipal bonds	620,000
Medium-term notes	5,000,000
Investments in State Investment Pool (LAIF)	23,804,014
Investment agreement	<u>6,540,770</u>
Total cash and investments held by the City	<u>\$62,077,347</u>

Cash and investments held by fiscal agents at June 30, 1998 consisted of the following:

Demand deposits	\$ 891,546
Deferred compensation - demand deposits	986,299
Deferred compensation - certificates of deposit	400,552
Municipal bonds	10,405,000
Deferred compensation - money market mutual funds	1,562,516
Deferred compensation - mutual funds	16,979,202
Deferred compensation - annuity contracts	894,050
Investment agreements	31,984,178
Mutual funds - money market	<u>3,141,525</u>
Total cash and investments held by fiscal agents	<u>\$67,244,868</u>

The City is authorized under Section 53601 of the California Government Code and the City's investment policy to invest in U.S. Treasury securities; federal agency securities; municipal bonds; banker's acceptances; commercial paper; negotiable certificates of deposit; repurchase agreements; Local Agency Investment Fund; medium-term corporation notes; mutual funds; and collateralized bank deposits.

CITY OF POMONA

Notes to General Purpose Financial Statements, (Continued)

Year ended June 30, 1998

(3) Cash and Investments, (Continued)

The City has also established guidelines for limitations of investment purchases as follows: municipal bonds may not exceed 10% of the market value of the portfolio with maturities between the fifth year, but not to exceed twenty years with City Council approval; banker's acceptances may not exceed 40% of the market value of the portfolio nor exceed 270 days to maturity; commercial paper may not exceed 15% of the market value of the portfolio (30% if the dollar weighted average maturity of all commercial paper does not exceed 31 days) and it may not exceed 10% of outstanding paper of an issuing corporation; negotiable certificates of deposit may not exceed 30% of the market value of the portfolio and are limited to a five year maturity; medium-term corporate notes may not exceed 30% of the market value of the portfolio; mutual funds may not exceed 15% of the portfolio and must be money market mutual funds which have an average maturity of 90 days or less; time deposits issued by financial institutions may not exceed 25% of the market value of the portfolio in the category of collateralized bank deposits. The weighted average maturity of the total portfolio may not exceed 1,275 days.

Under the California Government Code, a financial institution is required to secure deposits made by state or local governmental units by pledging securities held in the form of an undivided collateral pool. The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

Deposits of cities and other state or local governments are classified in three categories to give an indication of the level of custodial risk assumed by the entity. Category 1 includes deposits that are insured or collateralized with securities held by the City or its agent in the City's name. Category 2 includes deposits collateralized with securities held by the pledging financial institution's trust department or agent in the City's name. Category 2 also includes deposits collateralized by an interest in an undivided collateral pool held by an authorized Agent of Depository and subject to certain regulatory requirements under State law. Category 3 includes deposits collateralized with securities held by the pledging financial institution, or by its trust department or agent but not in the City's name. Category 3 also includes any uncollateralized deposits.

CITY OF POMONA

Notes to General Purpose Financial Statements, (Continued)

Year ended June 30, 1998

(3) Cash and Investments, (Continued)

As of June 30, 1998, the deposit balances were categorized as follows:

<u>Form of Deposit</u>	<u>Category</u>			<u>Bank Balance</u>	<u>Carrying Amount</u>
	<u>1</u>	<u>2</u>	<u>3</u>		
Deposits held by the City:					
Demand deposits	\$ 100,000	889,178	-	989,178	(385,030)
Deposits held by the fiscal agents:					
Demand deposits	585,861	345,000	-	930,861	891,546
Deferred compensation - demand deposits	986,299	-	-	986,299	986,299
Deferred compensation - certificates of deposit	<u>400,552</u>	<u>-</u>	<u>-</u>	<u>400,552</u>	<u>400,552</u>
Total deposits	<u>\$2,072,712</u>	<u>1,234,178</u>	<u>-</u>	<u>3,306,890</u>	<u>1,893,367</u>

Investments of cities and other state or local governments are classified in three categories to give an indication of the level of custodial risk assumed by the entity at year-end. Category 1 includes investments that are insured or registered or for which the securities are held by the City or the City's custodial agent (which must be a different institution other than the party through which the City purchased the securities) in the City's name. Investments held "in the City's name" include securities held in a separate custodial or fiduciary account and identified as owned by the City in the custodian's internal accounting records. Category 2 includes uninsured and unregistered investments for which the securities are held by the dealer's agent (or by the trust department of the dealer if the dealer was a financial institution and another department of the institution purchased the securities for the City). Category 3 includes uninsured and unregistered investments for which the securities are held by the dealer's agent, but not in the City's name. Category 3 also includes all securities held by the broker-dealer agent of the City (the party that purchased the securities for the City) regardless of whether or not the securities are being held in the City's name.

CITY OF POMONA

Notes to General Purpose Financial Statements, (Continued)

Year ended June 30, 1998

(3) Cash and Investments, (Continued)

At June 30, 1998 the City's investments were categorized as follows:

<u>Form of Investment</u>	<u>Category</u>			<u>Carrying Amount</u>
	<u>1</u>	<u>2</u>	<u>3</u>	
Investments held by the City:				
U.S. Government agency securities	\$24,987,814	-	-	24,987,814
U.S. Treasury notes	1,501,213	-	-	1,501,213
Municipal bonds	620,000	-	-	620,000
Medium-term notes	5,000,000	-	-	5,000,000
Investments held by the fiscal agents:				
Municipal bonds	-	10,405,000	-	10,405,000
Total categorized investments	<u>\$32,109,027</u>	<u>10,405,000</u>	<u>-</u>	42,514,027
Investments held by the City not subject to categorization:				
Investments in State Investment Pool (LAIF)				23,804,014
Investment agreements				6,540,770
Investments held by fiscal agent not subject to categorization:				
Deferred compensation - money market mutual funds				1,562,516
Deferred compensation - mutual funds				16,979,202
Deferred compensation - annuity contracts				894,050
Investment agreements				31,984,178
Mutual funds - money market				<u>3,141,525</u>
Total investments				<u>\$127,420,282</u>

The carrying amount of all investments reflected in the above table is at fair value, except for nonparticipating investment contracts which are carried at cost because they are not transferable and they have terms that are not affected by changes in market interest rates.

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The fair value of the City's investment in this pool is reported in the accompanying financial statements at amounts based upon the City's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. Included in LAIF's investment portfolio are collateralized mortgage obligations,

CITY OF POMONA

Notes to General Purpose Financial Statements, (Continued)

Year ended June 30, 1998

(3) Cash and Investments, (Continued)

mortgage-backed securities, other asset-backed securities, loans to certain state funds, and floating rate securities issued by federal agencies, government-sponsored enterprises, and corporations.

(4) Loans Receivable

Outstanding at
June 30, 1998

Special Revenue Funds

Rehabilitation Loans

The City uses Community Development Block Grant (CDBG) funds to provide deferred rehabilitation loans to eligible applicants. Deferred loans are payable upon the sale or transfer of the property. The outstanding loans plus all CDBG loan guarantee accounts have been offset by deferred revenue. \$ 3,010,364

Rental Rehabilitation Loans

The City uses Rental Rehabilitation grant funds to provide below market interest rate loans to eligible owners of rental units to rehabilitate the units and have them remain available to low/moderate income tenants. The outstanding loans have been offset by deferred revenue 1,476,856

Low Moderate/HOPE III/HOME Loans

Downpayments for homes were financed by low interest loans made by the Low and Moderate Income Housing fund (\$1,631,947), HOPE III funds (\$958,513) and HOME funds (\$538,784). The outstanding loans have been offset by deferred revenue. 3,129,244

HOME Loans

The City uses HOME grant funds to loan monies to developers to provide for the construction of affordable housing to low/moderate income tenants. Deferred loans are payable upon sale or transfer of property. The outstanding loans have been offset by deferred revenue. 253,046

CITY OF POMONA

Notes to General Purpose Financial Statements, (Continued)

Year ended June 30, 1998

(4) Loans Receivable

Outstanding at
June 30, 1998

Other Loans

The City has entered into two other loan agreements with local businesses and developers for rehabilitation and expansion of a local business and low/moderate income housing. 505,000

Debt Service Pomona Public Financing Authority Fund

Redevelopment Agency Loan

The Pomona Public Financing Authority loaned monies to certain project areas of the Redevelopment Agency of the City of Pomona (see note 8). 18,900,000

Capital Projects Redevelopment Agency Fund

Owner Participation Agreements

The Redevelopment Agency of the City of Pomona has entered into six owner participation agreements whereby loaning funds for the rehabilitation, improvement and expansion of local businesses. 140,675

Pomona Public Financing Authority Loan

Certain project areas of the Redevelopment Agency of the City of Pomona have entered into loan agreements with the Pomona Public Financing Authority to provide monies to the Authority (see note 8). 18,900,000

Enterprise Water Utility Fund

On April 7, 1997, the City approved a \$2,500,000 loan from the Sanitation Enterprise fund to the Water Utility Enterprise fund for the construction of Reservoir 3A. Loan repayment is scheduled over ten (10) years with equal annual principal payments of \$250,000. Semi-annual interest payments will vary monthly throughout the life of the loan based on the California Local Agency Investment Fund interest rate (see note 10). 2,250,000

The Water Utility Enterprise Fund has also loaned monies to the Ganesha Pool Enterprise Fund for the cost of improvements to the City pool facilities. No repayment schedule has been developed. 104,280

Total loans receivable \$48,669,465

CITY OF POMONA

Notes to General Purpose Financial Statements, (Continued)

Year ended June 30, 1998

(5) Due From and To Other Funds

Current interfund receivable and payable balances at June 30, 1998 are as follows:

	<u>Current Interfund Receivables</u>	<u>Current Interfund Payables</u>
General Fund	\$1,006,518	236,100
Special Revenue Funds:		
Community Development Block Grant	-	392,109
Traffic Safety	-	44,984
Low and Moderate Income Housing	417,015	-
Debt Service Fund:		
Redevelopment Agency	-	384,254
Capital Projects Fund:		
Redevelopment Agency	-	32,761
Enterprise Funds:		
Water Utility	236,100	1,527,062
Sanitation	1,369,628	-
Internal Service Fund:		
Self-Insurance	-	411,991
Totals	<u>\$3,029,261</u>	<u>3,029,261</u>

(6) Advances To and From Other Funds

Long-term interfund receivable and payable balances at June 30, 1998 are as follows:

	<u>Long-Term Interfund Receivables</u>	<u>Long-Term Interfund Payables</u>
General Fund	\$2,626,516	-
Special Revenue Fund:		
Low and Moderate Income Housing	1,113,000	-
Capital Projects Fund:		
Redevelopment Agency	-	3,605,848
Enterprise Fund:		
Ganesha Pool	-	133,668
Totals	<u>\$3,739,516</u>	<u>3,739,516</u>

CITY OF POMONA

Notes to General Purpose Financial Statements, (Continued)

Year ended June 30, 1998

(6) Advances To and From Other Funds, (Continued)

Outstanding at
June 30, 1998

General Fund Advances

The General Fund has agreements with the Pomona Redevelopment Agency providing for the advance of funds to finance improvements and operations relating to and within the project areas. The agreement provides for reimbursement to the General Fund from any and all funds legally available to the Agency for such payment plus interest at 10% computed from the time of advance to the date of repayment. \$2,492,848

The General Fund has advanced monies to the Ganesha Pool Fund to finance ongoing operations. No repayment schedule has been established. 133,668

Low and Moderate Income Housing

The Low and Moderate Income Housing Fund has advanced monies to various project areas to finance two of the three Educational Revenue Augmentation Fund payments. No interest rate and stipulated due date has been established but maturing can not exceed year 2003. 1,113,000

Total advances \$3,739,516

(7) Property, Plant and Equipment

A summary of changes in general fixed assets is as follows:

	Balance at <u>June 30, 1997</u>	<u>Acquisitions</u>	<u>Retirements</u>	Balance at <u>June 30, 1998</u>
Land	\$11,108,234	-	-	11,108,234
Buildings and improvements	11,968,173	-	(50,320)	11,917,853
Leasehold improvements	352,635	-	-	352,635
Machinery, equipment and furniture	8,051,552	227,477	(186,350)	8,092,679
Autos and trucks	4,065,347	818,850	(280,928)	4,603,269
Equipment under capitalized lease	<u>4,504,111</u>	<u>-</u>	<u>-</u>	<u>4,504,111</u>
Totals	<u>\$40,050,052</u>	<u>1,046,327</u>	<u>(517,598)</u>	<u>40,578,781</u>

CITY OF POMONA

Notes to General Purpose Financial Statements, (Continued)

Year ended June 30, 1998

(7) Property, Plant and Equipment, (Continued)

A summary of proprietary fund type property, plant and equipment at June 30, 1998 is as follows:

	Enterprise				Internal Service			
	Water Utility	Sanitation	Ganesha Pool	Totals	Equipment Maintenance	Self- Insurance	Information Systems	Totals
Land and water rights	\$ 1,670,158	-	-	1,670,158	-	-	-	-
Transmission and distributions	37,022,960	-	-	37,022,960	-	-	-	-
Source of supply	4,193,282	-	-	4,193,282	-	-	-	-
Pumping and treatment	9,345,746	-	-	9,345,746	-	-	-	-
General plant	249,070	-	-	249,070	22,106	-	-	22,106
Equipment	2,559,965	342,179	-	2,902,144	32,375	3,316	104,731	140,422
Equipment under capitalized lease	383,551	3,687,374	-	4,070,925	-	-	1,180,466	1,180,466
Other improvements	1,367,435	-	-	1,367,435	-	-	-	-
Work in progress	14,577,180	-	-	14,577,180	-	-	-	-
Autos and trucks	1,290,145	2,052,507	-	3,342,652	-	-	-	-
Site improvements	-	-	1,395,247	1,395,247	-	-	-	-
Total	72,659,492	6,082,060	1,395,247	80,136,799	54,481	3,316	1,285,197	1,342,994
Less accumulated depreciation	(25,435,360)	(4,229,420)	(627,861)	(30,292,641)	(13,658)	(495)	(344,863)	(359,016)
Net fixed assets	<u>\$47,224,132</u>	<u>1,852,640</u>	<u>767,386</u>	<u>49,844,158</u>	<u>40,823</u>	<u>2,821</u>	<u>940,334</u>	<u>983,978</u>

CITY OF POMONA
Notes to General Purpose Financial Statements, (Continued)
Year ended June 30, 1998

(8) General Long-Term Debt

Changes in general long-term debt for the year ended June 30, 1998 were as follows:

	Balance at <u>June 30, 1997</u>	<u>Additions</u>	<u>Deletions</u>	Balance at <u>June 30, 1998</u>
Participation agreement with the L.A. County Fair Association	\$ 1,422,681	-	(40,730)	1,381,951
Loans payable:				
County of Los Angeles deferred tax loan to Southwest Pomona Project Area	8,436,113	1,509,282	-	9,945,395
Los Angeles County Metropolitan Transportation Authority loan to City	260,000	-	(260,000)	-
Redevelopment Agency loan	22,848,279	-	(3,948,279)	18,900,000
Pomona Public Financing Authority loan	22,848,279	-	(3,948,279)	18,900,000
Obligation under capital leases:				
Equipment lease-purchase agreements	1,462,002	-	(539,816)	922,186
Compensated absences	7,055,566	-	(167,673)	6,887,893
Aerospace sales tax rebate claims payable	379,570	-	(225,670)	153,900
Notes payable:				
Erskine	316,170	-	(12,141)	304,029
State of California Land's Commission	-	7,258,490	-	7,258,490
H.U.D. Section 108	-	2,945,000	(105,000)	2,840,000
Revenue bonds:				
1989 Local Agency, Series F	3,400,000	-	(3,400,000)	-
1989 Local Agency, Series H	10,430,000	-	(25,000)	10,405,000
1993 Local Agency, Refunding Series L	53,605,000	-	(16,685,000)	36,920,000
1994 Local Agency, Refunding Series M	4,050,000	-	(4,050,000)	-
1994 Revenue, Refunding Series N	11,725,000	-	(235,000)	11,490,000
1995 Lease Revenue, Refunding Series P	17,395,000	-	(540,000)	16,855,000
1998 Revenue, Refunding Series W	-	52,335,000	-	52,335,000
Tax allocation bonds:				
1983 Refunding Southwest Pomona RDA	14,295,000	-	(14,295,000)	-
1986 Holt Avenue-Indian Hill RDA	2,680,000	-	(2,680,000)	-
1986 Refunding Reservoir St. Industrial RDA	3,315,000	-	(3,315,000)	-
1987 Refunding Downtown No. 2 RDA	4,475,000	-	(4,475,000)	-
1989 Refunding Downtown No. 1 RDA	750,000	-	(20,000)	730,000
1997 Refunding Holt Avenue-Indian Hill RDA, Series S	-	3,150,000	(50,000)	3,100,000
1997 Refunding Reservoir St. Industrial RDA, Series T	-	3,485,000	(85,000)	3,400,000
1998 Refunding Downtown No. 2 RDA, Series U	-	3,535,000	-	3,535,000
1998 Refunding Downtown No. 2 RDA, Subordinate Series V	-	620,000	-	620,000
Special assessment debt with government commitment	<u>12,453,214</u>	<u>-</u>	<u>(8,214)</u>	<u>12,445,000</u>
Total general long-term debt	<u>\$203,601,874</u>	<u>74,837,772</u>	<u>(59,110,802)</u>	<u>219,328,844</u>

CITY OF POMONA

Notes to General Purpose Financial Statements, (Continued)

Year ended June 30, 1998

(8) General Long-Term Debt, (Continued)

Outstanding at
June 30, 1998

Participation Agreement:

The Redevelopment Agency of the City of Pomona has entered into a participation agreement dated April 1, 1989 with the Los Angeles County Fair Association whereby the Agency has agreed to provide financial assistance to the Association. The participation agreement was amended on April 15, 1994 which resulted in the Redevelopment Agency of the City of Pomona assuming an obligation of \$1,600,000 plus interest of approximately 10% per annum. The Redevelopment Agency of the City of Pomona has pledged tax increment of the Mountain Meadows Project Area as the source of repayment. Payment to the Association is required under the terms of the agreement when tax increment is received by the Redevelopment Agency of the City of Pomona for the Mountain Meadows Project Area.

\$1,381,951

Loans Payable:

County Deferred Loan

The Redevelopment Agency of the City of Pomona entered into an agreement with the County of Los Angeles whereby a portion of the County's share of tax increment revenues from the Southwest Pomona Project Area is loaned annually to the Agency. Interest on the Southwest Pomona Project Area loan will accrue at 7% per year, compounded annually. The Agency will commence repayment of the loan when excess funds become available. The initial loan was made prior to July 1, 1988 with the proceeds recorded as property tax revenues.

\$9,945,395

Redevelopment Agency Loan

The Pomona Public Financing Authority loaned monies to certain project areas of the Redevelopment Agency of the City of Pomona (see note 4). Interest on the loan accrues at 4% per annum, payable annually. The balance is due in full on June 30, 1999.

18,900,000

CITY OF POMONA

Notes to General Purpose Financial Statements, (Continued)

Year ended June 30, 1998

(8) General Long-Term Debt, (Continued)

	<u>Outstanding at June 30, 1998</u>
<u>Loans Payable, (Continued):</u>	
<u>Pomona Public Financing Authority Loan</u>	
Certain project areas of the Redevelopment Agency of the City of Pomona loaned monies to the Pomona Public Financing Authority (see note 4). Interest on the loan accrues at 4% per annum, payable annually. The balance is due in full on June 30, 1999.	<u>18,900,000</u>
Total loans payable	<u>\$47,745,395</u>

Obligation Under Capital Leases:

The City has entered into equipment lease-purchase agreements with leasing companies whereby the lessor acquired certain equipment and leased it to the City with an option to purchase. The leases mature from 1999 to 2002.

\$922,186

The annual requirements to amortize the obligations under capital leases included in the General Long-Term Debt Account Group are as follows:

<u>Year ending June 30,</u>	<u>Amount</u>
1999	\$444,784
2000	274,091
2001	179,999
2002	<u>65,259</u>
Total minimum lease payments	964,133
Less: amount representing interest	<u>(41,947)</u>
Present value of future minimum lease payments	<u>\$922,186</u>

CITY OF POMONA

Notes to General Purpose Financial Statements, (Continued)

Year ended June 30, 1998

(8) General Long-Term Debt, (Continued)

Outstanding at
June 30, 1998

Compensated Absences:

The City's policies relating to compensated absences are described in note 1(m) of the Notes to General Purpose Financial Statements. This liability will be paid in future years from future resources.

\$6,887,893

Aerospace Sales Tax Rebate Claims Payable:

The City has been notified of its liability as a result of the decision in the *Aerospace Corporation vs. State Board of Equalization* case. The State Board of Equalization has provided an estimate of the City's liability. The liability is recorded as claims payable and is payable as a reduction in the City's quarterly sales tax remittance through the fourth quarter 1999.

\$153,900

Notes Payable:

The Erskine note was entered into by the Redevelopment Agency of the City of Pomona on August 9, 1976 for \$425,000 with an 8% interest rate. The note is being repaid in monthly payments of \$3,000, including interest over 36 years.

\$ 304,029

The Redevelopment Agency of the City of Pomona entered into a note with the State of California Land's Commission on November 12, 1997. The terms of the note are interest only at a rate of 6.5% annually with the principal amount of \$7,258,490 due in seven years.

7,258,490

The City received \$2,945,000 for notes with Chase Manhattan Bank. The notes are guaranteed by the Department of Housing and Urban Development (HUD) under Section 108 of the Community Development Act and is payable from future CDBG entitlements. Principal payments are due annually in amounts ranging from \$40,000 to \$125,000 beginning August 1, 1997 through 2016. Interest is payable on August 1 and February 1 at rates ranging from 5.80% to 7.08%.

2,840,000

Total notes payable

\$10,402,519

CITY OF POMONA

Notes to General Purpose Financial Statements, (Continued)

Year ended June 30, 1998

(8) General Long-Term Debt, (Continued)

Outstanding at
June 30, 1998

Revenue Bonds:

Local Agency Revenue Bonds 1989 Series H, original amount \$10,590,000, bearing interest at rates varying from 6.10% to 7.40% per annum, interest payable semiannually on each May 1 and November 1, commencing May 1, 1990, principal maturing from 1990 to 2004 in annual installments of \$15,000 to \$40,000 with term bonds of \$10,205,000 maturing May 1, 2018. The term bonds are subject to mandatory redemption from a sinking fund account in amounts ranging from \$45,000 to \$2,665,000, as outlined in the bond's official statement. AMBAC Indemnity has issued a municipal bond insurance policy in lieu of a bond reserve requirement. \$ 10,405,000

On February 1, 1994, the Authority issued \$57,075,000 1993 Local Agency Revenue Bonds Series L for the refunding of the 1991 Local Agency Revenue Bonds Series K. Interest on the bonds is payable semi-annually on February 1 and August 1 commencing August 1, 1994. The rate of interest varies from 3.4% to 5.75% per annum. Principal is payable in annual installments commencing February 1, 1995 and ending February 1, 2020. With the issuance of Series W, the legal reserve requirement of Series L is maintained in conjunction with Series W as noted below. 36,920,000

In October 1994, the Authority issued \$12,070,000 of 1994 Refunding Revenue Bonds Series N in order to advance refund the West Holt Avenue 1990 Tax Allocation Refunding Bonds and the Mountain Meadows 1990 Tax Allocation Refunding Bonds. Interest on the bonds is payable semi-annually on each June 1 and December 1 commencing December 1, 1995. Interest rates range from 4.0% to 7.5%. Principal is payable in annual installments ranging from \$120,000 to \$610,000. The legal reserve requirement is \$381,538. The balance held in the reserve account as of June 30, 1998 was \$406,585. 11,490,000

CITY OF POMONA

Notes to General Purpose Financial Statements, (Continued)

Year ended June 30, 1998

(8) General Long-Term Debt, (Continued)

Outstanding at
June 30, 1998

Revenue Bonds, (Continued):

On March 9, 1995, the Authority issued \$18,395,000 1995 Lease Revenue Bonds, Refunding Series P, for the refunding of the 1990 Lease-Purchase Revenue Bonds, Series J. Interest on the bonds is payable semiannually on each April 1 and October 1 commencing October 1, 1995. Interest rates range from 4.375% to 6.600%. Principal is payable in annual installments ranging from \$485,000 to \$870,000. Term bonds of \$4,020,000 and \$6,490,000 mature on October 1, 2010 and October 1, 2015, respectively and are subject to mandatory redemption from a sinking fund account in amounts ranging from \$920,000 to \$1,445,000, as outlined in the bond's official statement. The legal reserve requirement is \$1,548,238. The balance held in the reserve account as of June 30, 1998 was \$1,609,195.

16,855,000

On March 12, 1998, the Authority issued \$52,335,000 1998 Refunding Revenue Bonds, Series W for the purpose of refunding the 1983 Refunding Southwest Pomona RDA Tax Allocation Bonds and a portion of the 1993 Local Agency Revenue Bonds, Series L, as well as to provide financing for certain improvements in the Southwest Pomona Redevelopment Project Area. Interest on the bonds is payable semiannually on each August and February 1, commencing August 1, 1998. The rates of interest range from 3.80% to 5.00% per annum. Principal is payable in annual installments ranging from \$100,000 to \$515,000. 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. The legal reserve requirement in conjunction with the remaining 1993 Local Agency Revenue Bonds, Series L is \$5,771,500. The balance held in the reserve account for Series L and Series W is \$5,772,575.

CITY OF POMONA

Notes to General Purpose Financial Statements, (Continued)

Year ended June 30, 1998

(8) General Long-Term Debt, (Continued)

Outstanding at
June 30, 1998

Revenue Bonds, (Continued):

A portion of the \$52,335,000 of Series W proceeds, along with the remaining reserve of the 1983 Refunding Southwest Pomona RDA Tax Allocation Bonds were used to purchase state and local government securities that were deposited in two separate trusts with an escrow agent to provide for all future debt service payments on the \$13,435,000 1983 Refunding Southwest Pomona RDA Tax Allocation Bonds and \$15,435,000 of the 1993 Local Agency Revenue Bonds, Series L. As a result, these certain bonds are considered defeased and the liability has been removed from the general long-term debt account group of the City. This advance refunding resulted in an increase of total debt payments over the next 32 years by approximately \$35,000,000 and an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$717,302.

52,335,000

Total revenue bonds

\$128,005,000

Tax Allocation Bonds:

Downtown No. 1 Redevelopment Project 1989 (Refunding) Tax Allocation Bonds, original amount \$885,000, bearing interest at rates varying from 7.0% to 8.1% per annum, interest, payable semiannually on April 1 and October 1, commencing on October 1, 1989, principal maturing from 1990 to 1999 in installments of \$15,000 to \$25,000 with term bonds of \$705,000 maturing April 1, 2014. The term bonds are subject to mandatory redemption from a sinking fund account in amounts ranging from \$25,000 to \$75,000, as outlined in the bond's official statement. The proceeds of the bonds were used to retire the 1984 Tax Allocation Notes, which were due April 1, 1989. The legal reserve requirement is \$78,038. The balance held in the reserve account as of June 30, 1998 was \$85,055.

\$ 730,000

CITY OF POMONA

Notes to General Purpose Financial Statements, (Continued)

Year ended June 30, 1998

(8) General Long-Term Debt, (Continued)

Outstanding at
June 30, 1998

Tax Allocation Bonds, (Continued):

Holt Avenue-Indian Hill Redevelopment Project 1997 (Refunding) Tax Allocation Bonds, Series S, original amount of \$3,150,000, bearing interest at rates varying from 4.20% to 5.75% per annum, interest payable semiannually on June and December 1, commencing June 1, 1998, principal maturing from 1998 to 2007 in annual installments of \$50,000 to \$160,000 with term bonds of \$1,875,000 maturing June 1, 2016. The term bonds are subject to mandatory redemption from a sinking fund account in amounts ranging from \$170,000 to \$250,000, as outlined in the bond's official statement. The proceeds of these bonds were used to retire the 1986 Holt Avenue/Indian Hill Redevelopment Project Tax Allocation Bonds. The legal reserve requirement is \$288,373. The balance held in the reserve account as of June 30, 1998 was \$297,390.

3,100,000

Reservoir Street Industrial Redevelopment Project 1997 (Refunding) Tax Allocation Bonds, Series T, original amount of \$3,485,000, bearing interest at rates varying from 4.20% to 5.75% per annum, interest payable semiannually on June and December 1, commencing June 1, 1998, principal maturing from 1998 to 2007 in annual installments of \$85,000 to \$230,000 with term bonds of \$1,675,000 maturing June 1, 2013. The term bonds are subject to mandatory redemption from a sinking fund account in amounts ranging from \$240,000 to \$320,000, as outlined in the bond's official statement. The proceeds of these bonds were used to retire the 1986 Reservoir Street Industrial Redevelopment Project Tax Allocation Bonds. The legal reserve requirement is \$340,938. The balance held in the reserve account as of June 30, 1998 was \$351,099.

3,400,000

Downtown No. 2 Redevelopment Project 1998 (Refunding) Tax Allocation Bonds, Series U, original amount of \$3,535,000, bearing interest at rates varying from 4.10% to 5.75% per annum, interest payable semiannually on October and April 1, commencing October 1, 1998, principal maturing from 1999 to 2013 in annual installments of \$85,000 to \$195,000 with term bonds of \$1,440,000 maturing April 1, 2019. The term bonds are subject to mandatory redemption from a sinking fund account in amounts ranging from \$210,000 to \$275,000, as outlined in the bond's official statement. The proceeds of these bonds together with the proceeds of the 1998 Series V were used to retire the 1987 (Refunding) Downtown No. 2 Redevelopment Project Tax Allocation Bonds. The legal reserve requirement is \$292,800. The balance held in the reserve account as of June 30, 1998 was \$292,898.

3,535,000

CITY OF POMONA

Notes to General Purpose Financial Statements, (Continued)

Year ended June 30, 1998

(8) General Long-Term Debt, (Continued)

Outstanding at
June 30, 1998

Tax Allocation Bonds, (Continued):

Downtown No. 2 Redevelopment Project 1998 (Refunding) Tax Allocation Bonds, Series V, original amount of \$620,000. The payments with respect to these bonds are subordinate to the 1998 Downtown No. 2 (Refunding) Tax Allocation Bonds, Series U. Interest on the subordinate bonds is 6.5% per annum, interest payable semiannually on August and February 1, commencing August 1, 1998, principal maturing from 1999 to 2003 in annual installments of \$35,000 to \$475,000. The Agency sold subordinate bonds to the City in order to provide additional funds together with the proceeds of the 1998 Series U to retire the 1987 (Refunding) Downtown No. 2 Redevelopment Project Tax Allocation Bonds. There is no legal reserve requirement for this issue.

620,000

Total tax allocation bonds

\$11,385,000

Special Assessment Debt With Government Commitment:

In July 1996, the City of Pomona issued \$12,453,214 of Refunding Improvements Bonds on behalf of Assessment District No. 294. The proceeds of the refunding bonds were used to refund two of the Assessment District's outstanding bonds that were originally issued to finance public infrastructure improvements within the District. The old refunded debt was without government commitment and was recorded in the Assessment District fund Agency fund type. The new refunding debt is with government commitment and the debt service activity is recorded in the General Debt Service fund.

The bonds bear interest at 7.39% per annum, payable semiannually on March 2 and September 2, commencing March 2, 1997 and the principal matures from 1997 to 2021 in annual installments of \$250,000 to \$1,045,000. The legal reserve requirement is \$622,661. The balance held in the reserve account as of June 30, 1998 was \$691,829.

\$12,445,000

CITY OF POMONA

Notes to General Purpose Financial Statements, (Continued)

Year ended June 30, 1998

(9) Debt Service Requirements to Maturity

The annual requirements to amortize certain outstanding general long-term debt of the City as of June 30, 1998, are as follows:

Year Ending June 30	Loans Payable	Notes Payable	Revenue Bonds	Tax Allocation Bonds	Assessment District No. 294	Totals
1999	\$39,312,000	852,373	9,095,772	1,074,924	1,126,040	51,461,109
2000	-	847,413	9,090,988	1,070,179	1,123,140	12,131,720
2001	-	837,102	9,072,191	1,069,044	1,124,640	12,102,977
2002	-	826,630	9,080,995	1,071,049	1,120,240	12,098,914
2003	-	820,900	9,075,444	1,506,864	1,127,240	12,530,448
2004	-	814,770	9,066,865	994,984	1,122,440	11,999,059
2005	-	7,825,970	9,065,587	998,884	1,121,560	19,012,001
2006	-	324,914	9,064,804	995,634	1,129,240	11,514,592
2007	-	322,685	9,063,939	990,589	1,124,760	11,501,973
2008	-	242,331	9,056,364	988,574	1,123,840	11,411,109
2009	-	234,144	9,037,674	987,999	1,121,120	11,380,937
2010	-	225,825	9,044,637	980,296	1,121,600	11,372,358
2011	-	217,400	9,032,148	985,603	1,124,920	11,360,071
2012	-	208,894	9,029,760	983,056	1,125,720	11,347,430
2013	-	185,323	9,021,905	977,921	1,124,000	11,309,149
2014	-	155,694	9,015,817	645,275	1,123,125	10,939,911
2015	-	147,000	11,069,510	558,900	1,124,250	12,899,660
2016	-	138,244	11,065,320	552,450	1,122,000	12,878,014
2017	-	129,424	9,268,206	289,850	1,126,375	10,813,855
2018	-	-	9,270,206	290,763	1,126,625	10,687,594
2019	-	-	6,412,560	290,813	1,127,750	7,831,123
2020	-	-	6,405,680	-	1,124,375	7,530,055
2021	-	-	6,402,107	-	1,126,500	7,528,607
2022	-	-	6,406,699	-	1,123,376	7,530,075
2023	-	-	6,404,853	-	-	6,404,853
2024	-	-	6,401,318	-	-	6,401,318
2025	-	-	6,400,405	-	-	6,400,405
2026	-	-	5,769,000	-	-	5,769,000
2027	-	-	5,768,000	-	-	5,768,000
2028	-	-	5,770,750	-	-	5,770,750
2029	-	-	5,771,500	-	-	5,771,500
2030	-	-	5,769,750	-	-	5,769,750
	<u>39,312,000</u>	<u>15,357,036</u>	<u>259,270,754</u>	<u>18,303,651</u>	<u>26,984,876</u>	<u>359,228,317</u>
Less amount representing interest	<u>(1,512,000)</u>	<u>(4,954,517)</u>	<u>(131,265,754)</u>	<u>(6,918,651)</u>	<u>(14,539,876)</u>	<u>(159,190,798)</u>
Outstanding principal	<u>\$37,800,000</u>	<u>10,402,519</u>	<u>128,005,000</u>	<u>11,385,000</u>	<u>12,445,000</u>	<u>200,037,519</u>

CITY OF POMONA

Notes to General Purpose Financial Statements, (Continued)

Year ended June 30, 1998

(9) Debt Service Requirements to Maturity, (Continued)

The following long-term debt liabilities are excluded from the above schedule of debt service requirements to maturity: participation agreement, County of Los Angeles deferred tax loan, obligation under capital leases, compensated absences, and Aerospace sales tax rebate claims payable, totaling \$19,291,325.

(10) Proprietary Funds Long-Term Debt

Enterprise Funds Long-Term Debt

Changes in enterprise long-term debt for the year ended June 30, 1998, were as follows:

	<u>Balance at June 30, 1997</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at June 30, 1998</u>
Loans payable	\$ 2,604,280	-	(250,000)	2,354,280
Obligation under capital leases	3,536,391	-	(905,832)	2,630,559
Compensated absences	849,186	5,176	-	854,362
Revenue bonds payable	<u>18,610,000</u>	<u>-</u>	<u>(360,000)</u>	<u>18,250,000</u>
	<u>\$25,599,857</u>	<u>5,176</u>	<u>(1,515,832)</u>	<u>24,089,201</u>
				<u>Outstanding at June 30, 1998</u>

Loans Payable:

Ganesha Pool

The Water Utility Enterprise Fund has loaned monies to the Ganesha Pool Enterprise fund for the cost of improvements to the City pool facilities. No repayment schedule has been developed.

\$ 104,280

Water Utility Fund

On April 7, 1997, the City approved a \$2,500,000 loan from the Sanitation Enterprise fund to the Water Utility Enterprise fund to finance the construction of Reservoir 3A. Loan repayment is scheduled over ten years with equal annual principal payments of \$250,000. Semiannual interest payments will vary monthly throughout the life of the loan based on the California Local Agency Investment Fund interest rate.

2,250,000

\$2,354,280

CITY OF POMONA

Notes to General Purpose Financial Statements, (Continued)

Year ended June 30, 1998

(10) Proprietary Funds Long-Term Debt, (Continued)

Outstanding at
June 30, 1998

Obligation Under Capital Leases:

Water Utility Fund

The City has entered into 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 lease matures from 1999 to 2001.

\$ 324,854

Sanitation Fund

The City has entered into equipment lease-purchase agreements with leasing companies whereby the lessor acquired certain equipment and leased it to the City with an option to purchase. The leases mature from 1999 to 2002.

2,305,705

Total obligation under capital leases

\$2,630,559

The annual requirements to amortize the obligations under capital leases included in the Enterprise Funds are as follows:

<u>Year ending June 30</u>	<u>Amount</u>
1999	\$1,064,564
2000	1,064,086
2001	624,546
2002	<u>92,742</u>
Total minimum lease payments	2,845,938
Less amount representing interest	<u>(215,379)</u>
Present value of future minimum lease payments	<u>\$2,630,559</u>

Outstanding at
June 30, 1998

Compensated Absences:

The City's policies relating to compensated absences are described in note 1(m) of the Notes to General Purpose Financial Statements. This liability will be paid in future years from future resources.

\$854,362

CITY OF POMONA

Notes to General Purpose Financial Statements, (Continued)

Year ended June 30, 1998

(10) Proprietary Funds Long-Term Debt, (Continued)

Outstanding at
June 30, 1998

Revenue Bonds:

On July 1, 1992, \$8,000,000 of 1992 Revenue Bonds, Series A, were issued to provide financing for the construction of certain water system improvements and related facilities located within the City of Pomona. The Pomona Public Financing Authority executed and delivered the Bonds. The Authority, pursuant to a Trust Agreement, assigned all of its rights under the Agreement to the Trustee for the benefit of the owners of the Bonds. Each Bond represents a proportionate interest in an installment sale agreement of the aforementioned project between the City and the Authority, as a seller. Under the agreement, the City pledged the net revenues of the City's water system to the making of installment sale payments. Since the Authority is not at-risk for the installment sale payments and the Bonds are to be repaid from resources generated by the Water Utility Enterprise fund, the Bonds are recorded as long-term debt in the Water Utility Enterprise fund.

Interest on the Bonds is payable semiannually on January 1 and July 1 commencing January 1, 1993. The rate of interest varies from 3.0% to 6.1% per annum. Principal is payable in annual installments ranging from \$165,000 to \$365,000 commencing July 1, 1993 and ending July 1, 2009. Term bonds of \$3,840,000 mature on July 1, 2017 and are subject to mandatory redemption from a sinking fund account in amounts ranging from \$385,000 to \$585,000, as outlined in the bond's official statement. The legal reserve requirement is \$620,418. The balance held in the reserve account as of June 30, 1998 was \$624,282.

\$ 7,115,000

On January 4, 1996, the Authority issued \$11,470,000 1996 Revenue Bonds, Series Q for the construction of certain sewer system improvements. Interest on the bonds is payable semiannually on each June 1 and December 1, commencing June 1, 1996. The rate of interest varies from 3.65% to 5.90% per annum. Principal is payable in annual installments ranging from \$165,000 to \$275,000 with term bonds of \$2,855,000 and \$6,065,000 maturing December 1, 2015 and December 1, 2025, respectively. The term bonds are subject to mandatory redemption from a sinking fund account in amounts ranging from \$290,000 to \$780,000 as outlined in the bond's official statement. The legal reserve requirement is \$804,888. The balance held in the reserve account as of June 30, 1998 was \$804,888.

11,135,000

\$18,250,000

CITY OF POMONA

Notes to General Purpose Financial Statements, (Continued)

Year ended June 30, 1998

(10) Proprietary Funds Long-Term Debt, (Continued)

The annual requirements to amortize the Revenue Bonds are as follows:

<u>Year ending June 30</u>	<u>Series A</u>	<u>Series Q</u>	<u>Totals</u>
1999	\$ 616,393	804,580	1,420,973
2000	615,985	801,959	1,417,944
2001	614,748	803,738	1,418,486
2002	617,455	804,784	1,422,239
2003	614,133	800,185	1,414,318
2004	614,863	804,794	1,419,657
2005	614,478	803,463	1,417,941
2006	613,020	801,340	1,414,360
2007	610,540	803,333	1,413,873
2008	611,874	804,285	1,416,159
2009	611,855	803,660	1,415,515
2010	610,373	801,554	1,411,927
2011	607,498	803,441	1,410,939
2012	608,250	804,179	1,412,429
2013	607,478	803,766	1,411,244
2014	610,028	802,204	1,412,232
2015	605,900	804,348	1,410,248
2016	605,095	800,198	1,405,293
2017	602,460	804,265	1,406,725
2018	602,843	801,388	1,404,231
2019	-	801,888	801,888
2020	-	800,618	800,618
2021	-	802,430	802,430
2022	-	802,178	802,178
2023	-	804,713	804,713
2024	-	804,888	804,888
2025	-	802,703	802,703
2026	-	803,010	803,010
	<u>12,215,269</u>	<u>22,483,892</u>	<u>34,699,161</u>
Less amount representing interest	<u>(5,100,269)</u>	<u>(11,348,892)</u>	<u>(16,449,161)</u>
Outstanding principal balance	<u>\$ 7,115,000</u>	<u>11,135,000</u>	<u>18,250,000</u>

CITY OF POMONA

Notes to General Purpose Financial Statements, (Continued)

Year ended June 30, 1998

(10) Proprietary Funds Long-Term Debt, (Continued)

Internal Service Funds Long-Term Debt

Changes in internal service long-term debt for the year ended June 30, 1998 were as follows:

	Balance at June 30, 1997(1)	Additions	Deletions	Balance at June 30, 1998
Obligation under capital leases	\$ 52,819	-	(44,424)	8,395
Compensated absences	<u>147,761</u>	<u>25,743</u>	<u>-</u>	<u>173,504</u>
	<u>\$200,580</u>	<u>25,743</u>	<u>(44,424)</u>	<u>181,899</u>

(1) The opening balance has been adjusted by \$147,761 to properly reflect the outstanding balance of compensated absences as of July 1, 1997.

Outstanding at
June 30, 1998

Obligation Under Capital Leases:

The Information Systems Internal Service Fund received \$1,164,691 in equipment from the General Fixed Assets Account Group during the year ended June 30, 1994. In return, the remaining liability from the lease-purchase agreements was assumed by the Information Systems Fund. The leases mature from 1999 to 2001.

\$8,395

The annual requirements to amortize the obligations under capital leases included in the Internal Service Funds are as follows:

<u>Year ending June 30</u>	<u>Amount</u>
1999	\$3,603
2000	3,602
2001	<u>1,801</u>
Total minimum lease payments	9,006
Less amount representing interest	<u>611</u>
Present value of future minimum lease payments	<u>\$8,395</u>

CITY OF POMONA

Notes to General Purpose Financial Statements, (Continued)

Year ended June 30, 1998

(10) Proprietary Funds Long-Term Debt, (Continued)

Outstanding at
June 30, 1998

Compensated Absences:

The City's policies relating to compensated absences are described in note 1(m) of the Notes to General Purpose Financial Statements. This liability will be paid in future years from future resources.

\$173,504

(11) Fund Balances

Fund balances at June 30, 1998 consisted of the following reserves and designations:

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Totals (Memorandum Only)</u>
Reserved for:					
Encumbrances	\$ 133,912	1,786,345	-	861,796	2,782,053
Inventories	159,937	-	-	-	159,937
Prepaid items	12,337	297,784	-	51,089	361,210
Loans receivable - long-term	-	505,000	18,900,000	19,040,675	38,445,675
Advances to other funds	1,310,447	1,113,000	-	-	2,423,447
Property held for resale	-	6,337,611	-	28,783,766	35,121,377
Low and moderate income housing	-	7,122,128	-	-	7,122,128
Debt service requirements	-	-	<u>28,607,052</u>	-	<u>28,607,052</u>
Total reserved	<u>1,616,633</u>	<u>17,161,868</u>	<u>47,507,052</u>	<u>48,737,326</u>	<u>115,022,879</u>
Unreserved:					
Designated for contingencies	3,000,000	-	-	-	3,000,000
Designated for special fund purposes	-	10,553,947	-	-	10,553,947
Designated for future capital projects	-	-	-	<u>20,750,695</u>	<u>20,750,695</u>
Total designated	<u>3,000,000</u>	<u>10,553,947</u>	-	<u>20,750,695</u>	<u>34,304,642</u>
Undesignated (deficit)	<u>2,112,945</u>	<u>(875,330)</u>	-	-	<u>1,237,615</u>
Total fund balances	<u>\$6,729,578</u>	<u>26,840,485</u>	<u>47,507,052</u>	<u>69,488,021</u>	<u>150,565,136</u>

CITY OF POMONA

Notes to General Purpose Financial Statements, (Continued)

Year ended June 30, 1998

(12) Retained Earnings

Retained earnings at June 30, 1998 consisted of the following balances:

	<u>Enterprise</u>	<u>Internal Service</u>	<u>Totals (Memorandum Only)</u>
Reserved for:			
Debt service	\$ 1,429,170	-	1,429,170
Maintenance of reclaimed facilities	15,000	-	15,000
Orange Grove Water System	<u>115,326</u>	<u>-</u>	<u>115,326</u>
Total reserved	<u>1,559,496</u>	<u>-</u>	<u>1,559,496</u>
Unreserved (deficit)	<u>31,896,173</u>	<u>(5,348,505)</u>	<u>26,547,668</u>
Total retained earnings	<u>\$33,455,669</u>	<u>(5,348,505)</u>	<u>28,107,164</u>

(13) Accumulated Fund Deficit

The following funds reported a deficit in retained earnings at June 30, 1998:

	<u>Accumulated Deficit</u>
Enterprise Fund:	
Ganesha Pool	\$ (82,564)
Internal Service Fund:	
Self-Insurance	(7,013,413)

Management's explanation for the resolution of accumulated fund deficits are summarized as follows:

The Ganesha Pool fund deficit of \$82,564 will eventually be covered by a more aggressive marketing program to increase fee revenue.

The Self Insurance fund deficit of \$7,013,413 is a result of an accumulation of large workers compensation and general liability settlements and judgments as well as high reserves for existing claims and incurred but not yet reported claims.

CITY OF POMONA

Notes to General Purpose Financial Statements, (Continued)

Year ended June 30, 1998

(14) Expenditures in Excess of Appropriations

The following funds reported excesses of expenditures over appropriations in individual funds at June 30, 1998:

	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
General Fund:			
General government:			
Clerk	\$ 278,184	278,382	(198)
City attorney	406,929	455,086	(48,157)
Human resources	584,938	605,774	(20,836)
Non-department	1,345,323	1,775,385	(430,062)
Public safety:			
Police	25,846,901	27,004,619	(1,157,718)
Fire	13,214,791	13,363,421	(148,630)
Urban development:			
Economic development	552,592	662,245	(109,653)
Community services	3,398,971	3,416,628	(17,657)
Debt service	18,140	39,168	(21,028)
Special Revenue Funds:			
Housing Assistance Programs	6,912,137	7,205,038	(292,901)
Vehicle Parking Districts	191,923	225,094	(33,171)
Debt Service Funds:			
General Debt Service	1,535,950	2,478,512	(942,562)
Pomona Public Financing Authority	1,241,896	9,241,006	(7,999,110)
Redevelopment Agency	17,405,669	37,421,080	(20,015,411)
Capital Projects Funds:			
Capital Outlay	2,536,075	6,604,847	(4,068,772)
Assessment District Improvement	-	3,499	(3,499)

CITY OF POMONA

Notes to General Purpose Financial Statements, (Continued)

Year ended June 30, 1998

(15) Changes in Contributed Capital

	<u>Enterprise Funds</u>				<u>Internal Service Funds</u>		
	<u>Water Utility</u>	<u>Sanitation</u>	<u>Ganesh Pool</u>	<u>Totals</u>	<u>Equipment Maintenance</u>	<u>Information System</u>	<u>Totals</u>
Balances at beginning of year, as previously reported	\$19,247,350	651,517	680,149	20,579,016	103,207	363,298	466,505
Restatement as of 7/1/97	-	-	-	-	(103,207)	-	(103,207)
Balances at beginning of year, as restated	19,247,350	651,517	680,149	20,579,016	-	363,298	363,298
Depreciation of contributed assets	-	-	(69,762)	(69,762)	-	-	-
Cash contributions from customers and developers	82,665	-	-	82,665	-	-	-
Balances at end of year	<u>\$19,330,015</u>	<u>651,517</u>	<u>610,387</u>	<u>20,591,919</u>	<u>-</u>	<u>363,298</u>	<u>363,298</u>

(16) Self Insurance

The City maintains self-insurance programs for workers' compensation, general liability and unemployment insurance. The plans provide for general liability claims up to statutory limits and for workers' compensation claims up to \$325,000. Workers' compensation claims in excess of the self-insured level are insured by a commercial carrier up to statutory limits. General liability claims in excess of the self-insured level are covered through the Big Independent Cities Excess Pool Joint Powers Authority (BICEP). The City is a participating member of the BICEP, a risk-management pool for property coverage, workers compensation excess and general liability claims. Under this program, BICEP's general liability pool provides coverage up to \$25,000,000 per claim. Settled claims have not exceeded these coverages in any of the past three fiscal years.

The BICEP was formed under a joint exercise of powers agreement between local governments for the purpose of jointly funding an insurance program. The BICEP is composed of five cities with equal governing powers and no management authority. In December, 1988, the City of Pomona initiated BICEP, with the other four member cities in order to achieve long-term premium stability for general liability insurance.

CITY OF POMONA

Notes to General Purpose Financial Statements, (Continued)

Year ended June 30, 1998

(16) Self Insurance, (Continued)

The claims liability reported in the Self Insurance Internal Service Fund is based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of loss can be reasonably estimated, including incurred but not yet reported claims. As of June 30, 1998, claims payable amounted to \$6,552,718.

Changes in the claims payable amounts in fiscal years 1997 and 1998 for the Self Insurance Internal Service Fund are as follows:

	<u>Beginning of Fiscal Year Liability</u>	<u>Current Year Claims and Prior Year Changes in Estimates</u>	<u>Claim Payments</u>	<u>Balance at Fiscal Year End</u>
1996-97	\$5,128,046	3,529,811	3,595,013	5,062,844
1997-98	5,062,844	4,747,333	3,257,459	6,552,718

CITY OF POMONA

Notes to General Purpose Financial Statements, (Continued)

Year ended June 30, 1998

(17) Segments of Enterprise Activities

The City maintains three enterprise funds which provide water, sanitation and recreation services. Key financial data for the year ended June 30, 1998 for those services are as follows:

	<u>Water Utility</u>	<u>Sanitation</u>	<u>Ganesha Pool</u>	<u>Totals</u>
Operating revenues	<u>\$12,077,888</u>	<u>8,766,706</u>	<u>57,526</u>	<u>20,902,120</u>
Operating expenses:				
Depreciation	1,357,457	446,220	69,762	1,873,439
Other	<u>10,464,489</u>	<u>6,883,892</u>	<u>92,004</u>	<u>17,440,385</u>
Total	<u>11,821,946</u>	<u>7,330,112</u>	<u>161,766</u>	<u>19,313,824</u>
Net operating income (loss)	255,942	1,436,594	(104,240)	1,588,296
Non-operating revenues (expenses)	748,802	270,781	-	1,019,583
Transfers from (to) other funds	<u>(603,121)</u>	<u>(421,330)</u>	<u>-</u>	<u>(1,024,451)</u>
Net income (loss)	<u>\$ 401,623</u>	<u>1,286,045</u>	<u>(104,240)</u>	<u>1,583,428</u>
Change in contributed capital	<u>\$ 82,665</u>	<u>-</u>	<u>(69,762)</u>	<u>12,903</u>
Property, plant and equipment:				
Additions	<u>\$ 299,969</u>	<u>459,399</u>	<u>-</u>	<u>759,368</u>
Deletions	<u>\$ (8,049)</u>	<u>(6,339)</u>	<u>-</u>	<u>(14,388)</u>
Net working capital (deficiency)	<u>\$ 3,633,053</u>	<u>8,806,466</u>	<u>(239,563)</u>	<u>12,199,956</u>
Total assets	<u>\$57,517,439</u>	<u>24,493,533</u>	<u>773,214</u>	<u>82,784,186</u>
Loans payable	<u>\$ 2,250,000</u>	<u>-</u>	<u>104,280</u>	<u>2,354,280</u>
Obligation under capital leases	<u>\$ 324,853</u>	<u>2,305,706</u>	<u>-</u>	<u>2,630,559</u>
Revenue bonds	<u>\$ 7,115,000</u>	<u>11,135,000</u>	<u>-</u>	<u>18,250,000</u>
Total equity	<u>\$43,085,457</u>	<u>10,434,308</u>	<u>527,823</u>	<u>54,047,588</u>

CITY OF POMONA

Notes to General Purpose Financial Statements, (Continued)

Year ended June 30, 1998

(18) Deferred Compensation Plans

The City offers its employees various deferred compensation plans created in accordance with Internal Revenue Code Section 457. The plans, available to all full-time City employees, permits them to defer up to \$7,500 annually of their salary until future years. In addition, on July 1, 1991, the City began offering a similar plan to non-regular part-time employees in lieu of providing social security benefits. Non-regular employees' funds participate in the City's part time employee retirement plan (see note 19). The funds in deferred compensation are not available to employees until termination, retirement, death, or unforeseeable emergency.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are (until paid or made available to the employee or other beneficiary) solely the property and rights of the City (without being restricted to the provisions of benefits under the plan), subject only to the claims of the City's general creditors upon court order. Participants' rights under the plan are equal to those of general creditors of the City in an amount equal to the fair market value of the deferred account for each participant.

The City has no liability for losses under the plan but does have the duty of due care that would be required of an ordinary, prudent investor. As required by Section 1.457-2(j) of the Internal Revenue Service regulations, the plan assets are held as unrestricted City assets subject only to the claims of the general creditors of the City. The City believes that it is unlikely that it will use the assets to satisfy the claims of general creditors in the future. Assets of the fund totaled \$20,822,619 at June 30, 1998.

(19) City Employees Retirement Plan (Defined Benefit Pension Plan)

Plan Description

The City of Pomona contributes to the California Public Employees Retirement System (PERS), an agent multiple-employer public employee defined benefit pension plan. PERS provides retirement, disability benefits, and death benefits to plan members and beneficiaries. PERS acts as a common investment and administrative agent for participating public entities within the State of California. Copies of PERS' annual financial report may be obtained from its executive office at 400 "P" Street, Sacramento, California 95814.

CITY OF POMONA

Notes to General Purpose Financial Statements, (Continued)

Year ended June 30, 1998

(19) City Employees Retirement Plan (Defined Benefit Pension Plan), (Continued)

Funding Policy

Participants are required to contribute 7% (9% for safety employees) of their annual covered salary. The City makes the contributions required of City employees on their behalf and for their account. For the year ended June 30, 1998, the amount contributed by the City on behalf of the employees was \$5,637,403. The City is required to contribute at an actuarially determined rate calculated as a percentage of covered payroll. The employer contribution rate for the year ended June 30, 1998 was 6.147% for non-safety employees and 19.771% for safety employees. Separately funded plans have been established for each employee group. Benefit provisions and all other requirements are established by state statute and city contract with employee bargaining groups.

Annual Pension Cost

For the year ended June 30, 1998, the City's annual pension cost (employer contribution) of \$2,106,663 for safety and \$1,179,574 for miscellaneous employees was equal to the City's required and actual contributions. The required contribution was determined as part of the June 30, 1995, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) 8.5% investment rate of return (net of administrative expenses), (b) projected annual salary increases that vary by duration of service, and (c) 2% per year cost-of-living adjustments. Both (a) and (b) included an inflation component of 4.5%. The actuarial value of PERS assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a four-year period (smoothed market value). PERS' unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. PERS has combined the prior service unfunded liability and the current service unfunded liability into a single initial unfunded liability. The single funding horizon for this initial unfunded liability is June 30, 2011.

Safety Employees

Three-Year Trend Information

<u>Fiscal Year</u>	<u>Annual Pension Cost (Employer Contribution)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/96	\$1,301,972	100%	\$0
6/30/97	1,464,231	100%	0
6/30/98	2,106,663	100%	0

CITY OF POMONA

Notes to General Purpose Financial Statements, (Continued)

Year ended June 30, 1998

(19) City Employees Retirement Plan (Defined Benefit Pension Plan), (Continued)

<u>Valuation Date</u>	<u>Entry Age Normal Accrued Liability</u>	<u>Actuarial Value of Assets</u>	<u>Unfunded Liability/ (Excess) Assets</u>	<u>Funded Status</u>	<u>Annual Covered Payroll</u>	<u>UAAL As a % of Payroll</u>
6/30/94	\$116,971,511	\$116,540,046	\$ 431,465	99.6%	\$14,677,317	2.940%
6/30/95	106,303,546	101,384,369	4,919,177	95.4%	9,216,939	53.371%
6/30/96	120,323,422	109,903,897	10,419,525	91.3%	9,427,514	110.523%

Miscellaneous Employees

Three-Year Trend Information

<u>Fiscal Year</u>	<u>Annual Pension Cost (Employer Contribution)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/96	\$1,154,578	100%	\$0
6/30/97	1,275,526	100%	0
6/30/98	1,179,574	100%	0

<u>Valuation Date</u>	<u>Entry Age Normal Accrued Liability</u>	<u>Actuarial Value of Assets</u>	<u>Unfunded Liability/ (Excess) Assets</u>	<u>Funded Status</u>	<u>Annual Covered Payroll</u>	<u>UAAL As a % of Payroll</u>
6/30/94	\$72,625,620	\$73,704,187	\$(1,078,567)	101.5%	\$17,995,772	(5.993%)
6/30/95	76,293,390	78,531,623	(2,238,233)	102.9%	18,543,498	(12.070%)
6/30/96	83,266,701	88,049,715	(4,783,014)	105.7%	18,574,944	(25.750%)

Part-Time Employee Retirement Plans

The City provides pension benefits for all of its non-regular employees either through an arrangement with PERS described above or through a defined contribution plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. The plan is administered as part of the City's 457 plan. All non-regular employees are eligible to participate from the date of employment. Federal legislation requires contributions of at least 7.5 percent to a retirement plan. Employees contribute 100 percent of this requirement. All contributions vest immediately.

CITY OF POMONA

Notes to General Purpose Financial Statements, (Continued)

Year ended June 30, 1998

(19) City Employees Retirement Plan (Defined Benefit Pension Plan), (Continued)

For the year ended June 30, 1998, the City's covered payroll was \$1,215,345. The employees contributed \$91,151 (7.5 percent of current covered payroll). These amounts are included in the Agency Fund with the deferred compensation plan of the full-time employees (see note 18).

(20) Postemployment Benefits

Approximately 186 retirees are eligible to receive postemployment benefits at this time. Retirees are eligible for one type of benefit if they retire after July 1, 1987 with at least 20 years of service with the City of Pomona. This benefit terminates when the affect retiree becomes eligible for Medicare insurance at age 65. An additional benefit provides funding for a portion of health insurance premiums. These premiums are paid directly to the health insurance provider and do not terminate until the retiree is deceased. The City finances these postemployment benefits on a pay-as-you-go basis. The City recognizes as an expenditure its share of the annual premiums for these benefits as they become due. For the fiscal year ended June 30, 1998, \$469,300 of postemployment benefit expenditures were recognized.

(21) Joint Powers Agreement

The City participates in the Pomona-Walnut-Rowland Joint Water 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 the three member agencies.

The cost of providing water to the member agencies are 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 cost of maintenances and operation of the pipeline. The City of Pomona paid the joint venture during the year ended June 30, 1998. Assets are divided based on the proportionate equity share at the time the joint venture dissolves.

Total assets and liabilities at June 30, 1998 were \$4,892,768 and \$2,347,625, respectively. The City of Pomona's share in the equity of the Commission at June 30, 1998 was \$612,770 which is reported as an asset of the Water Utility Enterprise Fund at June 30, 1998.

Complete financial statements can be obtained from the Pomona-Walnut-Rowland Joint Water Commission, P.O. Box 284, Pomona, California 91769.

CITY OF POMONA

Notes to General Purpose Financial Statements, (Continued)

Year ended June 30, 1998

(22) Prior Year Defeasance of Debt

In prior years, the Pomona Public Financing Authority and the Pomona Redevelopment Agency (component units of the City of Pomona) defeased certain revenue bonds and tax allocation bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old debt issues. Accordingly, the trust account assets and the liability for the defeased debt issues are not included in the City's financial statements.

As of June 30, 1998, the following debt issues defeased in prior years are outstanding:

	<u>Outstanding balance at June 30, 1998</u>
West Holt Avenue, RDA 1990 Refunding TAB	\$ 4,820,000
Mountain Meadows, RDA 1990 Refunding TAB	3,395,000
1990 Lease-Purchase Revenue Bonds Series J	<u>15,055,000</u>
Total	<u>\$23,270,000</u>

(23) Special Assessment Debt Without Government Commitment

Bonds issued for improvements in certain special assessment districts in accordance with the provisions of the Municipal Improvement Acts of 1911, 1913 and 1915 are liabilities of the property owners and are secured by liens against the assessed property. The City is in no way liable for repayment of the debt but the City Treasurer only acts as agent for the property owners in collecting the assessments, forwarding the collections to bondholders, and initiating foreclosure proceedings, if applicable. Since these debts do not constitute an obligation of the City, they are not reflected in the General Long-Term Debt Account Group in the accompanying financial statements.

<u>AD No.</u>	<u>Special Assessment Bonds</u>	<u>Amount of Issue</u>	<u>Outstanding June 30, 1998</u>
285	Parking Lot Assessment	\$ 74,380	\$ 17,000
297	University Corporation Center	4,756,621	<u>3,170,000</u>
	Total outstanding		<u>\$3,187,000</u>

Subsequent to fiscal year ended June 30, 1998, the City initiated foreclosure proceedings regarding certain delinquent parcels within A.D. 297.

CITY OF POMONA

Notes to General Purpose Financial Statements, (Continued)

Year ended June 30, 1998

(24) Mortgage Revenue Bonds

The City has issued mortgage revenue bonds for low income single and multi-family dwellings. These bonds are secured by first trust deeds and private mortgage insurance. Although the City has arranged this financing program, this debt is not payable from any revenues or assets of the City. Generally, the bond or loan holders may look only to assets held by trustees for security on the indebtedness. Accordingly, since this debt does not constitute an obligation to the City it is not reflected in the General Long-Term Debt Account Group. They are as follows:

	<u>Original Issue Amount</u>	<u>Outstanding Balance at June 30, 1998</u>
City of Pomona Single Family Refunding Bonds, Series 1990 B	\$ 24,505,000	23,270,000
City of Pomona Single Family Refunding Bonds Series 1990 A	58,395,000	55,155,000
City of Pomona Variable/Fixed Rate Demand Multi-Family Housing 1985 Series A	17,850,000	4,200,000
City of Pomona Southwest - Project Bonds, Single Family, Series 1983A	62,750,000	3,077,379
City of Pomona Multi-family Housing 1998 Series A	<u>11,500,000</u>	<u>11,500,000</u>
Total mortgage revenue bonds	<u>\$175,000,000</u>	<u>97,202,379</u>

(25) Commitments

Agreement for Allocation of Tax Increment Funds

On December 5, 1988, the Redevelopment Agency of the City of Pomona entered into an agreement with the County of Los Angeles whereby the County has agreed to provide for sufficient allocation of tax increment to allow the Agency to meet its debt service requirements 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 Agency for any "deficiencies" of tax increment revenues allocated to the Agency as described in the agreement. The annual grant shall be less than \$600,000, and for 1988-89 through and including 1990-91 shall not exceed \$2,600,000, and thereafter for the life of the Project shall not exceed \$3,100,000.

CITY OF POMONA

Notes to General Purpose Financial Statements, (Continued)

Year ended June 30, 1998

(26) Contingent Liabilities

Various claims and legal actions have been filed against the City in the normal course of its operations. Although the outcome of these claims and lawsuits is uncertain, it is management's opinion that these actions will not have a material adverse effect on the City's financial position.

(27) Owner Participation Agreements

On February 16, 1993 and September 1993, the South Garey Project Area loaned approximately \$10,700,000 to Debra Kline and Calvin Weikamp under an Owner Participation Agreement for the construction of a shopping center. According to the agreement, the following terms apply: The interest rate is based on the rate of the Federal Home Loan Bank of San Francisco adjusted semi-annually; interest accrues from the date of funding; principal and interest are due in quarterly payments over a thirty-year period; the first payment date is based on the occupancy date of the shopping center and is currently indeterminable.

During the fiscal year ended June 30, 1996, payments became delinquent and the City initiated foreclosure on the property and obtained ownership. The property is reflected as land held for resale in the Redevelopment Agency Capital Projects Fund at \$6,366,500. The loan receivable balance of \$10,700,000 recorded in the Redevelopment Agency Capital Projects Fund has been offset by an allowance for doubtful accounts of \$10,700,000.

(28) Proposition 218

Proposition 218, which was approved by the voters in November 1996, provides certain limitations over the ability of local governments within the State of California to impose, increase and extend taxes, assessments and fees. Any new, increased, or extended taxes, assessments, and fees subject to the provisions of Proposition 218, require voter approval before they can be implemented. Additionally, Proposition 218 provides that these taxes, assessments, and fees are subject to the voter initiative process and may, in some circumstances, be rescinded in the future by the voters. As a result, the government's ability to finance the services for which the taxes, assessments and fees were imposed could be significantly impaired. Significant taxes, fees, and assessments that may be subject to the provisions of Proposition 218 which the government currently imposes for its own benefit or as an agent for a special district, or receives from other governmental agencies, potentially include taxes, business license fees, community facilities districts special taxes, landscape and lighting district assessments, street-sweeping assessments, water utility fees, sewer utility fees, and refuse disposal fees. At this time management has determined that all current fees, taxes and assessments are in compliance with Proposition 218. However, it is unclear the extent to which Proposition 218 is impacted by a 1995

CITY OF POMONA

Notes to General Purpose Financial Statements, (Continued)

Year ended June 30, 1998

(28) Proposition 218, (Continued)

California Supreme Court ruling (the *Guardino* case) that upheld the voter approval requirements of a previously enacted state initiative (Proposition 62), particularly with regard to taxes imposed or increased between November 5, 1986 and December 11, 1995.

(29) Subsequent Events

Issuance of Redevelopment Agency Refunding Bonds

In November 1998, the Redevelopment Agency of the City of Pomona issued 1998 Tax Allocation Refunding Bonds Series X, Y and Z. The proceeds of the refunding bonds were used to finance certain improvements in the West Holt Avenue project area and refinance certain outstanding obligations of the Agency.

Contract Commitment

In October 1998, the City Council authorized a contract with Business Records Corporation (BRC) to outsource the City's Information Systems function. This is a ten year contract with a first year baseline fee of \$1,540,000 with an annual inflation factor of 3.5% per year.

(30) Change in Accounting Principle

During the year ended June 30, 1998, the City implemented GASB Statement No. 31 which requires that the City use fair values (instead of amortized cost) for financial reporting purposes, as described more fully in note 1 to the financial statements. The cumulative effect of applying this statement upon the beginning fund balances (or retained earnings) of each fund was not material, and accordingly, those balances have not been restated.

(31) Evaluation of the Year 2000 Issue

The City is in the process of evaluating its computer programming code, computer equipment, and other electronic systems and equipment (including equipment containing embedded chips) to ascertain which of these might be impacted by a failure to properly recognize and process transactions dated on or after the year 2000. In addition, certain dates in calendar year 1999 may present difficulties because some programs and embedded chips were coded to read a date of "99" or "9999" to mean something other than a date (e.g., "end of file," etc.) which might also prevent the proper processing of data. As of June 30, 1998, the unexpended portion of contracts entered into by the City to make computer systems and other equipment year 2000 compliant is approximately \$3,100,000.

CITY OF POMONA

Notes to General Purpose Financial Statements, (Continued)

Year ended June 30, 1998

(31) Evaluation of the Year 2000 Issue, (Continued)

Additional amounts may be expended for the City's year 2000 assessment, implementation, and testing activities, as well as amounts that may need to be expended after January 1, 2000 to correct problems not previously detected and corrected by the City. Because of the unprecedented nature of the year 2000 issue, it is not possible to provide assurances that the City has or will achieve complete year 2000 compliance, even after completing all planned year 2000 corrective actions and related testing. Nor can the City determine the effect, if any, on City operations should entities external to the City (other governments, significant vendors, suppliers, service providers, customers, taxpayers, businesses, etc.) fail to achieve year 2000 compliance in a timely manner. The scope of an audit does not include an evaluation of the adequacy of management's plans with respect to this issue. The City has recently outsourced the information systems function in order to achieve year 2000 compliance. A new payroll system has been selected and will be implemented by July 1, 1999. The existing accounting software has been authorized for upgrade and is expected to be in operation by July 1, 1999. The utility billing system requires minor upgrades and will be operational by September 30, 1999.

GENERAL FUND

To account for all of the general revenue of the City not specifically levied or collected for the other City funds and for expenditures related to the rendering of general services by the City.

CITY OF POMONA
General Fund

Comparative Balance Sheet

June 30, 1998 and 1997

	<u>1998</u>	<u>1997</u>
<u>Assets</u>		
Cash and investments	\$11,577,649	2,256,711
Receivables:		
Accounts	169,531	132,032
Interest	92,237	43,854
Inventories	159,937	159,462
Prepaid items	12,337	10,393
Due from other funds	1,006,518	1,224,190
Due from other governments	4,073,784	4,053,659
Advances to other funds	<u>2,626,516</u>	<u>2,583,809</u>
Total assets	<u>\$19,718,509</u>	<u>10,464,110</u>
 <u>Liabilities and Fund Balances</u>		
Liabilities:		
Accounts payable	\$ 817,635	728,752
Accrued liabilities	1,919,127	1,424,607
Due to other funds	236,100	-
Deferred revenue	1,316,069	1,316,069
Tax and revenue anticipation notes	<u>8,700,000</u>	<u>-</u>
Total liabilities	<u>12,988,931</u>	<u>3,469,428</u>
Fund balances:		
Reserved for:		
Encumbrances	\$ 133,912	-
Inventories	159,937	159,462
Prepaid items	12,337	10,393
Advances to other funds	1,310,447	1,267,740
Unreserved:		
Designated for contingencies	3,000,000	3,000,000
Undesignated	<u>2,112,945</u>	<u>2,557,087</u>
Total fund balances	<u>6,729,578</u>	<u>6,994,682</u>
Total liabilities and fund balances	<u>\$19,718,509</u>	<u>10,464,110</u>

CITY OF POMONA
General Fund

Comparative Statement of Revenues, Expenditures and Changes in Fund Balances

Years ended June 30, 1998 and 1997

	<u>1998</u>	<u>1997</u>
Revenues:		
Taxes	\$35,131,639	36,685,444
Licenses and permits	3,754,183	3,660,938
Fines and forfeitures	396,834	537,406
Investments income	1,386,454	890,500
Charges for services	2,514,549	2,305,769
Intergovernmental	7,174,371	6,700,586
Miscellaneous	<u>352,870</u>	<u>600,866</u>
Total revenues	<u>50,710,900</u>	<u>51,381,509</u>
Expenditures:		
Current:		
General government	4,190,669	4,256,167
Public safety	40,368,040	38,665,973
Urban development	7,228,757	7,301,405
Community services	3,416,628	3,511,471
Debt service:		
Principal retirement	15,577	18,811
Interest and fiscal charges	<u>23,591</u>	<u>15,309</u>
Total expenditures	<u>55,243,262</u>	<u>53,769,136</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,532,362)</u>	<u>(2,387,627)</u>
Other financing sources (uses):		
Operating transfers in	4,731,998	2,719,026
Operating transfers out	<u>(464,740)</u>	<u>(261,443)</u>
Total other financing sources (uses)	<u>4,267,258</u>	<u>2,457,583</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(265,104)	69,956
Fund balances at beginning of year	<u>6,994,682</u>	<u>6,924,726</u>
Fund balances at end of year	<u>\$ 6,729,578</u>	<u>6,994,682</u>

CITY OF POMONA
General Fund

Schedule of Expenditures by Department - Budget and Actual

Year ended June 30, 1998

	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>	<u>Prior Year Actual</u>
General government:				
Clerk	\$ 278,184	278,382	(198)	1,047,278
Treasurer	-	-	-	344,414
City attorney	406,929	455,086	(48,157)	506,187
Human resources	584,938	605,774	(20,836)	512,159
Finance	1,086,210	1,076,042	10,168	861,788
Non-department	<u>1,345,323</u>	<u>1,775,385</u>	<u>(430,062)</u>	<u>984,341</u>
Total general government	<u>3,701,584</u>	<u>4,190,669</u>	<u>(489,085)</u>	<u>4,256,167</u>
Public safety:				
Police	25,846,901	27,004,619	(1,157,718)	25,547,896
Fire	<u>13,214,791</u>	<u>13,363,421</u>	<u>(148,630)</u>	<u>13,118,077</u>
Total public safety	<u>39,061,692</u>	<u>40,368,040</u>	<u>(1,306,348)</u>	<u>38,665,973</u>
Urban development:				
Public works	6,591,999	6,566,512	25,487	6,629,925
Economic development	<u>552,592</u>	<u>662,245</u>	<u>(109,653)</u>	<u>671,480</u>
Total urban development	<u>7,144,591</u>	<u>7,228,757</u>	<u>(84,166)</u>	<u>7,301,405</u>
Community services	<u>3,398,971</u>	<u>3,416,628</u>	<u>(17,657)</u>	<u>3,511,471</u>
Debt service:				
Principal retirement	13,083	15,577	(2,494)	18,811
Interest and fiscal charges	<u>5,057</u>	<u>23,591</u>	<u>(18,534)</u>	<u>15,309</u>
Total debt service	<u>18,140</u>	<u>39,168</u>	<u>(21,028)</u>	<u>34,120</u>
Total expenditures	<u>\$53,324,978</u>	<u>55,243,262</u>	<u>(1,918,284)</u>	<u>53,769,136</u>

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditure for specific purposes.

The City of Pomona has thirteen Special Revenue Funds:

Housing Assistance Programs Fund - To account for revenues received and expenditures made for the Housing and Urban Development (HUD) grants. The City provides subsidies through HUD administered Section 8 programs, Certificate, Housing Voucher and Moderate Rehabilitation. The basic purpose of the Section 8 Program is to offer expanded opportunities for rental assistance to very low income families by utilizing existing housing units.

Community Development Block Grant Fund - To account for revenues received and expenditures made for the Community Development Block Grant. The purpose of Community Development Block Grants (CDBG) is to develop viable urban communities by providing decent housing and a suitable environment, expand economic opportunity for persons of low and moderate income.

Miscellaneous Grants Fund - To account for revenues received and expenditures made for Federal and/or State approved projects. Financing is provided by Federal and/or State grants. Following are grants accounted for within this fund:

1. Housing Rehabilitation and Preservation. These programs are designed to prevent the general deterioration of the housing inventory, to eliminate code violations, hazardous conditions and overcrowding in both residential and rental units throughout the City, with emphasis in designated Neighborhood Strategy Areas (NSA).
2. Home Investment Partnership Act. The City of Pomona's HOME program description reflects the grant's emphasis upon rehabilitation as an appropriate means to provide affordable housing for low income persons. The program goal is to implement and administer a first-time home buyers program in conjunction with a qualified local Community Housing Development organization.
3. Shelter Care Plus Grant. This grant provides services and shelter to homeless women and children on substance abuse programs.
4. Emergency Shelter Grants. Authorized by Title VII to assist the homeless by improving the quality of existing emergency shelters, establishing new facilities, and/or implementing essential services and homeless preventative assistance.

Traffic Safety Fund - To account for the revenues received and expenditures made for traffic safety enforcement. The revenues include receipts from tickets written by the California Highway Patrol within the City limits and by the Police Department.

State Gas Tax Fund - To account for revenues received and expenditures made for general street improvement and maintenance. The revenues consist of the City's share of state gasoline taxes collected under sections 2105, 2106, 2107, and 2107.5 of the Street and Highway Code.

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SPECIAL REVENUE FUNDS, (CONTINUED)

Proposition A Fund - To account 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.

Proposition C Fund - To account for receipt and disbursement of funds derived from 1990-91 increase in County sales tax. The funds are used to finance transit or transit-related projects.

Vehicle Parking Districts Fund - To account for revenues received and expenditures made for the operation, maintenance, capital improvements, and administration of parking lots in the downtown business area. Revenues are received from parking fees.

Mall Maintenance Repair and Improvement Fund - To account for revenues received and expenditures made for the maintenance of the City's "Pedestrian Mall". Financing is provided by assessments applied to the properties within the Mall boundaries.

Air Quality Improvement Fund - To account for the revenues and expenditures made for air quality improvement projects. The revenues consist of funds received from the South Coast Air Quality Management District (SCAQMD) in accordance with AB2766.

Landscape Maintenance District Fund - To account 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.

Narcotics Forfeiture Fund - To account for the City's share of assets seized by law enforcement agencies. The monies are used for law enforcement purposes.

Low and Moderate Income Housing Fund - To account for monies received and expended to assist low and moderate income households.

CITY OF POMONA
Special Revenue Fund

Combining Balance Sheet

June 30, 1998

	Housing Assistance Programs	Community Development Block Grant	Miscellaneous Grants	Traffic Safety	State Gas Tax	Proposition A	Proposition C
<u>Assets</u>							
Cash and investments	\$1,611,841	206,652	1,237,899	-	5,947,075	239,179	871,618
Cash and investments with fiscal agents	-	25,606	-	-	-	75,910	-
Receivables:							
Accounts	-	10,950	-	44,984	-	-	-
Interest	15,235	-	13,706	-	64,554	2,578	8,562
Loans	-	3,475,364	2,729,686	-	-	-	-
Prepaid items	295,070	-	490	-	-	-	-
Due from other funds	-	-	-	-	-	-	-
Due from other governments	50,001	297,658	101,712	-	203,210	139,831	118,391
Advances to other funds	-	-	-	-	-	-	-
Property held for resale	-	<u>2,445,000</u>	-	-	-	-	-
 Total assets	 <u>\$1,972,147</u>	 <u>6,461,230</u>	 <u>4,083,493</u>	 <u>44,984</u>	 <u>6,214,839</u>	 <u>457,498</u>	 <u>998,571</u>
<u>Liabilities and Fund Balances</u>							
Liabilities:							
Accounts payable	\$ 3,511	356,653	108,425	-	113,963	293,455	92,756
Accrued liabilities	27,450	42,812	37,702	-	16,851	1,124	3,899
Due to other funds	-	392,109	-	44,984	-	-	-
Due to other governments	545,329	-	-	-	-	-	-
Deferred revenue	-	3,035,970	2,729,686	-	-	-	-
Deposits payable	-	100,563	25	-	-	-	-
Retentions payable	-	<u>11,896</u>	-	-	<u>152,359</u>	<u>113,954</u>	-
 Total liabilities	 <u>576,290</u>	 <u>3,940,003</u>	 <u>2,875,838</u>	 <u>44,984</u>	 <u>283,173</u>	 <u>408,533</u>	 <u>96,655</u>
Fund balances:							
Reserved for:							
Encumbrances	3,722	486,557	549,292	-	569,060	41,424	33,674
Prepaid items	295,070	-	490	-	-	-	-
Loans receivable-long-term	-	465,000	-	-	-	-	-
Advances to other funds	-	-	-	-	-	-	-
Property held for resale	-	2,445,000	-	-	-	-	-
Low and moderate income housing	-	-	-	-	-	-	-
Unreserved:							
Designated for special fund purposes	1,097,065	-	657,873	-	5,362,606	7,541	868,242
Undesignated	-	<u>(875,330)</u>	-	-	-	-	-
 Total fund balances	 <u>1,395,857</u>	 <u>2,521,227</u>	 <u>1,207,655</u>	 <u>-</u>	 <u>5,931,666</u>	 <u>48,965</u>	 <u>901,916</u>
 Total liabilities and fund balances	 <u>\$1,972,147</u>	 <u>6,461,230</u>	 <u>4,083,493</u>	 <u>44,984</u>	 <u>6,214,839</u>	 <u>457,498</u>	 <u>998,571</u>

Vehicle Parking Districts	Mall Maintenance Repair and Improvement	Air Quality Improvement	Landscape Maintenance District	Narcotics Forfeiture	Low and Moderate Income Housing	Totals	
						1998	1997
753,677	13,533	584,243	896,407	407,679	6,571,409	19,341,212	17,342,146
-	-	-	-	-	91,945	193,461	370,630
-	-	-	-	-	-	55,934	15,941
7,720	144	5,779	9,179	4,481	79,484	211,422	169,997
-	-	-	-	-	2,169,460	8,374,510	6,410,796
911	-	-	1,313	-	-	297,784	-
-	-	-	-	-	417,015	417,015	-
404	72	39,921	32,740	8,805	-	992,745	1,490,980
-	-	-	-	-	1,113,000	1,113,000	1,113,000
-	-	-	-	-	3,892,611	6,337,611	4,296,782
<u>762,712</u>	<u>13,749</u>	<u>629,943</u>	<u>939,639</u>	<u>420,965</u>	<u>14,334,924</u>	<u>37,334,694</u>	<u>31,210,272</u>
16,930	413	227	55,490	14,860	10,884	1,067,567	931,660
7,255	-	2,761	9,376	-	20,226	169,456	125,365
-	-	-	-	-	-	437,093	691,898
826	-	-	-	-	-	546,155	17,694
-	-	-	-	-	2,129,460	7,895,116	5,937,500
-	-	25	-	-	-	100,613	30,588
-	-	-	-	-	-	278,209	131,707
<u>25,011</u>	<u>413</u>	<u>3,013</u>	<u>64,866</u>	<u>14,860</u>	<u>2,160,570</u>	<u>10,494,209</u>	<u>7,866,412</u>
1,574	-	1,800	38,790	53,837	6,615	1,786,345	4,063,616
911	-	-	1,313	-	-	297,784	-
-	-	-	-	-	40,000	505,000	500,000
-	-	-	-	-	1,113,000	1,113,000	1,113,000
-	-	-	-	-	3,892,611	6,337,611	4,296,782
-	-	-	-	-	7,122,128	7,122,128	3,639,311
735,216	13,336	625,130	834,670	352,268	-	10,553,947	11,457,962
-	-	-	-	-	-	(875,330)	(1,726,811)
<u>737,701</u>	<u>13,336</u>	<u>626,930</u>	<u>874,773</u>	<u>406,105</u>	<u>12,174,354</u>	<u>26,840,485</u>	<u>23,343,860</u>
<u>762,712</u>	<u>13,749</u>	<u>629,943</u>	<u>939,639</u>	<u>420,965</u>	<u>14,334,924</u>	<u>37,334,694</u>	<u>31,210,272</u>

CITY OF POMONA
Special Revenue Fund

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Year ended June 30, 1998

	Housing Assistance Programs	Community Development Block Grant	Miscellaneous Grants	Traffic Safety	State Gas Tax	Proposition A	Proposition C
Revenues:							
Special assessments	\$ -	-	-	-	-	-	-
Fines and forfeitures	-	-	-	294,994	-	-	-
Investments income	64,625	206,749	59,299	-	331,079	1,769	27,275
Intergovernmental	7,224,225	2,967,051	2,560,749	-	2,480,588	1,552,391	1,287,543
Miscellaneous	-	-	132,481	-	-	15,570	-
Gain (loss) on sale of property	-	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues	<u>7,288,850</u>	<u>3,173,800</u>	<u>2,752,529</u>	<u>294,994</u>	<u>2,811,667</u>	<u>1,569,730</u>	<u>1,314,818</u>
Expenditures:							
Current:							
General government	-	-	-	-	-	-	-
Public safety	-	-	249,812	-	-	-	-
Urban development	-	-	-	-	1,311,205	1,151,067	389,856
Community services	7,205,038	2,290,517	2,234,328	-	-	54,226	-
Capital outlay	-	617,200	221,255	-	2,292,276	222,389	73,299
Debt service:							
Principal retirement	-	105,000	-	-	-	260,000	-
Interest and fiscal charges	-	132,128	-	-	-	17,469	-
	<u>-</u>	<u>132,128</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,469</u>	<u>-</u>
Total expenditures	<u>7,205,038</u>	<u>3,144,845</u>	<u>2,705,395</u>	<u>-</u>	<u>3,603,481</u>	<u>1,705,151</u>	<u>463,155</u>
Excess (deficiency) of revenues over (under) expenditures	<u>83,812</u>	<u>28,955</u>	<u>47,134</u>	<u>294,994</u>	<u>(791,814)</u>	<u>(135,421)</u>	<u>851,663</u>
Other financing sources (uses):							
Proceeds of notes	-	2,945,000	-	-	-	-	-
Proceeds of capital lease	-	-	-	-	-	-	-
Operating transfers in	-	-	172,571	-	162,000	-	-
Operating transfers out	-	-	-	(294,994)	(1,140,368)	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>(294,994)</u>	<u>(1,140,368)</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>2,945,000</u>	<u>172,571</u>	<u>(294,994)</u>	<u>(978,368)</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	83,812	2,973,955	219,705	-	(1,770,182)	(135,421)	851,663
Fund balances (deficit) at beginning of year, as restated	<u>1,312,045</u>	<u>(452,728)</u>	<u>987,950</u>	<u>-</u>	<u>7,701,848</u>	<u>184,386</u>	<u>50,253</u>
Fund balances at end of year	<u>\$1,395,857</u>	<u>2,521,227</u>	<u>1,207,655</u>	<u>-</u>	<u>5,931,666</u>	<u>48,965</u>	<u>901,916</u>

Vehicle Parking Districts	Mall Maintenance Repair and Improvement	Air Quality Improvement	Landscape Maintenance District	Narcotics Forfeiture	Low and Moderate Income Housing	Totals	
						1998	1997
87,132	1,541	-	1,209,300	-	-	1,297,973	1,348,955
-	-	-	-	188,417	-	483,411	605,529
38,094	880	26,758	36,147	20,810	343,405	1,156,890	1,244,108
-	-	152,586	-	8,805	-	18,233,938	17,840,020
112,610	-	4,057	1,043	-	87,504	353,265	356,975
-	-	-	-	-	63,229	63,229	(153,590)
<u>237,836</u>	<u>2,421</u>	<u>183,401</u>	<u>1,246,490</u>	<u>218,032</u>	<u>494,138</u>	<u>21,588,706</u>	<u>21,241,997</u>
-	-	-	-	-	652,142	652,142	668,423
-	-	-	-	480,567	-	730,379	266,824
189,310	12,766	114,026	1,012,650	-	1,062,721	5,243,601	5,438,616
-	-	-	-	-	-	11,784,109	10,939,292
31,884	-	-	90,280	60,593	729	3,609,905	960,373
3,153	-	-	-	-	12,141	380,294	481,001
<u>747</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>26,860</u>	<u>177,204</u>	<u>122,711</u>
<u>225,094</u>	<u>12,766</u>	<u>114,026</u>	<u>1,102,930</u>	<u>541,160</u>	<u>1,754,593</u>	<u>22,577,634</u>	<u>18,877,240</u>
<u>12,742</u>	<u>(10,345)</u>	<u>69,375</u>	<u>143,560</u>	<u>(323,128)</u>	<u>(1,260,455)</u>	<u>(988,928)</u>	<u>2,364,757</u>
-	-	-	-	-	-	2,945,000	-
-	-	-	-	-	-	-	41,698
-	-	-	-	-	5,688,038	6,022,609	3,015,838
<u>-</u>	<u>-</u>	<u>-</u>	<u>(90,329)</u>	<u>(53,327)</u>	<u>(1,810,930)</u>	<u>(3,389,948)</u>	<u>(3,005,853)</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>(90,329)</u>	<u>(53,327)</u>	<u>3,877,108</u>	<u>5,577,661</u>	<u>51,683</u>
12,742	(10,345)	69,375	53,231	(376,455)	2,616,653	4,588,733	2,416,440
<u>724,959</u>	<u>23,681</u>	<u>557,555</u>	<u>821,542</u>	<u>782,560</u>	<u>9,557,701</u>	<u>22,251,752</u>	<u>20,927,420</u>
<u>737,701</u>	<u>13,336</u>	<u>626,930</u>	<u>874,773</u>	<u>406,105</u>	<u>12,174,354</u>	<u>26,840,485</u>	<u>23,343,860</u>

CITY OF POMONA
Housing Assistance Programs Fund

Statement of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual

Year ended June 30, 1998

	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>	<u>Prior Year Actual</u>
Revenues:				
Investments income	\$ 21,150	64,625	43,475	298,303
Intergovernmental	6,905,662	7,224,225	318,563	7,268,633
Miscellaneous	<u>-</u>	<u>-</u>	<u>-</u>	<u>116,669</u>
Total revenues	<u>6,926,812</u>	<u>7,288,850</u>	<u>362,038</u>	<u>7,683,605</u>
Expenditures:				
Current:				
Community services	<u>6,912,137</u>	<u>7,205,038</u>	<u>(292,901)</u>	<u>7,107,684</u>
Total expenditures	<u>6,912,137</u>	<u>7,205,038</u>	<u>(292,901)</u>	<u>7,107,684</u>
Excess (deficiency) of revenues over (under) expenditures	<u>14,675</u>	<u>83,812</u>	<u>69,137</u>	<u>575,921</u>
Other financing sources (uses):				
Operating transfers in	<u>-</u>	<u>-</u>	<u>-</u>	<u>122,183</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>122,183</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	14,675	83,812	69,137	698,104
Fund balances at beginning of year	<u>1,312,045</u>	<u>1,312,045</u>	<u>-</u>	<u>613,941</u>
Fund balances at end of year	<u>\$1,326,720</u>	<u>1,395,857</u>	<u>69,137</u>	<u>1,312,045</u>

CITY OF POMONA
Community Development Block Grant Fund

Statement of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual

Year ended June 30, 1998

	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>	<u>Prior Year Actual</u>
Revenues:				
Investments income	\$ -	206,749	206,749	-
Intergovernmental	<u>3,526,206</u>	<u>2,967,051</u>	<u>(559,155)</u>	<u>2,843,493</u>
Total revenues	<u>3,526,206</u>	<u>3,173,800</u>	<u>(352,406)</u>	<u>2,843,493</u>
Expenditures:				
Current:				
Community services	2,435,395	2,290,517	144,878	2,327,869
Capital outlay	885,567	617,200	268,367	-
Debt service:				
Principal retirement	-	105,000	(105,000)	210,000
Interest and fiscal charges	<u>180,000</u>	<u>132,128</u>	<u>47,872</u>	<u>67,501</u>
Expenditures	<u>3,500,962</u>	<u>3,144,845</u>	<u>356,117</u>	<u>2,605,370</u>
Excess (deficiency) of revenues over (under) expenditures	<u>25,244</u>	<u>28,955</u>	<u>3,711</u>	<u>238,123</u>
Other financing sources (uses):				
Proceeds of notes	<u>-</u>	<u>2,945,000</u>	<u>2,945,000</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>2,945,000</u>	<u>2,945,000</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	25,244	2,973,955	2,948,711	238,123
Fund balances (deficit) at beginning of year	<u>(452,728)</u>	<u>(452,728)</u>	<u>-</u>	<u>(690,851)</u>
Fund balances (deficit) at end of year	<u>\$ (427,484)</u>	<u>2,521,227</u>	<u>2,948,711</u>	<u>(452,728)</u>

CITY OF POMONA
Miscellaneous Grants Fund

Statement of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual

Year ended June 30, 1998

	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>	<u>Prior Year Actual</u>
Revenues:				
Investments income	\$ -	59,299	59,299	-
Intergovernmental	3,254,157	2,560,749	(693,408)	2,278,762
Miscellaneous	<u>118,500</u>	<u>132,481</u>	<u>13,981</u>	<u>-</u>
Total revenues	<u>3,372,657</u>	<u>2,752,529</u>	<u>(620,128)</u>	<u>2,278,762</u>
Expenditures:				
Current:				
Public safety	288,489	249,812	38,677	-
Community services	3,318,792	2,234,328	1,084,464	1,455,579
Capital outlay	<u>425,313</u>	<u>221,255</u>	<u>204,058</u>	<u>-</u>
Total expenditures	<u>4,032,594</u>	<u>2,705,395</u>	<u>1,327,199</u>	<u>1,455,579</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(659,937)</u>	<u>47,134</u>	<u>707,071</u>	<u>823,183</u>
Other financing sources (uses):				
Operating transfers in	<u>70,660</u>	<u>172,571</u>	<u>101,911</u>	<u>-</u>
Total other financing sources (uses)	<u>70,660</u>	<u>172,571</u>	<u>101,911</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(589,277)	219,705	808,982	823,183
Fund balances at beginning of year	<u>987,950</u>	<u>987,950</u>	<u>-</u>	<u>164,767</u>
Fund balances at end of year	<u>\$ 398,673</u>	<u>1,207,655</u>	<u>808,982</u>	<u>987,950</u>

CITY OF POMONA
Traffic Safety Fund

Statement of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual

Year ended June 30, 1998

	<u>Budget</u>	<u>Actual</u>	Variance- Favorable (Unfavorable)	Prior Year <u>Actual</u>
Revenues:				
Fines and forfeitures	\$266,000	294,994	28,994	254,945
Total revenues	<u>266,000</u>	<u>294,994</u>	<u>28,994</u>	<u>254,945</u>
Excess (deficiency) of revenues over (under) expenditures	<u>266,000</u>	<u>294,994</u>	<u>28,994</u>	<u>254,945</u>
Other financing sources (uses):				
Operating transfers out	<u>(266,000)</u>	<u>(294,994)</u>	<u>(28,994)</u>	<u>(254,945)</u>
Total other financing sources (uses)	<u>(266,000)</u>	<u>(294,994)</u>	<u>(28,994)</u>	<u>(254,945)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	-	-	-	-
Fund balances at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances at end of year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>

CITY OF POMONA
State Gas Tax Fund

Statement of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual

Year ended June 30, 1998

	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>	<u>Prior Year Actual</u>
Revenues:				
Investments income	\$ 288,403	331,079	42,676	419,814
Intergovernmental	2,290,000	2,480,588	190,588	2,617,028
Miscellaneous	<u> -</u>	<u> -</u>	<u> -</u>	<u> 250</u>
Total revenues	<u>2,578,403</u>	<u>2,811,667</u>	<u>233,264</u>	<u>3,037,092</u>
Expenditures:				
Current:				
Urban development	741,648	1,311,205	(569,557)	1,282,105
Capital outlay	<u>3,120,661</u>	<u>2,292,276</u>	<u>828,385</u>	<u> -</u>
Total expenditures	<u>3,862,309</u>	<u>3,603,481</u>	<u>258,828</u>	<u>1,282,105</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,283,906)</u>	<u>(791,814)</u>	<u>492,092</u>	<u>1,754,987</u>
Other financing sources (uses):				
Operating transfers in	-	162,000	162,000	51,737
Operating transfers out	<u>(1,090,500)</u>	<u>(1,140,368)</u>	<u>(49,868)</u>	<u>(477,180)</u>
Total other financing sources (uses)	<u>(1,090,500)</u>	<u>(978,368)</u>	<u>112,132</u>	<u>(425,443)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>(2,374,406)</u>	<u>(1,770,182)</u>	<u>604,224</u>	<u>1,329,544</u>
Fund balances at beginning of year	<u>7,701,848</u>	<u>7,701,848</u>	<u> -</u>	<u>6,372,304</u>
Fund balances at end of year	<u>\$5,327,442</u>	<u>5,931,666</u>	<u>604,224</u>	<u>7,701,848</u>

CITY OF POMONA
Proposition A Fund

Statement of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual

Year ended June 30, 1998

	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>	<u>Prior Year Actual</u>
Revenues:				
Investments income	\$ 38,454	1,769	(36,685)	45,616
Intergovernmental	1,500,000	1,552,391	52,391	1,457,375
Miscellaneous	<u>10,000</u>	<u>15,570</u>	<u>5,570</u>	<u>12,352</u>
Total revenues	<u>1,548,454</u>	<u>1,569,730</u>	<u>21,276</u>	<u>1,515,343</u>
Expenditures:				
Current:				
Urban development	1,180,667	1,151,067	29,600	1,436,507
Community services	-	54,226	(54,226)	48,160
Capital outlay	510,000	222,389	287,611	607,472
Debt service:				
Principal retirement	260,000	260,000	-	260,000
Interest and fiscal charges	<u>40,000</u>	<u>17,469</u>	<u>22,531</u>	<u>31,694</u>
Total expenditures	<u>1,990,667</u>	<u>1,705,151</u>	<u>285,516</u>	<u>2,383,833</u>
Excess (deficiency) of revenues over (under) expenditures	(442,213)	(135,421)	306,792	(868,490)
Fund balances at beginning of year	<u>184,386</u>	<u>184,386</u>	<u>-</u>	<u>1,052,876</u>
Fund balances (deficit) at end of year	<u>\$ (257,827)</u>	<u>48,965</u>	<u>306,792</u>	<u>184,386</u>

CITY OF POMONA
Proposition C Fund

Statement of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual

Year ended June 30, 1998

	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>	<u>Prior Year Actual</u>
Revenues:				
Investments income	\$ 19,227	27,275	8,048	19,537
Intergovernmental	<u>1,310,969</u>	<u>1,287,543</u>	<u>(23,426)</u>	<u>1,225,286</u>
Total revenues	<u>1,330,196</u>	<u>1,314,818</u>	<u>(15,378)</u>	<u>1,244,823</u>
Expenditures:				
Current:				
Urban development	69,781	389,856	(320,075)	591,419
Capital outlay	<u>510,000</u>	<u>73,299</u>	<u>436,701</u>	<u>-</u>
Total expenditures	<u>579,781</u>	<u>463,155</u>	<u>116,626</u>	<u>591,419</u>
Excess (deficiency) of revenues over (under) expenditures	750,415	851,663	101,248	653,404
Fund balances (deficit) at beginning of year, as restated	<u>50,253</u>	<u>50,253</u>	<u>-</u>	<u>(391,614)</u>
Fund balances at end of year	<u>\$ 800,668</u>	<u>901,916</u>	<u>101,248</u>	<u>261,790</u>

CITY OF POMONA
Vehicle Parking Districts Fund

Statement of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual

Year ended June 30, 1998

	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>	<u>Prior Year Actual</u>
Revenues:				
Special assessments	\$ 70,110	87,132	17,022	47,950
Investments income	37,492	38,094	602	36,705
Miscellaneous	<u>104,554</u>	<u>112,610</u>	<u>8,056</u>	<u>93,567</u>
Total revenues	<u>212,156</u>	<u>237,836</u>	<u>25,680</u>	<u>178,222</u>
Expenditures:				
Current:				
Urban development	175,523	189,310	(13,787)	155,148
Capital outlay	12,500	31,884	(19,384)	-
Debt service:				
Principal retirement	3,153	3,153	-	1,517
Interest and fiscal charges	<u>747</u>	<u>747</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>191,923</u>	<u>225,094</u>	<u>(33,171)</u>	<u>156,665</u>
Excess (deficiency) of revenues over (under) expenditures	<u>20,233</u>	<u>12,742</u>	<u>(7,491)</u>	<u>21,557</u>
Other financing sources (uses):				
Proceeds of capital lease	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,077</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,077</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	20,233	12,742	(7,491)	38,634
Fund balances at beginning of year	<u>724,959</u>	<u>724,959</u>	<u>-</u>	<u>686,325</u>
Fund balances at end of year	<u>\$745,192</u>	<u>737,701</u>	<u>(7,491)</u>	<u>724,959</u>

CITY OF POMONA
Mall Maintenance Repair and Improvement Fund

Statement of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual

Year ended June 30, 1998

	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>	<u>Prior Year Actual</u>
Revenues:				
Special assessments	\$ 1,400	1,541	141	1,401
Investments income	<u>769</u>	<u>880</u>	<u>111</u>	<u>1,110</u>
Total revenues	<u>2,169</u>	<u>2,421</u>	<u>252</u>	<u>2,511</u>
Expenditures:				
Current:				
Urban development	5,300	12,766	(7,466)	-
Capital outlay	<u>18,000</u>	<u>-</u>	<u>18,000</u>	<u>-</u>
Total expenditures	<u>23,300</u>	<u>12,766</u>	<u>10,534</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(21,131)</u>	<u>(10,345)</u>	<u>10,786</u>	<u>2,511</u>
Other financing sources (uses):				
Operating transfers in	<u>3,300</u>	<u>-</u>	<u>(3,300)</u>	<u>3,300</u>
Total other financing sources (uses)	<u>3,300</u>	<u>-</u>	<u>(3,300)</u>	<u>3,300</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>(17,831)</u>	<u>(10,345)</u>	<u>7,486</u>	<u>5,811</u>
Fund balances at beginning of year	<u>23,681</u>	<u>23,681</u>	<u>-</u>	<u>17,870</u>
Fund balances at end of year	<u>\$ 5,850</u>	<u>13,336</u>	<u>7,486</u>	<u>23,681</u>

CITY OF POMONA
Air Quality Improvement Fund

Statement of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual

Year ended June 30, 1998

	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>	<u>Prior Year Actual</u>
Revenues:				
Investments income	\$ 19,227	26,758	7,531	27,502
Intergovernmental	154,040	152,586	(1,454)	149,443
Miscellaneous	<u>3,000</u>	<u>4,057</u>	<u>1,057</u>	<u>6,668</u>
Total revenues	<u>176,267</u>	<u>183,401</u>	<u>7,134</u>	<u>183,613</u>
Expenditures:				
Current:				
Urban development	177,494	114,026	63,468	138,845
Capital outlay	<u>100,000</u>	<u>-</u>	<u>100,000</u>	<u>-</u>
Total expenditures	<u>277,494</u>	<u>114,026</u>	<u>163,468</u>	<u>138,845</u>
Excess (deficiency) of revenues over (under) expenditures	(101,227)	69,375	170,602	44,768
Fund balances at beginning of year	<u>557,555</u>	<u>557,555</u>	<u>-</u>	<u>512,787</u>
Fund balances at end of year	<u>\$456,328</u>	<u>626,930</u>	<u>170,602</u>	<u>557,555</u>

CITY OF POMONA
Landscape Maintenance District Fund

Statement of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual

Year ended June 30, 1998

	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>	<u>Prior Year Actual</u>
Revenues:				
Special assessments	\$1,131,470	1,209,300	77,830	1,217,493
Investments income	33,070	36,147	3,077	29,822
Miscellaneous	<u>-</u>	<u>1,043</u>	<u>1,043</u>	<u>-</u>
Total revenues	<u>1,164,540</u>	<u>1,246,490</u>	<u>81,950</u>	<u>1,247,315</u>
Expenditures:				
Current:				
Urban development	1,039,722	1,012,650	27,072	1,084,821
Capital outlay	<u>127,000</u>	<u>90,280</u>	<u>36,720</u>	<u>-</u>
Total expenditures	<u>1,166,722</u>	<u>1,102,930</u>	<u>63,792</u>	<u>1,084,821</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,182)</u>	<u>143,560</u>	<u>145,742</u>	<u>162,494</u>
Other financing sources (uses):				
Proceeds of capital lease	-	-	-	24,621
Operating transfers out	<u>(12,000)</u>	<u>(90,329)</u>	<u>(78,329)</u>	<u>(63,737)</u>
Total other financing sources (uses)	<u>(12,000)</u>	<u>(90,329)</u>	<u>(78,329)</u>	<u>(39,116)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(14,182)	53,231	67,413	123,378
Fund balances at beginning of year	<u>821,542</u>	<u>821,542</u>	<u>-</u>	<u>698,164</u>
Fund balances at end of year	<u>\$ 807,360</u>	<u>874,773</u>	<u>67,413</u>	<u>821,542</u>

CITY OF POMONA
Narcotics Forfeiture Fund

Statement of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual

Year ended June 30, 1998

	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>	<u>Prior Year Actual</u>
Revenues:				
Fines and forfeitures	\$ -	188,417	188,417	350,584
Investments income	-	20,810	20,810	69,109
Intergovernmental	<u>-</u>	<u>8,805</u>	<u>8,805</u>	<u>-</u>
Total revenues	<u>-</u>	<u>218,032</u>	<u>218,032</u>	<u>419,693</u>
Expenditures:				
Current:				
Public safety	548,829	480,567	68,262	266,824
Capital outlay	<u>230,000</u>	<u>60,593</u>	<u>169,407</u>	<u>352,901</u>
Total expenditures	<u>778,829</u>	<u>541,160</u>	<u>237,669</u>	<u>619,725</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(778,829)</u>	<u>(323,128)</u>	<u>455,701</u>	<u>(200,032)</u>
Other financing sources (uses):				
Operating transfers out	<u>-</u>	<u>(53,327)</u>	<u>(53,327)</u>	<u>(51,523)</u>
Total other financing sources (uses)	<u>-</u>	<u>(53,327)</u>	<u>(53,327)</u>	<u>(51,523)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>(778,829)</u>	<u>(376,455)</u>	<u>402,374</u>	<u>(251,555)</u>
Fund balances at beginning of year	<u>782,560</u>	<u>782,560</u>	<u>-</u>	<u>1,034,115</u>
Fund balances at end of year	<u>\$ 3,731</u>	<u>406,105</u>	<u>402,374</u>	<u>782,560</u>

CITY OF POMONA
Low and Moderate Income Housing Fund

Statement of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual

Year ended June 30, 1998

	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>	<u>Prior Year Actual</u>
Revenues:				
Investments income	\$ 96,134	343,405	247,271	237,321
Miscellaneous	95,250	87,504	(7,746)	127,469
Gain (loss) on sale of property	<u>-</u>	<u>63,229</u>	<u>63,229</u>	<u>(153,590)</u>
Total revenues	<u>191,384</u>	<u>494,138</u>	<u>302,754</u>	<u>211,200</u>
Expenditures:				
Current:				
General government	811,093	652,142	158,951	668,423
Urban development	1,963,000	1,062,721	900,279	570,430
Capital outlay	1,241,000	729	1,240,271	-
Debt service:				
Principal retirement	36,000	12,141	23,859	9,484
Interest and fiscal charges	<u>-</u>	<u>26,860</u>	<u>(26,860)</u>	<u>23,516</u>
Total expenditures	<u>4,051,093</u>	<u>1,754,593</u>	<u>2,296,500</u>	<u>1,271,853</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,859,709)</u>	<u>(1,260,455)</u>	<u>2,599,254</u>	<u>(1,060,653)</u>
Other financing sources (uses):				
Operating transfers in	3,016,908	5,688,038	2,671,130	2,761,044
Operating transfers out	<u>(1,878,750)</u>	<u>(1,810,930)</u>	<u>67,820</u>	<u>(1,879,823)</u>
Total other financing sources (uses)	<u>1,138,158</u>	<u>3,877,108</u>	<u>2,738,950</u>	<u>881,221</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>(2,721,551)</u>	<u>2,616,653</u>	<u>5,338,204</u>	<u>(179,432)</u>
Fund balances at beginning of year	<u>9,557,701</u>	<u>9,557,701</u>	<u>-</u>	<u>9,737,133</u>
Fund balances at end of year	<u>\$6,836,150</u>	<u>12,174,354</u>	<u>5,338,204</u>	<u>9,557,701</u>

DEBT SERVICE FUNDS

Debt service funds are used to account for the accumulation of resources for, and the payment of, the City's general long-term debt principal and interest.

The City of Pomona has four Debt Service Funds:

General Debt Service Fund - To account for the payment of interest and principal on debt incurred by the City.

Civic Center Corporation Fund - To account for the payment of interest and principal on the leasehold mortgage bonds and other debt of the Civic Center Corporation.

Pomona Public Financing Authority Fund - To account for the payment of interest and principal on the local agency revenue bonds, notes payable, and other debt of the Pomona Public Financing Authority.

Redevelopment Agency Fund - To account for tax increment and investment revenue and for the payment of interest and principal on the tax allocation bonds, loans payable, participation agreement, and other debt of the Redevelopment Agency.

CITY OF POMONA
Debt Service Funds

Combining Balance Sheet

June 30, 1998

	<u>General Debt Service</u>	<u>Civic Center Corporation</u>	<u>Pomona Public Financing Authority</u>	<u>Redevelopment Agency</u>	<u>Totals</u>	
					1998	1997
<u>Assets</u>						
Cash and investments	\$ 917,222	-	112,894	1,296,957	2,327,073	5,289,117
Cash and investments with fiscal agents	2,311,681	-	10,405,000	8,159,146	20,875,827	27,913,758
Receivables:						
Interest	9,621	-	4,170	36,252	50,043	29,074
Loans	-	-	18,900,000	-	18,900,000	22,848,279
Due from other governments	-	-	-	5,740,381	5,740,381	5,625,343
Assessments receivable	<u>10,863,680</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,863,680</u>	<u>10,173,212</u>
 Total assets	 <u>\$14,102,204</u>	 <u>-</u>	 <u>29,422,064</u>	 <u>15,232,736</u>	 <u>58,757,004</u>	 <u>71,878,783</u>
 <u>Liabilities and Fund Balances</u>						
Liabilities:						
Accounts payable	\$ -	-	-	-	-	1,532
Accrued liabilities	2,018	-	-	-	2,018	2,023
Due to other funds	-	-	-	384,254	384,254	-
Deferred revenue	<u>10,863,680</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,863,680</u>	<u>10,173,212</u>
 Total liabilities	 <u>10,865,698</u>	 <u>-</u>	 <u>-</u>	 <u>384,254</u>	 <u>11,249,952</u>	 <u>10,176,767</u>
 Fund balances:						
Reserved for:						
Loans receivable - long-term	-	-	18,900,000	-	18,900,000	22,848,279
Debt service	<u>3,236,506</u>	<u>-</u>	<u>10,522,064</u>	<u>14,848,482</u>	<u>28,607,052</u>	<u>38,853,737</u>
 Total fund balances	 <u>3,236,506</u>	 <u>-</u>	 <u>29,422,064</u>	 <u>14,848,482</u>	 <u>47,507,052</u>	 <u>61,702,016</u>
 Total liabilities and fund balances	 <u>\$14,102,204</u>	 <u>-</u>	 <u>29,422,064</u>	 <u>15,232,736</u>	 <u>58,757,004</u>	 <u>71,878,783</u>

CITY OF POMONA
Debt Service Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Year ended June 30, 1998

	<u>General</u>	<u>Civic Center</u>	<u>Pomona</u> <u>Public</u> <u>Financing</u>	<u>Redevelopment</u>	<u>Totals</u>	
	<u>Debt Service</u>	<u>Corporation</u>	<u>Authority</u>	<u>Agency</u>	<u>1998</u>	<u>1997</u>
Revenues:						
Taxes	\$ -	-	-	13,961,139	13,961,139	15,373,116
Special assessments	516,097	-	-	-	516,097	1,160,311
Investments income	181,028	-	937,312	1,179,378	2,297,718	1,678,494
Intergovernmental	-	-	<u>951,295</u>	<u>3,100,000</u>	<u>4,051,295</u>	<u>4,112,464</u>
Total revenues	<u>697,125</u>	<u>-</u>	<u>1,888,607</u>	<u>18,240,517</u>	<u>20,826,249</u>	<u>22,324,385</u>
Expenditures:						
Current:						
General government	-	-	2,500	1,205,024	1,207,524	1,204,391
Debt service:						
Principal retirement	548,214	-	7,373,279	17,060,730	24,982,223	3,673,865
Interest and fiscal charges	1,930,298	-	1,865,227	9,892,777	13,688,302	10,357,402
Pass through payments	-	-	-	5,969,971	5,969,971	6,297,503
Payment to refunded bond escrow agent	-	-	-	<u>3,292,578</u>	<u>3,292,578</u>	<u>2,026,201</u>
Total expenditures	<u>2,478,512</u>	<u>-</u>	<u>9,241,006</u>	<u>37,421,080</u>	<u>49,140,598</u>	<u>23,559,362</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,781,387)</u>	<u>-</u>	<u>(7,352,399)</u>	<u>(19,180,563)</u>	<u>(28,314,349)</u>	<u>(1,234,977)</u>
Other financing sources (uses):						
Proceeds of loans	-	-	-	1,509,282	1,509,282	11,154,859
Proceeds of bonds	-	-	-	61,175,081	61,175,081	11,943,103
Payment to refunded bond escrow agent	-	-	-	(30,166,248)	(30,166,248)	(11,355,671)
Operating transfers in	1,471,487	-	-	1,810,930	3,282,417	3,823,956
Operating transfers out	<u>(20,410)</u>	<u>(405,273)</u>	<u>(300,000)</u>	<u>(20,955,464)</u>	<u>(21,681,147)</u>	<u>(3,708,349)</u>
Total other financing sources (uses)	<u>1,451,077</u>	<u>(405,273)</u>	<u>(300,000)</u>	<u>13,373,581</u>	<u>14,119,385</u>	<u>11,857,898</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(330,310)	(405,273)	(7,652,399)	(5,806,982)	(14,194,964)	10,622,921
Fund balances at beginning of year	3,566,816	405,273	37,074,463	20,655,464	61,702,016	48,527,802
Residual equity transfer	-	-	-	-	-	<u>2,551,293</u>
Fund balances at end of year	<u>\$3,236,506</u>	<u>-</u>	<u>29,422,064</u>	<u>14,848,482</u>	<u>47,507,052</u>	<u>61,702,016</u>

CITY OF POMONA
General Debt Service Fund

Statement of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual

Year ended June 30, 1998

	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>	<u>Prior Year Actual</u>
Revenues:				
Special assessments	\$ -	516,097	516,097	1,160,311
Investments income	<u>1,923</u>	<u>181,028</u>	<u>179,105</u>	<u>164,306</u>
Total revenues	<u>1,923</u>	<u>697,125</u>	<u>695,202</u>	<u>1,324,617</u>
Expenditures:				
Debt service:				
Principal retirement	540,000	548,214	(8,214)	515,000
Interest and fiscal charges	995,950	1,930,298	(934,348)	1,609,580
Payment to refunded bond escrow agent	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,026,201</u>
Total expenditures	<u>1,535,950</u>	<u>2,478,512</u>	<u>(942,562)</u>	<u>4,150,781</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,534,027)</u>	<u>(1,781,387)</u>	<u>(247,360)</u>	<u>(2,826,164)</u>
Other financing sources (uses):				
Proceeds of bonds	-	-	-	11,943,103
Payment to refunded bond escrow agent	-	-	-	(11,355,671)
Operating transfers in	1,530,950	1,471,487	(59,463)	1,954,133
Operating transfers out	<u>-</u>	<u>(20,410)</u>	<u>(20,410)</u>	<u>(364,037)</u>
Total other financing sources (uses)	<u>1,530,950</u>	<u>1,451,077</u>	<u>(79,873)</u>	<u>2,177,528</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>(3,077)</u>	<u>(330,310)</u>	<u>(327,233)</u>	<u>(648,636)</u>
Fund balances at beginning of year	3,566,816	3,566,816	-	1,664,159
Residual equity transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,551,293</u>
Fund balances at end of year	<u>\$3,563,739</u>	<u>3,236,506</u>	<u>(327,233)</u>	<u>3,566,816</u>

CITY OF POMONA
Civic Center Corporation Fund

Statement of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual

Year ended June 30, 1998

	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>	<u>Prior Year Actual</u>
Revenues:				
Investments income	\$ -	-	-	<u>23,633</u>
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>23,633</u>
Expenditures:				
Debt service:				
Principal retirement	-	-	-	180,000
Interest and fiscal charges	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,000</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>187,000</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>(163,367)</u>
Other financing sources (uses):				
Operating transfers out	<u>-</u>	<u>(405,273)</u>	<u>(405,273)</u>	<u>(561,763)</u>
Total other financing sources (uses)	<u>-</u>	<u>(405,273)</u>	<u>(405,273)</u>	<u>(561,763)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	-	(405,273)	(405,273)	(725,130)
Fund balances at beginning of year	<u>405,273</u>	<u>405,273</u>	<u>-</u>	<u>1,130,403</u>
Fund balances at end of year	<u>\$405,273</u>	<u>-</u>	<u>(405,273)</u>	<u>405,273</u>

CITY OF POMONA
 Pomona Public Financing Authority Fund

Statement of Revenues, Expenditures and Changes in Fund Balances -
 Budget and Actual

Year ended June 30, 1998

	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>	<u>Prior Year Actual</u>
Revenues:				
Investments income	\$ -	937,312	937,312	519,940
Intergovernmental	<u>1,241,896</u>	<u>951,295</u>	<u>(290,601)</u>	<u>1,012,464</u>
Total revenues	<u>1,241,896</u>	<u>1,888,607</u>	<u>646,711</u>	<u>1,532,404</u>
Expenditures:				
Current:				
General government	-	2,500	(2,500)	6,821
Debt service:				
Principal retirement	245,000	7,373,279	(7,128,279)	230,000
Interest and fiscal charges	<u>996,896</u>	<u>1,865,227</u>	<u>(868,331)</u>	<u>1,532,484</u>
Total expenditures	<u>1,241,896</u>	<u>9,241,006</u>	<u>(7,999,110)</u>	<u>1,769,305</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(7,352,399)</u>	<u>(7,352,399)</u>	<u>(236,901)</u>
Other financing sources (uses):				
Proceeds of loans	-	-	-	9,848,279
Operating transfers out	<u>-</u>	<u>(300,000)</u>	<u>(300,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>(300,000)</u>	<u>(300,000)</u>	<u>9,848,279</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	-	(7,652,399)	(7,652,399)	9,611,378
Fund balances at beginning of year	<u>37,074,463</u>	<u>37,074,463</u>	<u>-</u>	<u>27,463,085</u>
Fund balances at end of year	<u>\$37,074,463</u>	<u>29,422,064</u>	<u>(7,652,399)</u>	<u>37,074,463</u>

CITY OF POMONA
Redevelopment Agency Fund

Statement of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual

Year ended June 30, 1998

	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>	<u>Prior Year Actual</u>
Revenues:				
Taxes	\$12,876,985	13,961,139	1,084,154	15,373,116
Investments income	692,099	1,179,378	487,279	970,615
Intergovernmental	<u>3,100,000</u>	<u>3,100,000</u>	<u>-</u>	<u>3,100,000</u>
Total revenues	<u>16,669,084</u>	<u>18,240,517</u>	<u>1,571,433</u>	<u>19,443,731</u>
Expenditures:				
Current:				
General government	1,222,912	1,205,024	17,888	1,197,570
Debt service:				
Principal retirement	2,915,730	17,060,730	(14,145,000)	2,748,865
Interest and fiscal charges	7,096,035	9,892,777	(2,796,742)	7,208,338
Pass through payments	6,170,992	5,969,971	201,021	6,297,503
Payment to refunded bond escrow agent	<u>-</u>	<u>3,292,578</u>	<u>(3,292,578)</u>	<u>-</u>
Total expenditures	<u>17,405,669</u>	<u>37,421,080</u>	<u>(20,015,411)</u>	<u>17,452,276</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(736,585)</u>	<u>(19,180,563)</u>	<u>(18,443,978)</u>	<u>1,991,455</u>
Other financing sources (uses):				
Proceeds of loans	1,299,640	1,509,282	209,642	1,306,580
Proceeds of bonds	-	61,175,081	61,175,081	-
Payment to refunded bond escrow agent	-	(30,166,248)	(30,166,248)	-
Operating transfers in	2,783,503	1,810,930	(972,573)	1,869,823
Operating transfers out	<u>(3,346,558)</u>	<u>(20,955,464)</u>	<u>(17,608,906)</u>	<u>(2,782,549)</u>
Total other financing sources (uses)	<u>736,585</u>	<u>13,373,581</u>	<u>12,636,996</u>	<u>393,854</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	-	(5,806,982)	(5,806,982)	2,385,309
Fund balances at beginning of year	<u>20,655,464</u>	<u>20,655,464</u>	<u>-</u>	<u>18,270,155</u>
Fund balances at end of year	<u>\$20,655,464</u>	<u>14,848,482</u>	<u>(5,806,982)</u>	<u>20,655,464</u>

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CAPITAL PROJECT FUNDS

Capital projects funds are used to account for financial resources used for the acquisition or construction of major capital facilities which are not financed by proprietary funds.

The City of Pomona has three Capital Projects Funds:

Capital Outlay Fund - To account for all City public improvement projects funded by general and special revenue funds.

Assessment District Improvement Fund - To account for capital improvements through special charges levied against properties benefitted. Initial funding is obtained by the sale of bonds. Property owners are then assessed through County tax rolls with proceeds used to repay bonds.

Redevelopment Agency Fund - To account for all the redevelopment and public improvement projects of all the Redevelopment Agency project areas.

CITY OF POMONA
Capital Projects Fund

Combining Balance Sheet

June 30, 1998

	Capital <u>Outlay</u>	Assessment District <u>Improvement</u>	Redevelopment <u>Agency</u>	<u>Totals</u>	
				<u>1998</u>	<u>1997</u>
<u>Assets</u>					
Cash and investments	\$6,573,541	1,613,371	6,129,049	14,315,961	7,044,346
Cash and investments with fiscal agents	395,000	340,951	11,019,771	11,755,722	1,659,359
Receivables:					
Interest	57,628	21,262	55,161	134,051	167,322
Loans	-	-	19,040,675	19,040,675	24,413,116
Prepaid items	49,061	-	2,028	51,089	298
Due from other funds	-	-	-	-	239,246
Due from other governments	155,000	-	62,180	217,180	3,948,865
Property held for resale	<u>-</u>	<u>-</u>	<u>28,783,766</u>	<u>28,783,766</u>	<u>26,795,493</u>
Total assets	<u>\$7,230,230</u>	<u>1,975,584</u>	<u>65,092,630</u>	<u>74,298,444</u>	<u>64,268,045</u>
<u>Liabilities and Fund Balances</u>					
Liabilities:					
Accounts payable	\$ 556,895	-	71,376	628,271	400,323
Accrued liabilities	4,027	-	89,574	93,601	92,765
Due to other funds	-	-	32,761	32,761	317,245
Retentions payable	449,942	-	-	449,942	19,324
Loans payable	-	-	-	-	4,508,078
Advances from other funds	<u>-</u>	<u>-</u>	<u>3,605,848</u>	<u>3,605,848</u>	<u>6,692,390</u>
Total liabilities	<u>1,010,864</u>	<u>-</u>	<u>3,799,559</u>	<u>4,810,423</u>	<u>12,030,125</u>
Fund balances:					
Reserved for:					
Encumbrances	762,445	-	99,351	861,796	691,704
Prepaid items	49,061	-	2,028	51,089	298
Loans receivable - long-term	-	-	19,040,675	19,040,675	22,950,038
Property held for resale	-	-	28,783,766	28,783,766	26,795,493
Unreserved:					
Designated for future capital projects	5,407,860	1,975,584	13,367,251	20,750,695	6,873,498
Undesignated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(5,073,111)</u>
Total funds balances	<u>6,219,366</u>	<u>1,975,584</u>	<u>61,293,071</u>	<u>69,488,021</u>	<u>52,237,920</u>
Total liabilities and fund balances	<u>\$7,230,230</u>	<u>1,975,584</u>	<u>65,092,630</u>	<u>74,298,444</u>	<u>64,268,045</u>

CITY OF POMONA
Capital Projects Fund

Combining Statements of Revenues, Expenditures and Changes in Fund Balances

Year ended June 30, 1998

	Capital <u>Outlay</u>	Assessment District <u>Improvement</u>	Redevelopment <u>Agency</u>	<u>Totals</u>	
				1998	1997
Revenues:					
Taxes	\$ 24,332	-	1,259,084	1,283,416	1,261,483
Licenses and permits	186,416	-	-	186,416	201,792
Investments income	167,987	84,978	2,158,731	2,411,696	2,687,866
Intergovernmental	3,551,385	-	-	3,551,385	2,306,409
Contributions	1,003,767	-	-	1,003,767	-
Miscellaneous	82,279	-	351,362	433,641	34,270
Gain (loss) on sale of property	-	-	<u>2,367,678</u>	<u>2,367,678</u>	<u>(3,332,895)</u>
Total revenues	<u>5,016,166</u>	<u>84,978</u>	<u>6,136,855</u>	<u>11,237,999</u>	<u>3,158,925</u>
Expenditures:					
Current:					
General government	392,448	702	2,822,022	3,215,172	6,539,812
Public safety	65,612	-	-	65,612	32,483
Urban development	-	1,534	409,702	411,236	1,428,150
Capital outlay	5,572,911	1,263	-	5,574,174	2,616,475
Debt service:					
Principal retirement	516,542	-	3,948,279	4,464,821	1,248,408
Interest and fiscal charges	57,334	-	1,593,481	1,650,815	869,218
Pass through payments	-	-	<u>511,042</u>	<u>511,042</u>	<u>474,393</u>
Total expenditures	<u>6,604,847</u>	<u>3,499</u>	<u>9,284,526</u>	<u>15,892,872</u>	<u>13,208,939</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,588,681)</u>	<u>81,479</u>	<u>(3,147,671)</u>	<u>(4,654,873)</u>	<u>(10,050,014)</u>
Other financing sources (uses):					
Proceeds of loans	-	-	-	-	9,848,279
Proceeds of notes	-	-	7,258,490	7,258,490	-
Proceeds of capital lease	-	-	-	-	776,552
Sale of general fixed assets	84,909	-	-	84,909	17,585
Operating transfers in	789,578	-	15,520,331	16,309,909	1,788,243
Operating transfers out	<u>(344,128)</u>	-	<u>(577,610)</u>	<u>(921,738)</u>	<u>(4,311,152)</u>
Total other financing sources (uses)	<u>530,359</u>	-	<u>22,201,211</u>	<u>22,731,570</u>	<u>8,119,507</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>(1,058,322)</u>	81,479	19,053,540	18,076,697	(1,930,507)
Fund balances at beginning of year, as restated	<u>7,277,688</u>	<u>1,894,105</u>	<u>42,239,531</u>	<u>51,411,324</u>	<u>54,168,427</u>
Fund balances at end of year	<u>\$6,219,366</u>	<u>1,975,584</u>	<u>61,293,071</u>	<u>69,488,021</u>	<u>52,237,920</u>

CITY OF POMONA
Capital Outlay Fund

Statement of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual

Year ended June 30, 1998

	<u>Budget</u>	<u>Actual</u>	Variance- Favorable (Unfavorable)	<u>Prior Year Actual</u>
Revenues:				
Taxes	\$ 50,000	24,332	(25,668)	64,800
Licenses and permits	250,000	186,416	(63,584)	201,792
Investments income	240,336	167,987	(72,349)	646,895
Intergovernmental	-	3,551,385	3,551,385	2,306,409
Contributions	-	1,003,767	1,003,767	-
Miscellaneous	<u>-</u>	<u>82,279</u>	<u>82,279</u>	<u>34,179</u>
Total revenues	<u>540,336</u>	<u>5,016,166</u>	<u>4,475,830</u>	<u>3,254,075</u>
Expenditures:				
Current:				
General government	-	392,448	(392,448)	339,449
Public safety	-	65,612	(65,612)	32,483
Urban development	-	-	-	236,568
Capital outlay	2,024,300	5,572,911	(3,548,611)	1,653,139
Debt service:				
Principal retirement	511,775	516,542	(4,767)	1,248,408
Interest and fiscal charges	<u>-</u>	<u>57,334</u>	<u>(57,334)</u>	<u>102,807</u>
Total expenditures	<u>2,536,075</u>	<u>6,604,847</u>	<u>(4,068,772)</u>	<u>3,612,854</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,995,739)</u>	<u>(1,588,681)</u>	<u>407,058</u>	<u>(358,779)</u>
Other financing sources (uses):				
Proceeds of capital lease	-	-	-	776,552
Sale of general fixed assets	-	84,909	84,909	17,585
Operating transfers in	408,169	789,578	381,409	1,221,932
Operating transfers out	<u>(228,950)</u>	<u>(344,128)</u>	<u>(115,178)</u>	<u>(3,331,932)</u>
Total other financing sources (uses)	<u>179,219</u>	<u>530,359</u>	<u>351,140</u>	<u>(1,315,863)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>(1,816,520)</u>	<u>(1,058,322)</u>	<u>758,198</u>	<u>(1,674,642)</u>
Fund balances at beginning of year, as restated	<u>7,277,688</u>	<u>7,277,688</u>	<u>-</u>	<u>9,778,926</u>
Fund balances at end of year	<u>\$5,461,168</u>	<u>6,219,366</u>	<u>758,198</u>	<u>8,104,284</u>

CITY OF POMONA
Assessment District Improvement Fund

Statement of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual

Year ended June 30, 1998

	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>	<u>Prior Year Actual</u>
Revenues:				
Investments income	\$ 59,603	84,978	25,375	113,761
Total revenues	<u>59,603</u>	<u>84,978</u>	<u>25,375</u>	<u>113,761</u>
Expenditures:				
Current:				
General government	-	702	(702)	36,154
Urban development	-	1,534	(1,534)	145,506
Capital outlay	<u>-</u>	<u>1,263</u>	<u>(1,263)</u>	<u>963,336</u>
Total expenditures	<u>-</u>	<u>3,499</u>	<u>(3,499)</u>	<u>1,144,996</u>
Excess (deficiency) of revenues over (under) expenditures	<u>59,603</u>	<u>81,479</u>	<u>21,876</u>	<u>(1,031,235)</u>
Other financing sources (uses):				
Operating transfers in	-	-	-	311,299
Operating transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>(544,407)</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(233,108)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	59,603	81,479	21,876	(1,264,343)
Fund balances at beginning of year	<u>1,894,105</u>	<u>1,894,105</u>	<u>-</u>	<u>3,158,448</u>
Fund balances at end of year	<u>\$1,953,708</u>	<u>1,975,584</u>	<u>21,876</u>	<u>1,894,105</u>

CITY OF POMONA
Redevelopment Agency Fund

Statement of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual

Year ended June 30, 1998

	<u>Budget</u>	<u>Actual</u>	Variance- Favorable (Unfavorable)	Prior Year <u>Actual</u>
Revenues:				
Taxes	\$ 1,287,350	1,259,084	(28,266)	1,196,683
Investments income	3,118,108	2,158,731	(959,377)	1,927,210
Miscellaneous	-	351,362	351,362	91
Gain (loss) on sale of property	<u>5,113,000</u>	<u>2,367,678</u>	<u>(2,745,322)</u>	<u>(3,332,895)</u>
Total revenues	<u>9,518,458</u>	<u>6,136,855</u>	<u>(3,381,603)</u>	<u>(208,911)</u>
Expenditures:				
Current:				
General government	3,195,566	2,822,022	373,544	6,164,209
Urban development	2,536,928	409,702	2,127,226	1,046,076
Debt service:				
Principal retirement	14,459,002	3,948,279	10,510,723	-
Interest and fiscal charges	1,568,213	1,593,481	(25,268)	766,411
Pass through payments	<u>587,710</u>	<u>511,042</u>	<u>76,668</u>	<u>474,393</u>
Total expenditures	<u>22,347,419</u>	<u>9,284,526</u>	<u>13,062,893</u>	<u>8,451,089</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(12,828,961)</u>	<u>(3,147,671)</u>	<u>9,681,290</u>	<u>(8,660,000)</u>
Other financing sources (uses):				
Proceeds of loans	14,500,000	-	(14,500,000)	9,848,279
Proceeds of notes	-	7,258,490	7,258,490	-
Operating transfers in	591,228	15,520,331	14,929,103	255,012
Operating transfers out	<u>(1,496,331)</u>	<u>(577,610)</u>	<u>918,721</u>	<u>(434,813)</u>
Total other financing sources (uses)	<u>13,594,897</u>	<u>22,201,211</u>	<u>8,606,314</u>	<u>9,668,478</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	765,936	19,053,540	18,287,604	1,008,478
Fund balances at beginning of year	<u>42,239,531</u>	<u>42,239,531</u>	-	41,231,053
Fund balances at end of year	<u>\$43,005,467</u>	<u>61,293,071</u>	<u>18,287,604</u>	<u>42,239,531</u>

ENTERPRISE FUNDS

Enterprise funds are used to account for City operations that are financed and operated in a manner similar to private business enterprises. The costs of providing these services to the general public on a continuing basis are financed or recovered primarily through user charges.

The City of Pomona has three Enterprise Funds:

Water Utility Fund - To account for activities associated with the distribution and transmission of potable water to users.

Sanitation Fund - To account for activities associated with refuse collection, curbside collection of recycling materials, sweeping of streets, abatement of weeds, maintenance of the City's sewer network, and the removal of graffiti.

Ganesha Pool Fund - To account for activities associated with the operation of the Ganesha Pool.

CITY OF POMONA
Enterprise Funds

Combining Balance Sheet

June 30, 1998

	<u>Water Utility</u>	<u>Sanitation</u>	<u>Ganesha Pool</u>	<u>Totals</u>	
				<u>1998</u>	<u>1997</u>
<u>Assets</u>					
Current assets:					
Cash and investments	\$ 1,453,653	6,150,093	-	7,603,746	11,624,975
Receivables:					
Accounts	6,675,946	8,888	5,828	6,690,662	5,839,425
Interest	20,248	64,047	-	84,295	97,889
Loans	104,280	2,250,000	-	2,354,280	2,604,280
Inventories	206,518	-	-	206,518	210,620
Prepaid items	14,141	29,370	-	43,511	-
Deferred charges	218,191	574,929	-	793,120	825,899
Due from other funds	<u>236,100</u>	<u>1,369,628</u>	<u>-</u>	<u>1,605,728</u>	<u>1,434,964</u>
Total current assets	<u>8,929,077</u>	<u>10,446,955</u>	<u>5,828</u>	<u>19,381,860</u>	<u>22,638,052</u>
Restricted assets:					
Cash and investments with fiscal agents	<u>1,364,230</u>	<u>12,193,938</u>	<u>-</u>	<u>13,558,168</u>	<u>14,554,721</u>
Fixed assets:					
Property, plant and equipment	72,659,492	6,082,060	1,395,247	80,136,799	74,329,036
Accumulated depreciation	<u>(25,435,360)</u>	<u>(4,229,420)</u>	<u>(627,861)</u>	<u>(30,292,641)</u>	<u>(28,432,287)</u>
Net fixed assets	<u>47,224,132</u>	<u>1,852,640</u>	<u>767,386</u>	<u>49,844,158</u>	<u>45,896,749</u>
Total assets	<u>\$57,517,439</u>	<u>24,493,533</u>	<u>773,214</u>	<u>82,784,186</u>	<u>83,089,522</u>

(Continued)

CITY OF POMONA
Enterprise Funds

Combining Balance Sheet

(Continued)

	<u>Water Utility</u>	<u>Sanitation</u>	<u>Ganesha Pool</u>	<u>Totals</u>	
				<u>1998</u>	<u>1997</u>
<u>Liabilities and Equity</u>					
<u>Liabilities:</u>					
Current liabilities:					
Accounts payable	\$ 457,190	207,429	3,060	667,679	2,233,100
Accrued liabilities	396,625	138,446	4,383	539,454	542,959
Due to other funds	1,527,062	-	-	1,527,062	1,294,362
Due to other governments	1,947	-	-	1,947	1,947
Deposits payable	1,637,626	-	-	1,637,626	1,560,108
Retentions payable	139,961	-	-	139,961	265,304
Loans payable - current portion	250,000	-	104,280	354,280	2,604,280
Advances from other funds	-	-	133,668	133,668	90,961
Obligation under capital leases- current portion	103,895	841,970	-	945,865	515,337
Compensated absences	581,718	272,644	-	854,362	849,186
Revenue bonds - current portion	<u>200,000</u>	<u>180,000</u>	<u>-</u>	<u>380,000</u>	<u>360,000</u>
Total current liabilities	<u>5,296,024</u>	<u>1,640,489</u>	<u>245,391</u>	<u>7,181,904</u>	<u>10,317,544</u>
Long-term liabilities:					
Loans payable - long-term portion	2,000,000	-	-	2,000,000	-
Obligation under capital leases - long-term portion	220,958	1,463,736	-	1,684,694	3,021,054
Revenue bonds - long-term portion	<u>6,915,000</u>	<u>10,955,000</u>	<u>-</u>	<u>17,870,000</u>	<u>18,250,000</u>
Total long-term liabilities	<u>9,135,958</u>	<u>12,418,736</u>	<u>-</u>	<u>21,554,694</u>	<u>21,271,054</u>
Total liabilities	<u>14,431,982</u>	<u>14,059,225</u>	<u>245,391</u>	<u>28,736,598</u>	<u>31,588,598</u>
<u>Equity:</u>					
Contributed capital	<u>19,330,015</u>	<u>651,517</u>	<u>610,387</u>	<u>20,591,919</u>	<u>20,579,016</u>
Retained earnings (deficit):					
Reserved for debt service	624,282	804,888	-	1,429,170	1,429,098
Reserved for maintenance of reclaimed facilities	15,000	-	-	15,000	15,000
Reserved for Orange Grove Water System	115,326	-	-	115,326	115,326
Unreserved	<u>23,000,834</u>	<u>8,977,903</u>	<u>(82,564)</u>	<u>31,896,173</u>	<u>29,362,484</u>
Total retained earnings (deficit)	<u>23,755,442</u>	<u>9,782,791</u>	<u>(82,564)</u>	<u>33,455,669</u>	<u>30,921,908</u>
Total equity	<u>43,085,457</u>	<u>10,434,308</u>	<u>527,823</u>	<u>54,047,588</u>	<u>51,500,924</u>
Total liabilities and equity	<u>\$57,517,439</u>	<u>24,493,533</u>	<u>773,214</u>	<u>82,784,186</u>	<u>83,089,522</u>

CITY OF POMONA
Enterprise Funds

Combining Statement of Revenues, Expenses and Changes in Retained Earnings

Year ended June 30, 1998

	Water <u>Utility</u>	<u>Sanitation</u>	Ganesha <u>Pool</u>	<u>Totals</u>	
				1998	1997
Operating revenues:					
Charges for services	\$12,052,036	8,758,241	44,143	20,854,420	24,425,577
Miscellaneous	<u>25,852</u>	<u>8,465</u>	<u>13,383</u>	<u>47,700</u>	<u>40,458</u>
Total operating revenues	<u>12,077,888</u>	<u>8,766,706</u>	<u>57,526</u>	<u>20,902,120</u>	<u>24,466,035</u>
Operating expenses:					
Personnel services	3,300,297	2,696,651	44,262	6,041,210	7,546,086
Operations	7,164,192	4,187,241	47,742	11,399,175	11,917,120
Depreciation	<u>1,357,457</u>	<u>446,220</u>	<u>69,762</u>	<u>1,873,439</u>	<u>1,847,704</u>
Total operating expenses	<u>11,821,946</u>	<u>7,330,112</u>	<u>161,766</u>	<u>19,313,824</u>	<u>21,310,910</u>
Operating income (loss)	<u>255,942</u>	<u>1,436,594</u>	<u>(104,240)</u>	<u>1,588,296</u>	<u>3,155,125</u>
Nonoperating revenues (expenses):					
Investments income	270,016	1,072,112	-	1,342,128	1,351,796
Interest expense	(508,680)	(777,493)	-	(1,286,173)	(1,098,033)
Fiscal charges	(20,534)	(23,838)	-	(44,372)	(202,502)
Sale of surplus water	<u>1,008,000</u>	<u>-</u>	<u>-</u>	<u>1,008,000</u>	<u>80,197</u>
Total nonoperating revenues (expenses)	<u>748,802</u>	<u>270,781</u>	<u>-</u>	<u>1,019,583</u>	<u>131,458</u>
Income before operating transfers	1,004,744	1,707,375	(104,240)	2,607,879	3,286,583
Operating transfers in	-	-	-	-	3,224,207
Operating transfers out	<u>(603,121)</u>	<u>(421,330)</u>	<u>-</u>	<u>(1,024,451)</u>	<u>(994,573)</u>
Net income (loss)	401,623	1,286,045	(104,240)	1,583,428	5,516,217
Add back depreciation on certain contributed assets	-	-	69,762	69,762	69,762
Retained earnings (deficit) at beginning of year, as restated	<u>23,353,819</u>	<u>8,496,746</u>	<u>(48,086)</u>	<u>31,802,479</u>	<u>25,335,929</u>
Retained earnings (deficit) at end of year	<u><u>\$23,755,442</u></u>	<u><u>9,782,791</u></u>	<u><u>(82,564)</u></u>	<u><u>33,455,669</u></u>	<u><u>30,921,908</u></u>

CITY OF POMONA
Enterprise Funds

Combining Statement of Cash Flows

Year ended June 30, 1998

	<u>Water Utility</u>	<u>Sanitation</u>	<u>Ganesha Pool</u>	<u>Totals</u>	
				1998	1997
Cash flows from operating activities:					
Cash received from customers	\$12,283,571	8,766,815	38,315	21,088,701	21,374,026
Cash payments to suppliers for goods and services	(8,883,038)	(4,205,891)	(49,059)	(13,137,988)	(10,092,715)
Cash payments to employees for services	(3,305,807)	(2,689,043)	(45,346)	(6,040,196)	(7,400,463)
Cash received for other operations	302,548	8,465	13,383	324,396	1,852,171
Cash paid for other operations	<u>-</u>	<u>(214,760)</u>	<u>-</u>	<u>(214,760)</u>	<u>-</u>
Net cash provided by (used for) operating activities	<u>397,274</u>	<u>1,665,586</u>	<u>(42,707)</u>	<u>2,020,153</u>	<u>5,733,019</u>
Cash flows from noncapital financing activities:					
Cash received from other funds	-	250,000	42,707	292,707	2,069,339
Cash paid to other funds	<u>(853,121)</u>	<u>(421,330)</u>	<u>-</u>	<u>(1,274,451)</u>	<u>(994,573)</u>
Net cash provided by (used for) noncapital financing activities	<u>(853,121)</u>	<u>(171,330)</u>	<u>42,707</u>	<u>(981,744)</u>	<u>1,074,766</u>
Cash flows from capital and related financing activities:					
Cash paid for acquisition and construction of capital assets	(5,020,197)	(800,651)	-	(5,820,848)	(6,600,026)
Proceeds from sale of fixed assets	-	-	-	-	576,127
Proceeds from advances	-	-	-	-	26,210
Cash received from contributions	82,665	-	-	82,665	-
Principal paid on leases	(106,179)	(799,653)	-	(905,832)	(885,841)
Principal paid on debt	(190,000)	(170,000)	-	(360,000)	(350,000)
Interest and fiscal charges paid on debt	<u>(517,729)</u>	<u>(780,037)</u>	<u>-</u>	<u>(1,297,766)</u>	<u>(1,300,535)</u>
Net cash provided by (used for) capital and related financing activities	<u>(5,751,440)</u>	<u>(2,550,341)</u>	<u>-</u>	<u>(8,301,781)</u>	<u>(8,534,065)</u>
Cash flows from investing activities:					
Proceeds from investment earnings	267,088	1,097,103	-	1,364,191	1,774,375
Cash received from sale of surplus water	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>80,197</u>
Net cash provided by (used for) investing activities	<u>267,088</u>	<u>1,097,103</u>	<u>-</u>	<u>1,364,191</u>	<u>1,854,572</u>

(Continued)

CITY OF POMONA
Enterprise Funds

Combining Statement of Cash Flows

(Continued)

	Water <u>Utility</u>	<u>Sanitation</u>	Ganesha <u>Pool</u>	<u>Totals</u>	
				<u>1998</u>	<u>1997</u>
Net increase (decrease) in cash and cash equivalents	(5,940,199)	41,018	-	(5,899,181)	128,292
Cash and cash equivalents at beginning of year, as restated	<u>8,133,872</u>	<u>7,483,914</u>	<u>-</u>	<u>15,617,786</u>	<u>26,051,404</u>
Cash and cash equivalents at end of year	<u>\$2,193,673</u>	<u>7,524,932</u>	<u>-</u>	<u>9,718,605</u>	<u>26,179,696</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:					
Operating income (loss)	\$ 255,942	1,436,594	(104,240)	1,588,296	3,155,125
Adjustments to reconcile operating income to net cash provided by (used for) operating activities:					
Depreciation	1,357,457	446,220	69,762	1,873,439	1,847,704
(Increase) decrease in accounts receivable	154,017	8,574	(5,828)	156,763	(3,074,736)
(Increase) decrease in loans receivable	-	-	-	-	785,963
(Increase) decrease in due from other funds	43,996	(214,760)	-	(170,764)	(280,096)
(Increase) decrease in inventory	4,102	-	-	4,102	27,827
(Increase) decrease in deferred charges	-	-	-	-	32,777
(Increase) decrease in prepaid items	(14,141)	(29,370)	-	(43,511)	-
Increase (decrease) in accounts payable	(1,583,464)	10,720	(1,317)	(1,574,061)	1,524,418
Increase (decrease) in accrued liabilities	(8,098)	5,020	(1,084)	(4,162)	116,945
Increase (decrease) in due to other funds	232,700	-	-	232,700	1,294,362
Increase (decrease) in deposits payable	77,518	-	-	77,518	23,185
Increase (decrease) in retentions payable	(125,343)	-	-	(125,343)	250,867
Increase (decrease) in compensated absences	<u>2,588</u>	<u>2,588</u>	<u>-</u>	<u>5,176</u>	<u>28,678</u>
Total adjustments	<u>141,332</u>	<u>228,992</u>	<u>61,533</u>	<u>431,857</u>	<u>2,577,894</u>
Net cash provided by (used for) operating activities	<u>\$ 397,274</u>	<u>1,665,586</u>	<u>(42,707)</u>	<u>2,020,153</u>	<u>5,733,019</u>

INTERNAL SERVICE FUNDS

Internal service funds are used to account for financing of goods and services provided by one department to other departments of the City.

The City of Pomona has four Internal Service Funds:

Contribution Reimbursement Fund - To account for the funding of future Public Employee Retirement System rate increases related to safety disability retirements. Financing is from the General Fund and from PERS credits.

Equipment Maintenance Fund - To account for the maintenance and repair of City vehicles and equipment. Expenses are offset by charges to City departments.

Self-Insurance Fund - To account for the disbursement of self-insured related expenditures and approved payments to individuals in settlement of general liability and workers compensation claims against the City.

Information Systems Fund - To account for information processing services such as systems analysis, development, operating maintenance, training and installation of computer based systems.

CITY OF POMONA
Internal Service Funds
Combining Balance Sheet

June 30, 1998

	<u>Contribution Reimbursement</u>	<u>Equipment Maintenance</u>	<u>Self- Insurance</u>	<u>Information Systems</u>	<u>Totals</u>	
					<u>1998</u>	<u>1997</u>
<u>Assets</u>						
Current assets:						
Cash and investments	\$399,714	234,066	-	430,335	1,064,115	142,749
Cash and investments with fiscal agents	-	-	39,071	-	39,071	31,352
Receivables:						
Interest	-	-	6,631	2,872	9,503	6,391
Loans	-	-	-	-	-	600,000
Inventories	-	<u>291,436</u>	-	-	<u>291,436</u>	<u>297,246</u>
Total current assets	<u>399,714</u>	<u>525,502</u>	<u>45,702</u>	<u>433,207</u>	<u>1,404,125</u>	<u>1,077,738</u>
Advances to other funds	-	-	-	-	-	<u>3,086,542</u>
Fixed assets:						
Property, plant and equipment	-	54,481	3,316	1,285,197	1,342,994	1,341,136
Accumulated depreciation	-	<u>(13,658)</u>	<u>(495)</u>	<u>(344,863)</u>	<u>(359,016)</u>	<u>(278,195)</u>
Net fixed assets	-	<u>40,823</u>	<u>2,821</u>	<u>940,334</u>	<u>983,978</u>	<u>1,062,941</u>
Total assets	<u>\$399,714</u>	<u>566,325</u>	<u>48,523</u>	<u>1,373,541</u>	<u>2,388,103</u>	<u>5,227,221</u>
<u>Liabilities and Equity</u>						
Liabilities:						
Current liabilities:						
Accounts payable	\$ -	82,939	36,950	8,744	128,633	98,791
Accrued liabilities	-	51,582	18,380	28,107	98,069	90,087
Due to other funds	-	-	411,991	-	411,991	594,895
Obligation under capital leases - current portion	-	-	-	3,229	3,229	42,080
Compensated absences	-	131,607	41,897	-	173,504	-
Claims payable - current portion	-	-	<u>3,257,459</u>	-	<u>3,257,459</u>	<u>2,200,000</u>
Total current liabilities	-	<u>266,128</u>	<u>3,766,677</u>	<u>40,080</u>	<u>4,072,885</u>	<u>3,025,853</u>
Long-term liabilities:						
Obligation under capital leases - long-term portion	-	-	-	5,166	5,166	10,739
Claims payable - long-term portion	-	-	<u>3,295,259</u>	-	<u>3,295,259</u>	<u>2,862,844</u>
Total long-term liabilities	-	-	<u>3,295,259</u>	<u>5,166</u>	<u>3,300,425</u>	<u>2,873,583</u>
Total liabilities	-	<u>266,128</u>	<u>7,061,936</u>	<u>45,246</u>	<u>7,373,310</u>	<u>5,899,436</u>
Equity:						
Contributed capital	-	-	-	363,298	363,298	466,505
Retained earnings (deficit) - unreserved	<u>399,714</u>	<u>300,197</u>	<u>(7,013,413)</u>	<u>964,997</u>	<u>(5,348,505)</u>	<u>(1,138,720)</u>
Total equity (deficit)	<u>399,714</u>	<u>300,197</u>	<u>(7,013,413)</u>	<u>1,328,295</u>	<u>(4,985,207)</u>	<u>(672,215)</u>
Total liabilities and equity	<u>\$399,714</u>	<u>566,325</u>	<u>48,523</u>	<u>1,373,541</u>	<u>2,388,103</u>	<u>5,227,221</u>

CITY OF POMONA
Internal Service Funds

Combining Statement of Revenues, Expenses and Changes in Retained Earnings

Year ended June 30, 1998

	<u>Contribution Reimbursement</u>	<u>Equipment Maintenance</u>	<u>Self- Insurance</u>	<u>Information Systems</u>	<u>Totals</u>	
					<u>1998</u>	<u>1997</u>
Operating revenues:						
Charges for services	\$ -	2,621,790	4,023,694	1,174,212	7,819,696	7,649,498
Miscellaneous	<u>-</u>	<u>30,191</u>	<u>18,126</u>	<u>2,501</u>	<u>50,818</u>	<u>15,180</u>
Total operating revenues	<u>-</u>	<u>2,651,981</u>	<u>4,041,820</u>	<u>1,176,713</u>	<u>7,870,514</u>	<u>7,664,678</u>
Operating expenses:						
Personnel services	-	1,033,966	253,141	598,577	1,885,684	2,022,243
Operations	-	1,274,281	359,547	230,737	1,864,565	1,699,966
Claims expense	-	-	4,747,333	-	4,747,333	3,529,811
Depreciation	-	4,974	332	79,335	84,641	86,876
Workers compensation insurance	-	-	32,065	-	32,065	20,497
General liability insurance	<u>-</u>	<u>-</u>	<u>573,260</u>	<u>-</u>	<u>573,260</u>	<u>671,659</u>
Total operating expenses	<u>-</u>	<u>2,313,221</u>	<u>5,965,678</u>	<u>908,649</u>	<u>9,187,548</u>	<u>8,031,052</u>
Operating income (loss)	<u>-</u>	<u>338,760</u>	<u>(1,923,858)</u>	<u>268,064</u>	<u>(1,317,034)</u>	<u>(366,374)</u>
Nonoperating revenues (expenses):						
Investments income	-	-	10,477	6,771	17,248	17,062
Retirement surplus refund	-	-	-	-	-	834,560
Interest expense	<u>-</u>	<u>-</u>	<u>-</u>	<u>(536)</u>	<u>(536)</u>	<u>(10,261)</u>
Total nonoperating revenues (expenses)	<u>-</u>	<u>-</u>	<u>10,477</u>	<u>6,235</u>	<u>16,712</u>	<u>841,361</u>
Income (loss) before operating transfers	-	338,760	(1,913,381)	274,299	(1,300,322)	474,987
Operating transfers in	-	14,738	-	-	14,738	-
Operating transfers out	<u>(2,877,154)</u>	<u>(2,493)</u>	<u>-</u>	<u>-</u>	<u>(2,879,647)</u>	<u>(2,289,900)</u>
Net income (loss)	<u>(2,877,154)</u>	<u>351,005</u>	<u>(1,913,381)</u>	<u>274,299</u>	<u>(4,165,231)</u>	<u>(1,814,913)</u>
Retained earnings (deficit) at beginning of year, as restated	<u>3,276,868</u>	<u>(50,808)</u>	<u>(5,100,032)</u>	<u>690,698</u>	<u>(1,183,274)</u>	<u>676,193</u>
Retained earnings (deficit) at end of year	<u>\$ 399,714</u>	<u>300,197</u>	<u>(7,013,413)</u>	<u>964,997</u>	<u>(5,348,505)</u>	<u>(1,138,720)</u>

CITY OF POMONA
Internal Service Funds

Combining Statement of Cash Flows

Year ended June 30, 1998

	<u>Contribution</u>	<u>Equipment</u>	<u>Self-</u>	<u>Information</u>	<u>Totals</u>	
	<u>Reimbursement</u>	<u>Maintenance</u>	<u>Insurance</u>	<u>Systems</u>	<u>1998</u>	<u>1997</u>
Cash flows from operating activities:						
Cash received from user departments	\$ -	2,621,790	4,023,694	1,174,212	7,819,696	7,649,498
Cash payments to suppliers for goods and services	-	(1,248,786)	(4,194,829)	(248,082)	(5,691,697)	(6,107,654)
Cash payments to employees for services	-	(1,011,427)	(241,461)	(599,071)	(1,851,959)	(1,991,400)
Cash received for refund of retirement surplus	-	-	-	-	-	834,560
Cash received for other operations	-	30,191	410,637	2,501	443,329	433,453
Cash paid for other operations	<u>(409,674)</u>	<u>(165,741)</u>	<u>-</u>	<u>-</u>	<u>(575,415)</u>	<u>(19,576)</u>
Net cash provided by (used for) operating activities	<u>(409,674)</u>	<u>226,027</u>	<u>(1,959)</u>	<u>329,560</u>	<u>143,954</u>	<u>798,881</u>
Cash flows from noncapital financing activities:						
Cash received from loans	600,000	-	-	-	600,000	-
Cash received from advances	3,086,542	-	-	-	3,086,542	-
Cash received from other funds	-	14,738	-	-	14,738	-
Cash paid to other funds	<u>(2,877,154)</u>	<u>(2,493)</u>	<u>-</u>	<u>-</u>	<u>(2,879,647)</u>	<u>(2,889,900)</u>
Net cash provided by (used for) noncapital financing activities	<u>809,388</u>	<u>12,245</u>	<u>-</u>	<u>-</u>	<u>821,633</u>	<u>(2,889,900)</u>
Cash flows from capital and related financing activities:						
Cash paid for acquisition and construction of capital assets	-	(4,741)	-	(937)	(5,678)	(67,564)
Principal paid on leases	-	-	-	(44,424)	(44,424)	(139,421)
Interest paid on debt	<u>-</u>	<u>-</u>	<u>-</u>	<u>(536)</u>	<u>(536)</u>	<u>(10,261)</u>
Net cash provided by (used for) capital and related financing activities	<u>-</u>	<u>(4,741)</u>	<u>-</u>	<u>(45,897)</u>	<u>(50,638)</u>	<u>(217,246)</u>

(Continued)

CITY OF POMONA
Internal Service Funds

Combining Statement of Cash Flows

(Continued)

	<u>Contribution Reimbursement</u>	<u>Equipment Maintenance</u>	<u>Self- Insurance</u>	<u>Information Systems</u>	<u>Totals</u>	
					<u>1998</u>	<u>1997</u>
Cash flows from investing activities:						
Proceeds from investment earnings	<u>-</u>	<u>-</u>	<u>9,678</u>	<u>4,458</u>	<u>14,136</u>	<u>16,908</u>
Net cash provided by (used for) investing activities	<u>-</u>	<u>-</u>	<u>9,678</u>	<u>4,458</u>	<u>14,136</u>	<u>16,908</u>
Net increase (decrease) in cash and cash equivalents	399,714	233,531	7,719	288,121	929,085	(2,291,357)
Cash and cash equivalents at beginning of year	<u>-</u>	<u>535</u>	<u>31,352</u>	<u>142,214</u>	<u>174,101</u>	<u>2,465,458</u>
Cash and cash equivalents at end of year	<u>\$ 399,714</u>	<u>234,066</u>	<u>39,071</u>	<u>430,335</u>	<u>1,103,186</u>	<u>174,101</u>
Reconciliation of operating income to net cash provided by (used for) operating activities:						
Operating income (loss)	<u>\$ -</u>	<u>338,760</u>	<u>(1,923,858)</u>	<u>268,064</u>	<u>(1,317,034)</u>	<u>(366,374)</u>
Adjustments to reconcile operating income to net cash provided by (used for) operating activities:						
Depreciation	-	4,974	332	79,335	84,641	86,876
Retirement surplus refund	-	-	-	-	-	834,560
(Increase) decrease in inventory	-	5,810	-	-	5,810	(14,641)
Increase (decrease) in accounts payable	-	19,685	27,502	(17,345)	29,842	(105,878)
Increase (decrease) in accrued liabilities	-	5,393	3,083	(494)	7,982	30,843
Increase (decrease) in due to other funds	(409,674)	(165,741)	392,511	-	(182,904)	398,697
Increase (decrease) in compensated absences	-	17,146	8,597	-	25,743	-
Increase (decrease) in claims payable	<u>-</u>	<u>-</u>	<u>1,489,874</u>	<u>-</u>	<u>1,489,874</u>	<u>(65,202)</u>
Total adjustments	<u>(409,674)</u>	<u>(112,733)</u>	<u>1,921,899</u>	<u>61,496</u>	<u>1,460,988</u>	<u>1,165,255</u>
Net cash provided by (used for) operating activities	<u>\$ (409,674)</u>	<u>226,027</u>	<u>(1,959)</u>	<u>329,560</u>	<u>143,954</u>	<u>798,881</u>

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AGENCY FUNDS

Agency funds are used to account for assets held by the City as an agent for individuals and other governmental units.

The City of Pomona has seven Agency Funds:

Assessment Districts Fund - To account for receipt and disbursement of funds for the debt service activity related to the 1911 Act assessment districts.

Superintendent of Streets Fund - To account for cash deposits collected by the City for street and sidewalk encroachment permits. Funds are refunded upon satisfactory completion of street/sidewalk work.

Engineers' Revolving Fund - To account for the debt service activity related to debt without government commitment for various assessment district improvements. Resources are derived from assessments collected from property owners.

Construction Guarantee Fund - To account for cash guarantees (deposits) collected by the City for various construction improvement projects. Funds are refunded upon satisfactory completion of the improvement project.

Municipal Revolving Fund - To account for the activity of miscellaneous, self-supporting City projects.

Deferred Compensation Fund - To account for resources earned by present and former City employees and held in a trustee capacity by the City.

LA IMPACT Fund - To account for the activity of a police force consortium comprised of various units in Los Angeles.

CITY OF POMONA
Agency Funds

Combining Balance Sheet

June 30, 1998

	<u>Assessment Districts</u>	<u>Superintendent of Streets</u>	<u>Engineers' Revolving</u>	<u>Construction Guarantee</u>
<u>Assets</u>				
Cash and investments	\$607,040	44,475	845,794	219,251
Cash and investments with fiscal agents	-	-	-	-
Receivables:				
Accounts	-	-	-	-
Interest	8,143	-	6,828	-
Due from other governments	<u>1,935</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$617,118</u>	<u>44,475</u>	<u>852,622</u>	<u>219,251</u>
<u>Liabilities</u>				
Accounts payable	\$ -	-	-	3,325
Accrued liabilities	-	-	-	-
Due to other governments	-	-	-	-
Deposits payable	-	44,475	852,622	215,926
Deferred compensation payable	-	-	-	-
Due to bondholders	<u>617,118</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>\$617,118</u>	<u>44,475</u>	<u>852,622</u>	<u>219,251</u>

<u>Municipal Revolving</u>	<u>Deferred Compensation</u>	<u>L.A. Impact</u>	<u>Totals</u>	
			<u>1998</u>	<u>1997</u>
520,516	251	3,610,264	5,847,591	4,325,685
-	20,822,619	-	20,822,619	17,473,117
-	-	582	582	-
-	-	43,145	58,116	45,739
<u>1,640</u>	<u>-</u>	<u>815,306</u>	<u>818,881</u>	<u>1,096,947</u>
<u>522,156</u>	<u>20,822,870</u>	<u>4,469,297</u>	<u>27,547,789</u>	<u>22,941,488</u>
26,359	251	372,702	402,637	452,809
768	-	-	768	2,389
-	-	4,096,595	4,096,595	3,570,560
495,029	-	-	1,608,052	819,922
-	20,822,619	-	20,822,619	17,473,117
<u>-</u>	<u>-</u>	<u>-</u>	<u>617,118</u>	<u>622,691</u>
<u>522,156</u>	<u>20,822,870</u>	<u>4,469,297</u>	<u>27,547,789</u>	<u>22,941,488</u>

CITY OF POMONA
Agency Funds

Combining Statement of Changes in Assets and Liabilities

Year ended June 30, 1998

	<u>Balance at June 30, 1997</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at June 30, 1998</u>
<u>ASSESSMENT DISTRICTS FUND</u>				
<u>Assets</u>				
Cash and investments	\$ 603,351	447,178	(443,489)	607,040
Interest receivable	7,079	8,143	(7,079)	8,143
Due from other governments	<u>12,261</u>	<u>-</u>	<u>(10,326)</u>	<u>1,935</u>
Total assets	<u>\$ 622,691</u>	<u>455,321</u>	<u>(460,894)</u>	<u>617,118</u>
<u>Liabilities</u>				
Due to bondholders	<u>\$ 622,691</u>	<u>434,054</u>	<u>(439,627)</u>	<u>617,118</u>
Total liabilities	<u>\$ 622,691</u>	<u>434,054</u>	<u>(439,627)</u>	<u>617,118</u>
<u>SUPERINTENDENT OF STREETS FUND</u>				
<u>Assets</u>				
Cash and investments	<u>\$ 44,475</u>	<u>-</u>	<u>-</u>	<u>44,475</u>
Total assets	<u>\$ 44,475</u>	<u>-</u>	<u>-</u>	<u>44,475</u>
<u>Liabilities</u>				
Deposits payable	<u>\$ 44,475</u>	<u>-</u>	<u>-</u>	<u>44,475</u>
Total liabilities	<u>\$ 44,475</u>	<u>-</u>	<u>-</u>	<u>44,475</u>
<u>ENGINEERS' REVOLVING FUND</u>				
<u>Assets</u>				
Cash and investments	\$ 194,595	651,868	(669)	845,794
Interest receivable	<u>6,159</u>	<u>6,828</u>	<u>(6,159)</u>	<u>6,828</u>
Total assets	<u>\$ 200,754</u>	<u>658,696</u>	<u>(6,828)</u>	<u>852,622</u>
<u>Liabilities</u>				
Deposits payable	<u>\$ 200,754</u>	<u>651,868</u>	<u>-</u>	<u>852,622</u>
Total liabilities	<u>\$ 200,754</u>	<u>651,868</u>	<u>-</u>	<u>852,622</u>

(Continued)

CITY OF POMONA
Agency Funds

Combining Statement of Changes in Assets and Liabilities

(Continued)

	<u>Balance at June 30, 1997</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at June 30, 1998</u>
<u>CONSTRUCTION GUARANTEE FUND</u>				
<u>Assets</u>				
Cash and investments	\$ 183,797	70,370	(34,916)	219,251
Total assets	<u>\$ 183,797</u>	<u>70,370</u>	<u>(34,916)</u>	<u>219,251</u>
<u>Liabilities</u>				
Accounts payable	\$ 1,366	1,959	-	3,325
Deposits payable	<u>182,431</u>	<u>70,371</u>	<u>(36,876)</u>	<u>215,926</u>
Total liabilities	<u>\$ 183,797</u>	<u>72,330</u>	<u>(36,876)</u>	<u>219,251</u>
<u>MUNICIPAL REVOLVING FUND</u>				
<u>Assets</u>				
Cash and investments	\$ 426,676	782,130	(688,290)	520,516
Due from other governments	<u>3,660</u>	<u>-</u>	<u>(2,020)</u>	<u>1,640</u>
Total assets	<u>\$ 430,336</u>	<u>782,130</u>	<u>(690,310)</u>	<u>522,156</u>
<u>Liabilities</u>				
Accounts payable	\$ 35,685	-	(9,326)	26,359
Accrued liabilities	2,389	768	(2,389)	768
Deposits payable	<u>392,262</u>	<u>791,057</u>	<u>(688,290)</u>	<u>495,029</u>
Total liabilities	<u>\$ 430,336</u>	<u>791,825</u>	<u>(700,005)</u>	<u>522,156</u>

CITY OF POMONA
Agency Funds

Combining Statement of Changes in Assets and Liabilities

(Continued)

	<u>Balance at June 30, 1997</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at June 30, 1998</u>
<u>DEFERRED COMPENSATION FUND</u>				
<u>Assets</u>				
Cash and investments	\$ 251	-	-	251
Cash and investments with fiscal agents	<u>17,473,117</u>	<u>4,171,074</u>	<u>(821,572)</u>	<u>20,822,619</u>
Total assets	<u>\$17,473,368</u>	<u>4,171,074</u>	<u>(821,572)</u>	<u>20,822,870</u>
<u>Liabilities</u>				
Accounts payable	\$ 251	-	-	251
Deferred compensation payable	<u>17,473,117</u>	<u>4,171,074</u>	<u>(821,572)</u>	<u>20,822,619</u>
Total liabilities	<u>\$17,473,368</u>	<u>4,171,074</u>	<u>(821,572)</u>	<u>20,822,870</u>
<u>LA IMPACT FUND</u>				
<u>Assets</u>				
Cash and investments	\$ 2,872,540	2,566,641	(1,828,917)	3,610,264
Accounts receivable	-	582	-	582
Interest receivable	32,501	43,145	(32,501)	43,145
Due from other governments	<u>1,081,026</u>	<u>101,769</u>	<u>(367,489)</u>	<u>815,306</u>
Total assets	<u>\$ 3,986,067</u>	<u>2,712,137</u>	<u>(2,228,907)</u>	<u>4,469,297</u>
<u>Liabilities</u>				
Accounts payable	\$ 415,507	12,167	(54,972)	372,702
Due to other governments	<u>3,570,560</u>	<u>2,656,243</u>	<u>(2,130,208)</u>	<u>4,096,595</u>
Total liabilities	<u>\$ 3,986,067</u>	<u>2,668,410</u>	<u>(2,185,180)</u>	<u>4,469,297</u>

CITY OF POMONA
Agency Funds

Combining Statement of Changes in Assets and Liabilities

(Continued)

	<u>Balance at June 30, 1997</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at June 30, 1998</u>
<u>TOTAL ALL AGENCY FUNDS</u>				
<u>Assets</u>				
Cash and investments	\$ 4,325,685	4,518,187	(2,996,281)	5,847,591
Cash and investments with fiscal agents	17,473,117	4,171,074	(821,572)	20,822,619
Accounts receivable	-	582	-	582
Interest receivable	45,739	58,116	(45,739)	58,116
Due from other governments	<u>1,096,947</u>	<u>101,769</u>	<u>(379,835)</u>	<u>818,881</u>
Total assets	<u>\$22,941,488</u>	<u>8,849,728</u>	<u>(4,243,427)</u>	<u>27,547,789</u>
<u>Liabilities</u>				
Accounts payable	\$ 452,809	14,126	(64,298)	402,637
Accrued liabilities	2,389	768	(2,389)	768
Due to other governments	3,570,560	2,656,243	(2,130,208)	4,096,595
Deposits payable	819,922	1,513,296	(725,166)	1,608,052
Deferred compensation payable	17,473,117	4,171,074	(821,572)	20,822,619
Due to bondholders	<u>622,691</u>	<u>434,054</u>	<u>(439,627)</u>	<u>617,118</u>
Total liabilities	<u>\$22,941,488</u>	<u>8,789,561</u>	<u>(4,183,260)</u>	<u>27,547,789</u>

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GENERAL FIXED ASSETS ACCOUNT GROUP

To account for the cost of fixed assets of the City that are used in the performance of general government functions and that are not accounted for in the Enterprise or Internal Service Funds of the City.

CITY OF POMONA
General Fixed Assets Account Group

Schedule of General Fixed Assets - By Source

June 30, 1998

	<u>1998</u>
General fixed assets:	
Land	\$11,108,234
Buildings and improvements	11,917,853
Leasehold improvements	352,635
Machinery, equipment and furniture	8,092,679
Autos and trucks	4,603,269
Equipment under capitalized lease	<u>4,504,111</u>
Total general fixed assets	<u>\$40,578,781</u>
Investments in general fixed assets:	
Federal grants	\$ 2,119,029
State grants	684,829
Gifts	3,128
General revenue sharing	1,543,414
Special revenue	1,106,378
General City revenue	31,832,240
Vehicle parking district	<u>3,289,763</u>
Total investment in general fixed assets	<u>\$40,578,781</u>

CITY OF POMONA
General Fixed Assets Account Group

Schedule of General Fixed Assets - By Function and Activity

June 30, 1998

<u>Function and Activity</u>	<u>Land</u>	<u>Buildings and Improvements</u>	<u>Leasehold Improvements</u>	<u>Machinery and Equipment</u>	<u>Furniture</u>	<u>Autos and Trucks</u>	<u>Lease Purchase Equipment</u>	<u>Totals</u>
General government	\$ 9,342,656	11,917,853	347,671	1,155,409	48,781	1,208,579	2,365,259	26,386,208
City Administrator	-	-	-	36,339	19,827	35,589	-	91,755
City Council/Mayor	-	-	-	7,559	645	-	-	8,204
City Clerk	-	-	-	13,148	8,167	8,536	-	29,851
Printing Services	-	-	-	46,176	5,862	-	-	52,038
City Attorney	-	-	-	7,099	8,107	-	-	15,206
Human Resources	-	-	-	39,769	9,670	-	-	49,439
Building/Custodial	-	-	-	35,215	1,034	18,574	-	54,823
Finance	-	-	-	149,403	36,787	1,200	97,684	285,074
Code Enforcement	-	-	-	33,070	6,019	17,077	2,173	58,339
Community Development	-	-	-	69,906	58,876	193,130	21,928	343,840
Economic Development	-	-	4,964	44,306	3,129	-	-	52,399
Police	-	-	-	3,021,569	129,596	1,207,153	1,481,090	5,839,408
Public Works	1,765,578	-	-	995,370	181,575	791,486	443,408	4,177,417
Parks	-	-	-	818,071	21,002	1,105,516	92,569	2,037,158
Recreation	-	-	-	244,919	75,078	16,429	-	336,426
Library	-	-	-	489,604	271,592	-	-	761,196
Total	<u>\$11,108,234</u>	<u>11,917,853</u>	<u>352,635</u>	<u>7,206,932</u>	<u>885,747</u>	<u>4,603,269</u>	<u>4,504,111</u>	<u>40,578,781</u>

CITY OF POMONA
General Fixed Assets Account Group

Schedule of Changes in General Fixed Assets - By Function and Activity

Year ended June 30, 1998

<u>Function and Activity</u>	<u>Balance at July 1, 1997</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at June 30, 1998</u>
General Government:				
City Administrator	\$ 96,076	2,049	(6,370)	91,755
City Council/Mayor	8,204	-	-	8,204
City Clerk	29,851	-	-	29,851
Printing Services	63,411	-	(11,373)	52,038
City Attorney	15,941	-	(735)	15,206
Human Resources	49,707	-	(268)	49,439
Finance	282,052	16,911	(13,889)	285,074
Economic Development	50,246	2,153	-	52,399
Others	<u>26,528,130</u>	<u>37,574</u>	<u>(179,496)</u>	<u>26,386,208</u>
Total general government	<u>27,123,618</u>	<u>58,687</u>	<u>(212,131)</u>	<u>26,970,174</u>
Public safety:				
Police	5,566,757	503,958	(231,307)	5,839,408
Code Enforcement	<u>26,453</u>	<u>31,886</u>	<u>-</u>	<u>58,339</u>
Total public safety	<u>5,593,210</u>	<u>535,844</u>	<u>(231,307)</u>	<u>5,897,747</u>
Building/Custodial	<u>54,823</u>	<u>-</u>	<u>-</u>	<u>54,823</u>
Public Works	<u>4,064,253</u>	<u>124,871</u>	<u>(11,707)</u>	<u>4,177,417</u>
Culture and recreation:				
Community development	358,404	-	(14,564)	343,840
Parks	1,757,578	325,607	(46,027)	2,037,158
Recreation	336,426	-	-	336,426
Library	<u>761,740</u>	<u>1,318</u>	<u>(1,862)</u>	<u>761,196</u>
Total culture and recreation	<u>3,214,148</u>	<u>326,925</u>	<u>(62,453)</u>	<u>3,478,620</u>
Total general fixed assets	<u><u>\$40,050,052</u></u>	<u><u>1,046,327</u></u>	<u><u>(517,598)</u></u>	<u><u>40,578,781</u></u>

CITY OF POMONA

General Governmental Expenditures by Function ⁽¹⁾

Last Ten Fiscal Years

Fiscal Year	General Government	Public Safety	Urban Development	Community Services	Capital Outlay	Debt Service	Total
1989	\$ 4,047,517	\$ 27,093,263	\$ 23,875,209	\$ 2,420,586	\$ 3,732,448	\$ 171,469,833	\$ 232,638,856
1990	4,367,442	31,212,028	25,830,277	2,834,787	892,016	61,855,178	126,991,728
1991	5,307,224	32,691,611	26,765,750	3,662,807	3,657,049	55,831,088	127,915,529
1992	5,732,007	34,035,311	24,966,681	3,111,035	7,571,377	80,033,961	155,450,372
1993	6,844,548	34,088,100	24,961,936	3,068,210	5,823,559	18,200,468	92,986,821
1994	5,709,566	35,352,360	25,077,388	3,516,463	3,685,466	112,653,753	185,994,996
1995	8,678,125	37,866,935	24,599,604	9,326,382	2,343,418	49,068,530	131,882,994
1996	8,447,097	39,942,519	21,438,715	14,841,954	5,077,322	46,753,315	136,500,922
1997	12,668,793	38,965,280	20,609,982	14,450,763	3,576,848	51,584,822	141,856,488
1998	9,265,507	41,164,031	12,883,594	15,200,737	9,184,079	55,156,418	142,854,366

⁽¹⁾ All governmental fund types, including General, Special Revenue, Debt Service, and Capital Projects Funds.

Source: City of Pomona Finance Department.

CITY OF POMONA
General Governmental Revenues by Source ⁽¹⁾
 Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Taxes</u>	<u>Licenses and Permits</u>	<u>Use of Money and Property</u>	<u>Inter-governmental</u>	<u>Fines and Forfeitures</u>	<u>Charges for Services</u>	<u>Special Assessment</u>	<u>Other</u>	<u>Total</u>
1989	\$37,126,461	\$4,432,433	\$6,666,959	\$12,541,921	\$ 271,632	\$ -	\$ 964,599	\$5,064,925	\$67,068,930
1990	37,451,477	5,389,714	11,471,493	17,481,309	244,901	-	1,093,168	8,061,910	81,193,972
1991	37,752,696	6,366,458	16,532,993	17,694,392	436,883	-	1,011,788	6,335,358	86,130,568
1992	41,364,149	6,148,603	9,329,743	21,582,595	344,626	-	993,675	9,155,549	88,918,940
1993	41,334,061	6,134,363	10,301,622	23,586,081	440,576	-	999,267	6,853,992	89,649,962
1994	40,737,525	6,236,362	8,839,771	24,121,715	458,803	-	1,122,077	3,768,356	85,284,609
1995	44,016,691	5,136,871	6,866,901	28,104,752	1,322,325	-	2,672,928	3,373,400	91,493,868
1996	50,211,869	3,938,482	5,846,181	25,618,248	1,100,273	2,109,043	1,203,937	4,040,039	94,068,072
1997	53,320,043	3,862,730	6,500,968	30,959,479	1,142,935	2,305,769	2,509,266	3,947,437	104,548,627
1998	50,376,194	3,940,599	7,252,758	33,010,989	880,245	2,514,549	1,814,070	4,574,450	104,363,854

⁽¹⁾ All governmental fund types, including General, Special Revenue, Debt Service, and Capital Projects Funds.

Source: City of Pomona Finance Department.

CITY OF POMONA

Property Tax Levies and Collections

Ten Year Historical

<u>Fiscal Year</u>	<u>Levies</u>	<u>Collections</u>	<u>% of Collections</u>
1989	\$ 7,498,143	\$ 7,252,456	96.7%
1990	8,387,189	8,122,539	96.8%
1991	8,269,650	8,231,495	99.5%
1992	9,274,795	9,054,947	97.6%
1993	8,972,863	8,892,617	99.1%
1994	7,254,375	7,150,044	98.6%
1995	6,708,675	6,309,869	94.1%
1996	6,622,475	6,403,104	96.7%
1997	6,828,973	6,480,774	94.9%
1998	6,706,616	6,500,933	96.9%

CITY OF POMONA

Schedule of Assessed Property Values

Last Ten Fiscal Years

Fiscal Year	Secured Roll	Public Utilities ⁽¹⁾	Unsecured Roll	Total	Percent Increase
1989	2,851,432,852	12,516,491	287,317,747	3,151,267,090	1.91%
1990	3,091,241,376	12,924,529	369,343,418	3,473,509,323	10.23%
1991	3,471,045,914	17,596,780	371,655,790	3,860,298,484	11.14%
1992	3,911,533,255	17,535,502	376,255,948	4,305,324,705	11.53%
1993	4,191,004,575	8,321,340	351,897,155	4,551,223,070	5.71%
1994	4,340,783,832	15,357,386	310,806,624	4,666,947,842	2.54%
1995	4,372,991,955	12,874,232	275,139,417	4,661,005,604	(0.13)%
1996	4,330,144,261	12,867,989	257,848,999	4,600,861,249	(1.29)%
1997	4,283,725,836	12,861,746	338,765,212	4,635,352,794	0.75%
1998	4,311,032,185	14,726,543	309,554,531	4,635,313,259	(0.00)%

(1) Commencing with fiscal year 1989, the Revenue and Taxation Code of the State of California changed the method of allocating property tax revenues derived from state assessed utility properties. It provides for the distribution of state assessed values to tax rate areas by a county-wide mathematical formula rather than assignment of state assessed values according to the location of those values in individual tax rate areas.

Source: County of Los Angeles Auditor-Controller's Office.

CITY OF POMONA

Property Tax Rates-All Direct & Overlapping Governments**(Per \$100 of Assessed Value)**

Last Ten Fiscal Years

Fiscal Year	County General	City	School	Flood Control	Metro Water District	Sanitation District #21	Other Districts	Total
1989	\$ 1.000000	\$0.008956	\$0.003148	\$0.006944	\$0.012100	\$0.000871	\$ -	\$1.032019
1990	1.000000	0.008695	0.002434	0.006944	0.012100	0.000871	-	1.031044
1991	1.000000	0.007080	0.002434	0.005786	0.009700	0.002140	-	1.027140
1992	1.000000	0.005725	0.009608	0.005376	0.008900	0.000209	0.001880	1.031698
1993	1.000000	0.005526	0.029327	0.003397	0.008900	0.000206	0.001409	1.048765
1994	1.000000	0.000000	0.056170	0.004212	0.008900	0.000000	0.001713	1.070995
1995	1.000000	0.000000	0.056598	0.006041	0.008900	0.000000	0.001993	1.073532
1996	1.000000	0.000000	0.057972	0.000963	0.008900	0.000000	0.001814	1.069649
1997	1.000000	0.000000	0.063000	0.001991	0.008900	0.000000	0.001604	1.075495
1998	1.000000	0.000000	0.078245	0.002197	0.008900	0.000000	0.001584	1.090926

Source: County of Los Angeles Auditor-Controller's Office.

CITY OF POMONA
Top Sales Tax Producers
in Alphabetical Order

For Fiscal Year 1998

Altec Industries, Inc.	Palm Springs Oil Supply
Arco AM/PM	Parcell Steel
Barrett's Equine Sales	Phoenix Printing & Design
Burbank Roofing Supply	Pomona Buick/Pontiac/GMC
C & C Concessions	Pomona Valley Jeep/Eagle
Circle K Food Stores	Pomona Valley Mining Company
Circuit City Store	Restaurant
Clariant Corporation	Price Club
Construction Hardware	Rancho Valley Chevrolet/Geo
Dynamic Mitsubishi	Robertson's Ready Mix
Familian Corporation	Rugby Building Products
Galaxie's Millers Landing	Sav-On Drug Store
Grossman's Warehouse	Stainless Fixtures
GTE	Stater Bros. Markets
Haaker Equipment	Tetra Pak
Home Depot	Toys R Us
Homebase	W.W. Grainger
Jack In The Box Restaurant	Wal-Mart Stores
Lucky Food Centers	Wells Fargo Bank
McDonald's Restaurant	Wickes Furniture Showroom
Myer's Tire Supply	

Source: Municipal Resource Consultants

CITY OF POMONA
Computation of Legal Debt Margin
June 30, 1998

Total assessed value of all real and personal property	\$ 4,635,313,259
Debt limit percentage	<u>15.00%</u>
Total debt limit	695,296,989
Amount of debt applicable to debt limit	<u>-</u>
Legal debt margin	<u><u>\$ 695,296,989</u></u>

Source: City of Pomona Finance Department.

CITY OF POMONA
**Ratio of Net General Bonded Debt to Assessed Value
and Net General Bonded Debt Per Capita**

Last Ten Fiscal Years

Fiscal Year	Assessed Value	Population	Gross General Bonded Debt	Debt Service Funds	Net General Bonded Debt	Ratio of Net General Bonded Debt to Assessed Value	Net General Bonded Debt Per Capita
1989	\$ 3,151,267,090	119,034	\$ 955,000	\$ 310,523	\$ 644,477	0.0205%	5
1990	3,473,509,323	121,643	745,000	197,673	547,327	0.0158%	4
1991	3,860,298,484	133,778	575,000	257,463	317,537	0.0082%	2
1992	4,305,324,705	138,525	385,000	265,181	119,819	0.0028%	1
1993	4,551,223,070	137,284	190,000	267,468	-	0.0000%	0
1994	4,666,947,842	138,624	55,000	150,760	-	0.0000%	0
1995	4,661,005,604	138,018	-	104,166	-	0.0000%	0
1996	4,600,861,249	139,792	-	109,667	-	0.0000%	0
1997	4,635,352,794	141,385	-	55,510	-	0.0000%	0
1998	4,635,313,259	143,152	-	37,396	-	0.0000%	0

Source: County of Los Angeles Auditor-Controller's Office and the City of Pomona Finance Department

CITY OF POMONA
**Ratio of Annual Debt Service Expenditures for General
Obligation Debt to Total General Governmental Expenditures**
Last Ten Fiscal Years

Fiscal Year	Principal	Interest and Fiscal Charges	Total Debt Service	Total General Expenditures ⁽¹⁾	Ratio of Debt Service To General Governmental Expenditures
1989	\$ 205,000	\$ 36,779	\$ 241,779	\$ 232,638,856	0.1039%
1990	210,000	29,630	239,630	126,991,728	0.1887%
1991	170,000	22,351	192,351	127,915,529	0.1504%
1992	190,000	16,245	206,245	155,450,372	0.1327%
1993	195,000	9,680	204,680	92,986,821	0.2201%
1994	135,000	4,091	139,091	185,994,996	0.0748%
1995	55,000	935	55,935	131,882,994	0.0424%
1996	-	-	-	136,500,922	0.0000%
1997	-	-	-	141,856,488	0.0000%
1998	-	-	-	142,854,366	0.0000%

⁽¹⁾ Includes General, Special Revenue, Debt Service, and Capital Projects Funds

Source: City of Pomona Finance Department.

CITY OF POMONA

Computation of Direct and Overlapping Bonded Debt

June 30, 1998

<u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	<u>% Applicable</u>	<u>Debt 06/30/98</u>
Los Angeles County	0.739%	\$ 427,327
Los Angeles County Flood Control District	0.768	356,275
Metropolitan Water District	0.408	2,264,828
Pomona Unified School District	78.778	48,227,892
City of Pomona 1915 Act Bonds	100	15,632,000
Los Angeles County Regional Park & Open Space Assessment District	0.739	3,770,267
Total Overlapping Tax and Assessment Debt		\$ 70,678,589

DIRECT AND OVERLAPPING GENERAL FUND OBLIGATION DEBT:

Los Angeles County General Fund Obligations	0.739%	\$ 12,847,020
Los Angeles County Pension Obligations	0.739	17,557,401
Los Angeles County Superintendent of Schools Certs. of Partcp.	0.739	35,805
Los Angeles County Flood Control District Certs of Partcp.	0.768	1,514,035
Los Angeles County Sanitation District No. 21 Authority	21.022	6,422,023
Mount San Antonio Community College Dist. Certf. of Partcp.	11.543	189,305
Pomona Unified School District Certfs.of Partcp.	72.793	21,681,395
Bonita Unified School Dist. Certfs. of Partcp.	0.255	22,692
City of Pomona Certfs. of Partcp.	100	18,375,721
Walnut Valley Water District Authority	2.774	615,135
San Gabriel Valley Mosquito Abatement Dist. Certs. of Partcp.	7.257	113,209
Total Gross Direct and Overlapping Bonded Debt		\$ 79,373,741
Less: Los Angeles County Certificates of Participation(100% self-supporting) from leasehold revenues on properties in Marina Del Rey		1,170,872
Walnut Valley Water District Authority		615,135
Total Net Direct and Overlapping Bonded Debt		\$ 77,587,734

GROSS COMBINED TOTAL DEBT \$ 150,052,330**NET COMBINED TOTAL DEBT** \$ 148,266,323**Ratios to 1997-98 Assessed Valuation:**

Total Overlapping Tax and Assessment Debt1.52%

Ratios to Adjusted Assessed Valuation:

Combined Direct Debt (\$18,375,721)..... 0.55%

Gross Combined Total Debt..... 4.50%

Net Combined Total Debt..... 4.44%

State School Building Aid Repayable as of 06-30-98: \$0.00

(1) Excludes tax and revenue anticipation notes, revenue, mortgage revenue and tax allocation bonds and non-bonded capital lease obligations.

CITY OF POMONA

Schedule of Water Fund Revenue Bond Coverage

Last Ten Fiscal Years

Fiscal Year	Gross Revenue ⁽¹⁾	Gross Expense ⁽²⁾	Net Revenue Available for Debt Service	Debt Service Requirements ⁽³⁾			Coverage
				Principal	Interest	Total	
1989	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.000
1990	-	-	-	-	-	-	0.000
1991	-	-	-	-	-	-	0.000
1992	-	-	-	-	-	-	0.000
1993	11,081,970	9,931,919	1,150,051	-	228,540	228,540	5.032
1994	13,114,597	9,940,698	3,173,899	165,000	452,130	617,130	5.143
1995	12,043,484	11,024,014	1,019,470	170,000	446,180	616,180	1.655
1996	13,201,274	11,023,196	2,178,078	185,000	450,029	635,029	3.430
1997	14,801,770	13,174,589	1,627,181	190,000	454,258	644,258	2.526
1998	12,347,904	10,464,489	1,883,415	210,000	411,393	621,393	3.031

(1) Total operating revenues including interest.

(2) Total operating expenses exclusive of depreciation.

(3) The first revenue bonds for the water fund were issued in July 1992, with debt service requirements beginning during the fiscal year 1992-1993. Requirements are reported on the cash basis, excluding premiums.

Source: City of Pomona Finance Department.

CITY OF POMONA

Special Assessment Billings and Collections

Last Ten Fiscal Years

Fiscal Year	Special Assessment Billings	Special Assessments Collected
1989	\$ -	\$ -
1990	-	-
1991	-	-
1992	-	-
1993	-	-
1994	-	-
1995	-	-
1996	-	-
1997	1,136,246	1,109,108
1998	1,135,414	1,135,413

Source: City of Pomona Finance Department.

City of Pomona
Population Statistics
 Since Incorporation Including
 the Last 10 Years

<u>Fiscal Year</u>	<u>Population</u>	<u>% Change</u>
1888	2,500	
1890	3,634	45.36%
1900	5,526	52.06%
1910	10,207	84.71%
1920	13,505	32.31%
1930	20,695	53.24%
1940	23,472	13.42%
1950	35,405	50.84%
1960	67,157	89.68%
1970	87,384	30.12%
1980	92,360	5.69%
1989	119,934	1.58%
1990	121,643	1.42%
1991	133,778	9.98%
1992	138,525	3.55%
1993	137,284	(0.90)%
1994	138,624	0.98%
1995	138,018	(0.44)%
1996	139,792	1.29%
1997	141,385	1.14%
1998	143,152	1.25%

CITY OF POMONA
Building Valuations and Construction Activity
 Last Ten Fiscal Years

Fiscal Year	Number of New Residential Dwelling Units	New Residential Valuation	New NonResidential Valuation	Total New Valuation
1989	366	42,120,307	50,364,970	92,485,277
1990	210	31,709,770	44,984,376	76,694,146
1991	371	69,259,380	42,655,000	111,914,380
1992	288	18,022,431	31,781,969	49,804,400
1993	78	11,936,338	27,049,050	38,985,388
1994	87	9,499,782	25,846,798	35,346,580
1995	60	6,577,330	7,379,273	13,956,603
1996	85	5,996,792	8,626,052	14,622,844
1997	83	13,528,882	6,742,443	20,271,325
1998	26	3,149,534	14,430,622	17,580,156

Source: City of Pomona Public Works Department

CITY OF POMONA

Bank Deposits

Last Ten Fiscal Years

<u>Year</u>	<u>Bank Deposits (\$000)</u>
1988	\$ 3,427,631
1989	3,457,617
1990	5,461,657
1991	7,420,486
1992	10,136,280
1993	11,657,036
1994	13,036,064
1995	12,945,611
1996	11,301,769
1997	10,223,791

Source: The Findlay Reports

CITY OF POMONA
Miscellaneous Statistics
 June 30, 1998

Date of Incorporation	January 1888
Charter Date	March 10, 1911, amended November 3, 1964
Form of Government	Council - Administration
Officials	Mayor and six councilpersons
Elections	Third Tuesday in April of odd numbered years
County	Los Angeles, California
Area	22.9 square miles
Miles of Streets	360
Curbs and Gutters	approximately 625
Police Protection:	
Number of Stations	1
Number of Sworn Officers	179
Public Education Facilities:	
Elementary Schools	24
Junior High Schools	6
Comprehensive High School	5 (including 1 continuation school)
Adult Education School	1
Municipal Water Department:	
Number of Consumers	27,889
Average Daily Consumption (gallons)	33,991,005
Miles of Water Mains	431 miles
Gate Valves	4,708
Sewers and Drains:	
Sanitary Sewers	250
Storm Drains	5,646
Recreation and Culture:	
Number of Park Sites	23 with 186.87 acres
Number of Community Centers	6
Number of Libraries	1

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Source: Various Departments of the City of Pomona