



**CITY OF POMONA**  
CALIFORNIA

# COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDING JUNE 30, 2020

CITY OF POMONA, CALIFORNIA  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED JUNE 30, 2020

**THIS PAGE INTENTIONALLY LEFT BLANK**

CITY OF POMONA, CALIFORNIA  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 FOR THE YEAR ENDED JUNE 30, 2020

TABLE OF CONTENTS

	<u>Page Number</u>
<b>INTRODUCTORY SECTION (Unaudited)</b>	
Letter of Transmittal .....	i
GFOA Certificate of Achievement for Excellence in Financial Reporting .....	vi
Organizational Chart .....	vii
Directory of City Officials .....	viii
<b>FINANCIAL SECTION</b>	
INDEPENDENT AUDITORS' REPORT .....	1
MANAGEMENT'S DISCUSSION AND ANALYSIS (Required Supplementary Information) (Unaudited) .....	5
<b>BASIS FINANCIAL STATEMENTS</b>	
Governmental Wide Financial Statements:	
Statement of Net Position .....	21
Statement of Activities .....	22
Fund Financial Statements:	
Governmental Fund Financial Statements:	
Balance Sheet .....	28
Reconciliation of the Governmental Funds Balance Sheet to the Governmental Wide Statement of Net Position .....	31
Statement of Revenues, Expenditures and Changes in Fund Balances .....	32
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances to the Governmental Wide Statement of Activities .....	34
Proprietary Funds:	
Statement of Net Position .....	36
Statement of Revenues, Expenses and Changes in Fund Net Position .....	38
Statement of Cash Flows .....	40
Fiduciary Funds:	
Statement of Fiduciary Net Position .....	45
Statement of Changes in Fiduciary Net Position .....	46
Notes to Financial Statements .....	53

CITY OF POMONA, CALIFORNIA  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 FOR THE YEAR ENDED JUNE 30, 2020

TABLE OF CONTENTS

	<u>Page Number</u>
<b>REQUIRED SUPPLEMENTARY INFORMATION</b>	
Budgetary Comparison Schedule:	
General Fund.....	131
Housing Authority Special Revenue Fund.....	132
Miscellaneous Grants Special Revenue Fund .....	133
Notes to the Budgetary Comparison Schedule .....	135
Schedule of Changes in the Net Pension Liability and Related Ratios:	
Miscellaneous Plan – Agent Multiple – Employer Defined Benefit Plan .....	136
Safety Plan – Agent Multiple – Employer Defined Benefit Plan .....	137
Collateral Benefits Plan .....	138
Schedule of Contributions - Pensions:	
Miscellaneous Plan – Agent Multiple – Employer Defined Benefit Plan .....	139
Safety Plan – Agent Multiple – Employer Defined Benefit Plan .....	140
Collateral Benefits Plan .....	141
Schedule of Changes in Net Other Post-Employment Benefits Liability and Related Ratios:	
Other Post-Employment Benefits Plan .....	142
<b>SUPPLEMENTARY INFORMATION</b>	
Schedule of Revenues, Expenditures, and Change in Fund Balance – Budget and Actual:	
Capital Outlay Capital Projects Fund .....	145
General Government Debt Service Fund.....	146
Public Financing Authority Debt Service Fund.....	147
Nonmajor Governmental Funds:	
Combining Balance Sheets .....	150
Combining Statements of Revenues, Expenditures, and Change in Fund Balance.....	156
Schedule of Revenues, Expenditures, and Change in Fund Balance – Budget and Actual:	
Community Development Block Grant Special Revenue Fund .....	161
State Gas Tax .....	162
Proposition A .....	163
Proposition C .....	164

CITY OF POMONA, CALIFORNIA  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 FOR THE YEAR ENDED JUNE 30, 2020

TABLE OF CONTENTS

	<u>Page Number</u>
<b>SUPPLEMENTARY INFORMATION (CONTINUED)</b>	
Vehicle Parking District .....	165
Air Quality Improvement.....	166
Landscape Maintenance District .....	167
Asset Forfeiture .....	168
Traffic Offender .....	169
Measure R .....	170
Measure M.....	171
Special Fees.....	172
PEG Fee.....	173
OATH Initiative .....	174
 Internal Service Funds:	
Combining Statement of Net Position.....	177
Combining Statements of Revenues, Expenditures, and Change in Net Position.....	178
Combining Statement of Cash Flows .....	179
 Agency Funds:	
Combining Statements of Fiduciary Assets and Liabilities – All Agency Funds .....	182
Combining Statements Changes in Fiduciary Assets and Liabilities – All Agency Funds .....	184
 <b>STATISTICAL SECTION (Unaudited)</b>	
Description of Statistical Section Contents .....	189
 Financial Trends:	
Net Position by Component .....	190
Change in Net Position .....	192
Fund Balances – Governmental Funds .....	196
Changes in Fund Balances – Governmental Funds.....	198
Governmental Activities Tax Revenue by Source .....	200
 Revenue Capacity:	
Assessed Value and Estimated Actual Value of Taxable Property .....	201
Property Tax Rates – Direct and Overlapping Governments .....	202
Principal Property Taxpayers.....	203
Top 25 Sales Tax Generators.....	204
Property Tax Levies and Collections .....	205

CITY OF POMONA, CALIFORNIA  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 FOR THE YEAR ENDED JUNE 30, 2020

TABLE OF CONTENTS

	<u>Page Number</u>
<b>STATISTICAL SECTION (Unaudited) (CONTINUED)</b>	
Debt Capacity:	
Ratios of Outstanding Debt by Type.....	206
Ratio of General Bonded Debt Outstanding .....	208
Direct and Overlapping Debt .....	209
Legal Debt Margin Information .....	210
Pledged Revenue Coverage – Water .....	212
Pledged Revenue Coverage – Sewer .....	213
Demographic and Economic Information:	
Demographic and Economic Statistics .....	214
Principal Employers .....	215
Operating Information:	
Authorization Full – Time City Employees by Function .....	216
Operating Indicators by Function.....	217
Capital Asset Statistics by Function.....	218
<b>OTHER REPORT</b>	
Independent Auditors’ Report on Internal Control Over Financial Reporting And on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....	219

March 25, 2021

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



The audited Comprehensive Annual Financial Report (CAFR) of the City of Pomona, California (City) for the fiscal year ended June 30, 2020 is hereby submitted.

An independent certified public accounting firm audits the basic financial statements. The purpose of the audit is to ensure that the basic financial statements present fairly, in all material respects, the financial position and the results of operations of the City. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the City. Lance Soll & Lunghard LLP has issued an unmodified opinion of the City of Pomona's financial statements for the year ended June 30, 2020. The financial statements have been prepared in accordance with generally accepted accounting principles in the United States. This means that the statements have been prepared using guidelines designed to fairly set forth the financial position and results of operations of the City as measured by the financial activity of its various funds. The independent auditor's report is located on page 1 of the Financial Section. All disclosures necessary to enable the reader to gain the maximum understanding of the City's financial activities have been included.

Generally Accepted Accounting Principles require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

In addition to the comprehensive audit, the City is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1996 as amended and Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the "Uniform Guidance"). Information related to this single audit, including a schedule of federal financial assistance, findings and recommendations and auditor's report on the internal control structure and compliance with applicable laws and regulations, is provided in a separate single audit report.

## **REPORTING ENTITY**

The primary unit of the government is the City, and includes component units all of which are described below:

### **The Primary Government**

The City was founded on January 6, 1888 and became a charter city in 1911. The City operates under a Council-Manager form of municipal government.

The accompanying Comprehensive Annual Financial Report includes the activities of the City, the primary government, and its component units, which are the Pomona Public Financing Authority, the City of Pomona Housing Authority, and the Canon Water Company. Financial information for the City and these component units is accounted for in the accompanying financial statements in accordance with principles defining the reporting entity adopted by the Governmental Accounting Standards Board. The City Council serves as the governing board of the Housing Authority. The City Manager, City Attorney,



Finance Director/City Treasurer, Accounting Manager, and the Deputy City Manager serve as the governing board for the Pomona Public Financing Authority. The Water Resources Director, Water Resource Operations Manager, Water Treatment/Water Quality Supervisor, Senior Accountant, and Senior Management Analyst for the City serve as the governing board of the Canon Water Company. All of these component units are presented on a blended basis.

The former Redevelopment Agency, now Successor Agency, is a separate legal entity, which was formed to hold the assets of the former Redevelopment Agency pursuant to City Council action taken on January 9, 2012 with members of the City Council, sitting as the Successor Agency to the Redevelopment Agency. The activity of the Successor Agency is overseen by an Oversight Board which is comprised of individuals appointed by various government agencies including the City of Pomona.

**The Pomona Public Financing Authority** (the Authority) is a joint exercise of powers agreement organized under Section 6500 of the California Government Code on October 27, 1988 between the City, the Redevelopment Agency, and the Redevelopment Agency of the City of West Covina. The purpose of the Authority is to act as a vehicle for various financing activities of the City and the Agency. The funds of the Authority have been included in the governmental activities in the financial statements. Separate audited statements are also issued for the Authority.

**The Housing Authority of the City of Pomona** (the Housing Authority) was organized pursuant to the State of California Health and Safety Code, Section 34242. The Housing Authority exists pursuant to adopted resolution No. 93-114 adopted June 7, 1993. Its purpose is to prepare and carry out plans to ensure sanitary and safe housing exists in the City of Pomona and that such housing is available to persons of low income at affordable rental rates. The City provides management assistance to the Housing Authority, and the members of the City Council also act as the governing body of the Housing Authority. The Housing Authority's financial data and transactions are blended with the major governmental funds. Separate audited statements are also issued for the Housing Authority.

This report includes all funds of the City of Pomona, California, and each of its component units. Component units are legally separate entities for which the primary government is financially accountable. The City provides full services to its residents including public safety, land use planning and zoning, housing and economic development, building and safety regulation and inspection, water, sewer and refuse services, maintenance of parks, streets and related infrastructure, recreational activities and library services.

## **THE CITY OF POMONA**

The City is located at the southeast end of Los Angeles County and borders San Bernardino County's western boundary and is just five miles north of Orange County. The City has a population of 154,817 and covers an area of approximately 23 square miles. The City is a charter city and is governed by a mayor and six council members. Council members are elected by district with the mayor elected from the City at large. Each member of the Council is elected to a term of four years.

## **LOCAL ECONOMY**

The City of Pomona continues to enjoy a broadly based diverse economy, albeit one with an emphasis upon government, healthcare, and other service-oriented industries. Among Pomona's large employers are Pomona Valley Hospital, the school district (Pomona USD), California State Polytechnic University, the City of Pomona itself, and Casa Colina Rehabilitation Center. As a regional healthcare hub, Pomona boasts a premier facility in the Pomona Valley Hospital Medical Center and the non-profit Casa Colina Centers for Rehabilitation.

Per 2020 estimates published by the Labor Market Information Division of the California Employment Development Department (the most recent such data available), the City's employed civilian labor force presently stands at approximately 67,000 workers.

Retail Sales and Use Tax remains an extremely significant source of revenue, and activity now is still on the rebound from levels depressed by the so-called “Great Recession”. The City of Pomona remains central to the region’s building and construction industry, while other business-to-business sales represent a notable share of local sales tax receipts.

Current assessed valuation for the City of Pomona including redevelopment areas is \$12,349,280,031 according to the Office of the Los Angeles County Auditor-Controller. Based on the City assessed valuation, overall property tax receipts (secured, unsecured, transfer tax, etc.) were 32.01% of the 2019-20 General Fund revenues, while sales tax and related line items were 25.35% of that same total.

## **LONG-TERM FINANCIAL PLANNING**

Pomona’s vigilant ongoing review and control over expenditure growth has been, and will continue as, a critical factor in maintaining and improving the City’s overall financial health. To ensure its fiscal health, on May 2, 2011, the City Council adopted resolution number 2011-49 approving the City’s Fiscal Sustainability Policy. This policy established guidelines for the City’s overall fiscal planning and management and is intended to foster and support continued financial strength and stability of the City. The policy is quite comprehensive and covers areas of Budget, Economic Development, Risk Management, Accounting-Auditing-Financial Reporting, Cash Management and Investments, and Debt Management. The policy also required a separate Fund Balance Policy to ensure fiscal health of the City. Part of the Fund Balance Policy adopted by the City Council on June 20, 2011, requires the General Fund to have a ‘Committed Fund Balance’ of 17% of operating expenditures by June 30, 2020. The policy provides a scale for reaching the 17% starting with 8% as of June 2012 and ending with the 17% in 2020. Based on 2019-20 General Fund expenditure and fund balance numbers, the General Fund has already exceeded the final goal of 17%. The City realized the importance of long term financial planning especially with increased pension costs so the City along with Urban Futures Inc. created a 10 year sustainability plan. The 10 year sustainability plan identified a long term ongoing annual structural deficit amounting to \$8-10 million along with identifying various cuts or revenue generation strategies that would cover the gap. The City passed the sales tax measure which significantly aided the City during the COVID-19 pandemic.

## **OUTLOOK FOR THE FUTURE**

As everyone is aware, the world was struck with a Global pandemic from COVID-19 towards the second half of the fiscal year. This resulted in stay at home orders and business shut downs which in turn affects the national, state and local economies. Government entities main source of revenues are taxes with an emphasis on property tax, sales tax and other various taxes. With the various orders in place it was anticipated tax revenues and revenues as a whole would decrease. The City took measures to this anticipation in various ways to minimize overall costs. The National Government took action and passed the CARES Act (in the beginning of Fiscal Year 2020-21) which would aid businesses, individuals, States, Counties and local governments. As the City looks ahead to Fiscal Year 2020-21 and beyond, in spite of the pandemic, staff is encouraged by the General Fund reserve balance and actual results from Fiscal Year 2019-20. The Fiscal Year 2020-21 budget was adopted as a balanced budget is fully aware the City’s financial structure could be challenged in the future due to the pandemic. The City of Pomona staff is continuing its efforts of identifying financial resources to address increasing retirement costs with a Net Pension Liability, continued rise in retiree health costs, debt service requirements, yearly increase for the LA County Fire contract, costs for deferred maintenance of facilities and infrastructure, and a decrease in funding for programs such as Asset Forfeiture.

## **FINANCIAL INFORMATION**

Management of the City is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept

of reasonable assurance recognizes that: (1) the cost of control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

**Single Audit.** As a recipient of federal and state financial assistance, the City is also responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is subject to periodic evaluation by management and the staff of the City. The City is required to undergo an annual single audit in conformance with Single Audit Act of 1996 as amended and Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the “Uniform Guidance”). The results of the City’s single audit for the fiscal year ended June 30, 2020 are published under separate cover.

**Budgetary Controls.** The City maintains budgetary controls to ensure compliance with legal provisions embodied in the annual adopted budget approved by the City’s governing body. The legal level of budgetary control (that is, the level at which expenditures cannot exceed the appropriated amount) is at the department level in the General Fund and by fund total for all other funds. For budgeting purposes, the General Fund is composed of several departments while all other budgeted funds are each considered to be a single department. The City maintains an encumbrance accounting system as one technique of accomplishing budgetary control, however all operating encumbrances lapse at year-end unless specifically approved by City Council resolution per the City Charter.

## OTHER INFORMATION

**Risk Management.** The City maintains a self-insurance program to provide for the general liability, workers compensation and unemployment benefits claims.

**Independent Audit.** The accounting firm, Lance Soll & Lunghard LLP was selected to perform the annual independent audit. The annual audit is designed to meet the requirements of generally accepted auditing standards in the United States, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the Federal Single Audit Act of 1996 as amended and Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the “Uniform Guidance”). The auditors’ report on the basic financial statements is included in the financial section of this report. The auditors’ report related specifically to the single audit is included in a separate Single Audit Report.

**Certificate of Achievement.** The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Pomona for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2019. The City of Pomona has received a Certificate of Achievement for the last twenty-seven consecutive years (1993-2019). The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. The CAFR must satisfy both generally accepted accounting principles in the United States and applicable legal requirements.

The Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA for consideration.

**Additional Information.** For additional information, please refer to the Management’s Discussion and Analysis in the Introductory Section of this report. This discussion and analysis of the City’s financial performance provides an overview of the City’s financial activities for the fiscal year ended June 30, 2020. Please read it in conjunction with the basic financial statements and the accompanying notes to the basic financial statements.

**Acknowledgments.** The preparation of this report could not have been accomplished without the efficient and dedicated services of the entire Finance Department staff. Special recognition is given to all the Accounting division staff and the City's audit firm for their services in the coordination and assistance in the preparation of this year's report.

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

Respectfully submitted,

A handwritten signature in black ink, appearing to read "a mowbray". The signature is fluid and cursive, with the first letter of each word being capitalized and prominent.

Andrew Mowbray  
Finance Director



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Pomona  
California**

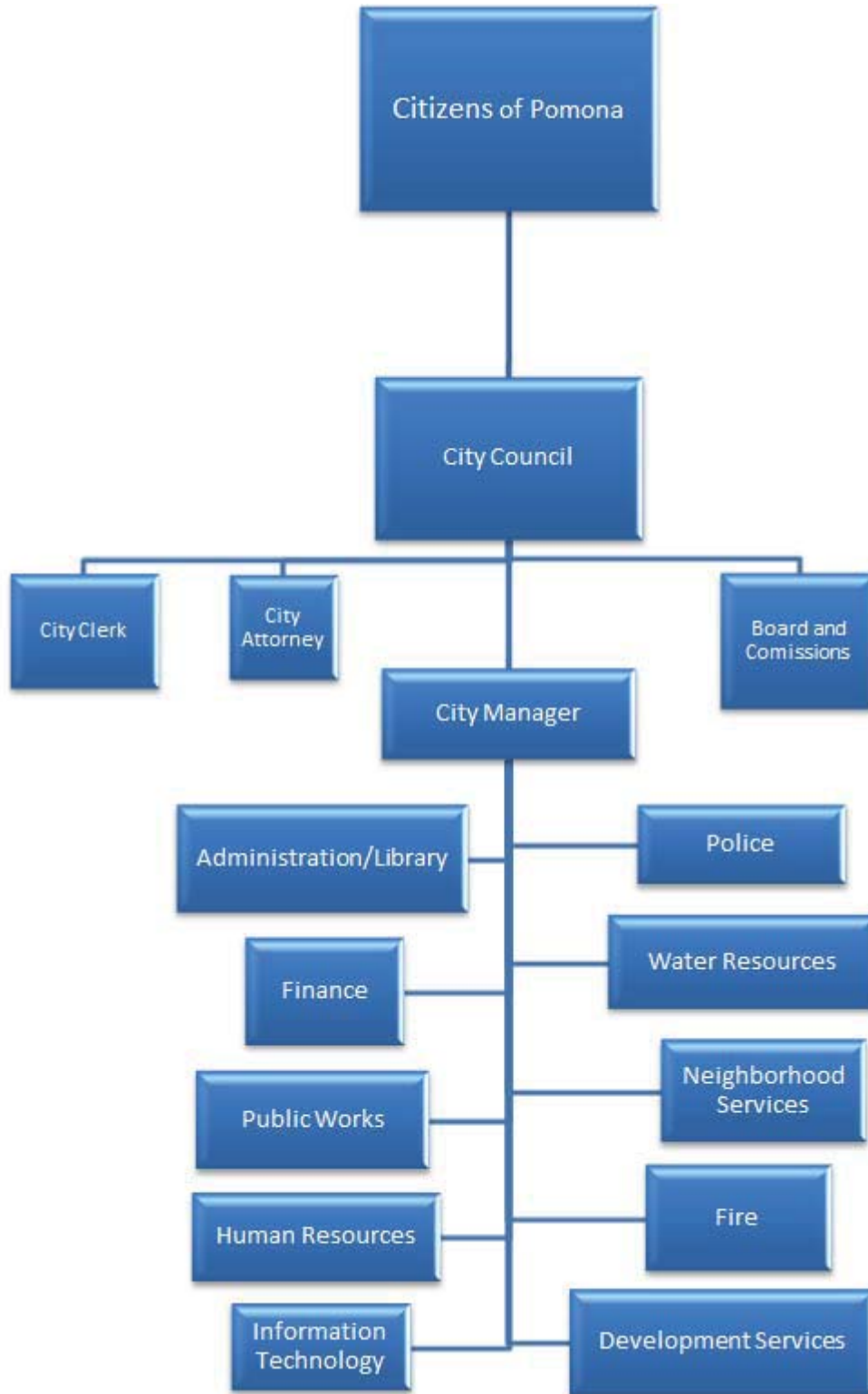
For its Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

June 30, 2019

*Christopher P. Morrill*

Executive Director/CEO

# Organizational Chart



CITY OF POMONA  
**DIRECTORY OF CITY OFFICIALS**

at June 30, 2020

**CITY COUNCIL**

**Tim Sandoval**

Mayor

**Rubio  
Gonzalez**  
Councilmember  
District 1

**Elizabeth  
Ontiveros-Cole**  
Councilmember  
District 4

**Victor Preciado**  
Councilmember  
District 2

**Steve Lustro**  
Councilmember  
District 5

**Nora Garcia**  
Councilmember  
District 3

**Robert S. Torres**  
Councilmember  
District 6

**APPOINTED ADMINISTRATIVE OFFICIALS**

City Manager ..... James Makshanoff  
City Attorney ..... Sonia Carvalho  
City Clerk ..... Rosalia Butler  
City Treasurer ..... Andrew Mowbray

**DEPARTMENT DIRECTORS**

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



## INDEPENDENT AUDITORS' REPORT

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

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Pomona, California, (the City) as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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

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

### ***Auditors' Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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





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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Pomona, California, as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison schedules for the general fund, housing authority and miscellaneous grants fund, the schedules of changes in net pension liability and related ratios, the schedules of plan contributions, the schedule of changes in total other postemployment benefits and related ratios on pages 5-15 and 131-142 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Other Information*

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

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

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.



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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 25, 2021 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

*Lance, Soll & Lingham, LLP*

Brea, California  
March 25, 2021

**THIS PAGE INTENTIONALLY LEFT BLANK**



## MANAGEMENT'S DISCUSSION AND ANALYSIS

### Fiscal Year Ended June 30, 2020

The following Management's Discussion and Analysis (MD&A) of the City of Pomona's financial performance provides an introduction and overview to the financial activities of the City for the fiscal year ended June 30, 2020. This narrative discussion and analysis focuses on the fiscal year 2019-20 activities, resulting changes and current known facts; therefore, the information presented here should be considered in conjunction with additional information furnished in the transmittal letter and the accompanying basic financial statements.

### FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$132 million. The Net Position is composed of \$302.5 million Investment in Fixed Assets, \$81.2 million Restricted and \$(251.7) Unrestricted. The negative unrestricted Net Position is mainly due to GASB 68 and GASB 75 which required the City to report the total unfunded pension and Other Post Employment Benefit liabilities in the amount of \$308.2 million combined.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$95.4 million.
- At the end of the current fiscal year, committed fund balance for fiscal sustainability in the General Fund was \$19.6 million, which is 17% of total general fund expenditures, including transfers out. The City was able to maintain a healthy fund balance in the General Fund resulting in \$2.1 million in excess of the Fiscal Sustainability requirement.

### OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

The *Statement of Net Position* presents information on all of the City of Pomona's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference between the two reported as

“net position”. Increases or decreases in net position may serve as a useful indicator as to whether the financial condition of the City of Pomona is improving or deteriorating over time.

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

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

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

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

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

The City of Pomona maintains 22 individual governmental funds. Individual fund information is presented for the “major” funds in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance. The major funds presented include the General Fund, the Housing Authority Fund, the Miscellaneous Grants Fund, the Capital Outlay Capital Projects Fund, the General Government Debt Service Fund, and the Public Financing Authority Debt Service Fund. Information for the remaining governmental funds is combined into a single “other governmental funds” column on the face of the financial statements. Individual fund data for each of these non-major governmental funds is provided in the form of “combining statements” presented in the Supplemental Data portion of the report.

*Proprietary funds* are used to report two types of funds: enterprise funds and internal service funds. Enterprise funds report the same functions presented as “business-type” activities in the government-wide financial statements. These include activities that the City operates similar to a private business. The City of Pomona uses enterprise funds to account for the operations of the City and Canon Water Company all of which are considered “major” funds. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City of Pomona uses internal service funds to account for its

self-insurance activities, equipment maintenance activities, information technology activities, and printing/mail service activities. Because these four services predominately benefit governmental rather than business-type functions, the activity has been included within "governmental activities" in the government-wide financial statements. All internal service funds are combined into a single aggregated column presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements presented in the Supplemental Data portion of the report. Proprietary funds use the accrual basis of accounting and focus on the accumulation and use of economic resources. Proprietary fund financial statements include a Statement of Net Position, a Statement of Revenues, Expenses, and Changes in Net Position, and a Statement of Cash Flows. All assets and liabilities, both financial and capital, short and long-term are included within these statements. All revenues earned and expenses incurred during the year are also included, regardless of when cash is actually received or paid.

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

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

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

### GOVERNMENT-WIDE FINANCIAL ANALYSIS

**Net position.** As mentioned earlier, net position may serve over time as a useful indicator of a government's financial position. Total net position has increased when compared to the prior year mainly due to a slight decrease in long term debt and an increase in Investment in Fixed Assets. Below is a summary schedule showing the components that make up the City's net position (in millions) at June 30, 2019 and 2020.

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Current and other assets	\$ 129.7	\$ 126.4	\$ 83.6	\$ 77.8	\$ 213.3	\$ 204.2
Capital assets	287.7	286.0	159.0	159.3	446.7	445.3
Total assets	\$ 417.4	\$ 412.4	\$ 242.6	\$ 237.1	\$ 660.0	\$ 649.5
Deferred outflows of resources						
Deferred charge	0.4	0.4	0.5	0.5	0.9	0.9
Deferred pension related items	23.3	24.8	2.3	2.2	25.6	27.0
Deferred OPEB related items	8.1	3.2	1.9	0.8	10.0	4.0
Total deferred outflows of resources	31.8	28.4	4.7	3.5	36.5	31.9
Current and other liabilities	\$ 31.4	\$ 30.7	\$ 11.2	\$ 11.7	\$ 42.6	\$ 42.4
Long-term liabilities outstanding	364.8	342.3	147.2	148.1	512.0	490.4
Total liabilities	\$ 396.2	\$ 373.0	\$ 158.4	\$ 159.8	\$ 554.6	\$ 532.8
Deferred inflows of resources						
Deferred charge on refunding	0.4	0.4	3.0	3.2	3.4	3.6
Deferred pension related items	2.5	3.4	0.3	0.2	2.8	3.6
Deferred OPEB related items	3.1	3.0	0.7	0.7	3.8	3.7
Total deferred inflows of resources	6.0	6.8	4.0	4.1	10.0	10.9
Net Position:						
Net Investment in capital assets	\$ 249.9	\$ 246.2	\$ 52.6	\$ 50.2	\$ 302.5	\$ 296.4
Restricted*	73.6	78.4	7.5	7.5	81.1	85.9
Unrestricted*	(276.4)	(263.6)	24.8	19.0	(251.6)	(244.6)
Total net position	\$ 47.1	\$ 61.0	\$ 84.9	\$ 76.7	\$ 132.0	\$ 137.7

CITY OF POMONA

Management's Discussion and Analysis, Continued  
 Year Ended June 30, 2020

For the City of Pomona, total assets and deferred outflow of resources exceeded total liabilities and deferred inflows of resources by \$132.0 million at June 30, 2020. As the table above shows, an amount of \$302.5 million is reported as *net investment in capital assets*. This amount represents those capital assets (land, buildings, improvements, equipment, and work in progress), some of which have been acquired over time and financed by the issuance of long-term debt. The City of Pomona uses these capital assets to provide services to the citizens of the City, and the assets are therefore not available for meeting current financial obligations. Although net investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay the debt must come from other operating sources, since the capital assets themselves cannot be used to make debt service payments.

An additional portion of net position, in the amount of \$81.1 million, reported as *restricted* net position represents resources that are subject to external restrictions on how it may be used. Restrictions include assets that are legally set aside for future capital development, capital projects, housing-related activities, debt service reserves, and other legally restricted amounts. The remaining balance is *unrestricted* net position of \$(251.6 million). It is not uncommon in government entities to see an unrestricted net position deficit. There are many reasons why this could occur but the City of Pomona has a deficit due to the issuance of several bonds, the City's net pension liability in the amount of \$207.2 million, and the total OPEB liability in the amount of \$100.9 million.

**Changes in net position.** The statement of net position provides a snapshot at a given point in time of the assets and liabilities of the City. The other citywide statement provided is the *Statement of Activities*. This statement provides the reader with information regarding the revenues, expenses, and changes in net position over the fiscal year. Generally, all changes to the City's net position from one fiscal year to the next flow through the statement of activities. The City's programs for governmental activities include legislative and support services, Police, Fire, Public Works, Urban Development, Community Services, and Library. The programs for the business-type activities include water utilities, sewer, and residential refuse operations and Canon Water Company. The following is a summary schedule showing the components that make up the City's changes in net position (in millions) for the years ended June 30, 2020 and 2019.

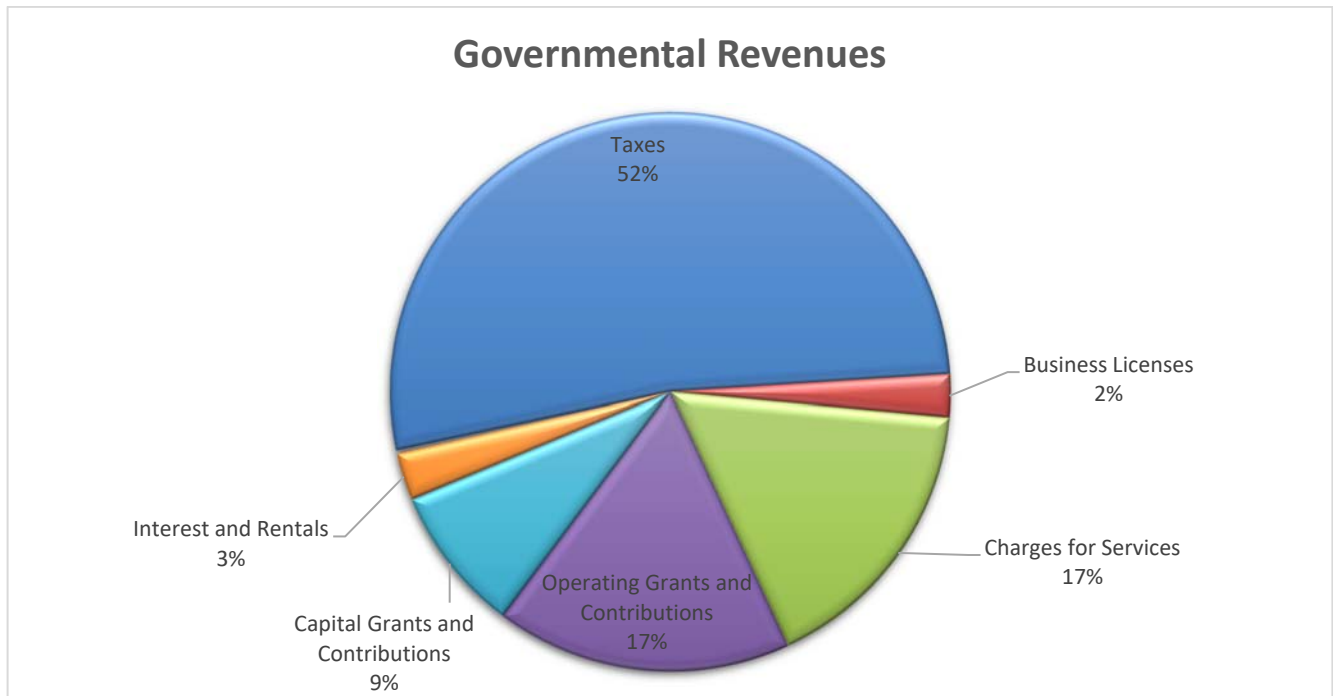
	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
<b>Revenues:</b>						
Program Revenues:						
Charges for services	\$ 33.6	\$ 18.1			\$ 33.6	\$ 18.1
Water	-	-	\$ 32.5	\$ 30.5	32.5	30.5
Sewer	-	-	5.5	4.8	5.5	4.8
Refuse	-	-	10.9	10.6	10.9	10.6
Operating contributions and grants	30.0	45.3	0.1	0.1	30.1	45.4
Capital contributions and grants	14.9	6.5	-	-	14.9	6.5
General Revenues:						
Taxes:						
Property taxes	38.6	39.2	-	-	38.6	39.2
Sales taxes	30.4	22.2	-	-	30.4	22.2
Motor vehicle licenses	-	0.1	-	-	-	0.1
Transient occupancy taxes	2.4	2.5	-	-	2.4	2.5
Property transfer taxes	-	1.8	-	-	-	1.8
Franchises taxes	4.9	4.9	-	-	4.9	4.9
Utility users taxes	15.5	15.9	-	-	15.5	15.9
Other taxes	1.8	-	-	-	1.8	-
Interest and rentals	4.8	3.1	1.6	1.7	6.4	4.8
Miscellaneous	0.3	4.0	0.3	1.5	0.6	5.5
Total revenues	<u>\$ 177.2</u>	<u>\$ 163.6</u>	<u>\$ 50.9</u>	<u>\$ 49.2</u>	<u>\$ 228.1</u>	<u>\$ 212.8</u>

CITY OF POMONA

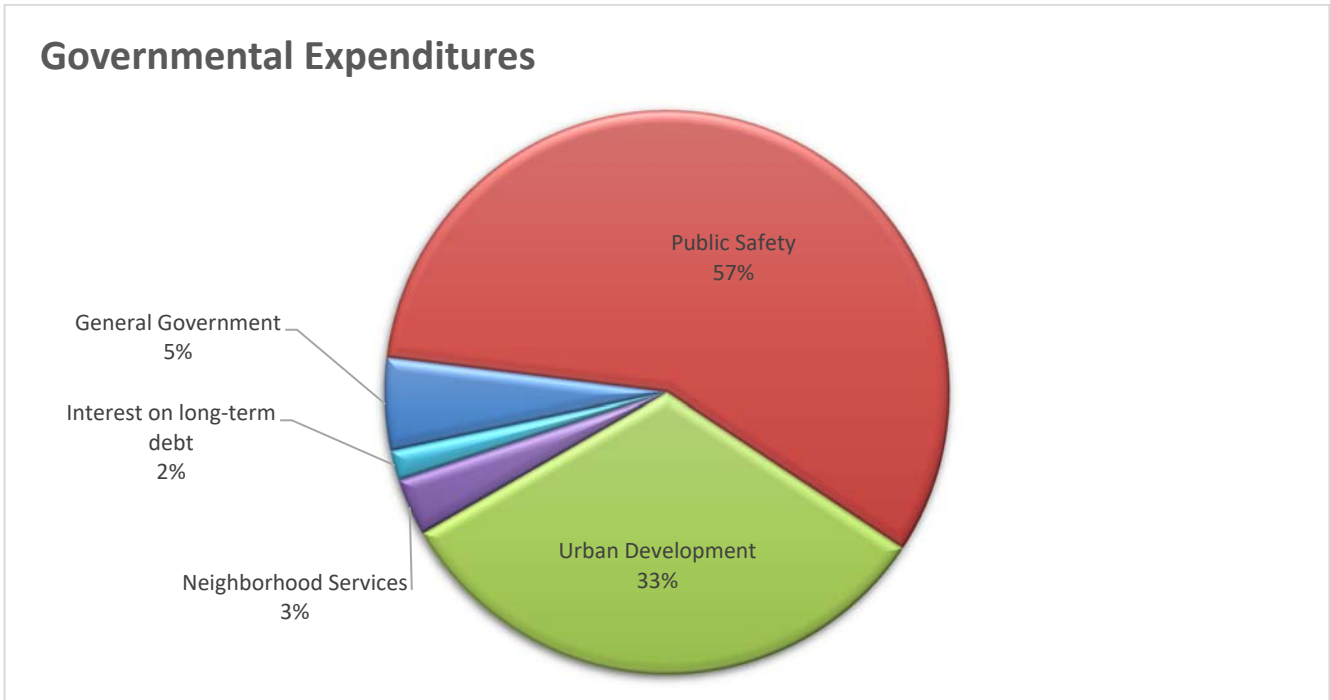
Management’s Discussion and Analysis, Continued  
 Year Ended June 30, 2020

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
<b>Expenses:</b>						
General government	\$ 9.1	\$ 18.4	\$ -	\$ -	\$ 9.1	\$ 18.4
Public safety	105.0	88.9	-	-	105.0	88.9
Urban development	58.9	46.5	-	-	58.9	46.5
Neighborhood services	5.8	7.4	-	-	5.8	7.4
Interest on long-term debt	3.2	2.9	-	-	3.2	2.9
Water	-	-	28.1	27.9	28.1	27.9
Sewer	-	-	2.7	4.4	2.7	4.4
Refuse	-	-	9.9	9.9	9.9	9.9
Pomona Choice Energy Authority	-	-	0.8	-	0.8	-
Canon Water Company	-	-	-	-	-	-
<b>Total expenses</b>	<b>\$ 182.0</b>	<b>\$ 164.1</b>	<b>\$ 41.5</b>	<b>\$ 42.2</b>	<b>\$ 223.5</b>	<b>\$ 206.3</b>
Increase(decrease) in net position before transfers	\$ (4.8)	\$ (0.5)	\$ 9.4	\$ 7.0	\$ 4.6	\$ 6.5
Transfers	3.6	3.0	(3.6)	(3.0)	-	-
<b>Increase (decrease) in net position</b>	<b>\$ (1.2)</b>	<b>\$ 2.5</b>	<b>\$ 5.8</b>	<b>\$ 4.0</b>	<b>\$ 4.6</b>	<b>\$ 6.5</b>
Beginning Net Position as restated	48.3	66.8	79.1	71.6	127.4	138.4
<b>Ending Net Position</b>	<b>\$ 47.1</b>	<b>\$ 69.3</b>	<b>\$ 84.9</b>	<b>\$ 75.6</b>	<b>\$ 132.0</b>	<b>\$ 144.9</b>

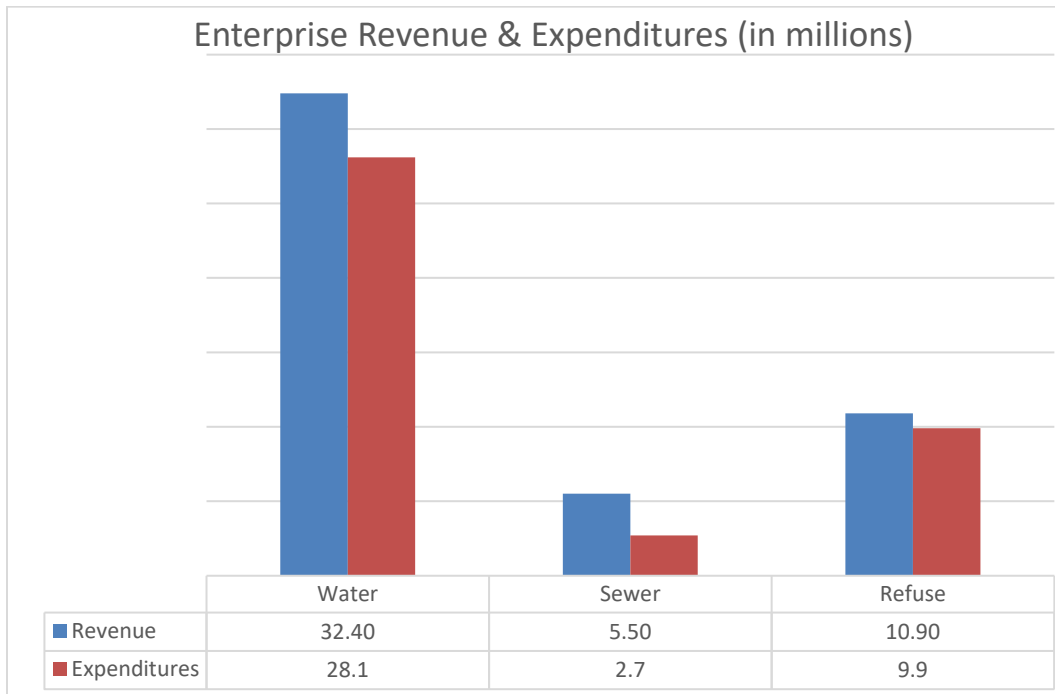
*Governmental Activities* - The City’s program revenues totaled \$78.6 million. The City paid for the remaining “public benefit” portion of governmental activities with \$93.4 million in taxes (some of which is restricted for certain programs). The cost of all governmental activities this year was \$182.0 million. However, as shown above in the changes in net position, the amount taxpayers ultimately financed for these activities was \$93.4 million since some of the cost was paid by Charge for Services revenue (\$33.6 million), or by other governments and organizations that subsidized certain programs with operating contributions and grants (\$30 million), and capital contributions and grants (\$14.9 million). The City had a \$1.2 million decrease in net position from governmental activities (see Financial Analysis of the City’s Funds – General Fund for explanation) in 2019-20.







**Business Type Activities** - The cost of all business-type activities in 2019-20 was \$41.5 million and the amount of resources received was \$50.9 million. Total business-type activities resources available at the fiscal year end is \$84.9 million. This is calculated by taking beginning restated Net Position of \$79.1 million adding revenues of \$50.9 million, subtracting expenditures of \$41.5 million and \$(3.6 million) in transfers. This equates to an increased net Position of \$5.8 million. The increase was primarily due to elevated use of water by City residents which resulted in increased water charges of services revenues and the department’s efforts to keep operational costs below budget.



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

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

*General Fund* - The General Fund is used to account for the general operations of the City. It is used to account for all financial resources, except those required to be accounted for in another fund. The General Fund is always reported as a "major fund". The General Fund reported \$113.2 million in revenues and \$108.2 million in expenditures resulting in revenues over expenditures in the amount of \$5.0 million before accounting for net other financing uses of \$(5.2) million, resulting in the General Fund fund balance to decrease by \$0.2 million for the fiscal year. Total fund balance at June 30, 2020 is \$21.8 million, composed of \$28 million in assets combined with \$4.3 million in liabilities and \$1.9 million in deferred inflows and resources. Total fund balance includes less than \$0.1 million in nonspendable and restricted fund balance, which represents that portion of fund balance that is not available for appropriation. Committed fund balance totals \$19.6 million for fiscal sustainability. The City has a fiscal sustainability policy that was adopted by resolution 2011-49 for the purpose of guiding the City's financial planning to meet financial obligations while providing high quality services. The policy states that 17% of the general fund operating expenditures including transfers out is to be committed for fiscal sustainability. The committed portion of fund balance can only be used for specific purposes pursuant to constraints imposed by formal action of the City Council, and remains in-place unless removed in the same manner. The remaining portion of fund balance of \$2.1 million is considered unassigned and above the fiscal sustainability policy. General fund revenues increased \$7.3 million in the fiscal year when compared to the prior year which was due to City having a full year of the new Measure PG tax measure. General fund expenditures increased by \$7.3 million due to the various bargaining units receiving merit and Cost of Living increases as well as the increased CalPERS retirement costs. CalPERS changed their actuarial assumptions in July 2011 resulting in rate increases that took effect in FY 2012. The yearly increases have been significant and will continue for FY 2020 and beyond.

*Housing Authority Fund* – The Housing Authority Fund accounts for grant revenues for housing assistance program payments and acquisition, rehabilitation, and administration of properties used to provide affordable rental housing. The Housing Authority fund has historically been a "major" fund based on criterion set forth by GASB 34. For the fiscal year the Housing Authority reported \$22.4 million in revenues and \$24.6 million in expenditures and transfers, resulting in a net change in fund balance in the amount of \$(2.2) million. The Housing Authority fund is made up of \$21.2 million in assets, combined with \$1.4 million in liabilities and \$2.5 million in deferred inflows and resources resulting in \$17.3 million in fund balance. The \$17.3 million in fund balance is restricted for Urban Development. Housing Authority fund revenues increased by \$1.8 million in the fiscal year when compared to the prior year. This was due to increased grant activity. Housing Authority expenditures including transfers increased \$0.5 million when compared to the prior year. The majority of the change in fund balance was due to the transfers out of the Housing Authority. The Housing Authority is funding a large project to build a homeless shelter to help combat the homelessness the City faces and there were less transfers to the project as it is closer to being complete.

*Miscellaneous Grants Fund* – The Miscellaneous Grants fund accounts for the revenues received and expenditures made for federal, state and or county approved programs and projects. The Miscellaneous Grants fund has historically been a "major" fund based on criterion set forth by GASB 34. For the fiscal year, the Miscellaneous Grants fund reported \$5.9 million in revenues and \$5.2 in expenditures resulting in revenues over expenditures of \$0.7 million. After a total other financing sources of \$(0.2), the resulting net change in fund balance totals \$(0.4) million. Most grants are on the reimbursement type basis therefore the City will be reimbursed for the funds used in excess of revenue. The fund is made up of \$24.1 million in assets combined with \$0.9 million in liabilities and \$3.0 million in deferred inflows and resources resulting in \$20.2 million in fund balance. The entire fund balance is restricted for specific purposes.

*Capital Project Fund* – The Capital Project fund accounts for the various capital projects throughout the City. The Capital Project is a "major" fund based on criterion set forth by GASB 34. For the fiscal year, the Capital Project fund reported \$8.8 million in revenues and \$20.6 million in expenditures. See the Capital Asset section for more detailed information on the expenditures. Many of the projects are funded by other funding sources so a large

transfer in helps make the fund balanced. After total other financing sources of \$11.9 million, the resulting net change in fund balance totals \$(0.1) million. The fund is made up of \$9.1 million in assets combined with \$4.2 million in liabilities and \$1.4 million in deferred inflows and resources resulting in \$3.5 million in fund balance. The entire fund balance is restricted for specific purposes.

*General Government Debt Service Fund* – The General Government Debt Service fund accounts for the various debts that are exclusively in the City's name. For the fiscal year, the General Government Debt Service fund reported \$0.3 million in revenues and \$4.0 million in expenditures. The expenditures are all principal and interest debt service payments. Other funds transfer in monies to help pay for the debt. After total other financing sources of \$5.2 million, the resulting net change in fund balance totals \$1.5 million. The liability is an advance from the Public Financing Authority for Series BC & BG.

*Public Financing Authority Debt Service Fund* – The Public Financing Authority (PFA) Debt Service fund accounts for the various City debts that are issued for the City in the name of the PFA. For the fiscal year, the PFA Debt Service fund reported \$0.3 million in revenues and \$3.0 in expenditures. The expenditures are all principal and interest debt service payments. The resulting net change in fund balance totals \$(2.7) million. The asset is an advance to the General Government Debt Service fund for Series BC & BG.

*Non-Major Funds* - The Non-Major Governmental Funds show a net increase of \$3.9 million in fund balance.

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

*Water Fund* – The Water Fund is used to account for all activities associated with the distribution and transmission of potable water as well as reclaimed water to users. The Water Fund reported \$32.5 million in operating revenues and operating expenses of \$24.9 million resulting in operating income of \$7.6 million. After consideration of non-operating revenues, expenses and transfers the total change in net position is \$2.7 million with total revenues in excess of expenses. The Water Fund is made up of \$60.4 million in current assets, \$126.4 in non-current assets, \$3.0 million in deferred outflows of resources, \$9.4 million in current liabilities, \$111.7 million in non-current liabilities and \$3.7 million in deferred inflow of resources resulting in net position of \$65 million.

*Sewer Fund* – The Sewer Fund is used to account for the operation and maintenance of the City's sewer network. The Sewer Fund reported \$5.6 million in operating revenues and operating expenses of \$1.7 million resulting in operating income of \$3.9 million. After consideration of non-operating revenues, non-operating expenses, and transfers, the total change in net position is \$2.4 million with total revenues in excess of expenses. The Sewer Fund is made up of \$12.7 million in current assets, \$31.8 million in non-current assets, \$0.8 million in deferred outflows of resources, \$0.8 million in current liabilities, \$27.1 in non-current liabilities and less than \$0.1 million in deferred inflow of resources resulting in net position of \$17.3 million.

*Refuse Fund* – The Refuse Fund is used to account for all activities associated with residential refuse collection, and curbside collection of recycling materials. The Refuse Fund reported \$11.0 million in operating revenues and operating expenses of \$9.8 million resulting in operating income of \$1.2 million. After consideration of non-operating revenues, non-operating expenses and transfers the total change in net position is \$1.0 million with total revenues in excess of expenses. The Refuse Fund is made up of \$8.8 million in current assets, \$1.6 in non-current assets, \$0.9 million in deferred outflows of resources, \$0.8 million in current liabilities, \$8.6 in non-current liabilities and \$0.2 million in deferred inflow of resources resulting in net position of \$1.7 million.

*Pomona Choice Energy Authority Fund* – The Pomona Choice Energy Authority was established in FY 19/20 to offer the Citizens of Pomona an alternative source of energy to their homes. The Water fund loaned Pomona Choice Energy Authority (PCEA) startup costs in order to establish operations. PCEA had minimal activity in FY 19/20 and is ramping up activities in FY 20/21.

*Canon Water Company* – The Canon Water Company Fund is used to account for the activities of the Canon Water Company. The Canon Water Company was elected as a major fund by the City. The fund reported \$0.00 million in operating revenues and operating expenses of \$0.03 million resulting in an operating loss of \$0.03 million. After consideration of non-operating revenues the total change in net position is \$(0.03) million with

total expenses in excess of revenues. The Canon Water Company Fund is made up of \$0.448 million in assets and \$0.006 in liabilities resulting in net position of \$0.442 million. Canon Water Company will be dissolved in FY 2020-21.

**GENERAL FUND BUDGETARY INFORMATION**

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

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

<b>CITY OF POMONA</b>			
Revenue / Expenditure Report			
	<b>2019-2020</b>	<b>2019-2020</b>	<b>%</b>
	<b>Amended</b>	<b>Actuals</b>	<b>Actuals/</b>
	<b>Budget</b>	<b>To Date</b>	<b>Budget</b>
Total Revenue	117,128,023	115,140,065	98%
Total Expenditures	117,388,957	115,397,876	98%
<b>Net</b>	<b>(260,934)</b>	<b>(257,811)</b>	

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

As adopted, the City's FY 2019-20 General Fund Revenue Budget reflected \$113 million in anticipated revenues. With approved budget adjustments the total was amended to \$115 million. To date \$113 million has been received. The total revenue came in under budget due to the COVID-19 pandemic. Revenue sources anticipated to be received were not received as result of the lockdown. In spite of the anticipated revenue loss due to the pandemic, it was not as great as predicted for the City and the fiscal year finished better than anticipated.

**DEBT ADMINISTRATION**

At the end of the fiscal year, the City and its component units (Pomona Public Financing Authority and Pomona Housing Authority) had total long-term debt outstanding of \$198.7 million.

Additional information on the City’s long-term debt may be found in Note 10 in the Notes to the Basic Financial Statements.

**CASH MANAGEMENT**

To obtain flexibility in cash management, the City employs a pooled cash system (Reference Note 3 in the Notes to the Basic Financial Statements). Under the pooled cash concept, the City invests the cash of all funds with maturities planned to coincide with cash needs. Idle cash is invested in certain eligible securities as constrained by law and further limited by the City’s Investment Policy. The goals of the City’s Investment Policy are safety, liquidity and yield.

**CAPITAL ASSETS**

The capital assets of the City are those assets, which are used in the performance of the City’s functions including infrastructure assets. At June 30, 2020, net capital assets of the governmental activities totaled \$287.8 million and

the net capital assets of the business-type activities totaled \$159.0 million. Depreciation on capital assets is recognized in the government-wide financial statements.

For Government Activities, the City had a total of 50 projects which varied in the amount of activity in FY 18/19. The largest increase in Capital Assets was in the Construction in Progress class. A total of \$20.1 million was added to Construction in Progress in FY 2019-20. The major projects were:

- Project #73369 – Police Department Roof Replacement (\$4.4 million)
- Project #68560 – Street Preservation City Wide (\$3.3 million)
- Project #67922 – Street Rehabilitation District 6 (\$1.68 million)
- Project #71044 – Year Round Emergency Shelter (\$1.67 million)
- Project #71051 – Street & Alley Rehabilitation (\$1.37 million)

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

- Project #71021 – City Lot Remediation (\$0.5 million)

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

## **ECONOMIC FACTORS**

The National and Statewide economy played a role in City's financial position at the end of FY 2019-20. As everyone is aware, the world was struck with a Global pandemic from COVID-19 towards the second half of the fiscal year. This resulted in stay at home orders and business shut downs which in turn affects the national, state and local economies. Government entities main source of revenues are taxes with an emphasis on property tax, sales tax and other various taxes. With the various orders in place it was anticipated tax revenues and revenues as a whole would decrease. The City took measures to this anticipation in various ways to minimize overall costs. The National Government took action and passed the CARES Act (in the beginning of Fiscal Year 2020-21) which would aid businesses, individuals, States, Counties and local governments.

In spite of the pandemic, the City of Pomona's total Fiscal Year 2019-20 General Fund revenues grew by \$7.2 million (approximately 6.8%) versus prior year actuals. The main reason for the increase from the prior year is due to the City's new sales tax measure increase (Measure PG) being in effect for a whole fiscal year. The increase in the sales tax alone was \$8.6 million. The \$8.6 million figure is more than the overall increase which means other revenue sources did decrease most likely due to the pandemic.

General Fund expenditures increased by \$8.5 million (approximately 7.99%) versus the prior year actuals including transfers out. The increase is mainly due to increased salary, continued reliance on the general fund and retirement costs. CalPERS changed their actuarial assumptions in July 2011 resulting in rate increases that took effect in FY 2012. The yearly increases have been significant and will continue for FY 2021 and beyond. The City contracts with LA County for Fire Services and the contract continues to increase on an annual basis.

The City has ongoing deferred maintenance and capital improvement expenditures that are essential and unavoidable costs of doing business. Over the past few years, the City has only been able to do minimal capital and maintenance projects with one time money sources. Per the City's Fiscal Sustainability policy (eff. FY 2014) staff is to dedicate at least .25% of annual General Fund revenues to the Capital Improvement program and will increase by 0.10% each year until reaching 1.0%. However, during the last four budget cycles (FY2017-FY 2021) Council suspended this provision of the policy due to lack of General Fund Revenues received each year. Going forward, the City would like to reinstate that part of the Policy but will continue to remain conservative with its future.

The City is also suffering a service deficit. The economic downturn in 2009 resulted in a reduction in service due to layoffs and regular attrition for the City. The City has cut expenditures anywhere possible to maintain the services provided yet maintain a lean operating budget. The City continues this approach going forward as the result of the pandemic has not fully hit the City.

**CONTACTING THE CITY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide Pomona residents, taxpayers, customers, investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. Questions about this report, separate reports of the City's component units, or any additional financial information, should be directed to the City of Pomona Finance Department at 505 S. Garey Avenue (P.O. Box 660), Pomona, California, 91769.

**THIS PAGE INTENTIONALLY LEFT BLANK**

## **BASIC FINANCIAL STATEMENTS**



**THIS PAGE INTENTIONALLY LEFT BLANK**

**GOVERNMENT WIDE FIANCIAL STATEMENTS**

**THIS PAGE INTENTIONALLY LEFT BLANK**

## CITY OF POMONA

STATEMENT OF NET POSITION  
JUNE 30, 2020

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>Assets:</b>			
Cash and investments	\$ 67,436,668	\$ 65,050,011	\$ 132,486,679
Receivables (net):			
Accounts	4,589,291	9,099,183	13,688,474
Notes and loans	33,428,360	-	33,428,360
Interest	228,165	192,418	420,583
Internal balances	(582,501)	582,501	-
Prepaid costs	806,055	9,000	815,055
Due from other governments	13,979,453	-	13,979,453
Inventories	375,424	470,258	845,682
Land held for resale	4,490,541	-	4,490,541
Restricted assets:			
Cash and investments	-	5,062,419	5,062,419
Cash with fiscal agent	4,705,677	3,118,288	7,823,965
Advances to Successor Agency	182,425	-	182,425
Other investments	-	9,000	9,000
Capital assets not being depreciated	143,559,070	21,214,522	164,773,592
Capital assets, net of depreciation	144,228,508	137,842,972	282,071,480
<b>Total Assets</b>	<b>417,427,136</b>	<b>242,650,572</b>	<b>660,077,708</b>
<b>Deferred Outflows of Resources:</b>			
Deferred charges on refunding	352,620	475,896	828,516
Deferred outflows of resources related to pensions	23,335,681	2,354,433	25,690,114
Deferred outflows of resources related to other postemployment benefits	8,145,399	1,945,880	10,091,279
<b>Total Deferred Outflows of Resources</b>	<b>31,833,700</b>	<b>4,776,209</b>	<b>36,609,909</b>
<b>Liabilities:</b>			
Accounts payable	7,649,743	2,213,951	9,863,694
Accrued liabilities	683,578	4,253	687,831
Accrued interest	531,855	643,870	1,175,725
Unearned revenue	2,155,540	-	2,155,540
Retentions payable	996,463	-	996,463
Deposits payable	188,394	4,093,508	4,281,902
Payroll payable	2,916,336	610,266	3,526,602
Noncurrent liabilities:			
Due within one year			
Long-term debt, due within one year	4,632,553	2,455,000	7,087,553
Compensated absences, due within one year	5,228,000	1,063,660	6,291,660
Claims and judgements, due within one year	6,311,000	-	6,311,000
Due in more than one year			
Long-term debt, due in more than one year	84,288,466	107,384,269	191,672,735
Compensated absences, due in more than one year	2,649,001	530,129	3,179,130
Claims and judgements, due in more than one year	9,223,779	-	9,223,779
Total other postemployment benefits liability	81,513,142	19,472,937	100,986,079
Net pension liability	187,245,122	19,947,529	207,192,651
<b>Total Liabilities</b>	<b>396,212,972</b>	<b>158,419,372</b>	<b>554,632,344</b>
<b>Deferred Inflows of Resources:</b>			
Deferred charges on refunding	381,228	3,040,339	3,421,567
Deferred inflows of resources related to pensions	2,480,445	280,269	2,760,714
Deferred inflows of resources related to other postemployment benefits	3,113,392	743,768	3,857,160
<b>Total Deferred Inflows of Resources</b>	<b>5,975,065</b>	<b>4,064,376</b>	<b>10,039,441</b>
<b>Net Position:</b>			
Net investment in capital assets	249,865,379	52,662,674	302,528,053
Restricted for:			
Community development projects	66,984,776	-	66,984,776
Capital projects	3,465,771	-	3,465,771
Debt service	3,193,908	7,526,741	10,720,649
Unrestricted	(276,437,035)	24,753,618	(251,683,417)
<b>Total Net Position</b>	<b>\$ 47,072,799</b>	<b>\$ 84,943,033</b>	<b>\$ 132,015,832</b>

CITY OF POMONA

STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2020

	Program Revenues			
	Expenses	Charges for Services	Operating Contributions and Grants	
<b>Functions/Programs</b>				
<b>Primary Government:</b>				
Governmental Activities:				
General government	\$ 9,102,528	\$ 17,271,071	\$ 291,460	\$ -
Public safety	105,018,750	5,035,976	2,534,160	-
Urban development and public works	58,913,340	10,739,025	27,240,950	14,964,309
Neighborhood services and library	5,800,930	549,612	-	-
Interest on long-term debt	3,197,362	-	-	-
<b>Total Governmental Activities</b>	<b>182,032,910</b>	<b>33,595,684</b>	<b>30,066,570</b>	<b>14,964,309</b>
Business-Type Activities:				
Water	28,007,704	32,467,193	-	-
Sewer	2,747,675	5,557,690	-	-
Refuse	9,955,161	10,889,767	41,458	-
Canon Water Company - February 29, 2020	28,741	-	-	-
Pomona Choice Energy Authority	833,607	-	-	-
<b>Total Business-Type Activities</b>	<b>41,572,888</b>	<b>48,914,650</b>	<b>41,458</b>	<b>-</b>
<b>Total Primary Government</b>	<b>\$ 223,605,798</b>	<b>\$ 82,510,334</b>	<b>\$ 30,108,028</b>	<b>\$ 14,964,309</b>

**General Revenues:**

Taxes:

- Property taxes, levied for general purpose
- Transient occupancy taxes
- Sales taxes
- Franchise taxes
- Utility users tax
- Other taxes
- Motor vehicle in lieu - unrestricted
- Use of money and properties
- Other
- Gain on sale of capital asset

**Transfers**

**Total General Revenues and Transfers**

Change in Net Position

Net Position at Beginning of Year

Restatement of Net Position

**Net Position at End of Year**

<b>Net (Expenses) Revenues and Changes in Net Position</b>		
<b>Primary Government</b>		
<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
\$ 8,460,003	\$ -	\$ 8,460,003
(97,448,614)	-	(97,448,614)
(5,969,056)	-	(5,969,056)
(5,251,318)	-	(5,251,318)
(3,197,362)	-	(3,197,362)
<b>(103,406,347)</b>	<b>-</b>	<b>(103,406,347)</b>
-	4,459,489	4,459,489
-	2,810,015	2,810,015
-	976,064	976,064
-	(28,741)	(28,741)
-	(833,607)	(833,607)
<b>-</b>	<b>7,383,220</b>	<b>7,383,220</b>
<b>(103,406,347)</b>	<b>7,383,220</b>	<b>(96,023,127)</b>
38,634,967	-	38,634,967
2,431,755	-	2,431,755
30,407,998	-	30,407,998
4,942,288	-	4,942,288
15,562,762	-	15,562,762
1,430,182	-	1,430,182
122,129	-	122,129
4,820,983	1,625,955	6,446,938
256,231	303,751	559,982
-	4,650	4,650
3,613,692	(3,613,692)	-
<b>102,222,987</b>	<b>(1,679,336)</b>	<b>100,543,651</b>
(1,183,360)	5,703,884	4,520,524
54,338,754	76,689,140	131,027,894
(6,082,595)	2,550,009	(3,532,586)
<b>\$ 47,072,799</b>	<b>\$ 84,943,033</b>	<b>\$ 132,015,832</b>

**THIS PAGE INTENTIONALLY LEFT BLANK**

**FUND FINANCIAL STATEMENTS**



**THIS PAGE INTENTIONALLY LEFT BLANK**

**GOVERNMENTAL FUND FINANCIAL STATEMENTS**

CITY OF POMONA

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2020**

	General	Special Revenue Funds		Capital
		Housing Authority	Miscellaneous Grants	Projects Funds Capital Outlay Capital Projects Fund
<b>Assets:</b>				
Cash and investments	\$ 14,956,203	\$ 2,403,289	\$ 1,550,801	\$ 6,934,541
Receivables (net):				
Accounts	4,519,060	-	1,629	22,227
Notes and loans	-	10,928,974	20,954,373	-
Interest	67,786	11,371	1,396	-
Prepaid items	11,795	-	-	-
Due from other governments	7,756,967	2,252,902	1,614,719	1,416,132
Due from other funds	793,228	-	-	-
Advances to other funds	-	-	-	-
Advances to Successor Agency	-	182,425	-	-
Land held for resale	-	4,490,541	-	-
Restricted assets:				
Cash and investments	-	954,239	-	754,959
<b>Total Assets</b>	<b>\$ 28,105,039</b>	<b>\$ 21,223,741</b>	<b>\$ 24,122,918</b>	<b>\$ 9,127,859</b>
<b>Liabilities, Deferred inflows of Resources, and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 1,634,192	\$ 639,123	\$ 710,820	\$ 3,126,372
Payroll payable	2,343,399	87,676	55,863	54,307
Accrued liabilities	-	194,981	-	-
Deposits payable	85,200	32,046	-	68,814
Retention payables	-	-	-	996,463
Due to other funds	-	-	-	-
Advances from other funds	304,435	-	-	-
Unearned revenues	-	486,667	217,634	-
<b>Total Liabilities</b>	<b>4,367,226</b>	<b>1,440,493</b>	<b>984,317</b>	<b>4,245,956</b>
<b>Deferred inflows of resources:</b>				
Unavailable revenues	1,995,359	2,449,384	3,007,088	1,416,132
<b>Total Deferred inflows of Resources</b>	<b>1,995,359</b>	<b>2,449,384</b>	<b>3,007,088</b>	<b>1,416,132</b>
<b>Fund Balances:</b>				
<b>Nonspendable:</b>				
Prepaid costs	11,795	-	-	-
<b>Restricted</b>				
Development and public works	-	17,333,864	-	-
Public safety	6,200	-	-	-
Neighborhood service	-	-	20,131,513	-
Assessment district improvement	-	-	-	-
Capital projects	-	-	-	3,465,771
Debt service	-	-	-	-
<b>Committed</b>				
Fiscal sustainability	19,621,727	-	-	-
<b>Unassigned (deficit)</b>	<b>2,102,732</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Fund Balances</b>	<b>21,742,454</b>	<b>17,333,864</b>	<b>20,131,513</b>	<b>3,465,771</b>
<b>Total Liabilities, deferred inflows of resources, and Fund Balances</b>	<b>\$ 28,105,039</b>	<b>\$ 21,223,741</b>	<b>\$ 24,122,918</b>	<b>\$ 9,127,859</b>

CITY OF POMONA

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2020**

	<b>Debt Service Funds</b>			<b>Total Governmental Funds</b>
	<b>General Government</b>	<b>Public Financing Authority</b>	<b>Other Governmental Funds</b>	
<b>Assets:</b>				
Cash and investments	\$ 440,320	\$ 103,155	\$ 30,317,478	\$ 56,705,787
Receivables (net):				
Accounts	-	-	45,784	4,588,700
Notes and loans	-	-	1,545,013	33,428,360
Interest	871	302	80,964	162,690
Prepaid items	784,381	-	8,441	804,617
Due from other governments	-	-	938,733	13,979,453
Due from other funds	-	-	-	793,228
Advances to other funds	-	71,465,000	304,435	71,769,435
Advances to Successor Agency	-	-	-	182,425
Land held for resale	-	-	-	4,490,541
Restricted assets:				
Cash and investments	635,554	2,357,321	3,604	4,705,677
<b>Total Assets</b>	<b>\$ 1,861,126</b>	<b>\$ 73,925,778</b>	<b>\$ 33,244,452</b>	<b>\$ 191,610,913</b>
<b>Liabilities, Deferred inflows of Resources, and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ 168	\$ 1,100,270	\$ 7,210,945
Payroll payable	-	4,335	226,936	2,772,516
Accrued liabilities	488,597	-	-	683,578
Deposits payable	-	-	2,334	188,394
Retention payables	-	-	-	996,463
Due to other funds	634,896	-	97,488	732,384
Advances from other funds	71,465,000	-	-	71,769,435
Unearned revenues	-	-	1,451,239	2,155,540
<b>Total Liabilities</b>	<b>72,588,493</b>	<b>4,503</b>	<b>2,878,267</b>	<b>86,509,255</b>
<b>Deferred inflows of resources:</b>				
Unavailable revenues	-	-	844,545	9,712,508
<b>Total Deferred inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>844,545</b>	<b>9,712,508</b>
<b>Fund Balances:</b>				
<b>Nonspendable:</b>				
Prepaid costs	784,381	-	8,441	804,617
<b>Restricted</b>				
Development and public works	-	-	26,877,301	44,211,165
Public safety	-	-	1,814,367	1,820,567
Neighborhood service	-	-	-	20,131,513
Assessment district improvement	-	-	821,531	821,531
Capital projects	-	-	-	3,465,771
Debt service	-	73,921,275	-	73,921,275
<b>Committed</b>				
Fiscal sustainability	-	-	-	19,621,727
<b>Unassigned (deficit)</b>	<b>(71,511,748)</b>	<b>-</b>	<b>-</b>	<b>(69,409,016)</b>
<b>Total Fund Balances</b>	<b>(70,727,367)</b>	<b>73,921,275</b>	<b>29,521,640</b>	<b>95,389,150</b>
<b>Total Liabilities, deferred inflows of resources, and Fund Balances</b>	<b>\$ 1,861,126</b>	<b>\$ 73,925,778</b>	<b>\$ 33,244,452</b>	<b>\$ 191,610,913</b>

**THIS PAGE INTENTIONALLY LEFT BLANK**

CITY OF POMONA

**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET POSITION  
JUNE 30, 2020**

Fund balances of governmental funds		\$ 95,389,150
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets net of depreciation have not been included as financial resources in governmental fund activity.		287,524,715
Net pension liability and related deferred outflows and inflows of resources are not due and payable in the current period; therefore, are not reported as governmental funds' liabilities. They are reported in the Statement of Net Position.		
Deferred outflows of resources related to pensions	\$ 22,708,138	
Net pension liability	(181,928,368)	
Deferred inflows of resources related to pensions	<u>(2,405,742)</u>	(161,625,972)
Net other postemployment benefits liability and related deferred outflows and inflows of resources are not due and payable in the current period; therefore, are not reported as government funds' liabilities. They are reported in the Statement of Net Position.		
Deferred outflows of resources related to other postemployment benefits	7,686,738	
Net other postemployment benefits liability	(76,923,214)	
Deferred inflows of resources related to other postemployment benefits	<u>(2,938,078)</u>	(72,174,554)
Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period; therefore, are not reported as government funds' liabilities. They are reported in the Statement of Net Position.		
Pollution remediation	(51,786)	
Capital leases	(1,596,819)	
Notes payable	(536,036)	
Revenue bonds	(75,670,450)	
Pension obligation refunding bonds	(3,492,601)	
Accreted interest related to the pension obligation refunding bonds	(4,495,332)	
Collateralized borrowing	(3,077,995)	
Deferred losses on refunding	(381,228)	
Deferred gains on refunding	352,620	
Compensated absences	<u>(7,672,204)</u>	(96,621,831)
Accrued interest payable for the current portion of interest due on Bonds has not been reported in the governmental funds.		(531,855)
Revenues reported as unavailable revenue in the governmental funds and recognized in the statement of activities. These are included in the intergovernmental revenues in the governmental fund activity.		9,712,508
Internal service funds are used by management to charge the costs of certain activities, such as equipment management and self-insurance, to individual funds. The assets and liabilities of the internal service funds must be added to the statement of net position.		<u>(14,599,362)</u>
<b>Net Position of governmental activities</b>		<b><u><u>\$ 47,072,799</u></u></b>

CITY OF POMONA

STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2020

	Special Revenue Funds			Capital Projects Funds
	General	Housing Authority	Miscellaneous Grants	Capital Outlay Capital Projects Fund
<b>Revenues:</b>				
Taxes	97,773,094	-	-	-
Special assessments	-	-	-	-
Licenses, permits and fees	6,737,434	-	-	500,303
Intergovernmental	438,991	19,007,852	4,923,898	599,858
Charges for services	3,303,049	871	501,914	30,861
Use of money and properties	1,799,259	573,937	362,445	80,566
Fines and forfeitures	2,292,894	-	-	-
Contributions from Successor Agency	-	2,817,575	-	7,234,181
Miscellaneous	865,019	50,117	115,544	311,480
<b>Total Revenues</b>	<b>113,209,740</b>	<b>22,450,352</b>	<b>5,903,801</b>	<b>8,757,249</b>
<b>Expenditures:</b>				
Current:				
General government	6,431,278	-	-	-
Public safety	85,818,270	-	632,039	-
Urban development	11,607,931	22,039,382	3,836,619	-
Neighborhood services and library	3,699,280	-	414,829	-
Capital outlay	427,687	-	325,174	20,338,744
Debt service:				
Principal retirement	242,392	-	-	180,614
Interest and fiscal charges	16,109	-	-	42,502
<b>Total Expenditures</b>	<b>108,242,947</b>	<b>22,039,382</b>	<b>5,208,661</b>	<b>20,561,860</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	4,966,793	410,970	695,140	(11,804,611)
<b>Other Financing Sources (Uses):</b>				
Transfers in	1,954,378	-	95,235	12,121,460
Transfers out	(7,178,978)	(2,617,528)	(307,806)	(233,611)
<b>Total Other Financing Sources (Uses)</b>	<b>(5,224,600)</b>	<b>(2,617,528)</b>	<b>(212,571)</b>	<b>11,887,849</b>
Net Change in Fund Balances	(257,807)	(2,206,558)	482,569	83,238
Fund Balances, Beginning of Year	22,000,261	19,540,422	19,648,944	3,382,533
<b>Fund Balances, End of Year</b>	<b>\$ 21,742,454</b>	<b>\$ 17,333,864</b>	<b>\$ 20,131,513</b>	<b>\$ 3,465,771</b>

CITY OF POMONA

STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2020

	Debt Service Funds		Other Governmental Funds	Total Governmental Funds
	General Government	Public Financing Authority		
<b>Revenues:</b>				
Taxes	-	-	16,140	97,789,234
Special assessments	-	-	1,218,873	1,218,873
Licenses, permits and fees	-	-	905,771	8,143,508
Intergovernmental	291,460	-	20,149,120	45,411,179
Charges for services	-	-	607,696	4,444,391
Use of money and properties	7,969	332,070	1,162,440	4,318,686
Fines and forfeitures	-	-	-	2,292,894
Contributions from Successor Agency	-	-	-	10,051,756
Miscellaneous	-	-	239,344	1,581,504
<b>Total Revenues</b>	<b>299,429</b>	<b>332,070</b>	<b>24,299,384</b>	<b>175,252,025</b>
<b>Expenditures:</b>				
Current:				
General government	-	-	640,938	7,072,216
Public safety	-	-	2,197,039	88,647,348
Urban development	-	-	11,718,323	49,202,255
Neighborhood services and library	-	-	-	4,114,109
Capital outlay	-	-	337,171	21,428,776
Debt service:				
Principal retirement	784,533	2,860,000	85,148	4,152,687
Interest and fiscal charges	3,209,898	177,209	1,955	3,447,673
<b>Total Expenditures</b>	<b>3,994,431</b>	<b>3,037,209</b>	<b>14,980,574</b>	<b>178,065,064</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,695,002)	(2,705,139)	9,318,810	(2,813,039)
<b>Other Financing Sources (Uses):</b>				
Transfers in	5,243,738	-	1,226,666	20,641,477
Transfers out	-	-	(6,689,862)	(17,027,785)
<b>Total Other Financing Sources (Uses)</b>	<b>5,243,738</b>	<b>-</b>	<b>(5,463,196)</b>	<b>3,613,692</b>
Net Change in Fund Balances	1,548,736	(2,705,139)	3,855,614	800,653
Fund Balances, Beginning of Year	(72,276,103)	76,626,414	25,666,026	94,588,497
<b>Fund Balances, End of Year</b>	<b>\$ (70,727,367)</b>	<b>\$ 73,921,275</b>	<b>\$ 29,521,640</b>	<b>\$ 95,389,150</b>



CITY OF POMONA

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2020**

---

Net change in fund balances - total governmental funds \$ 800,653

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Capital outlay	\$ 21,358,577	
Depreciation	(9,928,056)	
Loss on disposal of capital assets	<u>(463,503)</u>	10,967,018

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

Principal repayments	4,152,687	
Pollution remediation	448,977	
Accreted interest of pension obligation refunding bonds	(296,467)	
Amortization of bond premium and deferred charges	<u>166,952</u>	4,472,149

Accrued interest for long-term liabilities. This is the net change in accrued interest for the current period. 379,826

Compensated absences expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. (557,383)

Other postemployment benefits expense adjustment, which is the net change in net other postemployment benefits liabilities and related deferred outflows and inflows of resources. (2,334,542)

Pension obligation expenses are expenditures in the governmental funds, but reduce the Net Pension Liability in the statement of net position. (15,345,599)

Revenues reported as unavailable revenue in the governmental funds and recognized in the statement of activities. These are included in the intergovernmental revenues in the governmental fund activity. 1,481,536

Internal service funds are used by management to charge the costs of certain activities, such as equipment management and self-insurance, to individual funds. The net revenues (expenses) of the internal service funds is reported with governmental activities. (1,047,018)

**Change in net position of governmental activities \$ (1,183,360)**

**PROPRIETARY FUND FINANCIAL STATEMENTS**

CITY OF POMONA

STATEMENT OF NET POSITION  
 PROPRIETARY FUNDS  
 JUNE 30, 2020

	Business-Type Activities - Enterprise Funds			Canon Water Company - February 29, 2020
	Water	Sewer	Refuse	
<b>Assets:</b>				
Current:				
Cash and investments	\$ 49,647,488	\$ 7,740,260	\$ 6,938,479	\$ 278,862
Receivables (net):				
Accounts	6,124,131	1,001,800	1,844,810	128,442
Interest	144,952	24,525	22,941	-
Prepaid items	9,000	-	-	-
Inventories	470,258	-	-	-
Restricted:				
Cash and investments	4,037,303	775,116	-	-
Cash with fiscal agent	-	3,118,288	-	-
<b>Total Current Assets</b>	<b>60,433,132</b>	<b>12,659,989</b>	<b>8,806,230</b>	<b>407,304</b>
Noncurrent:				
Advances to other funds	735,836	-	-	-
Other investments	9,000	-	-	-
Capital assets - net of accumulated depreciation	125,632,642	31,815,099	1,568,471	41,282
<b>Total Noncurrent Assets</b>	<b>126,377,478</b>	<b>31,815,099</b>	<b>1,568,471</b>	<b>41,282</b>
<b>Total Assets</b>	<b>186,810,610</b>	<b>44,475,088</b>	<b>10,374,701</b>	<b>448,586</b>
<b>Deferred Outflows of Resources:</b>				
Deferred charges on refunding	-	475,896	-	-
Deferred outflows of resources related to pensions	1,692,993	188,721	472,719	-
Deferred outflows of resources related to other postemployment benefits	1,349,041	152,069	444,770	-
<b>Total Deferred Outflows of Resources</b>	<b>3,042,034</b>	<b>816,686</b>	<b>917,489</b>	<b>-</b>
<b>Liabilities:</b>				
Current:				
Accounts payable	1,647,651	106,576	452,191	6,594
Accrued liabilities	4,253	-	-	-
Accrued interest	538,514	72,037	33,319	-
Deposits payable	4,093,508	-	-	-
Due to other funds	-	-	-	-
Payroll payable	438,715	40,652	130,899	-
Compensated absences, due within one year	775,000	63,660	225,000	-
Claims and judgements, due within one year	-	-	-	-
Revenue bonds, due within one year	1,875,000	580,000	-	-
<b>Total Current Liabilities</b>	<b>9,372,641</b>	<b>862,925</b>	<b>841,409</b>	<b>6,594</b>
Noncurrent:				
Advances from other funds	-	-	-	-
Compensated absences, due in more than one year	418,276	-	111,853	-
Claims and judgements, due in more than one year	-	-	-	-
Revenue bonds, due in more than one year	83,439,030	23,945,239	-	-
Total other postemployment benefit liability	13,500,208	1,521,793	4,450,936	-
Net pension liability	14,343,593	1,598,907	4,005,029	-
<b>Total Noncurrent Liabilities</b>	<b>111,701,107</b>	<b>27,065,939</b>	<b>8,567,818</b>	<b>-</b>
<b>Total Liabilities</b>	<b>121,073,748</b>	<b>27,928,864</b>	<b>9,409,227</b>	<b>6,594</b>
<b>Deferred Inflows of Resources:</b>				
Deferred charges on refunding	3,040,339	-	-	-
Deferred inflows of resources related to pensions	201,532	22,465	56,272	-
Deferred inflows of resources related to other postemployment benefits	515,640	58,125	170,003	-
<b>Total Deferred Inflows of Resources</b>	<b>3,757,511</b>	<b>80,590</b>	<b>226,275</b>	<b>-</b>
<b>Net Position:</b>				
Net investment in capital assets	40,937,924	10,114,997	1,568,471	41,282
Restricted for debt service	5,292,132	2,234,609	-	-
Unrestricted	18,791,329	4,932,714	88,217	400,710
<b>Total Net Position</b>	<b>\$ 65,021,385</b>	<b>\$ 17,282,320</b>	<b>\$ 1,656,688</b>	<b>\$ 441,992</b>

Reconciliation of Net Position to the Statement of Net Position

Net Position per Statement of Net Position - Proprietary Funds

Prior years' accumulated adjustment to reflect the consolidation of internal service funds activities related to the enterprise funds

Current years' adjustments to reflect the consolidation of internal service activities related to enterprise funds

**Net Position per Statement of Net Position**

CITY OF POMONA

STATEMENT OF NET POSITION  
 PROPRIETARY FUNDS  
 JUNE 30, 2020

	Business-Type Activities - Enterprise Funds		Governmental Activities- Internal Service Funds
	Pomona Choice Energy Authority	Totals	
<b>Assets:</b>			
Current:			
Cash and investments	\$ 444,922	\$ 65,050,011	\$ 10,730,881
Receivables (net):			
Accounts	-	9,099,183	591
Interest	-	192,418	65,475
Prepaid items	-	9,000	1,438
Inventories	-	470,258	375,424
Restricted:			
Cash and investments	250,000	5,062,419	-
Cash with fiscal agent	-	3,118,288	-
<b>Total Current Assets</b>	<b>694,922</b>	<b>83,001,577</b>	<b>11,173,809</b>
Noncurrent:			
Advances to other funds	-	735,836	-
Other investments	-	9,000	-
Capital assets - net of accumulated depreciation	-	159,057,494	262,863
<b>Total Noncurrent Assets</b>	<b>-</b>	<b>159,802,330</b>	<b>262,863</b>
<b>Total Assets</b>	<b>694,922</b>	<b>242,803,907</b>	<b>11,436,672</b>
<b>Deferred Outflows of Resources:</b>			
Deferred charges on refunding	-	475,896	-
Deferred outflows of resources related to pensions	-	2,354,433	627,543
Deferred outflows of resources related to other postemployment benefits	-	1,945,880	458,661
<b>Total Deferred Outflows of Resources</b>	<b>-</b>	<b>4,776,209</b>	<b>1,086,204</b>
<b>Liabilities:</b>			
Current:			
Accounts payable	939	2,213,951	438,798
Accrued liabilities	-	4,253	-
Accrued interest	-	643,870	-
Deposits payable	-	4,093,508	-
Due to other funds	-	-	60,844
Payroll payable	-	610,266	143,820
Compensated absences, due within one year	-	1,063,660	204,797
Claims and judgements, due within one year	-	-	6,311,000
Revenue bonds, due within one year	-	2,455,000	-
<b>Total Current Liabilities</b>	<b>939</b>	<b>11,084,508</b>	<b>7,159,259</b>
Noncurrent:			
Advances from other funds	735,836	735,836	-
Compensated absences, due in more than one year	-	530,129	-
Claims and judgements, due in more than one year	-	-	9,223,779
Revenue bonds, due in more than one year	-	107,384,269	-
Total other postemployment benefit liability	-	19,472,937	4,589,928
Net pension liability	-	19,947,529	5,316,754
<b>Total Noncurrent Liabilities</b>	<b>735,836</b>	<b>148,070,700</b>	<b>19,130,461</b>
<b>Total Liabilities</b>	<b>736,775</b>	<b>159,155,208</b>	<b>26,289,720</b>
<b>Deferred Inflows of Resources:</b>			
Deferred charges on refunding	-	3,040,339	-
Deferred inflows of resources related to pensions	-	280,269	74,703
Deferred inflows of resources related to other postemployment benefits	-	743,768	175,314
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>4,064,376</b>	<b>250,017</b>
<b>Net Position:</b>			
Net investment in capital assets	-	52,662,674	262,863
Restricted for debt service	-	7,526,741	-
Unrestricted	(41,853)	24,171,117	(14,279,724)
<b>Total Net Position</b>	<b>\$ (41,853)</b>	<b>\$ 84,360,532</b>	<b>\$ (14,016,861)</b>
<b>Reconciliation of Net Position to the Statement of Net Position</b>			
Net Position per Statement of Net Position - Proprietary Funds		\$ 84,360,532	
Prior years' accumulated adjustment to reflect the consolidation of internal service funds activities related to the enterprise funds		906,326	
Current years' adjustments to reflect the consolidation of internal service activities related to enterprise funds		(323,825)	
<b>Net Position per Statement of Net Position</b>		<b>\$ 84,943,033</b>	

CITY OF POMONA

STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN FUND NET POSITION  
PROPRIETARY FUNDS  
YEAR ENDED JUNE 30, 2020

	Business-Type Activities - Enterprise Funds			
	Water	Sewer	Refuse	Canon Water Company - February 29, 2020
<b>Operating Revenues:</b>				
Charges for services	\$ 32,467,193	\$ 5,557,690	\$ 10,889,767	\$ -
Miscellaneous	-	126,525	177,226	-
<b>Total Operating Revenues</b>	<b>32,467,193</b>	<b>5,684,215</b>	<b>11,066,993</b>	<b>-</b>
<b>Operating Expenses:</b>				
Personnel services	9,165,363	348,680	2,695,129	-
Operations	11,695,042	697,810	6,353,161	22,893
Claims expense	45,275	4,175	131,798	-
Depreciation expense	3,399,348	657,639	522,026	5,848
Insurance	580,633	48,051	119,252	-
<b>Total Operating Expenses</b>	<b>24,885,661</b>	<b>1,756,355</b>	<b>9,821,366</b>	<b>28,741</b>
Operating Income (Loss)	7,581,532	3,927,860	1,245,627	(28,741)
<b>Nonoperating Revenues (Expenses):</b>				
Intergovernmental	-	-	41,458	-
Investment income	1,308,664	241,797	67,152	16
Interest expense	(3,006,532)	(916,801)	-	-
Gain on disposal of capital assets	1,300	3,350	-	-
<b>Total Nonoperating Revenues (Expenses)</b>	<b>(1,696,568)</b>	<b>(671,654)</b>	<b>108,610</b>	<b>16</b>
Income (Loss) Before Transfers	5,884,964	3,256,206	1,354,237	(28,725)
Transfers in	399,094	-	85,000	-
Transfers out	(3,545,909)	(886,328)	(448,977)	-
Changes in Net Position	2,738,149	2,369,878	990,260	(28,725)
<b>Net Position:</b>				
Beginning of Year, as previously reported	59,733,227	14,912,442	666,428	470,717
Restatements	2,550,009	-	-	-
Beginning of Fiscal Year, as restated	62,283,236	14,912,442	666,428	470,717
<b>End of Fiscal Year</b>	<b>\$ 65,021,385</b>	<b>\$ 17,282,320</b>	<b>\$ 1,656,688</b>	<b>\$ 441,992</b>
<b>Reconciliation of Changes in Net Position to the Statement of Activities:</b>				
Changes in Net Position, per the Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Funds				
Adjustment to reflect the consolidation of current fiscal year internal service funds activities related to enterprise funds				
<b>Changes in Net Position of Business-Type Activities per Statement of Activities</b>				

CITY OF POMONA

STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN FUND NET POSITION  
PROPRIETARY FUNDS  
YEAR ENDED JUNE 30, 2020

	Business-Type Activities - Enterprise Funds		Governmental Activities- Internal
	Pomona Choice Energy Authority	Totals	Service Funds
<b>Operating Revenues:</b>			
Charges for services	\$ -	\$ 48,914,650	\$ 10,947,151
Miscellaneous	-	303,751	350,492
<b>Total Operating Revenues</b>	<b>-</b>	<b>49,218,401</b>	<b>11,297,643</b>
<b>Operating Expenses:</b>			
Personnel services	735,836	12,945,008	3,391,926
Operations	96,793	18,865,699	3,411,856
Claims expense	-	181,248	6,239,548
Depreciation expense	-	4,584,861	37,031
Insurance	-	747,936	90,422
<b>Total Operating Expenses</b>	<b>832,629</b>	<b>37,324,752</b>	<b>13,170,783</b>
Operating Income (Loss)	(832,629)	11,893,649	(1,873,140)
<b>Nonoperating Revenues (Expenses):</b>			
Intergovernmental	-	41,458	-
Investment income	8,326	1,625,955	502,297
Interest expense	(978)	(3,924,311)	-
Gain on disposal of capital assets	-	4,650	-
<b>Total Nonoperating Revenues (Expenses)</b>	<b>7,348</b>	<b>(2,252,248)</b>	<b>502,297</b>
Income (Loss) Before Transfers	(825,281)	9,641,401	(1,370,843)
Transfers in	783,428	1,267,522	-
Transfers out	-	(4,881,214)	-
Changes in Net Position	(41,853)	6,027,709	(1,370,843)
<b>Net Position:</b>			
Beginning of Year, as previously reported	-	75,782,814	(12,646,018)
Restatements	-	2,550,009	-
Beginning of Fiscal Year, as restated	-	78,332,823	(12,646,018)
<b>End of Fiscal Year</b>	<b>\$ (41,853)</b>	<b>\$ 84,360,532</b>	<b>\$ (14,016,861)</b>
<b>Reconciliation of Changes in Net Position to the Statement of Activities:</b>			
Changes in Net Position, per the Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Funds		\$ 6,027,709	
Adjustment to reflect the consolidation of current fiscal year internal service funds activities related to enterprise funds		(323,825)	
<b>Changes in Net Position of Business-Type Activities per Statement of Activities</b>		<b>\$ 5,703,884</b>	

## CITY OF POMONA

STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
YEAR ENDED JUNE 30, 2020

	Business-Type Activities - Enterprise Funds			Canon Water Company - February 29, 2020
	Water	Sewer	Refuse	
<b>Cash Flows from Operating Activities:</b>				
Cash received from customers and users	\$ 33,380,167	\$ 5,457,272	\$ 10,941,418	\$ -
Cash paid to suppliers for goods and services	(12,541,246)	(629,126)	(6,807,530)	(51,270)
Cash paid for general and administrative expenses	(7,834,693)	(989,233)	(2,608,709)	-
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>13,004,228</b>	<b>3,838,913</b>	<b>1,525,179</b>	<b>(51,270)</b>
<b>Cash Flows from Non-Capital Financing Activities:</b>				
Cash transfers in	399,094	-	85,000	-
Cash transfers out	(3,545,909)	(886,328)	(448,977)	-
Cash received from other funds	-	-	-	-
Advance from other funds	-	-	-	-
Advance to other funds	(735,836)	-	-	-
<b>Net Cash Provided (Used) by Non-Capital Financing Activities</b>	<b>(3,882,651)</b>	<b>(886,328)</b>	<b>(363,977)</b>	<b>-</b>
<b>Cash Flows from Capital</b>				
Acquisition and construction of capital assets	(1,538,946)	(195,627)	-	-
Principal paid on capital debt	(1,840,000)	(565,000)	(628,993)	-
Interest paid on capital debt	(3,230,465)	(881,026)	-	-
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	<b>(6,609,411)</b>	<b>(1,641,653)</b>	<b>(628,993)</b>	<b>-</b>
<b>Cash Flows from Investing Activities:</b>				
Interest received	1,335,448	237,584	130,884	16
<b>Net Cash Provided (Used) by Investing Activities</b>	<b>1,335,448</b>	<b>237,584</b>	<b>130,884</b>	<b>16</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>3,847,614</b>	<b>1,548,516</b>	<b>663,093</b>	<b>(51,254)</b>
Cash and Cash Equivalents at Beginning of Year	49,837,177	10,085,148	6,275,386	330,116
<b>Cash and Cash Equivalents at End of Year</b>	<b>\$ 53,684,791</b>	<b>\$ 11,633,664</b>	<b>\$ 6,938,479</b>	<b>\$ 278,862</b>
<b>Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:</b>				
Operating income (loss)	\$ 7,581,532	\$ 3,927,860	\$ 1,245,627	\$ (28,741)
<b>Adjustments to reconcile operating income (loss) net cash provided (used) by operating activities:</b>				
Depreciation	3,399,348	657,639	522,026	5,848
(Increase) decrease in accounts receivable	912,974	(226,943)	(131,340)	-
(Increase) decrease in due from other governments	-	-	5,765	-
(Increase) decrease in prepaid expense	-	-	-	862
(Increase) decrease in inventories	(82,459)	-	-	-
(Increase) decrease in deferred outflows of resources related to pensions	(144,320)	29,036	(25,830)	-
(Increase) decrease in deferred outflows of resources related to other postemployment benefits	(820,997)	(74,593)	(260,455)	-
Increase (decrease) in accounts payable	(231,394)	120,910	(203,319)	(24,117)
Increase (decrease) in accrued liabilities	-	-	-	(5,122)
Increase (decrease) in payroll payable	113,454	933	35,891	-
Increase (decrease) in deposits payable	93,557	-	-	-
Increase (decrease) in claims and judgments	-	-	-	-
Increase (decrease) in compensated absences	99,429	2,095	49,890	-
Increase (decrease) in net other postemployment benefit liability	1,516,136	(236,549)	267,854	-
Increase (decrease) in net pension liability	498,743	(347,798)	9,926	-
Increase (decrease) in deferred outflows of resources related to pensions	46,373	648	11,499	-
Increase (decrease) in deferred outflows of resources related to other postemployment benefits	21,852	(14,325)	(2,355)	-
<b>Total Adjustments</b>	<b>5,422,696</b>	<b>(88,947)</b>	<b>279,552</b>	<b>(22,529)</b>
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$ 13,004,228</b>	<b>\$ 3,838,913</b>	<b>\$ 1,525,179</b>	<b>\$ (51,270)</b>
<b>Non-Cash Investing, Capital, and Financing Activities:</b>				
Amortization of bond premium/(discount)	\$ (111,207)	\$ 4,463	\$ -	\$ -
Amortization of deferred charges on refunding	\$ (113,304)	\$ 9,622	\$ -	\$ -

## CITY OF POMONA

STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
YEAR ENDED JUNE 30, 2020

	Business-Type Activities - Enterprise Funds		
	Pomona Choice Energy Authority	Totals	Governmental Activities- Internal Service Funds
<b>Cash Flows from Operating Activities:</b>			
Cash received from customers and users	\$ -	\$ 49,778,857	\$ 11,297,643
Cash paid to suppliers for goods and services	(95,854)	(20,125,026)	(7,575,141)
Cash paid for general and administrative expenses	(735,836)	(12,168,471)	(2,688,521)
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>(831,690)</b>	<b>17,485,360</b>	<b>1,033,981</b>
<b>Cash Flows from Non-Capital Financing Activities:</b>			
Cash transfers in	783,428	1,267,522	-
Cash transfers out	-	(4,881,214)	-
Cash received from other funds	-	-	60,844
Advance from other funds	735,836	735,836	-
Advance to other funds	-	(735,836)	-
<b>Net Cash Provided (Used) by Non-Capital Financing Activities</b>	<b>1,519,264</b>	<b>(3,613,692)</b>	<b>60,844</b>
<b>Cash Flows from Capital</b>			
Acquisition and construction of capital assets	-	(1,734,573)	(29,972)
Principal paid on capital debt	-	(3,033,993)	-
Interest paid on capital debt	(978)	(4,112,469)	-
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	<b>(978)</b>	<b>(8,881,035)</b>	<b>(29,972)</b>
<b>Cash Flows from Investing Activities:</b>			
Interest received	8,326	1,712,258	503,047
<b>Net Cash Provided (Used) by Investing Activities</b>	<b>8,326</b>	<b>1,712,258</b>	<b>503,047</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>694,922</b>	<b>6,702,891</b>	<b>1,567,900</b>
Cash and Cash Equivalents at Beginning of Year	-	66,527,827	9,162,981
<b>Cash and Cash Equivalents at End of Year</b>	<b>\$ 694,922</b>	<b>\$ 73,230,718</b>	<b>\$ 10,730,881</b>
<b>Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:</b>			
Operating income (loss)	\$ (832,629)	\$ 11,893,649	\$ (1,873,140)
<b>Adjustments to reconcile operating income (loss) net cash provided (used) by operating activities:</b>			
Depreciation	-	4,584,861	37,031
(Increase) decrease in accounts receivable	-	554,691	-
(Increase) decrease in due from other governments	-	5,765	-
(Increase) decrease in prepaid expense	-	862	-
(Increase) decrease in inventories	-	(82,459)	(41,054)
(Increase) decrease in deferred outflows of resources related to pensions	-	(141,114)	(88,026)
(Increase) decrease in deferred outflows of resources related to other postemployment benefits	-	(1,156,045)	(278,280)
Increase (decrease) in accounts payable	939	(336,981)	(136,998)
Increase (decrease) in accrued liabilities	-	(5,122)	-
Increase (decrease) in payroll payable	-	150,278	27,726
Increase (decrease) in deposits payable	-	93,557	-
Increase (decrease) in claims and judgments	-	-	2,344,737
Increase (decrease) in compensated absences	-	151,414	24,986
Increase (decrease) in net other postemployment benefit liability	-	1,547,441	496,141
Increase (decrease) in net pension liability	-	160,871	493,574
Increase (decrease) in deferred outflows of resources related to pensions	-	58,520	20,649
Increase (decrease) in deferred outflows of resources related to other postemployment benefits	-	5,172	6,635
<b>Total Adjustments</b>	<b>939</b>	<b>5,591,711</b>	<b>2,907,121</b>
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$ (831,690)</b>	<b>\$ 17,485,360</b>	<b>\$ 1,033,981</b>
<b>Non-Cash Investing, Capital, and Financing Activities:</b>			
Amortization of bond premium/(discount)	\$ -	\$ (106,744)	\$ -
Amortization of deferred charges on refunding	\$ -	\$ (103,682)	\$ -



**THIS PAGE INTENTIONALLY LEFT BLANK**

**FIDUCIARY FUND FINANCIAL STATEMENTS**

**THIS PAGE INTENTIONALLY LEFT BLANK**

CITY OF POMONA

STATEMENT OF FIDUCIARY NET POSITION  
 FIDUCIARY FUNDS  
 JUNE 30, 2020

	Agency Funds	Private-Purpose Trust Fund Successor Agency of the Former RDA
<b>Assets:</b>		
Cash and investments	\$ 3,462,183	\$ 12,491,134
Receivables (net):		
Accounts	277,234	5,952
Notes and loans	-	1,660,600
Interest	734	11,287
Deposits	-	600
Due from other governments	280,071	-
Land held for resale	-	788,130
Restricted assets:		
Cash and investments	-	24,287,956
Capital assets:		
Capital assets, not being depreciated	-	125,423
Capital assets, net of accumulated depreciation	-	42,926
<b>Total Assets</b>	<b>\$ 4,020,222</b>	<b>39,414,008</b>
<b>Deferred Outflows of Resources:</b>		
Deferred charge on refunding		504,329
<b>Total Deferred Outflows of Resources</b>		<b>504,329</b>
<b>Liabilities:</b>		
Accounts payable	\$ 1,024,869	45,559
Payroll payable	-	17,444
Interest payable	-	2,018,173
Deposits payable	2,767,160	169,040
Due to external parties/other agencies	228,193	-
Noncurrent liabilities:		
Due within one year		
Long-term debt	-	7,782,425
Compensated absences	-	71,000
Due in more than one year		
Long-term debt	-	174,928,871
Compensated absences	-	462
<b>Total Liabilities</b>	<b>\$ 4,020,222</b>	<b>185,032,974</b>
<b>Net Position:</b>		
Held in trust for Successor Agency		\$ (145,114,637)
<b>Total Net Position</b>		<b>\$ (145,114,637)</b>

CITY OF POMONA

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
 FIDUCIARY FUNDS  
 YEAR ENDED JUNE 30, 2020

	<u>Private-Purpose Trust Fund Successor Agency of the Former RDA</u>
<b>Additions:</b>	
Taxes	\$ 14,528,479
Contributions from City	185,252
Investment income	505,012
Gain on sale of properties	<u>35,672</u>
<b>Total Additions</b>	<b><u>15,254,415</u></b>
<b>Deductions:</b>	
Personnel services	388,888
Operations	1,056,398
Interest and fiscal charges	3,118,530
Depreciation expense	1,262
Contributions to other governments	<u>10,237,008</u>
<b>Total Deductions</b>	<b><u>14,802,086</u></b>
<b>Changes in Net Position</b>	<b>452,329</b>
Net Position - Beginning of the Year	<u>(145,566,966)</u>
<b>Net Position - End of the Year</b>	<b><u>\$ (145,114,637)</u></b>

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**THIS PAGE INTENTIONALLY LEFT BLANK**

CITY OF POMONA

INDEX TO THE NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2020

---

<b>Note 1:</b>	<b>Summary of Significant Accounting Policies</b> .....	53
	a. Financial Reporting Entity .....	53
	b. Financial Statements Presentation, Basis of Accounting and Measurement Focus .....	54
	c. Cash, Cash Equivalents, and Investments .....	58
	d. Cash and Investments with Fiscal Agents and Restricted Cash and Investments.....	59
	e. Fair Value Measurement.....	59
	f. Interfund Transactions .....	59
	g. Inventories and Prepaid Items .....	59
	h. Land Held for Resale .....	60
	i. Capital Assets .....	60
	j. Long-Term Debt.....	61
	k. Compensated Absences.....	61
	l. Claims Payable .....	61
	m. Deferred Outflows of Resources and Deferred Inflows of Resources .....	62
	n. Pensions .....	62
	o. Other Post-Employment Benefits (“OPEB”).....	63
	p. Net Position.....	63
	q. Fund Position .....	64
	r. Use of Estimates .....	64
	s. Property taxes .....	65
<b>Note 2:</b>	<b>Stewardship, Compliance and Accountability</b> .....	65
	a. Deficit Fund Balances or Net Positions.....	65
	b. Excess of Expenditures over Appropriations .....	65
<b>Note 3:</b>	<b>Cash and Investments</b> .....	66
	a. Demand Deposits.....	66
	b. Investments Authorized by the California Government Code and the City’s Investment Policy .....	67
	c. Investments Authorized by Debt Agreement .....	68
	d. Fair Value Measurement Disclosure.....	68
	e. Risk Disclosures.....	69
	f. Investment in Local Agency Investment Funds .....	71
<b>Note 4:</b>	<b>Loans Receivable</b> .....	72
	a. Section 108 Loans .....	72
	b. Deferred Home Improvement Loans.....	72
	c. Prototype Pomona Apartment Loans.....	72
	d. Rental Rehabilitation Loans .....	73
	e. Community Housing Development Organization (“CHDO”) Loan (Shield of Faith).....	73
	f. HOPE III Loans .....	73
	g. Shield of Faith .....	73
	h. Manufactured Housing Rehabilitation Loans .....	73
	i. Owner Occupied Loans .....	74



CITY OF POMONA

INDEX TO THE NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2020

---

<b>Note 4:</b>	<b>Loans Receivable (Continued)</b> .....	
	j. Mortgage Assistance Program (“MAP”) Loans .....	74
	k. Neighborhood In Process (“NIP”) Home Improvement Loans .....	74
	l. Neighborhood Stabilization Program .....	74
	m. Multi – Unit Rental Rehabilitation Program .....	75
	n. Holt Avenue Housing Partners LP Loans .....	75
	o. Telacu Housing Pomona Loans .....	75
	p. Tri – City Mental Health Center Hope Loan .....	75
<b>Note 5:</b>	<b>Interfund Transactions</b> .....	75
	a. Government – Wide Financial Statements .....	75
	b. Fund Financial Statements .....	76
<b>Note 6:</b>	<b>Due from Other Governments</b> .....	77
<b>Note 7:</b>	<b>Land Held for Resale</b> .....	78
<b>Note 8:</b>	<b>Capital Assets</b> .....	78
	a. Government – Wide Financial Statements .....	78
	b. Governmental Activities .....	79
	c. Business – Type Activities .....	80
<b>Note 9:</b>	<b>Other Investments</b> .....	80
<b>Note 10:</b>	<b>Long – Term Liabilities</b> .....	81
	a. Governmental Activities .....	81
<b>Note 11:</b>	<b>Compensated Absences</b> .....	96
<b>Note 12:</b>	<b>Non-City Obligations</b> .....	96
<b>Note 13:</b>	<b>Defined Benefit Pension Plan</b> .....	97
	a. CalPERS Plans .....	98
	b. Collateral Benefits Plan.....	105

CITY OF POMONA

INDEX TO THE NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2020

---

<b>Note 14: Other Post-Employment Benefits (OPEB)</b> .....	109
a. General Information About Public Employees’ Medical and Hospital Care Program (“PEMHCA”) Plan (“OPEB”) .....	109
b. Net OPEB Liability .....	110
c. Change in the Net OPEB Liability .....	112
d. OPEB Expense and Deferred Outflows of Resources Related to OPEB .....	113
<b>Note 15: Joint Powers Agreement</b> .....	114
a. Alameda Corridor-East Construction Authority .....	114
b. California State Association of Counties Excess Insurance Authority .....	114
c. Foothill Air Support Team .....	114
d. Foothills Transit .....	114
e. Gold Line Phase II Construction Authority .....	115
f. Interagency Communications Interoperability System .....	115
g. Los Angeles County Disaster Management Area D .....	116
h. Los Angeles Interagency Metropolitan Police Apprehensive Crime Task Force .....	116
i. Pomona Valley Transportation Authority .....	116
j. Pomona – Walnut – Rowland Joint Water Line Commission .....	117
k. San Gabriel Valley Council of Governments .....	118
l. Tri – City Mental Health Center .....	118
<b>Note 16: Risk Management</b> .....	119
<b>Note 17: Comments and Contingencies</b> .....	120
a. Agency Participation Agreement .....	120
b. Contractual Commitments .....	120
c. Lawsuits .....	120
<b>Note 18: Successor Agency Trust for Assets of Former Redevelopment Agency</b> .....	121
a. Cash and Investments .....	122
b. Loans Receivable (Net) .....	122
c. Land Held for Resale .....	123
d. Capital Assets .....	123
e. Long – Term Liabilities .....	123
f. Compensated Absences .....	127
g. Agreement for Allocation of Tax Increment Revenues .....	127
<b>Note 19: Restatement</b> .....	128
<b>Note 20: Subsequent Event</b> .....	129

**THIS PAGE INTENTIONALLY LEFT BLANK**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2020**

---

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

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

**a. Financial Reporting Entity**

The City was incorporated in 1888 and became a “Charter Law” City in 1911 under the laws of the State of California. The City operates under the Council – Manager form of governments. The City principally provides general administrative services, public safety services, library, recreational services, street, highway and bridge repairs and maintenance, and water and sanitation services.

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

Management determined that the following component units should be blended based on the criteria above. These component units are included in the primary government because of the fiscal dependence and financial benefit/burden relationship. Each of the blended component units in the accompanying basic financial statements of the City are described below:

**City of Pomona Housing Authority**

The City of Pomona Housing Authority (the “Housing Authority”) was organized in 1993 under the California Health and Safety Code. The objective of the Housing Authority is to aid low-income families in obtaining decent, safe, and sanitary housing through Federal assistance programs and low/moderate income housing programs. The Housing Authority was included within the scope of the reporting entity of the City because its governing body is composed in its entirety of City staff and the City has operational responsibility for the Housing Authority. The Housing Authority is blended in as a special revenue fund based on the criteria discussed above.

**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2020**

---

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

**City of Pomona Public Financing Authority**

The City of Pomona Public Financing Authority (the “Authority”) is a joint exercise of powers authority created by a joint powers agreement between the City, the former Redevelopment Agency of the City of Pomona (the “Agency”) and the former Redevelopment Agency of the City of West Covina, dated October 27, 1988. The purpose of the Authority is to provide, through the issuance of debt, financing necessary for the construction of public improvements. The Authority is not subject to federal or state income taxes. The Authority was included within the scope of the reporting entity of the City because its governing body is composed in its entirety of City staff and the City has operational responsibility for the Authority. The Authority is blended in as a debt service fund based on the criteria discussed above.

**Canon Water Company**

The Canon Water Company of Pomona (the “Company”) was incorporated on August 6, 1897. The Company owns and maintains a pipeline which transports water to the City. The Company was included within the scope of reporting entity of the City because it provides service almost entirely to the City and its governing body is composed of City staff. The Company is blended in as an enterprise fund since the governing boards for these entities were composed of either City Council members or City employees. Blended component units, although legally separate entities, are in substance, part of the City’s operations and so data from these units are reported with the interfund data of the primary government based on the criteria discussed above.

All component units had a fiscal year ended June 30, 2020, except for Canon Water Company, which had a fiscal year ended February 29, 2020.

The component units listed above issue separate financial statements which can be obtained at City Hall and online at [www.ci.pomona.us](http://www.ci.pomona.us).

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

The accounts of the City are organized on the basis of funds, each of which is considered a separate account entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purpose of which they are to be spent and means by which spending activities are controlled.

**Government – Wide Financial Statements**

The City’s government-wide financial statements include a Statement of Net Position and a Statement of Activities. These statements present summaries of governmental and business-type activities for the City accompanied by a total column. Fiduciary activities of the City are not included in these statements.

**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2020**

---

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

These basic financial statements are presented on an “*economic resources*” measurement focus and the accrual basis of accounting. Economic resources measurement focus considers all of the assets available for the purpose of providing goods and services and reports all inflows, outflows, and balances affecting or reflecting an entity’s net position. Accordingly, all of the City’s assets and liabilities, including capital assets, as well as infrastructure assets and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned, and expenses are recognized in the period in which the liability is incurred.

Certain types of transactions are reported as program revenues for the City in three categories:

- Charges for services
- Operating grants and contributions
- Capital grants and contributions

Certain eliminations have been made in regard to interfund activities. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column, if any. In the Statement of Activities, internal service fund transactions have been eliminated; however, those transactions between governmental and business-type activities have not been eliminated. The following interfund activities have been eliminated:

- Due to and from other funds
- Advances to and from other funds
- Transfers in and out

**Governmental Fund Financial Statements**

Governmental fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds and nonmajor governmental funds aggregated. An accompanying schedule is presented to reconcile and explain the differences in fund balance as presented in these statements to the net position presented in the government – wide financial statements. The City has presented all major funds that met the applicable criteria.

All governmental funds are accounted for on a spending or “*current financial resources*” measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the balance sheets. The Statement of Revenues, Expenditures and Changes in Fund Balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period.

**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2020**

---

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

Revenues are recognized as soon as they are both “measurable” and “available.” Revenues are considered to be available when it is collectible within the current period as soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if it is collected within 60 days of the end of the current fiscal period except for grant revenue where the government considers revenue to be available if collected within 120 days of the end of current fiscal year. The primary revenue sources, which have been treated as susceptible to accrual by the City, are real and personal property tax, other local taxes, franchise fees, forfeitures and penalties, rents and concessions, interest revenue, and state and federal grants. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

Unavailable revenue arises when potential revenues do not meet the “available” criteria for recognition in the current period. Unearned revenue arises when the government receives resources before it has legal claim to it, as when grant monies are received prior to incurring qualifying expenditures or when prepaid charges are received for services. In subsequent periods when both revenue recognition criteria are met or when the government has a legal claim to the resources, the unavailable revenue and unearned revenue are removed from the balance sheet and revenue is recognized.

The reconciliations of the Fund Financial Statements to the Government – Wide Financial Statements are provided to explain the differences.

The City reports the following major governmental funds:

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

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

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

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

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2020

---

Note 1: Summary of Significant Accounting Policies (Continued)

**Proprietary Fund Financial Statements**

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

Proprietary funds are accounted for using the “*economic resources*” measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or noncurrent) are included on the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Net Position presents increase (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as nonoperating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as nonoperating expenses.

The City reports the following major proprietary funds:

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

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

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

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

The **Pomona Choice Energy Authority** accounts for the activities aimed to reduce energy usage.

The **Internal Service Funds** account for the maintenance and repair of City vehicles and equipment, risk management (general liability workers’ compensation and unemployment), information technology and printing/mailing service provided to other departments or agencies of the City.

**Fiduciary Fund Financial Statements**

Fiduciary fund financial statements include a Statement of Fiduciary Net Position and a Statement of Changes in Fiduciary Net Position. The City’s fiduciary funds consist of agency funds and one private purpose trust fund. Fiduciary fund types are accounted for according to the nature of the fund.



**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2020**

---

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

Agency funds are custodial in nature (assets equal to liabilities) and do not involve measurement of results of operations. The Agency Funds account for assets held by the City for governments or individuals. These funds include receipts and disbursements of funds for the debt service activity of the 1911 Act assessment districts, cash deposits collected from street and sidewalk encroachment permits, debt services activity, cash guarantees (deposits) collected by the city for various construction improvement projects, payment of various employee benefits and deductions, including, but not limited to, health and dental insurance premiums, federal and state withholding taxes, life insurance and other withholdings from regular compensation as well as monitoring of the local watershed as required by the MS4 permit as a lead agency of the East San Gabriel Valley Watershed Management Group.

The Private-purpose trust fund is accounted for using the “*economic resources*” measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized in the period which the revenue is earned, which expenses are recognized in the period in which the liability is incurred. The City uses its private-purpose trust fund to account for the assets and liabilities of the former Redevelopment Agency and the receipt funds to make installment payments of enforceable obligations until the obligations of the former Redevelopment Agency are paid in full and assets have been liquidated.

**c. Cash, Cash Equivalent, and Investments**

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

Highly liquid market investments with maturities of one year or less at time of purchase are stated at amortized cost. All other investments are reported at fair value.

Certain disclosure requirements, if applicable, are provided for deposit and investment risk in the following areas:

- Interest Rate Risk
- Credit Risk
- Overall
- Custodial Credit Risk
- Concentration of Credit Risk
- Foreign Currency Risk

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2020**

---

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

**d. Cash and Investment with Fiscal Agents and Restricted Cash and Investments**

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

**e. Fair Value Measurement**

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

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

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

**f. Interfund Transactions**

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as “due to/from other funds” (i.e., current portion of interfund loans) or “advances to/from other funds” (i.e., noncurrent portion of interfund loans). Any residual balances outstanding between the governmental activities and business-type activities are reported in the governmental – wide financial statements as “internal balances.”

**g. Inventories and Prepaid Items**

Inventories within the various fund types consist of materials and supplies which are valued at cost on a first-in, first-out basis. Purchase of supplies have been reported based on consumption method to recognize inventory-related expenditures.

Certain payments to vendors reflect cost applicable to future accounting periods and are recorded as prepaid items in both government – wide and fund financial statements, such as prepaid bond insurance.

**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2020**

---

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

**h. Land Held for Resale**

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

**i. Capital Assets**

Capital assets, which include land, construction in progress, buildings and improvements, improvements other than buildings, machinery and equipment, autos, and trucks, equipment under capitalized lease and infrastructure assets (e.g., roads, bridges, traffic signals, and similar items), are reported in applicable governmental or business-type activities in the Government – Wide Financial Statements. City policy has set the capitalization threshold for reporting capital assets at \$5,000 and capital projects at \$250,000.

Capital assets are valued at historical cost or estimated historical cost if actual historical cost was not available. Donated assets are valued at acquisition value on the date donated.

Depreciation is reported on a straight-line basis over estimated useful lives of the assets as follows:

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

For infrastructure systems, the City elected to use the basic approach for infrastructure reporting.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed.

**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2020**

---

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

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

**j. Long – Term Debt**

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

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

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

**k. Compensated Absences**

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

**l. Claims Payable**

The City records a liability to reflect an actuarial estimate of ultimate uninsured losses for both general liability claims (including property damage claims) and workers’ compensation claims. The estimated liability for workers’ compensation claims and general liability claims includes “incurred but not reported” (IBNR) claims. There is no fixed payment schedule to pay these liabilities.

**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2020**

---

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

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

In addition to assets, the Statement of Net Position reports a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to future periods and will not be recognized as an outflow of resources (expense/expenditures) until then. The City reports deferred charges on refunding in the government – wide and proprietary fund financial statements. Deferred loss on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of life of the refunded or refunding debt. The City also reports pensions and other post-employment benefits related deferred outflows of resources in the government – wide and proprietary fund financial statements.

In addition to liabilities, the Statement of Net Position and Governmental Funds Balance Sheet reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position or fund balance that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. The governmental funds report unavailable revenue for revenues not available for current spending. These amounts are deferred and recognized as an inflow of resources in the period when the amounts become available. In addition, the City reports deferred charges on refunding in the government – wide and proprietary fund financial statements. Deferred gains on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The City also reports pensions related deferred inflows of resources in the government – wide and proprietary fund financial statements.

**n. Pensions**

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

The following timeframes are used for pension reporting:

<u>CalPERS</u>	
Valuation Date	June 30, 2018
Measurement Date	June 30, 2019
Measurement Period	July 1, 2018 to June 30, 2019
<u>Collateral Benefits Plan</u>	
Valuation Date	June 30, 2019
Measurement Date	June 30, 2020
Measurement Period	July 1, 2019 to June 30, 2020

**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2020**

---

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

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

**o. Other Post – Employment Benefits (“OPEB”)**

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

The following timeframes are reported OPEB reporting:

Valuation Date	December 31, 2018
Measurement Date	December 31, 2019
Measurement Period	January 1, 2019 to December 31, 2019

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

**p. Net Position**

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

**Net Investment in Capital Assets** – This amount consists of capital assets net of accumulated depreciation and reduced by outstanding debt and related deferred outflows and inflows of resources that is attributed to the acquisition, construction, or improvement of the assets, net of unspent debt proceeds.

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2020**

---

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

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

**q. Fund Position**

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

**Non-spendable** – This includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

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

**Committed** – This includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest authority. The City Council, as a City's highest level of decision-making authority, may commit fund balance for specific purposes pursuant to constraints imposed by resolution. These committed amounts cannot be used for any other purpose unless the City Council removes or changes the specified use through the same type of formal action taken to establish the commitment. City Council action to commit fund balance needs to occur within the fiscal reporting period; however, the amount can be determined subsequently.

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

**Unassigned** – This is the residual amounts that have not been restricted, committed, or assigned to specific purposes. Only the General Fund can report positive unassigned fund balance. All other funds' fund balances have been restricted, committed, or assigned for the purpose of those particular funds.

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

**r. Use of Estimates**

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2020**

---

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

**s. Property Taxes**

Property taxes attach a legally enforceable lien on property as of January 1. Taxes are levied on July 1 and are payable in two installments on December 10 and April 10. The County of Los Angeles (the "County") bills and collects the property taxes and remits it to the City in installments during the year. The City's property tax revenues are recognized when an enforceable legal lien is attached to the property. The County is permitted by State Law (Proposition 13) to levy taxes at 1% of full market value (at time of purchase) and can increase the property tax base not more than 2% per year. The City receives a share of this basic levy proportionate to the amount received prior to the passage of Proposition 13 in 1978.

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

**a. Deficit Fund Balance or Net Positions**

At June 30, 2020, the following funds had the deficit fund balance/net position:

<b>Internal Service Funds</b>	
Self Insurance	(6,639,975)
Equipment Maintenance	(4,675,850)
Information Technology	(2,641,506)
Printing/Mail Services	(59,530)

The General Debt Service Fund deficit is the result of the issuance of bonds, and the Self-Insurance Fund deficit is due to increasing claims. The Equipment Maintenance Fund and the Information Technology Fund deficits are due to the net pension liabilities and the net OPEB liabilities. The Printing and Mailing Service Fund deficit is due to not charging sufficient amounts from user funds. The City will eliminate the internal service deficit with future charges to user departments. The Successor Agency of Former RDA will be recovered by future Redevelopment Property Tax Trust Fund revenue approved in the Recognized Obligation Payment Schedule.

**b. Excess of Expenditures over Appropriations**

Excess expenditures over appropriations were as follows:

	<u>Expenditures</u>	<u>Appropriations</u>	<u>Excess</u>
Housing Authority Special Revenue Fund	\$ 24,656,910	\$ 22,071,963	\$ 2,584,947



**CITY OF POMONA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2020**

---

**Note 3: Cash and Investments**

The City maintains a cash and investment pool, which includes cash balances and authorized investments of all funds. This pooled cash is invested by the City Treasurer to enhance earnings. The pooled interest earned is allocated to the funds based on average quarter-end cash balances of various funds.

The following is a summary of cash and investments at June 30, 2020:

	Governmental Activities	Business- Type Activities	Fiduciary Funds	Total
Cash and Investments	\$ 67,436,668	\$ 65,050,011	\$ 15,953,317	\$ 148,439,996
Restricted Cash and Investments	4,705,677	8,180,707	24,287,956	37,174,340
<b>Total</b>	<b><u>\$ 72,142,345</u></b>	<b><u>\$ 73,230,718</u></b>	<b><u>\$ 40,241,273</u></b>	<b><u>\$ 185,614,336</u></b>

Cash and Investments is comprised of the following at June 30, 2020:

Petty cash and change funds	\$ 10,151
Demand deposits	32,652,012
Restricted cash held by City	412,813
Cash held in trust	41,077
<b>Total Cash</b>	<b><u>33,116,053</u></b>
Investments	111,143,229
Investments with fiscal agent	41,355,054
<b>Total Investments</b>	<b><u>152,498,283</u></b>
<b>Total Cash and Investments</b>	<b><u>\$ 185,614,336</u></b>

**a. Demand Deposits**

The carrying amounts of the City's cash deposits were \$32,652,012 at June 30, 2020. Bank balances at June 30, 2020, were \$34,580,307 which were fully insured or collateralized with securities held by the pledging financial institutions in the City's name as discussed below. The \$1,928,295 difference represents outstanding checks, deposits in transits, and other reconciling items.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2020**

---

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

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

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

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

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

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2020**

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

**c. Investments Authorized by Debt Agreement**

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

**d. Fair Value Measurement Disclosure**

At June 30, 2020, investments are reported at fair value. The following table presents the fair value measurement of investments on a recurring basis and the levels within GASB 72 fair value hierarchy in which the fair value measurements fall at June 30, 2020:

Investment Type	Measurement Input		
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Uncategorized	Total
<b>Investments</b>			
Local Agency Investment Fund	\$ -	\$ 49,275,829	\$ 49,275,829
U.S. treasury obligations	12,460,243	-	12,460,243
U.S. government sponsored enterprise securities	5,232,884	-	5,232,884
Municipal Bond	335,947	-	335,947
US Agency Securities	25,572,666	-	25,572,666
Negotiable certificates of deposit	1,719,231	-	1,719,231
Money Market Mutual Funds	69,733	-	69,733
Commercial Paper	16,476,696	-	16,476,696
<b>Investments with Fiscal Agent:</b>			
Money Market Mutual Funds	40,214,054	-	40,214,054
Municipal bonds	1,141,000	-	1,141,000
Total	<u>\$ 103,222,454</u>	<u>\$ 49,275,829</u>	<u>\$ 152,498,283</u>

CITY OF POMONA

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2020

Note 3: Cash and Investments (Continued)

e. Risk Disclosures

Interest Rate Risk

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

At June 30, 2020, the City had the following investment maturities:

	1 Year or Less	1 to 3 Years	3 to 5 Years	Over 5 Years	Total
<b>Investments:</b>					
Local Agency Investment Fund	\$ 49,275,829	\$ -	\$ -	\$ -	\$ 49,275,829
U.S. treasury obligations	4,374,980	5,157,499	2,927,764	-	12,460,243
U.S. government sponsored enterprise securities	1,022,662	1,835,055	2,375,167	-	5,232,884
U.S. agency securities	4,973,212	12,001,519	8,597,935	-	25,572,666
Municipal Bond	33,730	302,217	-	-	335,947
Negotiable certificates of deposit	250,930	1,468,301	-	-	1,719,231
Money Market Mutual Funds	69,733	-	-	-	69,733
Commercial Paper	4,543,581	8,148,404	3,784,711	-	16,476,696
					-
<b>Investments with Fiscal Agent:</b>					
Money Market Mutual Funds	40,214,054	-	-	-	40,214,054
Municipal bonds	1,141,000	-	-	-	1,141,000
Total	<u>\$ 105,899,711</u>	<u>\$ 28,912,995</u>	<u>\$ 17,685,577</u>	<u>\$ -</u>	<u>\$ 152,498,283</u>

**CITY OF POMONA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2020**

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

**Credit Risk**

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligations to the holder of the investment. The City's investment policy provides that his risk be mitigated by investing in investment grade securities and by diversifying the investment portfolio. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. At June 30, 2020, the City's investments are rated as following:

	Fair Value at June 30, 2020	Minimum Legal Rating	AAA	AA	A	Not Rated
<b>Investments:</b>						
Local Agency Investment Fund	\$ 49,275,829	N/R	\$ -	\$ -	\$ -	\$ 49,275,829
U.S. treasury obligations	12,460,243	N/R	12,460,243	-	-	-
U.S. government sponsored enterprise securities	5,232,884	N/R	1,022,662	4,210,222	-	-
U.S. agencies securities	25,572,666	A	9,381,722	13,813,699	1,747,906	629,339
Municipal Bond	335,947	A	-	335,947	-	-
Negotiable certificates of deposit	1,719,231	N/R	-	-	-	1,719,231
Money Market Mutual Funds	69,733	AAA	69,733	-	-	-
Commercial Paper	16,476,696	A	538,615	2,097,831	13,840,250	-
<b>Investments with Fiscal Agent:</b>						
Money Market Mutual Funds	40,214,054	N/R	40,214,054	-	-	-
Municipal bonds	1,141,000	AA	1,141,000	-	-	-
Total	<u>\$ 152,498,283</u>		<u>\$ 64,828,029</u>	<u>\$ 20,457,699</u>	<u>\$ 15,588,156</u>	<u>\$ 51,624,399</u>

N/R- Not required in California

**Concentration of Credit Risk**

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

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

Investment Type	Issuer	Amount	Percentage
U.S. government sponsored enterprise securities	Federal Home Loan Bank	\$ 10,699,202	7.0%

**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2020**

---

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

**Custodial Credit Risk**

For deposits, custodial credit risk is the risk that, in the event of the failure of a deposit financial institution, a government will not be able to recover its deposit or will not be able to recover collateral securities that are in the possession of an outside party. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the values of its investments or collateral securities that are in the possession of an outside party. The City's investment policy contains requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the provision for deposits stated in the California Government Code. Bank balances of \$34,580,307 was held in collateralized accounts. Of the City's investments held by trustees and fiscal agents, \$41,55,054 of securities was held by the counterparty's trust department, the trustee for the bonds, not in the name of the City as of June 30, 2020.

**f. Investment in Local Agency Investment Funds**

The City is a participant in LAIF which is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The City's investments with LAIF at June 30, 2020, include a portion of the pool funds invested in Structured Notes and Asset-Backed Securities:

Structured Notes are debt securities (other than asset-backed securities) whose cash flow characteristics (coupon rate, redemption amount, or stated maturity) depend upon one or more indices and/or that have embedded forwards or options.

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

As of June 30, 2020, the City had \$49,275,829 invested in LAIF, which had invested 0.02% of the pool investment funds in Structured Notes and Asset-Backed Securities. LAIF is overseen by the Local Agency Investment Advisory Board, which consists of five members, in accordance with State statute. LAIF determines fair value on its investment portfolio based on market quotations for those securities where market quotations are readily available and based on amortized cost or best estimate for those securities where market value is not readily available. The City valued its investments in LAIF at amortized cost.

**CITY OF POMONA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2020**

**Note 4: Loans Receivable**

At June 30, 2020, the City's net loans receivable consisted of the following:

	Balance at June 30, 2019	Additions	Deletions	Balance at June 30, 2020
Section 108 Loans	\$ 150,000	\$ -	\$ (10,000)	\$ 140,000
Deferred Home Improvement Loans	6,971,583	275,796	(298,533)	6,948,846
Prototype Pomona Apartment Loans	1,346,005	28,422	-	1,374,427
Rental Rehabilitation Loans	519,315	7,042	-	526,357
CHDO Loan (Shield of Faith)	1,329,333	348,633	-	1,677,966
HOPE III Loans	388,724	17,832	-	406,556
Shield of Faith	4,670,763	70,630	-	4,741,393
Manufactured Housing Rehabilitation Loans	1,995,577	4,093	(154,680)	1,844,990
Owner Occupied Loans	2,232,737	137,994	(81,115)	2,289,616
Mortgage Assistance Programs Loans	6,893,561	837,555	(212,825)	7,518,291
Neighborhood In Progress Loans	2,657,015	46,864	(192,302)	2,511,577
Neighborhood Stabilization Program	311,716	-	-	311,716
Multi-Unit Rental Rehabilitation Program	174,000	-	(144,000)	30,000
Holt Avenue Housing Partners LP Loans	1,982,142	19,000	-	2,001,142
Telacu Housing Pomona	980,407	36,766	-	1,017,173
Tri-City Mental Health Center HOPE III Loan	147,183	-	(58,873)	88,310
Total	<u>\$ 32,750,061</u>	<u>\$ 1,830,627</u>	<u>\$ (1,152,328)</u>	<u>\$ 33,428,360</u>

**a. Section 108 Loans**

The City used the Section 108 loan fund and entered into loan agreement with local businesses for projects that benefit low- and moderate-income persons. The principal balance outstanding at June 30, 2020 was \$140,000.

**b. Deferred Home Improvement Loans**

The Housing Improvement loans funds for Health & Safety Repairs and Exterior Home Improvements. During the term of the loan, a portion of the loan shall be forgiven each full year provided that the owner is in good standing and complies with all of the covenants, conditions, and restrictions. The principal balance outstanding at June 30, 2020 was \$6,948,846.

**c. Prototype Pomona Apartment Loans**

The former Redevelopment Agency entered into promissory note agreement with Prototypes Pomona Apartments, L.P. in the amount of \$947,417 on May 4, 2005 for purpose of construction and development of a 32-unit multi-family, very low-income affordable housing project. The loan bears simple interest of three percent (3%) per annum. In the event the project is sold or refinanced prior to the 30-year covenant period, the net proceeds of the sale or refinancing will be used to pay the accrued interest computed at a rate of six percent (6%) per annum from the date of default and the outstanding balance of the loan. Total outstanding principal and accrued interest at June 30, 2020 was \$1,374,427.

**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2020**

---

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

**d. Rental Rehabilitation Loan**

The City used HOME fund and entered into sixteen various loan agreements for rental unit rehabilitation. Total principal borrowed from the City was in the amount of \$313,000. The loan bears simple interest at 2.25% annum. Total outstanding principal and accrued interest at June 30, 2020 was \$526,357.

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

The City used HOME funds and entered into loan agreement with Shield of Faith Economic Development Corporation in July 2009 for a development project where Shield of Faith purchased properties and developed them from Low- and Moderate-income persons and families. The term of the loan is 15 years and bears zero interest. The principal balance outstanding at June 30, 2020 was in the amount of \$1,677,966 and will be forgiven upon the fulfillment of the terms of the agreement upon maturity date.

**f. HOPE III Loans**

The former Redevelopment Agency entered into two types of loans agreements through the HOPE III Program under which the former Agency provided subsidy to assist persons and families of low income to purchase residential property as the principal resident at all times throughout the term of the agreement. The 20-year loans entered into during the year ended June 30, 1995 bears compound interests at 5% per annum and began to be reduced by 1/13 of the outstanding balance on August 1, 2002 annually. The loans entered into during the year ended June 30, 2008 bears interest at 2% annum and is due upon sale of the property. The outstanding balance at June 30, 2020 was in the amount of \$406,556.

**g. Shield of Faith**

The loan between the City and Shield of Faith Economic Development Corporation was for a development project where Shield of Faith purchased properties and developed them for Low- and Moderate-income persons and families. The principal balance of the loan amounts to \$3,715,000 with simple annual 3% interest rate, for a total of \$4,741,393. The loan matures 55 years from the Certificate of Occupancy date maturing on August 28, 2063.

**h. Manufactured Housing Rehabilitation Loans**

The City used CalHOME funds to provide funding for manufactured housing rehabilitation loans. The loan matures between 15 to 20 years and bears zero interest. One Tenth (1/10) of the loan balance is forgiven each year starting from year 11. The unpaid balances are due upon refinancing or transfer of the titles. At June 30, 2020, total outstanding balance was in the amount of \$1,844,990.



**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2020**

---

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

**i. Owner Occupied Loans**

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

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

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

Total outstanding principal and accrued interest at June 30, 2020 was in the amount of \$2,289,616.

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

The City used HOME funds to provide mortgage assistance program loans up to \$100,000 to borrower. The MAP loan bears zero interest and matures in 45 years. The former Agency also provided first time home buyer program. The former Agency’s program is a second silent mortgage loan program designed to assist qualified low-income individuals with the purchase of their first home. Program assistance is limited to \$500,000 (inclusive of applicable program fees) or the lesser amount (with zero percent interest) necessary to provide the “gap” assistance required to meet the Program’s front-end ratio requirements of 25% to 35%, whichever is lower. At June 30, 2020, total outstanding balance, net allowance, was in the amount of \$7,518,291.

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

The Substantial Rehabilitation Loan Program is a deferred loan up to \$60,000 and bears a 2% to 4% interest rate depending on funding and income. Repayment of the loans is due at the time of title change, resale, refinance with cash out, or non-compliance with that program requirements. (Depending on funding source, some loans must be repaid at the end of thirty (30) years from the date of execution of the loan documents). These loans are not a conventional equity loan or equity line of credit. Funding must be used to correct code violations or deferred maintenance which may cause code violations in the near future. The outstanding balance as of June 30, 2020 is \$2,511,577.

**l. Neighborhood Stabilization Program**

The City through use of the Neighborhood Stabilization Program funding provided loans to qualified low- and moderate- income individuals on purchase of foreclosed homes. The loan bears zero interest and matures in 45 years. At June 30, 2020, the total outstanding balance was in the amount of \$311,716.

**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2020**

---

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

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

The City through use of HOME fund provided multi-unit rental rehabilitation program deferred loans to owner of the multi-unit low-income rental properties. The loans bear zero interest and mature in 10 years from the date of the loan. Pursuant to the loan agreement, on the sixth anniversary date of the loan, 20% shall be forgiven each year. Total outstanding balance at June 30, 2020 was \$30,000.

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

The loan between the City of Pomona and Holt Avenue Housing Partners LP was to acquire property and construct a residential housing project consisting of 62 residential units that qualify for low-income persons and families. The principal amount of the loan was \$1,900,000 with simple interest at the rate of 1% per annum. All principal and interest shall be due in full on the date that is fifty years from the date of recordation of the certificate of completion. The outstanding balance at June 30, 2020 was \$2,001,142.

**o. Telacu Housing Pomona Loans**

The City through use of HOME fund entered into a loan agreement with Telacu Housing-Pomona II, Inc. in April 2008 and provided \$612,755 for construction and development of a 70-unit multiple family apartment project comprising of 69 one bed bedroom units for very low and low income seniors and one two-bedroom manager unit. The loan bears simple interest at the rate of 6% annum. All principal and interest shall be due in full on the date that is twenty years from the date the project is first occupied. The outstanding balance at June 30, 2020 was \$1,017,173.

**p. Tri-City Mental Health Center Hope Loan**

The loan between the City of Pomona and Tri-City Mental Health Center was to be used for rehabilitation of affordable rental housing, which may include properties with one or more housing units, transitional housing, group home or single room occupancies for Park Avenue Permanent Supportive Housing Project. The loan carries zero percent interest. The outstanding balance at June 30, 2020 was \$88,310.

**Note 5: Interfund Transactions**

**a. Government – Wide Financial Statements**

**Internal Balances** – At June 30, 2020, the City had the following internal receivable and payable to consolidate the Internal Service Funds’ activities related to the Enterprise Funds.

	<u>Internal Receivable</u>
	Business-Type
<u>Internal Payable</u>	Activities
Governmental Activities	<u>\$ 582,501</u>

CITY OF POMONA

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2020

Note 5: Interfund Transactions (Continued)

**Transfers** – For the year ended June 30, 2020, the City had the following transfers. The purpose of the transfers was for debt service payments and to reimburse a construction project.

	Transfers In	Transfers Out Business-Type Activities
	Governmental Activities	\$ 3,613,692

b. Fund Financial Statements

**Due To/Due From** – At June 30, 2020, the City had the following short-term interfund receivables and payables to cover negative cash at the end of the fiscal year.

	Due to Other Funds			Total
	Governmental Funds		Proprietary Fund	
	General Debt Service Fund	Nonmajor Governmental Funds	Internal Service Funds	
<b>Due from Other Funds</b>				
<b>Governmental Fund:</b>				
General Fund	\$ 634,896	\$ 97,488	\$ 60,844	\$ 793,228

**Advances To/Advances From** – At June 30, 2020, the City had the following long-term Interfund advances:

	Advance from Other Funds			Total
	Governmental Funds		Proprietary Fund	
	General Fund	General Debt Service Fund	Pomona Choice Energy Authority	
<b>Advances to</b>				
<b>Governmental Fund:</b>				
Public Financing Authority				
Debt Service Fund	\$ -	\$ 71,465,000	\$ -	\$ 71,465,000
Nonmajor Governmental Funds	304,435	-	-	304,435
<b>Proprietary Fund:</b>				
Water Enterprise Fund	-	-	735,836	735,836
Total	\$ 304,435	\$ 71,465,000	\$ 735,836	\$ 72,505,271

Advances in the amount of \$71,465,000 from the Public Financing Authority Debt Service Fund to General Debt Service Fund are loan proceeds advanced (2017 Taxable Lease Revenue Bonds, Series BC, and BG).

Advance between the Nonmajor Government Funds and the General Fund was a loan from Vehicle Parking District Special Revenue Fund made on December 3, 2001. The Vehicle Parking District provided a \$600,000 loan to the City to be used by the General Fund as a loan to the former Redevelopment Agency for the acquisition of the Fox Theater at zero interest. The principal is due when rent income is generated or when the property is sold. There is no fixed payment schedule. At June 30, 2020, the outstanding balance of the advances was in the amount of \$304,435.

CITY OF POMONA

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2020

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

Advance in the amount of \$735,836 from the Water Enterprise Fund to the Pomona Choice Energy Authority are to support the energy program.

**Transfers** – For the year ended June 30, 2020, the City had the following transfers:

Transfers Out	Transfer In					Proprietary Funds			Total
	General Fund	Miscellaneous Grant Special Revenue Fund	Capital Outlay Capital Projects Fund	General Government Debt Service Fund	Nonmajor Governmental Funds	Water Enterprise Fund	Refuse Enterprise Fund	Pomona Choice Energy Authority	
<b>Governmental Funds:</b>									
General Fund	\$ -	\$ 95,235	\$ 2,030,000	\$ 4,134,883	\$ 918,860	\$ -	\$ -	\$ -	\$ 7,178,978
Housing Authority Special Revenue Fund	-	-	2,617,528	-	-	-	-	-	2,617,528
Miscellaneous Grant Special Revenue Fund	-	-	-	-	307,806	-	-	-	307,806
Capital Outlay Capital Project Fund	141,756	-	-	91,855	-	-	-	-	233,611
Nonmajor Governmental Fund	-	-	6,604,862	-	-	-	85,000	-	6,689,862
<b>Proprietary Funds:</b>									
Water Enterprise Fund	1,812,622	-	349,859	600,000	-	-	-	783,428	3,545,909
Sewer Enterprise Fund	-	-	70,234	417,000	-	399,094	-	-	886,328
Refuse Enterprise Fund	-	-	448,977	-	-	-	-	-	448,977
<b>Total</b>	<b>\$ 1,954,378</b>	<b>\$ 95,235</b>	<b>\$ 12,121,460</b>	<b>\$ 5,243,738</b>	<b>\$ 1,226,666</b>	<b>\$ 399,094</b>	<b>\$ 85,000</b>	<b>\$ 783,428</b>	<b>\$ 21,908,999</b>

The transfer of \$4,134,883 between the General Fund and the General Debt Service Fund was for Series AR, BC, and BG debt service payments.

Transfers in the amount of \$12,121,460 to Capital Outlay Capital Projects Fund were to provide funding for capital projects.

The transfer of \$1,812,622 from Water Enterprise Fund to General Fund was to reimburse the City for the cost of services.

The transfer of \$783,428 from Water Enterprise Fund to Renewable Energy Program was for the Water Advance CCEA.

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

The remaining transfers are for the purpose of providing financial resources to cover expenditures.

**Note 6: Due from Other Governments**

At June 30, 2020, the City's due from other governments consisted of the following:

	Governmental Activities					Total
	General Fund	Housing Authority Special Revenue Fund	Miscellaneous Grant Special Revenue Fund	Capital Outlay Capital project Fund	Nonmajor Governmental Funds	
Federal government	\$ -	\$ 377,107	\$ 1,151,690	\$ 1,416,132	\$ 658,248	\$ 3,603,177
State of California	6,673,619	-	254,428	-	215,238	7,143,285
County of Los Angeles	1,072,101	1,875,795	208,601	-	16,953	3,173,450
Local government entities	11,247	-	-	-	48,294	59,541
<b>Total</b>	<b>\$ 7,756,967</b>	<b>\$ 2,252,902</b>	<b>\$ 1,614,719</b>	<b>\$ 1,416,132</b>	<b>\$ 938,733</b>	<b>\$ 13,979,453</b>

CITY OF POMONA

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2020

**Note 7: Land Held for Resale**

At June 30, 2020, land held for resale in the amount of \$4,490,541 is reported at the acquisition cost in the Housing Authority Special Revenue Fund.

**Note 8: Capital Assets**

**a. Government – Wide Financial Statements**

At June 30, 2020, the City's capital assets consisted of the following:

	Governmental Activities	Business-Type Activities	Total
<b>Nondepreciable assets:</b>			
Land	\$ 80,887,590	\$ 9,089,782	\$ 89,977,372
Construction in Progress	62,671,480	12,124,740	74,796,220
Total nondepreciable assets	<u>143,559,070</u>	<u>21,214,522</u>	<u>164,773,592</u>
<b>Depreciable assets:</b>			
Building and building improvements	15,081,452	3,482,783	18,564,235
Improvements other than buildings	65,560,366	871,529	66,431,895
Machinery and Equipment	21,610,951	227,823,903	249,434,854
Furniture and fixtures	1,044,044	5,105	1,049,149
Autos and trucks	12,142,545	6,763,049	18,905,594
Equipment under capitalized leases	3,542,763	4,257,381	7,800,144
Infrastructure	388,198,759	-	388,198,759
Total capital assets, at cost	<u>507,180,880</u>	<u>243,203,750</u>	<u>750,384,630</u>
<b>Less accumulated depreciation:</b>			
Building and building improvements	(13,205,981)	(3,340,233)	(16,546,214)
Improvements other than buildings	(32,114,064)	(218,050)	(32,332,114)
Machinery and equipment	(18,541,450)	(94,638,316)	(113,179,766)
Furniture and fixtures	(970,515)	(5,105)	(975,620)
Autos and trucks	(9,732,938)	(4,178,908)	(13,911,846)
Equipment under capitalized leases	(1,369,808)	(2,980,166)	(4,349,974)
Infrastructure	(287,017,616)	-	(287,017,616)
Total accumulated depreciation	<u>(362,952,372)</u>	<u>(105,360,778)</u>	<u>(468,313,150)</u>
Total depreciable assets, net	144,228,508	137,842,972	282,071,480
Total capital assets, net	<u>\$ 287,787,578</u>	<u>\$ 159,057,494</u>	<u>\$ 446,845,072</u>

CITY OF POMONA

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2020

Note 8: Capital Assets (Continued)

b. Governmental Activities

The following is a summary of changes in capital assets for governmental activities for the year ended June 30, 2020:

	Balance July 1, 2019	Adjustments	Adjusted Beginning Balance	Additions	Deletions	Transfers	Balance June 30, 2020
<b>Nondepreciable assets:</b>							
Land	\$ 80,836,521	\$ -	\$ 80,836,521	\$ 51,069	\$ -	\$ -	\$ 80,887,590
Construction in Progress	53,922,127	(6,082,595)	47,839,532	20,099,718	-	(5,267,770)	62,671,480
Total nondepreciable assets	<u>134,758,648</u>	<u>(6,082,595)</u>	<u>128,676,053</u>	<u>20,150,787</u>	<u>-</u>	<u>(5,267,770)</u>	<u>143,559,070</u>
<b>Depreciable assets:</b>							
Building and building	15,081,452	-	15,081,452	-	-	-	15,081,452
Improvements other than	64,605,613	-	64,605,613	-	-	954,753	65,560,366
Machinery and Equipment	22,185,075	-	22,185,075	329,384	(2,117,433)	1,213,925	21,610,951
Furniture and fixtures	1,044,044	-	1,044,044	-	-	-	1,044,044
Autos and trucks	11,674,847	-	11,674,847	873,761	(406,063)	-	12,142,545
Equipment under capitalized	3,557,892	-	3,557,892	34,617	(49,746)	-	3,542,763
Infrastructure	390,136,044	-	390,136,044	-	(5,036,377)	3,099,092	388,198,759
Total capital assets, at cost	<u>508,284,967</u>	<u>-</u>	<u>508,284,967</u>	<u>1,237,762</u>	<u>(7,609,619)</u>	<u>5,267,770</u>	<u>507,180,880</u>
<b>Less accumulated depreciation:</b>							
Building and building	(13,018,963)	-	(13,018,963)	(187,018)	-	-	(13,205,981)
Improvements other than	(30,585,621)	-	(30,585,621)	(1,528,443)	-	-	(32,114,064)
Machinery and equipment	(20,167,163)	-	(20,167,163)	(491,720)	2,117,433	-	(18,541,450)
Furniture and fixtures	(947,174)	-	(947,174)	(23,341)	-	-	(970,515)
Autos and trucks	(9,590,149)	-	(9,590,149)	(548,853)	406,064	-	(9,732,938)
Equipment under capitalized	(1,086,348)	-	(1,086,348)	(303,358)	19,898	-	(1,369,808)
Infrastructure	(284,737,983)	-	(284,737,983)	(6,882,354)	4,602,721	-	(287,017,616)
Total accumulated	<u>(360,133,401)</u>	<u>-</u>	<u>(360,133,401)</u>	<u>(9,965,087)</u>	<u>7,146,116</u>	<u>-</u>	<u>(362,952,372)</u>
Total depreciable assets, net	<u>148,151,566</u>	<u>-</u>	<u>148,151,566</u>	<u>(8,727,325)</u>	<u>(463,503)</u>	<u>5,267,770</u>	<u>144,228,508</u>
Total capital assets, net	<u>\$ 282,910,214</u>	<u>\$ (6,082,595)</u>	<u>\$ 276,827,619</u>	<u>\$ 11,423,462</u>	<u>\$ (463,503)</u>	<u>\$ -</u>	<u>\$ 287,787,578</u>

Depreciation expense for capital assets of the governmental activities for the year ended June 30, 2020, is as follows:

General government	\$ 403,878
Public safety	1,093,861
Development services	1,038,718
Neighborhood services	7,391,599
Internal service funds	37,031
Total	<u>\$ 9,965,087</u>

CITY OF POMONA

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2020

Note 8: Capital Assets (Continued)

c. Business-Type Activities

The following is a summary of changes in capital assets for business-type activities for the year ended June 30, 2020:

	Balance July 1, 2019	Adjustments	Adjusted Beginning Balance	Additions	Deletions	Balance June 30, 2020
<b>Nondepreciable assets:</b>						
Land	\$ 9,089,782	\$ -	\$ 9,089,782	\$ -	\$ -	\$ 9,089,782
Construction in Progress	8,745,774	2,550,009	11,295,783	828,957	-	12,124,740
Total nondepreciable assets	17,835,556	2,550,009	20,385,565	828,957	-	21,214,522
<b>Depreciable assets:</b>						
Building and building improvements	3,482,783	-	3,482,783	-	-	3,482,783
Improvements other than buildings	871,529	-	871,529	-	-	871,529
Machinery and Equipment	227,627,407	-	227,627,407	387,749	(191,253)	227,823,903
Furniture and fixtures	5,105	-	5,105	-	-	5,105
Autos and trucks	6,474,435	-	6,474,435	517,868	(229,254)	6,763,049
Equipment under capitalized leases	4,257,381	-	4,257,381	-	-	4,257,381
Total capital assets, at cost	242,718,640	-	242,718,640	905,617	(420,507)	243,203,750
<b>Less accumulated depreciation:</b>						
Building and building improvements	(3,330,584)	-	(3,330,584)	(9,649)	-	(3,340,233)
Improvements other than buildings	(184,816)	-	(184,816)	(33,234)	-	(218,050)
Machinery and equipment	(91,152,060)	-	(91,152,060)	(3,672,095)	185,839	(94,638,316)
Furniture and fixtures	(5,105)	-	(5,105)	-	-	(5,105)
Autos and trucks	(3,964,016)	-	(3,964,016)	(444,145)	229,253	(4,178,908)
Equipment under capitalized leases	(2,554,428)	-	(2,554,428)	(425,738)	-	(2,980,166)
Total accumulated depreciation	(101,191,009)	-	(101,191,009)	(4,584,861)	415,092	(105,360,778)
Total depreciable assets, net	141,527,631	-	141,527,631	(3,679,244)	(5,415)	137,842,972
Total capital assets, net	\$159,363,187	\$2,550,009	\$ 161,913,196	\$(2,850,287)	\$ (5,415)	\$159,057,494

Depreciation expense for capital assets of the business-type activities for the year ended June 30, 2020, is as follows:

Water	\$ 3,399,348
Sewer	657,639
Refuse	522,026
Canon Water Company	5,848
Total	<u>\$ 4,584,861</u>

Note 9: Other Investments

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

**CITY OF POMONA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2020**

**Note 10: Long-Term Liabilities**

The following is a summary of changes of long-term liabilities for the year ended June 30, 2020:

	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020	Due Within One Year	Due in more than One Year
<b>Governmental Activities:</b>						
Pollution remediation obligations	\$ 500,763	\$ -	\$ (448,977)	\$ 51,786	\$ 51,786	\$ -
Obligation under capital leases	1,973,191	-	(376,372)	1,596,819	376,370	1,220,449
Collateralized borrowing	3,131,140	-	(53,145)	3,077,995	55,249	3,022,746
Notes Payable	667,818	-	(131,782)	536,036	85,148	450,888
Revenue Bonds	79,159,819	-	(3,489,369)	75,670,450	3,429,000	72,241,450
Pension obligation refunding bonds	3,761,134	-	(268,533)	3,492,601	284,302	3,208,299
Accreted interest	4,198,865	296,467	-	4,495,332	350,698	4,144,634
Total governmental activities	\$ 93,392,730	\$ 296,467	\$ (4,768,178)	\$ 88,921,019	\$ 4,632,553	\$ 84,288,466

**a. Governmental Activities**

**Pollution Remediation Obligations**

The City acquired properties which were determined to have soil and groundwater contamination. The City is responsible for the investigation, characterization and remediation of the soil and groundwater from the contamination. The City's remediation costs were initially estimated at \$1,781,262. During the current fiscal year, the City had no clean-up cost. The remaining outstanding cost to complete the clean-up is estimated at \$51,786 at June 30, 2020.

**Obligations Under Capital Leases**

At June 30, 2020, obligations under capital lease consisted of the following:

	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020	Due Within One Year
BBVA	\$ 1,973,191	\$ -	\$ (376,372)	\$ 1,596,819	\$ 376,370

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



CITY OF POMONA

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2020

---

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

The total leased assets by major asset class consisted of the following at June 30, 2020:

Equipment under capitalized leases, at cost	\$ 4,257,381
Accumulated depreciation	<u>(2,980,167)</u>
Equipment under capitalized leases, net	<u>\$ 1,277,214</u>

The depreciation expense for equipment under capitalized leases was \$425,738 for the year ended June 30, 2020.

The rates of interest on the lease purchase agreements range from 2.19% to 3.30% per annum. Future minimum lease payments under the capital lease at June 30, 2020 is as follows:

Year Ending June 30,	
2021	\$ 423,254
2022	211,068
2023	205,628
2024	200,189
2025	194,749
2026-2028	<u>551,609</u>
Subtotal	1,786,497
Less amount representing interest	<u>(189,678)</u>
Present value of future minimum lease payments	<u>\$ 1,596,819</u>

**Collateralized Borrowing**

During 2019, the City entered into a 31-year lease agreement with Crown Castle on five cell tower sites and received a one-time payment of \$3,131,140 in exchange for future rent revenues totaling \$5,394,000. The rate of this agreement is 3.89% per annum.

CITY OF POMONA

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2020

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

The annual debt service requirement for the collateralized borrowing at June 30, 2020, is as follows:

Year Ending June 30,	Principal	Interest	Total
2021	\$ 55,249	\$ 118,751	\$ 174,000
2022	57,437	116,563	174,000
2023	59,712	114,288	174,000
2024	62,076	111,924	174,000
2025	64,534	109,466	174,000
2026-2030	363,089	506,911	870,000
2031-2035	440,903	429,097	870,000
2036-2040	535,394	334,606	870,000
2041-2045	650,135	219,865	870,000
2046-2050	789,466	80,534	870,000
Total	<u>\$ 3,077,995</u>	<u>\$ 2,142,005</u>	<u>\$ 5,220,000</u>

**Notes Payable**

At June 30, 2020, notes payable consisted of the following:

	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020	Due Within One Year
Hud Section 108 Loan	\$ 100,000	\$ -	\$ (20,000)	\$ 80,000	\$ 20,000
Fire Station Roof Replacement	46,634	-	(46,634)	-	-
Southern California Edison On Bill Financing	521,184	-	(65,148)	456,036	65,148
	<u>\$ 667,818</u>	<u>\$ -</u>	<u>\$ (131,782)</u>	<u>\$ 536,036</u>	<u>\$ 85,148</u>

**HUD Section 108 Loan**

The City has three notes guaranteed by the United States Department of Housing and Urban Development (“HUD”) under Section 108 of the Community Development Act and are payable from future Community Development Block Grant (“CDBG”) entitlements. The notes were made to Casa Herrera (\$2,375,000) on February 1, 1998; Village Car Wash (\$100,000) on September 17, 2012; and Freddie’s Auto Repair (\$100,000) on August 20, 2012. On June 30, 2010, the balance of the original loan for Casa Herrera was defeased to refinance the loan at a lower interest rate. The new interest rate for Casa Herrera ranges from 4.96% to 5.77%, with new loan terms beginning on February 1, 2011 and maturing August 1, 2016. The interest rate for both Village Car Wash and Freddie’s Auto Repair is variable and equal to 20 basis points (0.2%) above the applicable London Interbank Offered Rates (“LIBOR”), at 2.5%, with loan terms beginning on July 1, 2013 and maturing on August 1, 2023. Casa Herrera is responsible for the principal payment on its note and the City is responsible for the interest payment. Village Car Wash and Freddie’s Auto Repair are responsible for principal and interest payments on its notes. All notes are guaranteed by CDGB funds; thus, in the event of default, the City’s CDBG entitlement funds may be used to cover any outstanding debt.

CITY OF POMONA

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2020

---

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

The annual debt service requirement at June 30, 2020 is as follows:

Year Ending June 30,	Principal	Interest	Total
2021	\$ 20,000	\$ 3,000	\$ 23,000
2022	20,000	3,000	23,000
2023	20,000	-	20,000
2024	20,000	-	20,000
Total	\$ 80,000	\$ 6,000	\$ 86,000

Fire Station Roof Replacement

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

The City made the final payment, and the loan was fully paid off during the year ending June 30, 2020.

Southern California Edison On Bill Financing

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

The annual debt service requirement at June 30, 2020 as follow:

Year Ending June 30,	Principal	Interest	Total
2021	\$ 65,148	\$ -	\$ 65,148
2022	65,148	-	65,148
2023	65,148	-	65,148
2024	65,148	-	65,148
2025	65,148	-	65,148
2026-2028	130,296	-	130,296
Total	\$ 456,036	\$ -	\$ 456,036

CITY OF POMONA

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2020

Note 10: Long-Term Liabilities (Continued)

**Revenue Bonds**

At June 30, 2020, revenue bonds consisted of the following:

	Balance 1, 2019	July Additions	Deletions	Balance 30, 2020	Due Within One Year
2005 Subordinate Revenue Bonds Series AL	\$ 1,845,000	\$ -	\$ (585,000)	\$ 1,260,000	\$ 615,000
2005 Reassessment and Refunding Bonds, Series AM	1,657,000	-	(516,000)	1,141,000	549,000
2016 Lease Revenue Refunding Bonds Series BC	24,455,000	-	(1,125,000)	23,330,000	1,160,000
Unamortized Bond Premium	1,917,819	-	(113,369)	1,804,450	-
2017 Taxable Lease Revenue Refunding Bonds, Series BG	49,285,000	-	(1,150,000)	48,135,000	1,105,000
Total	<u>\$ 79,159,819</u>	<u>\$ -</u>	<u>\$ (3,489,369)</u>	<u>\$ 75,670,450</u>	<u>\$ 3,429,000</u>

**Unamortized Deferred Loss on Refunding**

2017 Taxable Lease Revenue Refunding Bonds, Series BG	\$ (376,133)	\$ -	\$ 23,513	\$ (352,620)
	<u>\$ (376,133)</u>	<u>\$ -</u>	<u>\$ 23,513</u>	<u>\$ (352,620)</u>

**Unamortized Deferred Gain on Refunding**

2016 Lease Revenue Refunding Bond, Series BC	\$ 405,179	\$ -	\$ (23,951)	\$ 381,228
	<u>\$ 405,179</u>	<u>\$ -</u>	<u>\$ (23,951)</u>	<u>\$ 381,228</u>

**2005 Subordinate Revenue Bonds, Series AL- Original Issuance \$11,370,000**

On February 1, 2005, the Public Financing Authority issued \$11,370,000 in 2005 Subordinate Revenue Bonds, Series AL to purchase the 2005 Reassessment and Refunding Revenue Bonds, Series AM, to finance certain capital improvements in the City and to fund a reserve account for the Bonds. Interest on the bonds is payable semiannually on each September 2 and March 2, commencing September 2, 2005. The rate of interest ranges from 2.50% to 5.10% per annum. Principal on the subordinate revenue bonds is payable in annual installments ranging from \$275,000 to \$955,000. During 2008, the bonds in the amount of \$1,975,000 were called.

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

On February 1, 2005, the City issued \$9,524,000 in 2005 Reassessment and Refunding Revenue Bonds, Series AM, to provide funds to refund the refunding Improvement Bonds, Assessment District No. 294. Interest on the bonds is payable semiannually on each September 2 and March 2. The rate of interest is 7.22% per annum. During 2008, the bonds in the amount of \$1,920,000 were called. The annual debt service requirement for the 2005 Subordinate Revenue Bonds, Series AL outstanding at June 30, 2020, is as follows:

Year Ending June 30,	Principal	Interest	Total
2021	\$ 549,000	\$ 62,561	\$ 611,561
2022	592,000	21,371	613,371
Total	<u>\$ 1,141,000</u>	<u>\$ 83,932</u>	<u>\$ 1,224,932</u>

**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2020**
**Note 10: Long-Term Liabilities (Continued)**

The annual debt service requirement for the 2005 Subordinate Revenue Bonds, Series AL outstanding at June 30, 2020, is as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 615,000	\$ 48,270	\$ 663,270
2022	645,000	16,448	661,448
Total	<u>\$ 1,260,000</u>	<u>\$ 64,718</u>	<u>\$ 1,324,718</u>

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

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

The current refunding resulted in a difference between the acquisition price (Series BC) and the net carrying amount of the relinquished bonds (Series AG and AN) in the amount of \$437,040. This amount is reported as deferred gain on refunding. This deferred amount is amortized through June 1, 2034, the maturity date of the refunded debt (Series AG). The refunding also resulted in the net present value savings in the amount of \$6,224,352 and savings in debt service payments in the amount of \$9,737,668.

Interest on the bonds is payable semiannually on each December 1 and June 1 and the final principal matures on June 1, 2036. The rates of interest range from 2% to 4% per annum. Principal is payable in annual installments ranging from \$1,085,000 to \$1,810,000. The bonds are secured by certain revenues consisting of certain Lease Payments with respect to the leased property by the City.

The annual debt service requirement for the 2016 Lease Revenue Refunding bonds, Series BC outstanding at June 30, 2020, is as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 1,160,000	\$ 794,363	\$ 1,954,363
2022	1,195,000	759,038	1,954,038
2023	1,230,000	722,663	1,952,663
2024	1,265,000	678,913	1,943,913
2025	1,320,000	627,213	1,947,213
2026-2030	7,425,000	2,295,997	9,720,997
2031-2035	8,290,000	956,216	9,246,216
2036	1,445,000	25,225	1,470,225
Total	<u>\$ 23,330,000</u>	<u>\$ 6,859,628</u>	<u>\$ 30,189,628</u>

CITY OF POMONA

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2020

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

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

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

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

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

The annual debt service requirement for 2017 Lease Revenue Refunding Bonds, Series BG outstanding at June 30, 2020, is as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 1,105,000	\$ 1,858,148	\$ 2,963,148
2022	1,055,000	1,831,264	2,886,264
2023	990,000	1,803,715	2,793,715
2024	940,000	1,775,691	2,715,691
2025	875,000	1,748,091	2,623,091
2026-2030	3,250,000	8,363,955	11,613,955
2031-2035	10,770,000	7,066,186	17,836,186
2036-2040	13,120,000	4,662,389	17,782,389
2041-2045	16,030,000	1,692,451	17,722,451
Total	<u>\$ 48,135,000</u>	<u>\$ 30,801,890</u>	<u>\$ 78,936,890</u>

**Pension Obligation Bonds**

	<u>Balance July 1, 2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2020</u>	<u>Due Within One Year</u>
2006 Pension Obligation Bonds					
Series AR	\$ 3,761,134	\$ -	\$ (268,533)	\$ 3,492,601	\$ 284,302
Accreted Interest	4,198,865	296,467	-	4,495,332	350,698
Total	<u>\$ 7,959,999</u>	<u>\$ 296,467</u>	<u>\$ (268,533)</u>	<u>\$ 7,987,933</u>	<u>\$ 635,000</u>

**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2020**

---

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

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

The City is a member of the California Public Employees' Retirement System ("CalPERS"), a public employees' defined benefits retirement program. In 2004, the City issued \$32,300,000 and \$5,700,000 in Pension Obligation Bonds, in order to fund the City's unamortized, unfunded actuarial accrued liability and to fund the current year General Fund contributions to CalPERS.

On February 1, 2006, the City issued \$42,280,684 in 2006 Pension Obligations Refunding Bonds, Series AR to refund the City's outstanding Pension Obligation Refunding Bonds, Series 004 AJ and its Pension Obligation Refunding Bonds, Series 2004 AK, to capitalize certain interest on the Bonds and to pay the costs of issuing the Bonds. The refunding achieved net present value savings of \$868,932, or 2.3% of refunded par and changed the debt structure from variable rate to fixed rate.

The Bonds were issued as current interest bonds in the principal amount of \$36,205,000 and as capital appreciations bonds in the original issue amount of \$6,075,684.

Interest on the current interest bonds is payable semi-annually on each January 1 and July 1. The rates of interest vary and range from 5.492% to 5.832% per annum. Principal is payable in annual installments ranging from \$71,302 to \$5,140,000. The current interest bonds were current refunded by the 2017 Lease Revenue Refunding Bonds, Series BG during the year ended June 30, 2017.

The capital appreciation bonds bear interest ranges from 5.24% to 5.68% and are payable only at maturity. The accreted value of each capital appreciation bond is equal to its accreted value upon the maturity thereof, being comprised of its initial purchase price and the accreted interest between the delivery date and its respective maturity date. The obligation of the City to make payments with respect to the Bonds is an absolute and unconditional obligation of the City imposed upon the City by the Retirement Law and is not limited to any special source of funds. The City's obligation for the Bonds is any money available in the City's General Fund. The Bonds are not secured or limited as to payment by any special source of funds of the City. The current interest bonds are subject to redemption prior to maturity. The capital appreciation bonds are not subject to redemption prior to maturity.

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

CITY OF POMONA

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2020

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

The annual debt service requirement outstanding at June 30, 2020, is as follows:

Year Ending June 30,	Principal	Interest	Accreted Interest	Total
2021	\$ 284,302	\$ 34,474	\$ 316,224	\$ 635,000
2022	299,726	75,246	335,028	710,000
2023	319,328	123,736	356,936	800,000
2024	332,130	176,634	371,236	880,000
2025	346,154	229,532	394,314	970,000
2026-2030	1,910,961	1,742,445	2,721,594	6,375,000
Total	<u>\$ 3,492,601</u>	<u>\$ 2,382,067</u>	<u>\$ 4,495,332</u>	<u>\$ 10,370,000</u>

**Outstanding Principal Capital-Related Debt**

The City has acquired capital assets through the issuance of bonds and capital lease obligations. The following is the outstanding balance at June 30, 2020, of capital assets and related debt:

2016 Refunding Revenue Bond, Series BC	\$ 25,134,450
2017 Taxable Lease Revenue Refunding Bonds, Series BG (24.4%)	11,744,940
Capital Lease Obligations	1,596,819
Total	<u>\$ 38,476,209</u>

**b. Business-Type Activities**

	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020	Due Within One Year	Due in more than One Year
<b>Business-Type Activities:</b>						
Obligation under capital leases	\$ 628,993	\$ -	\$ (628,993)	\$ -	\$ -	\$ -
Revenue Bonds	112,351,013	-	(2,511,744)	109,839,269	2,455,000	107,384,269
Total business-type activities	<u>\$ 112,980,006</u>	<u>\$ -</u>	<u>\$ (3,140,737)</u>	<u>\$ 109,839,269</u>	<u>\$ 2,455,000</u>	<u>\$ 107,384,269</u>

**Obligations Under Capital Leases**

	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020	Due Within One Year
HCC #1	<u>\$ 628,993</u>	<u>\$ -</u>	<u>\$ (628,993)</u>	<u>\$ -</u>	<u>\$ -</u>

The City made its final payment during the current fiscal year.



CITY OF POMONA

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2020

Note 10: Long-Term Liabilities (Continued)

**Revenue Bonds**

	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020	Due Within One Year
2016 Revenue Refunding Bonds, (Sewer Project), Series BB	\$ 8,425,000	\$ -	\$ -	\$ 8,425,000	\$ -
Unamortized Bond Discount	(18,183)	-	776	(17,407)	-
2016 Taxable Revenue Refunding Bonds (Sewer Project), Series BD	3,535,000	-	(350,000)	3,185,000	355,000
Unamortized Bond Discount	(36,041)	-	3,687	(32,354)	-
2017 Refunding Revenue Bonds (Water Facilities), Series BE	32,355,000	-	-	32,355,000	-
Unamortized Bond Premium	3,095,237	-	(111,207)	2,984,030	-
2017 Taxable Refunding Revenue Bonds (Water Facilities), Series BF	51,815,000	-	(1,840,000)	49,975,000	1,875,000
2018 Taxable Refunding Revenue (Sewer Project), Series BH	13,180,000	-	(215,000)	12,965,000	225,000
Total	<u>\$ 112,351,013</u>	<u>\$ -</u>	<u>\$ (2,511,744)</u>	<u>\$ 109,839,269</u>	<u>\$ 2,455,000</u>
<b>Unamortized Deferred Loss on Refunding:</b>					
2016 Revenue Refunding Bonds, (Sewer Project), Series BB	\$ (357,406)	\$ -	\$ 5,088	\$ (352,318)	
2016 Taxable Revenue Refunding Bonds (Sewer Project), Series BD	(128,112)	-	4,534	(123,578)	
Total	<u>\$ (485,518)</u>	<u>\$ -</u>	<u>\$ 9,622</u>	<u>\$ (475,896)</u>	
<b>Unamortized Deferred Gain on Refunding:</b>					
2017 Refunding Revenue Bonds (Water Facilities), Series BE	\$ 1,299,014	\$ -	\$ (46,671)	\$ 1,252,343	
2017 Taxable Refunding Revenue Bonds (Water Facilities), Series BF	1,854,629	-	(66,633)	1,787,996	
Total	<u>\$ 3,153,643</u>	<u>\$ -</u>	<u>\$ (113,304)</u>	<u>\$ 3,040,339</u>	

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

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2020**

---

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

Interest on the bonds is payable semiannually on each December 1 and June 1 and the final principal matures on December 1, 2042. The rates of interest range from 3.25% to 4.00% per annum. Principal is payable in annual installments ranging from \$360,000 to \$710,000. The bonds are secured by an installment Sale Agreement, dated as of November 1, 2016 between the City and the Authority. The Installment Payments are a special limited obligation of the City, payable from and secured by a pledge of and first lien on all Net Revenues, subject to the parity lien securing the Authority's 2007 Installment Sale Agreement, in the Sewer Enterprise Fund held by the City in trust under the Installment Sale Agreement.

The annual debt service requirement for the 2016 Revenue Refunding Bonds (Sewer Projects), Series BB outstanding at June 30, 2020 is as follows:

Year Ending June 30,	Principal	Interest	Total
2021	\$ -	\$ 292,019	\$ 292,019
2022	-	292,019	292,019
2023	-	292,019	292,019
2024	-	292,019	292,019
2025	-	292,019	292,019
2026-2030	815,000	1,445,694	2,260,694
2031-2035	2,545,000	1,112,719	3,657,719
2036-2040	3,010,000	655,619	3,665,619
2041-2043	2,055,000	140,400	2,195,400
Total	\$ 8,425,000	\$ 4,814,527	\$ 13,239,527

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

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

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

Interest on the bonds is payable semiannually on each December 1 and June 1 and the final principal matures on December 1, 2028. The rates of interest range from 1.125% to 3.000% per annum. Principal is payable in annual installments ranging from \$80,000 to \$425,000. The bonds are secured by an Installment Sale Agreement, dated as of November 1, 2016 between the City and the Authority. The Installment Payments are a special limited obligation of the City, payable from and secured by a pledge of and first lien on all Net Revenues, subject to the parity lien securing the Authority's 2007 Installment Sale Agreement, in the Sewer Enterprise Fund held by the City in trust under the Installment Sale Agreement.

**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2020**
**Note 10: Long-Term Liabilities (Continued)**

The annual debt service requirement for the 2016 Taxable Revenue Refunding Bonds (Sewer Projects), Series BD outstanding at June 30, 2020, is as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 355,000	\$ 80,088	\$ 435,088
2022	365,000	72,988	437,988
2023	370,000	65,231	435,231
2024	380,000	56,906	436,906
2025	390,000	47,406	437,406
2026-2029	1,325,000	80,219	1,405,219
Total	<u>\$ 3,185,000</u>	<u>\$ 402,838</u>	<u>\$ 3,587,838</u>

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

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

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

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

The annual debt service requirement for the 2017 Taxable Refunding Revenue Bonds (Water Facility Project), Series BE outstanding at June 30, 2020, is as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ -	\$ 1,452,150	\$ 1,452,150
2022	-	1,452,150	1,452,150
2023	-	1,452,150	1,452,150
2024	-	1,452,150	1,452,150
2025	-	1,452,150	1,452,150
2026-2030	1,935,000	7,223,500	9,158,500
2031-2035	6,875,000	6,161,950	13,036,950
2036-2040	8,400,000	4,628,150	13,028,150
2041-2045	10,295,000	2,744,400	13,039,400
2046-2047	4,850,000	366,750	5,216,750
Total	<u>\$ 32,355,000</u>	<u>\$ 28,385,500</u>	<u>\$ 60,740,500</u>

**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2020**

---

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

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

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

The current refunding resulted in a difference between the acquisition price (Series BF) and the net carrying amount of the relinquished bonds (series AY and AZ) in the amount of \$1,991,001. This amount is reported as deferred gain on refunding. The deferred amount is amortized through May 1, 2047, the maturity date of the refunded and refunding debt. The refunding also resulted in a net present value savings in the amount of \$9,412,637 and savings in debt service payments in the amount of \$26,091,863.

Interest on the bonds is payable semiannually on each November 1 and May 1 and the final principal matures on May 1, 2047. The rates of interest range from 1.530% to 4.050% per annum. Principal is payable in annual installments ranging from \$1,510,000 to \$2,420,000. The bonds are limited obligations of the City payable solely from net revenues, which consist of revenues from the City's water system remaining after payment of operation and maintenance costs of the City's water system, and from amounts on deposit in certain funds and accounts created under the bond indenture, including the rate stabilization fund.

The annual debt service requirement for the 2017 Taxable Refunding Revenue Bonds (Water Facility Project), Series BF outstanding at June 30, 2020, is as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 1,875,000	\$ 1,774,309	\$ 3,649,309
2022	1,925,000	1,727,702	3,652,702
2023	1,970,000	1,676,666	3,646,666
2024	2,025,000	1,620,975	3,645,975
2025	2,080,000	1,560,798	3,640,798
2026-2030	9,515,000	6,800,063	16,315,063
2031-2035	7,025,000	5,431,746	12,456,746
2036-2040	8,490,000	3,931,558	12,421,558
2041-2045	10,325,000	2,039,074	12,364,074
2046-2047	4,745,000	194,096	4,939,096
Total	<u>\$ 49,975,000</u>	<u>\$ 26,756,987</u>	<u>\$ 76,731,987</u>

CITY OF POMONA

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2020

---

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

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

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

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

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

The annual debt service requirement for the 2017 Taxable Refunding Revenue Bonds (Sewer Project), Series BH outstanding at June 30, 2020, is as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 225,000	\$ 503,698	\$ 728,698
2022	225,000	497,622	722,622
2023	235,000	491,013	726,013
2024	240,000	483,793	723,793
2025	250,000	476,058	726,058
2026-2030	1,355,000	2,245,615	3,600,615
2031-2035	1,650,000	1,960,228	3,610,228
2036-2040	2,005,000	1,599,158	3,604,158
2041-2045	3,990,000	1,083,835	5,073,835
2046-2047	2,790,000	115,620	2,905,620
Total	<u>\$ 12,965,000</u>	<u>\$ 9,456,640</u>	<u>\$ 22,421,640</u>

**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2020**

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

**Pledged Revenue**

The City has pledged certain revenue to the repayment of its Water and Sewer Enterprise Fund bonds through final maturity on May 1, 2047, or earlier. These bonds were issued to refinance Series AF, AY, AZ and BA. All net available revenues are irrevocably pledged by the City to the repayment of the bond's debt services. During the year ended June 30, 2020, the Water and Sewer Enterprise Funds have net available revenues of \$17,121,015 and total debt service paid was \$6,575,121. The sewer and Water Revenue Bonds require net revenue of 100% and 120% of debt service, respectively. Annual principal and interest payments on the bonds are expected to require roughly 45% of future net revenue. The total principal and interest remaining to be paid at June 30, 2020, on the Bonds is as follows:

<b>Debt Issue</b>	<b>Remaining Balance</b>
2016 Revenue Refunding Bonds, Series BB	\$ 13,093,515
2016 Taxable Revenue Refunding Bonds, Series BD	3,547,794
2017 Refunding Revenue Bonds, Series BE	60,740,500
2017 Taxable Refunding Revenue Bonds, Series BF	77,630,282
2018 Revenue Bonds (Sewer Project), Series BH	22,421,639
Total	<u>\$177,433,730</u>
<b>Revenue</b>	<b>2019-2020</b>
Net available revenues, excluding debt service	<u>\$ 17,121,015</u>

**Outstanding Principal on Capital-Related Debt**

The City has acquired capital assets through the issuance of bonds and capital lease obligations. Following is the outstanding balance of capital assets related debt at June 30, 2020.

	<b>Outstanding Capital Related Debt, net</b>
<b>Water Enterprise Fund:</b>	
2017 Refunding Revenue Bonds, Series BE	\$ 35,339,030
2017 Taxable Refunding Revenue Bonds, Series BF	49,975,000
Subtotal	<u>85,314,030</u>
<b>Sewer Enterprise Fund:</b>	
2016 Revenue Refunding Bonds, Series BB	8,407,593
2016 Taxable Revenue Refunding Bonds, Series BD	3,152,646
2018 Taxable Revenue Refunding Bonds, Series BH	12,965,000
Subtotal	<u>24,525,239</u>
Total	<u>\$ 109,839,269</u>

CITY OF POMONA

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2020

**Note 11: Compensated Absences**

The City’s policies relating to compensated absences are described in Note 1. The liability will be paid in future years by the General Fund. In the business-type activities, the liability for vested and unpaid compensated absences (accrued, vacation, sick pay, executive leave, and comp time) is reported in the fund as the benefits are earned and vest. For the business-type activities, the liabilities will be liquidated in future years from the respective enterprise funds.

	Balance June 30, 2019	Additions	Deletions	Balance June 30, 2020	Due in One Year
<b>Compensated Absences</b>					
Governmental activities	\$ 7,294,632	\$ 5,227,522	\$ 4,645,153	\$ 7,877,001	\$ 5,228,000
Business-type activities	1,442,375	1,080,748	929,334	1,593,789	1,063,660
	<u>\$ 8,737,007</u>	<u>\$ 6,308,270</u>	<u>\$ 5,574,487</u>	<u>\$ 9,470,790</u>	<u>\$ 6,291,660</u>

**Note 12: Non-City Obligations**

The following bond issues are not reflected as City long-term debt because these debts are solely payable from and secured by specific revenue sources described in the official statements of the respective issues. Neither the faith and credit nor the taxing power of the City, the Successor Agency, the State of California, or any political subdivision thereof, is pledged for payment of these bonds. Accordingly, since this debt does not constitute an obligation of the City, it is not reflected as long-term debt in the accompanying basic financial statements. The City is acting only as an agent.

**Mortgage Revenue Bonds**

Single family and multifamily housing revenue bonds were issued to provide construction and permanent financing to developers of multifamily residential projects located in the City to be partially occupied by persons of low and moderate income. These bonds are secured by first trust deeds and private mortgage insurance. The bonds, together with interest thereon, are payable solely from home mortgage and developer loans secured by first deeds of trust, irrevocable letters of credit and irrevocable surety bonds. The mortgage revenue bonds outstanding at June 30, 2020, is as follows:

<b>Mortgage Revenue Bonds</b>	<b>Balance as of June 30, 2020</b>
Single Family Mortgage Refunding Bonds 90A	\$ 16,820,000
Single Family Mortgage Refunding Bonds 90B	7,730,000
Total	<u>\$ 24,550,000</u>

CITY OF POMONA

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2020

Note 13: Defined Benefit Pension Plan

	Governmental Activities	Business-Type Activities	Total
<b>Deferred Outflows of Resources:</b>			
Pension contribution made after measurement date:			
Miscellaneous	\$ 5,739,824	\$ 2,019,192	\$ 7,759,016
Safety	11,896,017	-	11,896,017
Difference between expected and actual experience:			
Miscellaneous	1,066,959	335,241	1,402,200
Safety	4,627,533	-	4,627,533
Net difference in projected and actual earnings on pension plan investments:			
Collateral Plan	5,348	-	5,348
Total deferred outflows of resources	<u>\$ 23,335,681</u>	<u>\$ 2,354,433</u>	<u>\$ 25,690,114</u>
<b>Net Pension Liabilities:</b>			
Miscellaneous	\$ 57,669,311	\$ 19,947,529	\$ 77,616,840
Safety	128,944,435	-	128,944,435
Collateral Plan	631,376	-	631,376
Total net pension liabilities:	<u>\$ 187,245,122</u>	<u>\$ 19,947,529</u>	<u>\$ 207,192,651</u>
<b>Deferred Inflows of Resources:</b>			
Changes in assumption			
Safety	\$ 594,716	\$ -	\$ 594,716
Net difference in projected and actual earnings on pension plan investments:			
Miscellaneous	810,275	280,269	1,090,544
Safety	1,075,454	-	1,075,454
Total deferred inflows of resources	<u>\$ 2,480,445</u>	<u>\$ 280,269</u>	<u>\$ 2,760,714</u>
<b>Pension Expense (Credit):</b>			
Miscellaneous	\$ 9,905,790	\$ 2,072,344	\$ 11,978,134
Safety	23,635,211	-	23,635,211
Collateral Plan	(108,240)	-	(108,240)
Total pension expense	<u>\$ 33,432,761</u>	<u>\$ 2,072,344</u>	<u>\$ 35,505,105</u>



CITY OF POMONA

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2020

Note 13: Defined Benefit Pension Plan (Continued)

a. CalPERS Plans

*General Information about the Pension Plan*

**Plan Description**

The City contributes to the California Public Employees' Retirement System ("CalPERS"), and agent multiple-employer public employee defined benefit pension plan. CalPERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by state statute and City ordinance. A full description of the pension plan regarding number of employees covered, benefit provisions, assumptions (for funding, but not accounting purposes), and membership information are listed in the annual actuarial valuation report. This report and CalPERS' audited financial statements are publicly available reports that can be obtained at CalPERS' website under Forms and Publications.

**Benefit Provided**

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

The plans' provisions and benefits in effect for the measurement period ended June 30, 2019 are summarized as follows:

	<b>Miscellaneous Plan</b>		
	<u>Tier 1*</u>	<u>Tier 2*</u>	<u>PEPRA</u>
Hire Date	Prior to August 14, 2011	On or After August 14, 2011 to January 1, 2013	On or after January 2, 2013
Benefit formula	2.0% @ 55	2.0% @ 60	2.0% @ 62
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	Monthly for Life	Monthly for Life	Monthly for Life
Retirement age	Minimum 50 years	Minimum 50 years	Minimum 52 years
Monthly benefits, as a % of eligible compensation	1.426% - 2.418%, 50 - 63+ years, respectively	1.092% - 2.418%, 50 - 63+ years, respectively	1.000% - 2.5000%, 52 - 67+ years, respectively
Required employee contribution rates	7.000%	7.000%	6.250%
Required employer contribution rates	8.226%	8.226%	8.226%

\*Plan is closed to new entrants

**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2020**
**Note 13: Defined Benefit Pension Plan (Continued)**

	Safety Plan		
	Tier 1*	Tier 2*	PEPRA
	Prior to	On or After	On or after
Hire Date	November 21, 2010	November 21, 2010 to January 1, 2013	January 1, 2013
Benefit formula	3.0% @ 50	3.0% @ 55	2.7% @ 57
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	Monthly for Life	Monthly for Life	Monthly for Life
Retirement age	Minimum 50 years	Minimum 50 years	Minimum 52 years
Monthly benefits, as a % of eligible compensation		2.400% - 3.000%, 50 - 55 years, respectively	2.000% - 2.700%, 50 - 57+ years, respectively
Required employee contribution rates	3.000%, 50+ years 9.000%	9.000%	12.000%
Required employer contribution rates	22.695%	22.695%	22.695%

\*Plan is closed to new entrants

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

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

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2020**

---

**Note 13: Defined Benefit Pension Plan (Continued)****Employees Covered by Benefit Terms**

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

	<b>Plans</b>	
	<b>Miscellaneous</b>	<b>Safety</b>
Active members	344	150
Transferred members	320	21
Terminated Members	188	20
Retired members and beneficiaries	893	392
Total	1745	583

**Contributions**

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

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

For the measurement period ended June 30, 2019, the total pension liability was determined by rolling forward the June 30, 2018 total pension liability. The June 30, 2019 total pension liabilities were based on the following actuarial methods and assumptions:

Valuation Date	June 30, 2018
Measurement Date	June 30, 2019
Actuarial Cost Method	Entry Age Normal Cost Method
Actuarial Assumptions	
Discount Rate	7.00% (net of administrative expenses)
Inflation	2.50%
Projected Salary Increases	Varies by Entry Age and Service
Mortality Rate Table (1)	Derived using CalPERS' Membership Data for all Funds
Post Retirement Benefit Increase	Contract COLA up to 2.0% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.50% thereafter

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2020**

---

**Note 13: Defined Benefit Pension Plan (Continued)**

**Long-Term Expected Rate of Return**

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

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all of the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses. The expected real rates of return by asset class are as followed:

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

(1) In the System's CAFR, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.

(2) An expected inflation of 2.0% used for this period.

(3) An expected inflation of 2.92% used for this period.

CITY OF POMONA

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2020

Note 13: Defined Benefit Pension Plan (Continued)

Discount Rate

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

*Changes in the Net Position Liability*

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

<u>Miscellaneous Plan</u>	<u>Increase (Decrease)</u>		
	<u>Total Pension Liability (a)</u>	<u>Plan Fiduciary Net Position (b)</u>	<u>Net Pension Liability (c) = (a) - (b)</u>
Balance at June 30, 2018 (Valuation Date)	\$ 292,300,757	\$ 219,662,512	\$ 72,638,245
Changes Recognized from the Measurement Period			
Service Cost	3,678,697	-	3,678,697
Interest on the Total Pension Liability	20,653,574	-	20,653,574
Changes of Benefit Terms	-	-	-
Difference between Expected and Actual Experience	2,804,401	-	2,804,401
Changes of Assumptions	-	-	-
Contribution from the Employer	-	6,340,816	(6,340,816)
Contribution from Employees	-	1,746,619	(1,746,619)
Net Investment Income	-	14,226,888	(14,226,888)
Benefit Payments including Refunds of Employee Contributions	(16,166,651)	(16,166,651)	-
Plan to Plan Resource Movement	-	-	-
Administrative Expense	-	(156,756)	156,756
Other Miscellaneous Income (Expense)	-	510	(510)
Net Change during July 1, 2018 to June 30, 2019	<u>10,970,021</u>	<u>5,991,426</u>	<u>4,978,595</u>
Balance at June 30, 2019 (Measurement Date)	<u>\$ 303,270,778</u>	<u>\$ 225,653,938</u>	<u>\$ 77,616,840</u>

CITY OF POMONA

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2020

Note 13: Defined Benefit Pension Plan (Continued)

Safety Plan	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (c) = (a) - (b)
Balance at June 30, 2018 (Valuation Date)	\$ 374,523,854	\$ 256,015,014	\$ 118,508,840
Changes Recognized from the Measurement Period			
Service Cost	5,283,890	-	5,283,890
Interest on the Total Pension Liability	26,641,545	-	26,641,545
Changes of Benefit Terms	-	-	-
Difference between Expected and Actual Experience	6,506,181	-	6,506,181
Changes of Assumptions	-	-	-
Contribution from the Employer	-	10,065,972	(10,065,972)
Contribution from Employees	-	1,577,765	(1,577,765)
Net Investment Income	-	16,534,386	(16,534,386)
Benefit Payments including Refunds of Employee Contributions	(22,125,918)	(22,125,918)	-
Plan to Plan Resource Movement	-	-	-
Administrative Expense	-	(182,698)	182,698
Other Miscellaneous Income (Expense)	-	596	(596)
Net Change during July 1, 2018 to June 30, 2019	16,305,698	5,870,103	10,435,595
Balance at June 30, 2019 (Measurement Date)	\$ 390,829,552	\$ 261,885,117	\$ 128,944,435

*Changes in the Net Pension Liability*

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

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

	Plan's Net Pension Liability		
	Current		
	Discount Rate -1% (6.15%)	Discount Rate (7.15%)	Discount Rate +1% (8.15%)
Miscellaneous Plan	\$ 116,186,777	\$ 77,616,840	\$ 45,680,539
Safety Plan	\$ 179,163,518	\$ 128,944,435	\$ 87,577,130

Pension Plan Fiduciary Net Position

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

CITY OF POMONA

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2020

**Note 13: Defined Benefit Pension Plan (Continued)**

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

For the measurement period ending June 30, 2019, the City incurred a pension expense of \$11,978,134 and \$23,635,211 for Miscellaneous and Safety plans, respectively.

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

	Miscellaneous Plan		Safety Plan	
	Deferred outflows of resources	Deferred inflows of Resources	Deferred outflows of resources	Deferred inflows of Resources
Pension contribution after measurement date	\$ 7,759,016	\$ -	\$ 11,896,017	\$ -
Changes of assumptions	-	-	-	(594,716)
Differences between expected and actual experiences	1,402,200	-	4,627,533	-
Net difference between projected and actual earnings on pension plan investments	-	(1,090,544)	-	(1,075,454)
Total	<u>\$ 9,161,216</u>	<u>\$ (1,090,544)</u>	<u>\$ 16,523,550</u>	<u>\$ (1,670,170)</u>

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

The expected average remaining service lifetime ("EARSL") is calculated by dividing the total future service years by the total number of plan participants (active, inactive, and retired). The EARSL for the miscellaneous plan and safety plan for the 2018-19 measurement period in 2.0 and 2.8 years, which was obtained by dividing the total service years of 3,540 and 1,660 (the sum of remaining service lifetimes of the active employees) by 1,774 and 591 (the total number of participants: active, inactive, and retired), respectively.

The \$7,759,016 and \$11,896,017 reported as deferred outflows of resources related to pension resulting from the City's contributions subsequent to the measurement date during the year ended June 30, 2020 will be recognized as a reduction of the net pension liability in the year ending June 30, 2021. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in future pension expense as follows:

Year Ending June 30,	Deferred of Outflows/(Inflows) of Resources	
	Miscellaneous	Safety
2021	\$ 2,324,771	\$ 3,362,059
2022	(1,913,645)	(332,041)
2023	(327,863)	(348,921)
2024	228,393	276,266
Thereafter	-	-
Total	<u>\$ 311,656</u>	<u>\$ 2,957,363</u>

**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2020**

---

**Note 13: Defined Benefit Pension Plan (Continued)**

**b. Collateral Benefits Plan**

*General Information about the Pension Plan*

**Plan Description**

The Collateral Benefits Plan provides a supplemental retirement benefit to City employees upon resigning from the City and concurrently retiring with CalPERS. The supplemental benefit is a monthly benefit of \$100 from the first of the month following retirement from the City until the age of 65 on Tier 1 and Tier 2 employees. Tier 1 employees include Mid-Management and Confidential, Police Officers' Association, City Employees' Association, and Management Group B employees, and are required to have at least 20 years of City service upon retiring after July 1, 1987. Tier 2 employees include Executive Management Group A employees and are required to have at least one year of City service upon retiring after July 1, 1991. Employees hired after July 1, 2012, are not eligible for this plan.

**Eligibility**

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

**Benefit Provided**

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

**Employees Covered by Benefit Terms**

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

Active employees	285
Terminated employees	0
Retired employees and beneficiaries	92
	<u>377</u>

**Contributions**

The employer contributions \$167,769 toward the Plan during the year ended June 30, 2020.



**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2020**

---

**Note 13: Defined Benefit Pension Plan (Continued)**

*Net Pension Liability*

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

The June 30, 2018 valuation was used to determine the June 30, 2020 total pension liability, based on the following actuarial methods and assumptions:

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

**Change of Assumption**

There was no change in assumption during the fiscal year ended June 30, 2020.

**Discount Rate**

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

**Long-Term Expected Rate of Return**

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

CITY OF POMONA

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2020

Note 13: Defined Benefit Pension Plan (Continued)

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

Asset Class	Index	Target Allocation	Long-Term Expected Arithmetic Real Rate of Return	Long-Term Expected Geometric Real Rate of Return
US Cash	BAML 3-Mon Tbill	5.40%	-0.22%	-0.20%
US Core Fixed Income	Barclays Aggergate	46.92%	0.92%	0.84%
US Equity Market	Russell 3000	37.34%	4.82%	3.52%
Foreign Developed Equity	MSCI EAFE NR	5.94%	6.32%	4.75%
Emerging Markets Equity	MSCI EM NR	3.49%	8.35%	5.53%
US EREITs	FTSE NAREIT Equity REIT	0.91%	5.32%	3.62%
		<u>100.00%</u>		
Assumed Inflation - Mean			2.21%	2.20%
Assumed Inflation - Standard Deviation			1.65%	1.65%
Portfolio Real Mean Return			2.93%	2.58%
Portfolio Nominal Mean Return			5.15%	4.84%
Portfolio Standard Deviation			0.00%	8.24%
Long-Term Expected Rate of Return			0.00%	6.50%

*Changes in Net Pension Liability*

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

Collateral Benefit Plan	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (c) = (a) - (b)
Balance at June 30, 2019	\$ 909,079	\$ 171,508	\$ 737,571
Changes Recognized from the Measurement Period			
Service Cost	9,330	-	9,330
Interest on the Total Pension Liability	56,133	-	56,133
Changes of Benefit Terms	-	-	-
Difference between Expected and Actual Experience	-	-	-
Changes of Assumptions	-	-	-
Contribution from the Employer	-	167,769	(167,769)
Contribution from Employees	-	-	-
Net Investment Income	-	3,889	(3,889)
Benefit Payments including Refunds of Employee Contributions	(111,400)	(111,400)	-
Plan to Plan Resource Movement	-	-	-
Administrative Expense	-	-	-
Net Change during July 1, 2019 to June 30, 2020	(45,937)	60,258	(106,195)
Balance at June 30, 2020 (Measurement Date)	<u>\$ 863,142</u>	<u>\$ 231,766</u>	<u>\$ 631,376</u>

**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2020**

**Note 13: Defined Benefit Pension Plan (Continued)**

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

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

Plan's Net Pension Liability		
Discount Rate -1% (5.50%)	Current Discount Rate (6.50%)	Discount Rate +1% (7.50%)
\$ 684,028	\$ 631,376	\$ 583,000

*Pension Plan Fiduciary Net Position*

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

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

For measurement period ended June 30, 2020, the City incurred a pension credit of \$108,240.

As of measurement date of June 30, 2020, the City has deferred outflows and deferred inflows of resources related to pensions as follows:

	Collateral Benefits Plan	
	Deferred outflows of Resources	Deferred inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ 5,348	\$ -

The amounts above are net of outflows and inflows recognized in the 2019-2020 measurement period expense.

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

Year Ending June 30,	Deferred Outflows/(Inflows) of Resources
2021	\$ 1,651
2022	1,650
2023	1,307
2024	740
Thereafter	-
Total	\$ 5,348

**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2020**

**Note 14: Other Post-Employment Benefits (OPEB)**

At June 30, 2020, Total OPEB liabilities, related deferred outflows of resources and OPEB expense are as follow:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>Deferred Outflows of Resources:</b>			
OPEB contribution made after measurement date	\$ 1,559,129	\$ 372,466	\$ 1,931,595
Changes in assumption	6,586,270	1,573,414	8,159,684
Total deferred outflows of resources	<u>\$ 8,145,399</u>	<u>\$ 1,945,880</u>	<u>\$ 10,091,279</u>
<b>Total OPEB Liabilities:</b>	<b><u>\$ 81,513,142</u></b>	<b><u>\$ 19,472,937</u></b>	<b><u>\$ 100,986,079</u></b>
<b>Deferred Inflows of Resources:</b>			
Difference between expected and actual experience	\$ 1,589,675	\$ 370,888	\$ 1,960,563
Changes in assumption	1,523,717	372,880	1,896,597
Total deferred inflows of resources	<u>\$ 3,113,392</u>	<u>\$ 743,768</u>	<u>\$ 3,857,160</u>
<b>OPEB Expense:</b>	<b><u>\$ 4,118,166</u></b>	<b><u>\$ 769,035</u></b>	<b><u>\$ 4,887,201</u></b>

**a. General Information About Public Employees' Medical and Hospital Care Program ("PEMHCA") Plan ("OPEB")**

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

Employees of the City who retire through CalPERS, their spouses, and eligible dependents, may receive health plan coverage through PEMCHA Plan (the "Plan"). The Plan is a single employer defined benefit plan which provides the retirees a monthly medical contribution that is not to exceed the cost of the plan selected, with the maximum contribution limited for individual retirees based on bargaining groups as listed below:

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

CITY OF POMONA

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2020

---

**Note 14: Other Post-Employment Benefits (OPEB) (Continued)**

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

**Eligibility**

Membership in the Plan consisted of the following December 31, 2018, the date of the latest actuarial valuation:

Active Employees	513
Inactive plan members entitled to but not yet receiving benefits	-
Inactive plan members or beneficiaries currently receiving benefits	583
	<u>1,096</u>

**Contributions**

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

**b. Net OPEB Liability**

**Total OPEB Liability**

The City's net OPEB liability was measured as of December 31, 2019 and total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2018. The total OPEB liability at December 31, 2019, measurement date was \$100,986,079.

**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2020**

---

**Note 14: Other Post-Employment Benefits (OPEB) (Continued)**

**Actuarial Assumptions**

The total OPEB liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Cost Method	Entry Age Normal
Actuarial Assumption:	
Discount Rate	2.70% as of December 31, 2019
Inflation	2.75% per annum
Salary Increases	3.0% per annum, in aggregate
Cost of Living	Not Applicable
Investment Rate of Return	N/A- As of the valuation date there are no GASB eligible plan assets.
Pre-retirement Turnover/ Mortality Rate/ Disability Rate/ Retirement Age	Pre-Retirement: Consistent with the most recent CalPERS pension plan valuation. Post-Retirement: Consistent with the most recent CalPERS pension plan valuation.
Participant Rate	90% of future retirees are assumed to elect medical coverage at retirement through the CalPERS Health Plan and to continue coverage through the CalPERS Health Plan beyond Medicare eligibility age. Actual coverage is used for current retirees. For current retirees under age 65 and currently waiving coverage, 10% are assumed to elect coverage at age 65.
Spouse Coverage	50% of future retirees (65% for Safety) are assumed to elect coverage for the spouse. Male spouses are assumed to be 3 years older than the female spouses. Actual spouse age is used for current retirees.
Medical Trend Rates	6.0% (HMO) and 6.5% (PPO) is ultimate 5% in 2023 and beyond.

**Change of Assumption**

In 2019, the accounting discount rate changes from 3.80% to 2.70% from the measurement date December 31, 2018 to the measurement date December 31, 2019.

**Discount Rate**

2.70% per annum. This discount rate is the average, rounded to 5 basis points of the range of 3–20-year municipal bond rate indices: S&P Municipal Bond 20 Year High Grade Rate Index, Bond Byer 20-Bond GO index, Fidelity GO AA 20 Year Bond Index.

CITY OF POMONA

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2020

Note 14: Other Post-Employment Benefits (OPEB) (Continued)

c. Change in the Net OPEB Liability

The following table shows the changes in the net OPEB liability recognized over the measurement period:

OPEB	Increase (Decrease)		Total OPEB Liability (c) = (a) - (b)
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	
Balance at January 1, 2019	\$ 92,059,498	\$ -	\$ 92,059,498
Changes Recognized from the Measurement Period			
Service Cost	2,391,793	-	2,391,793
Interest on the Total Pension Liability	3,459,741	-	3,459,741
Changes of Benefit Terms	-	-	-
Difference between Expected and Actual Experience	(2,406,146)	-	(2,406,146)
Changes of Assumptions	10,014,158	-	10,014,158
Contribution from the Employer	-	4,532,965	(4,532,965)
Contribution from Employees	-	-	-
Net Investment Income	-	-	-
Benefit Payments including Refunds of Employee Contributions	(4,532,965)	(4,532,965)	-
Plan to Plan Resource Movement	-	-	-
Administrative Expense	-	-	-
Net Change during January 1, 2019 to December 31, 2019	8,926,581	-	8,926,581
Balance at December 31, 2019 (Measurement Date)	\$ 100,986,079	\$ -	\$ 100,986,079

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

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

Plan's Net OPEB Liability/ (Asset)		
Discount Rate	Current Discount Rate	Discount Rate
-1% (1.70%)	Rate (2.70%)	+1% (3.70%)
\$ 113,419,612	\$ 100,986,079	\$ 90,611,631

**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2020**

**Note 14: Other Post-Employment Benefits (OPEB) (Continued)**

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

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

Plan's Net OPEB Liability/ (Asset)		
Healthcare Cost Trend Rates		
-1% (5.00% HMO/ 5.50% PPO decreasing to 4.00% HMO/ 4.00% PPO)	(6.00% HMO/ 6.50% PPO decreasing to 5.00% HMO/ 5.00% PPO)	+1% (7.00% HMO/ 7.50% PPO decreasing to 6.00% HMO/ 6.00% PPO)
<u>\$ 94,427,596</u>	<u>\$ 100,986,079</u>	<u>\$ 108,219,115</u>

**d. OPEB Expense and Deferred Outflows of Resources Related to OPEB**

For the fiscal year ended June 30, 2020, the City recognized OPEB expenses in the amount of \$4,887,201. At June 30, 2020, the City reported deferred outflows of resources related to OPEB from the following sources:

	Deferred outflows of resources	Deferred inflows of Resources
Pension contribution after measurement date	\$ 1,931,595	\$ -
Differences between expected and actual experience	-	(1,960,563)
Changes of assumptions	8,159,684	(1,896,597)
Total	<u>\$ 10,091,279</u>	<u>\$ (3,857,160)</u>

The amounts above are net of outflows recognized in the 2019 measurement period expense.

The \$1,931,595 reported as deferred outflows of resources related to OPEB resulting from the City's contributions subsequent to the measurement date during the year ended June 30, 2020 will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2021. Other amounts reported as deferred outflows of resources related to OPEB will be recognized in future OPEB expense as follows:

Year Ending June 30,	Deferred Outflows/(Inflows) of Resources
2021	\$ (487,706)
2022	1,408,891
2023	1,408,891
2024	1,408,891
Thereafter	563,557
Total	<u>\$ 4,302,524</u>



**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2020**

---

**Note 15: Joint Powers Agreements**

**a. Alameda Corridor-East Construction Authority**

The City approved and adopted a Joint Exercise of Powers Agreement in November 2012. The Alameda Corridor East Construction Authority (ACE) is a single purpose construction authority created by the San Gabriel Council of Governments in 1998 to mitigate the impacts of significant increases in rail traffic over 70 miles of mainline railroad in the San Gabriel Valley. The ACE Project consists of multiple construction projects to improve safety at various rail crossings as well as at various grade separations in the San Gabriel Valley. There were no payments made during the year ended June 30, 2020.

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

The City became a member of California State Association of Counties Excess Insurance Authority (the "CSAC-EIA") in July 2008. The CSAC-EIA is a risk sharing pool of California public agencies dedicated to controlling losses and providing effective risk management solutions. Membership is currently comprised of various member counties and various public entity organizations. The governing board consists of one representative from each member county and seven members elected by the public entity membership. Also see Note 15.

**c. Foothill Air Support Team**

The City joined Foothill Air Support Team ("FAST") in January 2011. FAST was developed in 1999 creating a joint helicopter patrol operation that could enhance member agencies ability to deter criminal activity and apprehend offenders. The governing board consists of one representative from each of the seven member agencies. There were no payments made during the year ended June 30, 2020.

**d. Foothill Transit**

The City is a member of the Foothill Transit Joint Power Agreement. The JPA is comprised of 20 cities and the County of Los Angeles. The purpose of the authority is to provide a more efficient and cost-effective local transportation service for the area. Each member city has one representative, and three members are appointed by the Board of Supervisors. There were no payments made during the year ended June 30, 2020.

**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2020**


---

**Note 15: Joint Powers Agreements (Continued)**

Below are the most currently available condensed audited financial statements of the JPA as of June 30, 2020. Separate financial statements of Foothill Transit are available from its offices located in West Covina, California.

Assets	\$344,251,168
Liabilities	79,112,904
Net Position	<u>\$265,138,264</u>
Revenues	\$ 12,513,099
Expenses	123,387,817
Operating Income	<u>(110,874,718)</u>
Non-Operating Revenue (expenses)	87,721,477
Net Income	<u>(23,153,241)</u>
Capital Contributions	26,540,207
Net Position - July 1, 2019	261,751,298
Net Position - June 30, 2020	<u>\$265,138,264</u>

**e. Gold Line Phase II Construction Authority**

The City participates in the Gold Line Phase II Construction Authority (“GLCA”) joint venture, which became effective September 3, 2003. The GLCA oversees the planning, funding, designing and construction contracts for the completion of the Los Angeles-Pasadena Metro Blue Line light rail project. The GLCA’s governing Board is comprised of an appointed representative from each of the affected cities and agencies, including the cities of Azusa, Claremont, Duarte, Glendora, Arcadia, La Verne, Ontario, Montclair, Irwindale, Pomona, San Dimas, Monrovia, Pasadena, and South Pasadena, and the San Bernardino County Transportation Authority. Los Angeles County Metropolitan Transportation Agency (“LACMTA”) will have the responsibility to operate and maintain the rail after its completion. Member agencies will be paid for attending meetings, not to exceed \$1,800 per year, per member agency, plus direct expenses. Member agencies are not allowed to withdraw from the GLCA, and each member agency is required to pay \$31,445 in initial dues (first payments were due October 1, 2003) and each member will be held liable for its share of operating costs.

The City had no payments for the joint venture during the year ended June 30, 2020. Assets are divided based on the proportionate equity share at the time the joint venture dissolves, which is currently not significant to the City.

**f. Interagency Communication Interoperability System**

The City participates in the Interagency Communications Interoperability System (“ICIS”) joint powers authority which became effective September 2003. The intent of ICIS is to provide public safety agencies with a formalized governance structure through which the participants may share resources to construct and manage a system for wide-area communications interoperability. The governing board is comprised of one member from each of the seven member agencies. The City paid \$50,000 in annual dues for the fiscal year ending June 30, 2020.

**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2020**

---

**Note 15: Joint Powers Agreements (Continued)**

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

The City has participated in the Disaster Management Area D joint powers agreement (Area D JPA) since 1958. The Area D JPA is intended to promote the coordination of disaster management, training, and preparedness of the Area D member cities under the direction of the Disaster Management Area Board, the governing board includes one representative from each of the 23 member cities. Annual dues at the rate of \$0.05 per capita are paid and totaled \$7,765 for the fiscal year ending June 30, 2020.

**h. Los Angeles Interagency Metropolitan Police Apprehensive Crime Task Force**

The City joined the Los Angeles Interagency Metropolitan Police Apprehensive Crime Task Force ("LA Impact") in March 2011. It is a compilation of numerous federal, state, and local law enforcement agencies in Los Angeles County, whose primary purpose is to investigate major crimes, with an emphasis on dismantling mid-to-major level drug trafficking organizations. Since its inception, LA Impact has grown to 80 officers from 35 different Los Angeles County law enforcement agencies. The City is solely responsible for the salary and benefits of one (1) Police Sergeant position, currently assigned to this program, which is fully funded within the Police Department's General Fund budget. There were no payments made during the year ended June 30, 2020.

**i. Pomona Valley Transportation Authority**

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

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

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

CITY OF POMONA

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2020

**Note 15: Joint Powers Agreements (Continued)**

The following are the most currently available condensed audited financial statements of the PVTA as of June 30, 2020. Separate financial statements of the PVTA are available from its offices located in La Verne, California.

Assets	<u>\$4,568,237</u>
Liabilities	\$ 1,870,118
Contributed capital	628,489
Net position	<u>2,069,630</u>
Total liabilities and fund equity	<u>\$4,568,237</u>
Operating revenues	\$ 175,882
Operating expenses	4,391,874
Operating (Income)	<u>(4,215,992)</u>
Non-Operating Revenue	<u>4,622,517</u>
Net Income	406,525
Net Position - July 1, 2019	<u>1,663,105</u>
Net Position - June 30, 2020	<u>\$2,069,630</u>

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

The City participates in the Pomona-Walnut-Rowland Joint Water Line Commission (the "Commission") joint venture, which provides for the acquisition, construction, maintenance, repair, and operation of a water transmission pipeline for the benefit of the 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 City, Walnut Valley Water District, and Rowland Water District.

The cost of providing water to the member agencies is financed through user charges. The Commission purchases water for resale to the member agencies at a price sufficient to provide reserve funds for emergencies. In addition, the member agencies are billed for the costs of maintenance and operation of the pipeline. The City paid the joint venture \$3,206,881 during the year ended June 30, 2020. Assets are divided based on the proportionate equity share at the time the joint venture dissolves. The City's share in the equity of the Commission at June 30, 2020, was \$618,832.

As of June 30, 2020, the three participants had the following approximate ownership equity interest.

Member	Percentages	Agreement Balances
City of Pomona	20%	\$ 618,832
Walnut Valley Water District	35%	1,082,957
Rowland Water District	23%	711,657
Unallocated	22%	680,716
Total	<u>100%</u>	<u>\$ 3,094,162</u>

CITY OF POMONA

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2020

---

**Note 15: Joint Powers Agreements (Continued)**

The Commission's condensed financial statements for the fiscal year ended June 30, 2020 is as follows:

Total Assets	\$ 6,995,837
Total Liabilities	3,901,675
Net Position	<u>\$ 3,094,162</u>

The Commission does not recognize income or loss. Net operating expenditures in excess of users' assessments are treated as accounts receivable on the Commission's books and charged to each user's account in the following year. Conversely, user's assessments in excess of net operating expenditures are treated as a liability and credited against each user's account, also in the following year. Under the basis, operating expenses for the Commission totaled \$18,362,831 compared to total operating revenues of \$18,368,856 for the year ended June 30, 2020. Complete financial statements can be obtained from the Pomona-Walnut-Rowland Joint Water Line Commission, P.O. Box 8460, Rowland Heights, CA 91748.

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

The City is a member of the San Gabriel Valley Council of Governments (the "Council") which became effective March 1994. The Council provides member agencies a vehicle to voluntarily engage in regional and cooperative planning and coordination of government services and responsibilities to assist member agencies in the conduct of their affairs. The goal and intent of the Council is one of voluntary cooperation among members for the collective benefit of cities and unincorporated areas in the San Gabriel Valley. The governing board is comprised of one member from each of 31 member cities and the San Gabriel Valley Water Districts, except the County of Los Angeles. The County has three members who represent the unincorporated communities of Supervisor Districts 1, 4, and 5. All member agencies pay dues. The City paid \$35,080 in annual dues for the fiscal year ending June 30, 2020.

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

The City is a member of the Tri City Mental Health Center (the "Center"). The Center is a jointly governed organization comprised of three cities and is organized under a Joint Powers Agreement pursuant to the California Government Code. The purpose of the Center is to develop mental health services and facilities to serve persons residing in the three member cities. The City's contribution to the Center was \$43,675 for the year ended June 30, 2020.

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

CITY OF POMONA

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2020

---

**Note 15: Joint Powers Agreements (Continued)**

Below are the most currently available condensed audited financial statements of the Center as of June 30, 2020. Separate financial statements of the Center are available from its offices located in Pomona, California.

Assets	\$ 45,720,199
Deferred outflows of resources	2,776,741
Liabilities	15,129,339
Deferred inflows of resources	6,842,355
Net position	<u>\$ 26,525,246</u>
Revenues	\$ 10,081,180
Expenses	24,742,913
Operating Income	<u>(14,661,733)</u>
Non-Operating Revenue (expenses)	16,715,868
Net Income	<u>2,054,135</u>
Net Position - July 1, 2019	24,471,111
Net Position - June 30, 2020	<u>\$ 26,525,246</u>

**Note 16: Risk Management**

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

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

As of June 30, 2020, estimated claims payable amounted to \$15,534,779.

The estimated claims payable is reported at June 30, 2020 if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

**CITY OF POMONA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2020**

**Note 16: Risk Management (Continued)**

During the past three fiscal years, the City did not experience settlements or judgments that exceeded pooled coverage. There are no pending claims and judgements likely to have a material adverse effect on the fiscal position due within one year of June 30, 2020. The following is a summary of changes in claims liabilities over the past three fiscal years:

	Beginning Balance	Expenses and Changes in Estimates	Claims Payments	Ending Balance
June 30, 2018	\$ 14,440,164	\$ 5,435,161	\$ (5,378,207)	\$ 14,497,118
June 30, 2019	14,497,118	4,242,404	(5,549,479)	13,190,043
June 30, 2020	13,190,043	6,309,970	(3,965,234)	15,534,779

**Note 17: Comments and Contingencies**

**a. Agency Participation Agreement**

On April 5, 2004, the City entered into a reclaimed water agreement with the Los Angeles County Sanitation District (LACSD). The agreement is for 20 years, beginning on July 1, 2003, and requires the City to sell its interest in the Northside Recycled Water Line, a 20" non-reinforced concrete gravity reclaimed water pipeline to the LACSD for \$441,730. Additionally, the contract provides the City with up to 2/3 of the supply of water from the plant which can then be sold by the City to other customers. The City receives discounted rates on water during the first 12 years of the agreement.

**b. Contractual Commitments**

The following schedule summarizes the major capital project contractual commitments of the City as of June 30, 2020:

Vendors	Remaining Commitments
All American	\$ 4,434,895
Gentry Brothers	2,093,430
Victorious RED	1,576,007
Absolute International	691,951
Ensafe Inc.	507,164
Willdan Engineering	345,871
HR Green Pacific Inc.	305,580
R M A Group	254,783
Vermont Systems Inc.	213,371
Kabbara Engineering	197,956
All Other Commitment	151,135
Total	<u>\$ 10,772,143</u>

**c. Lawsuits**

The City is a defendant in certain other legal actions arising in normal course of operations. As of June 30, 2020, in the opinion of City management, there was no additional outstanding matters that would have a significant effect on the financial position of the City.

**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2020**

---

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

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

In response, the California Redevelopment Association, the League of California Cities, and other parties filed petitions with the California Supreme Court challenging the constitutionality of both ABx1 26 and ABx1 27. On December 29, 2011, the California Supreme Court upheld the constitutionality of ABx1 26, while striking down ABx1 27 as unconstitutional. The ruling in California Redevelopment Association V. Matosantos also extended some of the deadlines on February 1, 2012, with the assets and liabilities transferred to Successor Agencies and Successor Housing Agencies pursuant to ABx1 26.

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

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

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

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



**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2020**

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

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

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

**a. Cash and Investments**

The following is a summary of cash and investments of the Successor Agency at June 30, 2020:

Cash and investments	\$ 12,491,134
Restricted cash	24,287,956
Total	<u>\$ 36,779,090</u>

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

**b. Loans Receivable (Net)**

At June 30, 2020, the Successor Agency's net loans receivable consisted of the following:

	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020
Business Assistance Loans	\$ 1,660,600	\$ -	\$ -	\$ 1,660,600

**Business Assistance Loans**

The former Redevelopment Agency entered into business assistance loan agreements with local businesses for redevelopment purposes. The term of the loan varies, and bears interest rates ranges from 0% to 4% annum. Outstanding balance at June 30, 2020 was \$1,660,600.

In 2008, the former Redevelopment Agency appropriated \$1,150,000 from Series AD to the Pomona Fox Theater, LLC as an advance payment for public use of the Theater. The funding was used to purchase and install lighting and sound equipment at the Pomona Fox Theater. The loan was forgiven at June 30, 2020.

CITY OF POMONA

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2020

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

c. Land Held for Resale

At June 30, 2020, land held for resale in the amount of \$788,130 is recorded at the acquisition cost in the Successor Agency Trust Fund.

d. Capital Assets

The following is a summary of changes in capital assets for the Successor Agency for the year ended June 30, 2020:

	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020
<b>Nondepreciable assets:</b>				
Land	\$ 125,423	\$ -	\$ -	\$ 125,423
Total nondepreciable assets	<u>125,423</u>	<u>-</u>	<u>-</u>	<u>125,423</u>
<b>Depreciable assets:</b>				
Building and building improvements	63,126	-	-	63,126
Improvements other than buildings	148,995	-	-	148,995
Machinery and equipment	429,179	-	-	429,179
Furniture and fixtures	8,361	-	-	8,361
Autos and trucks	19,513	-	-	19,513
Total capital assets, at cost	<u>669,174</u>	<u>-</u>	<u>-</u>	<u>669,174</u>
<b>Less accumulated depreciation:</b>				
Building and building improvements	(18,937)	(1,262)	-	(20,199)
Improvements other than buildings	(148,996)	-	-	(148,996)
Machinery and equipment	(429,179)	-	-	(429,179)
Furniture and fixtures	(8,361)	-	-	(8,361)
Autos and trucks	(19,513)	-	-	(19,513)
Total accumulated depreciation	<u>(624,986)</u>	<u>(1,262)</u>	<u>-</u>	<u>(626,248)</u>
Total depreciable assets, net	<u>44,188</u>	<u>(1,262)</u>	<u>-</u>	<u>42,926</u>
Total capital assets, net	<u>\$ 169,611</u>	<u>\$ (1,262)</u>	<u>\$ -</u>	<u>\$ 168,349</u>

e. Long – Term Liabilities

The following is a summary of changes in long-term liabilities for the Successor Agency for the year ended June 30, 2020:

	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020	Due Within One Year
County deferred tax loans	\$ 62,042,306	\$ 4,117,824	\$ (3,216,259)	\$ 62,943,871	\$ -
Tax allocation bonds	127,025,000	-	(7,440,000)	119,585,000	7,600,000
Advances from the Housing SERAF loan	3,000,000	-	(2,817,575)	182,425	182,425
Total	<u>\$ 192,067,306</u>	<u>\$ 4,117,824</u>	<u>\$ (13,473,834)</u>	<u>\$ 182,711,296</u>	<u>\$ 7,782,425</u>

CITY OF POMONA

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2020

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

**County Deferred Tax Loans**

At June 30, 2020, the County deferred tax loans consisted of the follow:

	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020
Southwest Pomona Project Area	\$ 53,229,904	\$ 3,664,142	\$ (885,029)	\$ 56,009,017
South Garey/Freeway Corridor				
Project Area	8,812,402	453,682	(2,331,230)	6,934,854
Total	<u>\$ 62,042,306</u>	<u>\$ 4,117,824</u>	<u>\$ (3,216,259)</u>	<u>\$ 62,943,871</u>

The former Redevelopment Agency entered into agreements with the County of Los Angeles whereby a portion of the County's share of tax increment revenues from the Southwest Pomona Project Area and South Garey/Freeway Corridor Project Area are loaned annually to the Successor Agency. Interest on both loans accrue at 7% per year, compounded annually. The Successor Agency will commence repayment per the terms of the Agreement.

**Tax Allocation Bonds**

	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020	Due Within One Year
1998 Tax Allocation Bonds, Series X	\$ 365,000	\$ -	\$ (50,000)	\$ 315,000	\$ 55,000
1998 Tax Allocation Bonds, Series Y	5,295,000	-	(290,000)	5,005,000	305,000
2018 Tax Allocation Bonds, Series BI	121,365,000	-	(7,100,000)	114,265,000	7,240,000
Total	<u>\$ 127,025,000</u>	<u>\$ -</u>	<u>\$ (7,440,000)</u>	<u>\$ 119,585,000</u>	<u>\$ 7,600,000</u>

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

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

Interest is payable semiannually on June 1 and December 1 at rates varying from 3.0% to 5.1% per annum. \$3,595,000 of bond principal is payable in annual installments ranging from \$95,000 to \$300,000 through December 1, 2013. Term bonds of 41,000,000 and \$460,000 mature on December 1, 2016 and December 1, 2024, respectively, and are subject to mandatory redemption from a sinking fund account in amounts ranging from \$45,000 to \$350,000, as outlined in the bonds' official statement. A municipal bond insurance policy has been issued that insures the payment of the principal and interest on the bonds when due. During 2007, the bonds in the amount of \$790,000 were refunded by the 2006 Taxable Revenue Bonds, series AT.

CITY OF POMONA

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2020

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

The annual debt service requirements outstanding at June 30, 2020, is as follows:

Year Ending June 30,	Principal	Interest	Total
2021	\$ 55,000	\$ 15,525	\$ 70,525
2022	60,000	12,420	72,420
2023	65,000	9,045	74,045
2024	65,000	5,535	70,535
2025	70,000	1,890	71,890
Total	<u>\$ 315,000</u>	<u>\$ 44,415</u>	<u>\$ 359,415</u>

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

On October 1, 1998, the former Redevelopment Agency issued \$8,980,000 in 1998 Tax Allocation Refunding Bonds, Series Y, for the West Holt Avenue Redevelopment Project to refund \$7,130,000 of the loan between the former Redevelopment Agency and Public Financing Authority related to the Public Financing Authority's 1993 Refunding Revenue Bonds, Series N, and to finance certain redevelopment activities within the West Holt Avenue Project Area.

Interest on the bonds is payable semiannually on November 1 and May 1 at rates varying from 3.0% to 5.0% per annum. \$1,770,000 of bond principal is payable in annual installments ranging from \$115,000 to \$180,000 through May 1, 2011. Terms bonds of \$390,000, \$2,360,000, and \$4,380,000 mature on May 1, 2013, May 1, 2020, and May 1, 2032, respectively, and are subject to mandatory redemption from a sinking fund account in amounts ranging from \$190,000 to \$550,000 as outlined in the bonds' official statements. Bonds maturing on May 1, 2009 through May 1, 2011 are subject to redemption prior to maturity, as a whole or in part, at the option of the Agency on any date on or after May 1, 2008 at redemption prices ranging from 100% to 101% of principal. A municipal bond insurance policy has been issued that insures the payment of the principal and interest on the bonds when due. During 2007, the bonds in the amount of \$645,000 were refunded by the 2006 Taxable Revenue Bonds, Series AT.

The annual debt service requirements outstanding at June 30, 2020, is as follows:

Year Ending June 30,	Principal	Interest	Total
2021	\$ 305,000	\$ 274,963	\$ 579,963
2022	320,000	258,340	578,340
2023	340,000	240,900	580,900
2024	360,000	222,200	582,200
2025	380,000	202,400	582,400
2026-2030	2,230,000	675,400	2,905,400
2031-2032	1,070,000	89,100	1,159,100
Total	<u>\$ 5,005,000</u>	<u>\$ 1,963,303</u>	<u>\$ 6,968,303</u>

**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2020**

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

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

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

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

The annual debt service requirement for the 2018 Tax Allocation Refunding Bonds, Series BI outstanding at June 30, 2020, is as follows:

Year Ending June 30,	Principal	Interest	Total
2021	\$ 7,240,000	\$ 4,546,478	\$ 11,786,478
2022	7,450,000	4,299,883	11,749,883
2023	7,495,000	4,035,259	11,530,259
2024	7,765,000	3,763,041	11,528,041
2025	8,010,000	3,470,533	11,480,533
2026-2030	44,650,000	12,372,524	57,022,524
2031-2035	25,680,000	3,673,944	29,353,944
2036-2040	5,285,000	882,275	6,167,275
2041	690,000	31,091	721,091
Total	<u>\$ 114,265,000</u>	<u>\$ 37,075,028</u>	<u>\$ 151,340,028</u>

**Advances from the Housing Authority**

	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020	Due Within One Year
SERAF Loan	<u>\$ 3,000,000</u>	<u>\$ -</u>	<u>\$ (2,817,575)</u>	<u>\$ 182,425</u>	<u>\$ 182,425</u>

On July 24, 2009, Assembly Bill AB4-26 that shifts former Redevelopment Agency funds and established a Supplemental Educational Revenue Augmentation Fund (SERAF) was passed. It was a "budget trailer bill" that was part of State's legislation to balance its budget. The former Redevelopment Agency of the City of Pomona's share of SERAF obligation was \$8,264,547 in Fiscal Year 2009-10 and \$1.7 million in Fiscal Year 2010-11. Health and Safety Code Section 33690(c) provides that a redevelopment agency, which made a finding that insufficient monies were available to find its SERAF obligation in Fiscal Years 2009-10 or 2010-11, may borrow funds from its Low and Moderate Income Housing Fund to make the full SERAF payment. On May 3, 2010, the Redevelopment Agency Board authorized a loan of \$5,000,000 from the Low-Mod Fund to provide partial funding for the balance of the SERAF payment due. The Successor Agency's outstanding balance on the note as of June 30, 2020, is \$182,425.

**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2020**

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

**Pledged Tax Revenues**

The City has pledged, as security for bonds issued, either directly or through the Pomona Public Financing Authority, certain tax revenues to the repayment of certain Successor Agency debts (bonds, loans, and advances) through final maturity of bonded debt on February 1, 2041, or earlier retirement, whichever occurs first.

Tax revenues consist of tax increment revenues allocated to the Successor Agency to various project areas pursuant to Section 33670 of the Redevelopment Law. Such Law excludes a portion of tax increment revenues required to be paid under Tax-Sharing agreements unless the payment of such amounts has been subordinated to the payment of debt service on the Bonds. Assembly Bill 1X 26 provided that upon dissolution of the Redevelopment Agency, property taxes allocated to redevelopment agencies no longer are deemed tax increment but rather property tax revenues and will be allocated first to local agency and school entity pursuant to any pass-through agreement, then second to successor agencies to make payments on the indebtedness incurred by the dissolved redevelopment agency. For the current year, the total property tax revenue recognized by the Successor Agency was \$14,528,479 and the debt service payments on the bonds was \$11,879,145.

Remaining balance on the debt at June 30, 2020, is as follows:

Debt Issues	
County of LA Agreement	\$ 62,943,871
1998 Series X Bonds	359,415
1998 Series Y Bonds	6,968,303
2018 Series BI Bonds	151,340,028
Total	\$ 221,611,617

**f. Compensated Absences**

The liability for vested and unpaid compensated absences (accrued, vacation, sick pay, executive leave, and comp time) is reported in the fund as the benefits are earned and vest.

	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020	Due Within One Year
Compensated absences	\$ 74,153	\$ 35,515	\$ (38,206)	\$ 71,462	71,000

**g. Insurance**

The Successor Agency is covered under the City of Pomona's insurance policies. Therefore, the limitation and self-insured retentions applicable to the City also apply to the Successor Agency. Additional information as to coverage and self-insured retentions can be found in Note 16.

**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2020**

---

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

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

On December 5, 1988, the former Redevelopment Agency entered into an agreement with the County whereby the County has agreed to provide sufficient allocation of tax increment revenues to allow the Successor Agency to meet its debt service agreements on debt it has incurred in connection with the Southwest Pomona Project Area. Beginning in fiscal year 1988-89, and thereafter for the life of the project, the County will provide a grant to the Successor Agency for any "deficiencies" in tax increment revenues allocated to the Successor Agency as described in the agreement. There were no intergovernmental revenues as result of the agreement for the year ended June 30, 2020.

**Note 19: Restatement**

A restatement was required between the Governmental Activities and the Water Fund. During the fiscal year, the City noted construction in progress capital assets that were incorrectly capitalized in the Governmental Activities and should have been reported under the City's Water fund. This resulted in restatements of prior net position for the Governmental activities in the amount of (\$2,550,009) and for the Water Fund in the amount of \$2,550,009.

A restatement was required in the Governmental Activities as the result of the City capitalizing costs related to pollution remediation. The removal of these prior period cost incorrectly capitalized required a restatement in the amount of (\$3,532,586).

**Note 20: Subsequent Event**

On March 27, 2020, in response to the economic fallout of the Coronavirus pandemic in the United States, Congress passed the Coronavirus Aid, Relief, and Economic Security Act, also known as the CARES Act, which provided \$2.2 trillion in economic stimulus funding through a variety of channels. The State of California received a \$500 million allocation to provide cities which did not receive a direct federal allocation through the CARES Act. The City entered into an agreement with the State of California in July 2020 to receive their allocation of the CARES Act funding. The funding is to be received in six monthly installments of \$318,591, with the first installment received by the City in July 2020. The total amount of CARES Act funding to be received by the City is \$1,911,546. This funding was for the reimbursement of costs incurred by the City since the start of the pandemic.

**REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)**



**THIS PAGE INTENTIONALLY LEFT BLANK**

CITY OF POMONA

**BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
YEAR ENDED JUNE 30, 2020**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 22,000,261	\$ 22,000,261	\$ 22,000,261	\$ -
<b>Resources (Inflows):</b>				
Taxes	98,801,385	99,624,132	97,773,094	(1,851,038)
Licenses, permits and fees	5,565,330	6,231,050	6,737,434	506,384
Intergovernmental	205,500	396,522	438,991	42,469
Charges for services	3,597,624	3,817,640	3,303,049	(514,591)
Use of money and properties	1,606,840	1,606,840	1,799,259	192,419
Fines and forfeitures	2,514,436	2,514,436	2,292,894	(221,542)
Miscellaneous	875,600	1,120,572	865,019	(255,553)
Transfers in	1,761,536	1,816,831	1,954,378	137,547
<b>Amounts Available for Appropriations</b>	<b>136,928,512</b>	<b>139,128,284</b>	<b>137,164,379</b>	<b>(1,963,905)</b>
<b>Charges to Appropriation (Outflow):</b>				
General government	6,577,889	6,573,159	6,431,278	141,881
Public safety	86,232,639	86,893,198	85,818,270	1,074,928
Urban development	11,990,767	12,319,826	11,607,931	711,895
Neighborhood services and library	4,524,290	4,601,636	3,699,280	902,356
Capital outlay	2,400	751,667	427,687	323,980
Debt service:				
Principal retirement	258,516	258,516	242,392	16,124
Interest and fiscal charges	-	-	16,109	(16,109)
Transfers out	4,227,428	6,042,615	7,178,978	(1,136,363)
<b>Total Charges to Appropriations</b>	<b>113,813,929</b>	<b>117,440,617</b>	<b>115,421,925</b>	<b>2,018,692</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 23,114,583</b>	<b>\$ 21,687,667</b>	<b>\$ 21,742,454</b>	<b>\$ 54,787</b>

CITY OF POMONA

**BUDGETARY COMPARISON SCHEDULE  
HOUSING AUTHORITY  
YEAR ENDED JUNE 30, 2020**

	<b>Budget Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Budgetary Fund Balance, July 1	\$ 19,540,422	\$ 19,540,422	\$ 19,540,422	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	17,670,596	19,402,660	19,007,852	(394,808)
Charges for services	1,500	1,500	871	(629)
Use of money and properties	390,255	390,255	573,937	183,682
Contributions from Successor Agency	2,000,000	2,000,000	2,817,575	817,575
Miscellaneous	23,500	23,500	50,117	26,617
<b>Amounts Available for Appropriations</b>	<b>39,626,273</b>	<b>41,358,337</b>	<b>41,990,774</b>	<b>632,437</b>
<b>Charges to Appropriation (Outflow):</b>				
Urban development	19,402,328	21,196,963	22,039,382	(842,419)
Transfers out	-	875,000	2,617,528	(1,742,528)
<b>Total Charges to Appropriations</b>	<b>19,402,328</b>	<b>22,071,963</b>	<b>24,656,910</b>	<b>(2,584,947)</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 20,223,945</b>	<b>\$ 19,286,374</b>	<b>\$ 17,333,864</b>	<b>\$ (1,952,510)</b>

CITY OF POMONA

**BUDGETARY COMPARISON SCHEDULE  
MISCELLANEOUS GRANTS  
YEAR ENDED JUNE 30, 2020**

	<b>Budget Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Budgetary Fund Balance, July 1	\$ 19,648,944	\$ 19,648,944	\$ 19,648,944	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	6,099,993	14,662,965	4,923,898	(9,739,067)
Charges for services	89,100	483,742	501,914	18,172
Use of money and properties	37,164	37,164	362,445	325,281
Miscellaneous	115,905	156,283	115,544	(40,739)
Transfers in	82,000	82,000	95,235	13,235
<b>Amounts Available for Appropriations</b>	<b>26,073,106</b>	<b>35,071,098</b>	<b>25,647,980</b>	<b>(9,423,118)</b>
<b>Charges to Appropriation (Outflow):</b>				
Public safety	730,038	1,483,084	632,039	851,045
Urban development	4,583,779	12,856,905	3,836,619	9,020,286
Neighborhood services and library	425,441	441,363	414,829	26,534
Capital outlay	210,000	686,649	325,174	361,475
Transfers out	315,346	315,346	307,806	7,540
<b>Total Charges to Appropriations</b>	<b>6,264,604</b>	<b>15,783,347</b>	<b>5,516,467</b>	<b>10,266,880</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 19,808,502</b>	<b>\$ 19,287,751</b>	<b>\$ 20,131,513</b>	<b>\$ 843,762</b>

**THIS PAGE INTENTIONALLY LEFT BLANK**

**NOTES TO THE BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED JUNE 30, 2020**

---

**Note 1: Budget and Budgetary Accounting**

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

- a. Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for all governmental funds, except that encumbrances are shown in the year incurred for budgetary purposes.
- b. On or before the last day in January of each year, all operational units submit requests for appropriations to the City Manager for budget preparation purposes. The City Council holds public hearings, and a final budget must be adopted no later than June 30.
- c. The appropriated budget is prepared by fund, function, and department. The City's department directors, with approval of the Finance Director and City Manager, any make transfers of appropriations within a department and between departments with a fund. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the fund level. The City Council made several supplemental budgetary appropriations throughout the year. The supplementary budgetary appropriations made in the various governmental funds are not detailed in the required supplementary information. For the year ended June 30, 2020, there were no adopted operating budgets for the Fairplex Mitigation Special Revenue Fund.
- d. Under encumbrance accounting, purchase orders, contracts and other commitments for expenditures are reported to reserve that portion of the applicable appropriations. Encumbrance accounting is employed as an extension of formal budgetary accounting. Unexpended appropriations lapse at year-end regardless of encumbrances.

CITY OF POMONA

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

	2015	2016	2017	2018	2019	2020
<b>TOTAL PENSION LIABILITY</b>						
Service Cost	\$ 3,310,829	\$ 3,161,189	\$ 3,278,100	\$ 3,757,355	\$ 3,684,403	\$ 3,678,697
Interest	18,086,982	18,495,828	19,115,591	19,389,644	19,890,698	20,653,574
Difference between Expected and Actual Experience	-	(3,363,816)	123,335	(2,724,421)	165,010	2,804,401
Changes in Assumptions	-	(4,427,183)	-	15,726,854	(1,368,646)	-
Benefit Payments, Including						
Refunds of Employee Contributions	(12,464,852)	(13,367,634)	(14,106,985)	(14,550,855)	(15,247,444)	(16,166,651)
<b>Net Change in Total Pension Liability</b>	<b>8,932,959</b>	<b>498,384</b>	<b>8,410,041</b>	<b>21,598,577</b>	<b>7,124,021</b>	<b>10,970,021</b>
<b>Total Pension Liability - Beginning</b>	<b>245,736,775</b>	<b>254,669,734</b>	<b>255,168,118</b>	<b>263,578,159</b>	<b>285,176,736</b>	<b>292,300,757</b>
<b>Total Pension Liability - Ending (a)</b>	<b>\$ 254,669,734</b>	<b>\$ 255,168,118</b>	<b>\$ 263,578,159</b>	<b>\$ 285,176,736</b>	<b>\$ 292,300,757</b>	<b>\$ 303,270,778</b>
<b>PLAN FIDUCIARY NET POSITION</b>						
Contributions - Employer	\$ 3,191,964	\$ 3,747,091	\$ 4,508,818	\$ 4,965,420	\$ 5,562,823	\$ 6,340,816
Contributions - Employee	1,640,223	1,622,551	1,710,782	1,824,492	1,718,844	1,746,619
Net Investment Income	31,444,609	4,578,528	1,092,440	21,714,550	17,509,262	14,226,888
Benefit Payments, Including						
Refunds of Employee Contributions	(12,464,852)	(13,367,634)	(14,106,985)	(14,550,855)	(15,247,444)	(16,166,651)
Administrative Expense	-	(235,754)	(124,510)	(291,464)	(328,910)	(156,756)
Net Plan to Plan Resource Movement	-	(521)	30,199	-	(510)	-
Other Miscellaneous Income/(Expense)	-	-	-	-	(624,606)	510
<b>Net Change in Fiduciary Net Position</b>	<b>23,811,944</b>	<b>(3,655,739)</b>	<b>(6,889,256)</b>	<b>13,662,143</b>	<b>8,589,459</b>	<b>5,991,426</b>
<b>Plan Fiduciary Net Position - Beginning</b>	<b>184,143,961</b>	<b>207,955,905</b>	<b>204,300,166</b>	<b>197,410,910</b>	<b>211,073,053</b>	<b>219,662,512</b>
<b>Plan Fiduciary Net Position - Ending (b)</b>	<b>\$ 207,955,905</b>	<b>\$ 204,300,166</b>	<b>\$ 197,410,910</b>	<b>\$ 211,073,053</b>	<b>\$ 219,662,512</b>	<b>\$ 225,653,938</b>
<b>Plan Net Pension Liability/(Assets) - Ending (a) - (b)</b>	<b>\$ 46,713,829</b>	<b>\$ 50,867,952</b>	<b>\$ 66,167,249</b>	<b>\$ 74,103,683</b>	<b>\$ 72,638,245</b>	<b>\$ 77,616,840</b>
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	<b>81.66%</b>	<b>80.06%</b>	<b>74.90%</b>	<b>74.01%</b>	<b>75.15%</b>	<b>74.41%</b>
<b>Covered Payroll</b>	<b>\$ 21,843,562</b>	<b>\$ 21,768,272</b>	<b>\$ 22,899,750</b>	<b>\$ 23,628,194</b>	<b>\$ 23,219,075</b>	<b>\$ 25,342,873</b>
<b>Plan Net Pension Liability/(Asset) as a Percentage of Covered Payroll</b>	<b>213.86%</b>	<b>233.68%</b>	<b>288.94%</b>	<b>313.62%</b>	<b>312.84%</b>	<b>306.27%</b>

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

**Notes to Schedule:**

Benefit Changes:

There were no changes to benefit terms. However, the figures above do not include any liability impact that may have resulted from plan changes which occurred after the measurement dates. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Changes of Assumptions:

In 2019, there were no changes. In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in discount rate in 2018. In 2017, the accounting discount rate reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense.) In 2014, amounts reported were based on the 7.5 percent discount rate.

CITY OF POMONA

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

	2015	2016	2017	2018	2019	2020
<b>TOTAL PENSION LIABILITY</b>						
Service Cost	\$ 4,880,486	\$ 4,785,362	\$ 4,884,739	\$ 5,801,213	\$ 5,447,465	\$ 5,283,890
Interest	23,069,282	23,712,742	24,593,728	24,844,637	25,520,009	26,641,545
Difference between Expected and Actual Experience	-	(2,090,216)	1,506,206	(4,573,322)	1,433,848	6,506,181
Changes in Assumptions	-	(5,565,887)	-	19,952,226	(1,916,304)	-
Benefit Payments, Including						
Refunds of Employee Contributions	(17,510,572)	(18,221,480)	(18,854,232)	(19,795,369)	(21,286,165)	(22,125,918)
<b>Net Change in Total Pension Liability</b>	<b>10,439,196</b>	<b>2,620,521</b>	<b>12,130,441</b>	<b>26,229,385</b>	<b>9,198,853</b>	<b>16,305,698</b>
<b>Total Pension Liability - Beginning</b>	<b>313,905,458</b>	<b>324,344,654</b>	<b>326,965,175</b>	<b>339,095,616</b>	<b>365,325,001</b>	<b>374,523,854</b>
<b>Total Pension Liability - Ending (a)</b>	<b>\$ 324,344,654</b>	<b>\$ 326,965,175</b>	<b>\$ 339,095,616</b>	<b>\$ 365,325,001</b>	<b>\$ 374,523,854</b>	<b>\$ 390,829,552</b>
<b>PLAN FIDUCIARY NET POSITION</b>						
Contributions - Employer	\$ 5,669,824	\$ 6,367,577	\$ 7,278,178	\$ 8,239,937	\$ 8,917,280	\$ 10,065,972
Contributions - Employee	1,402,077	1,554,104	1,534,930	1,568,799	1,611,014	1,577,765
Net Investment Income	37,455,889	5,342,317	1,164,032	25,441,922	20,385,914	16,534,386
Benefit Payments, Including						
Refunds of Employee Contributions	(17,510,572)	(18,221,480)	(18,854,232)	(19,795,369)	(21,286,165)	(22,125,918)
Administrative Expense	-	(271,705)	(147,131)	(343,113)	(385,682)	(182,698)
Net Plan to Plan Resource Movement	-	521	1,096	-	(596)	-
Other Miscellaneous Income/(Expense)	-	-	-	-	(732,417)	596
<b>Net Change in Fiduciary Net Position</b>	<b>27,017,218</b>	<b>(5,228,666)</b>	<b>(9,023,127)</b>	<b>15,112,176</b>	<b>8,509,348</b>	<b>5,870,103</b>
<b>Plan Fiduciary Net Position - Beginning</b>	<b>219,628,065</b>	<b>246,645,283</b>	<b>241,416,617</b>	<b>232,393,490</b>	<b>247,505,666</b>	<b>256,015,014</b>
<b>Plan Fiduciary Net Position - Ending (b)</b>	<b>\$ 246,645,283</b>	<b>\$ 241,416,617</b>	<b>\$ 232,393,490</b>	<b>\$ 247,505,666</b>	<b>\$ 256,015,014</b>	<b>\$ 261,885,117</b>
<b>Plan Net Pension Liability/(Assets) - Ending (a) - (b)</b>	<b>\$ 77,699,371</b>	<b>\$ 85,548,558</b>	<b>\$ 106,702,126</b>	<b>\$ 117,819,335</b>	<b>\$ 118,508,840</b>	<b>\$ 128,944,435</b>
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	<b>76.04%</b>	<b>73.84%</b>	<b>68.53%</b>	<b>67.75%</b>	<b>68.36%</b>	<b>67.01%</b>
<b>Covered Payroll</b>	<b>\$ 15,182,720</b>	<b>\$ 15,528,316</b>	<b>\$ 16,122,314</b>	<b>\$ 17,199,482</b>	<b>\$ 16,421,383</b>	<b>\$ 17,338,673</b>
<b>Plan Net Pension Liability/(Asset) as a Percentage of Covered Payroll</b>	<b>511.76%</b>	<b>550.92%</b>	<b>661.83%</b>	<b>685.02%</b>	<b>721.67%</b>	<b>743.68%</b>

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

**Notes to Schedule:**

Benefit Changes:

There were no changes to benefit terms. However, the figures above do not include any liability impact that may have resulted from plan changes which occurred after the measurement dates. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Changes of Assumptions:

In 2019, there were no changes. In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in discount rate in 2018. In 2017, the accounting discount rate reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense.) In 2014, amounts reported were based on the 7.5 percent discount rate.



CITY OF POMONA

**COLLATERAL BENEFITS PLAN  
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS  
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)**

	<u>2018</u>	<u>2019</u>	<u>2020</u>
<b>TOTAL PENSION LIABILITY</b>			
Service Cost	\$ 8,761	\$ 8,761	\$ 9,330
Interest	61,845	59,294	56,133
Difference between Expected and Actual Experience	-	-	-
Changes in Assumptions	-	-	-
Benefit Payments, Including			
Refunds of Employee Contributions	(114,500)	(122,900)	(111,400)
<b>Net Change in Total Pension Liability</b>	<b>(43,894)</b>	<b>(54,845)</b>	<b>(45,937)</b>
<b>Total Pension Liability - Beginning</b>	<b>1,007,818</b>	<b>963,924</b>	<b>909,079</b>
<b>Total Pension Liability - Ending (a)</b>	<b>\$ 963,924</b>	<b>\$ 909,079</b>	<b>\$ 863,142</b>
<b>PLAN FIDUCIARY NET POSITION</b>			
Contributions - Employer	\$ -	\$ 102,949	\$ 167,769
Contributions - Employee	-	-	-
Net Investment Income	13,113	8,427	3,889
Benefit Payments, Including			
Refunds of Employee Contributions	(114,500)	(122,900)	(111,400)
Administrative Expense	(126)	(124)	-
Net Plan to Plan Resource Movement	-	-	-
Other Miscellaneous Income/(Expense)	-	-	-
<b>Net Change in Fiduciary Net Position</b>	<b>(101,513)</b>	<b>(11,648)</b>	<b>60,258</b>
<b>Plan Fiduciary Net Position - Beginning</b>	<b>284,669</b>	<b>183,156</b>	<b>171,508</b>
<b>Plan Fiduciary Net Position - Ending (b)</b>	<b>\$ 183,156</b>	<b>\$ 171,508</b>	<b>\$ 231,766</b>
<b>Plan Net Pension Liability/(Assets) - Ending (a) - (b)</b>	<b>\$ 780,768</b>	<b>\$ 737,571</b>	<b>\$ 631,376</b>
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	<b>19.00%</b>	<b>18.87%</b>	<b>26.85%</b>
<b>Covered Payroll</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
<b>Plan Net Pension Liability/(Asset) as a Percentage of Covered Payroll</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>

(1) Historical information is required only for measurement years for which GASB 68 is applicable.

**Notes to Schedule:**

Benefit Changes:

There were no changes to benefit terms.

Changes of Assumptions:

There were no changes of assumptions.

CITY OF POMONA

**MISCELLANEOUS PLAN - AGENT MULTIPLE-EMPLOYER  
SCHEDULE OF PLAN CONTRIBUTIONS  
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)**

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Actuarially Determined Contribution	\$ 3,191,964	\$ 3,747,091	\$ 4,508,818	\$ 4,965,420	\$ 5,562,823	\$ 7,759,016
Contribution in Relation to the Actuarially Determined Contribution	(3,191,964)	(3,747,091)	(4,508,818)	(4,965,420)	(5,562,823)	(7,759,016)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 21,843,562	\$ 21,768,272	\$ 22,899,750	\$ 23,628,194	\$ 23,219,075	25,342,873
Contributions as a Percentage of Covered Payroll	14.61%	17.21%	19.69%	21.01%	23.96%	30.62%

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

**Note to Schedule:**

Valuation Date: June 30, 2018

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Entry Age Normal Cost Method
Amortization method	Level percentage of payroll, closed
Asset valuation method	Direct rate smoothing
Inflation	2.50%
Payroll Growth	2.75%
Projected Salary Increases	Varies by Entry Age and Service
Investment Rate of Return	7.00% (net of administrative expenses)
Retirement Age	

All other actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period from 1997 to 2015, including updates to salary increase, mortality and retirement rates. The Experience Study report may be accessed on the CalPERS website at [www.calpers.ca.gov](http://www.calpers.ca.gov) under Forms and Publications.

Mortality

The mortality table used was developed based on CalPERS' specific data. The table includes 15 years of mortality improvements using 90 percent of Society of Actuaries' Scale 2016. For more details on this table, please refer to the 2017 experience study report.

CITY OF POMONA

**SAFETY PLAN - AGENT MULTIPLE-EMPLOYER  
SCHEDULE OF PLAN CONTRIBUTIONS  
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)**

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Actuarially Determined Contribution	\$ 5,669,824	\$ 6,367,577	\$ 7,278,178	\$ 8,239,937	\$ 8,917,280	\$ 11,896,017
Contribution in Relation to the Actuarially Determined Contribution	<u>(5,669,824)</u>	<u>(6,367,577)</u>	<u>(7,278,178)</u>	<u>(8,239,937)</u>	<u>(8,917,280)</u>	<u>(11,896,017)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 15,182,720	\$ 15,528,316	\$ 16,122,314	\$ 17,199,482	\$ 16,421,383	17,338,673
Contributions as a Percentage of Covered Payroll	37.34%	41.01%	45.14%	47.91%	54.30%	68.61%

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

**Note to Schedule:**

Valuation Date: June 30, 2018

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Entry Age Normal Cost Method
Amortization method	Level percentage of payroll, closed
Asset valuation method	Direct rate smoothing
Inflation	2.50%
Payroll Growth	2.75%
Projected Salary Increases	Varies by Entry Age and Service
Investment Rate of Return	7.00% (net of administrative expenses)
Retirement Age	

All other actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period from 1997 to 2015, including updates to salary increase, mortality and retirement rates. The Experience Study report may be accessed on the CalPERS website at [www.calpers.ca.gov](http://www.calpers.ca.gov) under Forms and Publications.

Mortality

The mortality table used was developed based on CalPERS' specific data. The table includes 15 years of mortality improvements using 90 percent of Society of Actuaries' Scale 2016. For more details on this table, please refer to the 2017 experience study report.

CITY OF POMONA

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

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Actuarially Determined Contribution	\$ 110,032	\$ 102,949	\$ 102,949	\$ 102,949	\$ 102,949	\$ 167,769
Contribution in Relation to the Actuarially Determined Contribution	(110,032)	(102,949)	(102,949)	(114,500)	(102,949)	(167,769)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (11,551)</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A
Contributions as a Percentage of Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A

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

**Note to Schedule:**

Valuation Date: June 30, 2016

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Entry Age Normal Cost Method
Amortization method	Level percentage of payroll
Asset valuation method	Market value
Inflation	N/A
Payroll Growth	N/A
Projected Salary Increases	N/A
Investment Rate of Return	6.50% (net of administrative expenses)
Retirement Age	The retirement rates are consistent with those used to value the Miscellaneous Public Agency CalPERS "2.0% at age 55" Pension Plans for retirees with 25 years of service.
Mortality	Consistent with the Non-industrial rates used for value the Miscellaneous Public Agency CalPERS Pension Plans.

CITY OF POMONA

**SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS  
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)**

	2018	2019	2020
<b>Total OPEB Liability</b>			
Service cost	\$ 2,019,938	\$ 2,322,129	\$ 2,391,793
Interest on the total OPEB liability	3,382,262	3,193,265	3,459,741
Actual and expected experience difference	-	-	(2,406,146)
Changes in assumptions	5,151,873	(5,689,789)	10,014,158
Changes in benefit terms	-	-	-
Benefit payments	(4,149,518)	(4,419,147)	(4,532,965)
<b>Net change in total OPEB liability</b>	<b>6,404,555</b>	<b>(4,593,542)</b>	<b>8,926,581</b>
<b>Total OPEB liability - beginning</b>	<b>90,248,485</b>	<b>96,653,040</b>	<b>92,059,498</b>
<b>Total OPEB liability - ending (a)</b>	<b>96,653,040</b>	<b>92,059,498</b>	<b>100,986,079</b>
<b>Plan Fiduciary Net Position</b>			
Contribution - employer	4,149,518	4,419,147	4,532,965
Net investment income	-	-	-
Benefit payments	(4,149,518)	(4,419,147)	(4,532,965)
Administrative expense	-	-	-
<b>Net change in plan fiduciary net position</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Plan fiduciary net position - beginning</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Net OPEB Liability - ending (a) - (b)</b>	<b>\$ 96,653,040</b>	<b>\$ 92,059,498</b>	<b>\$ 100,986,079</b>
<b>Plan fiduciary net position as a percentage of the total OPEB liability</b>	0.00%	0.00%	0.00%
<b>Covered-employee payroll</b>	\$ 40,827,676	\$ 40,570,643	\$ 42,681,546
<b>Total OPEB liability as a percentage of covered-employee payroll</b>	236.73%	226.91%	236.60%

(1) Historical information is required only for the measurement periods for which GASB 75 is applicable. Fiscal Year 2018 was the first year of implementation. Future years' information will be displayed up to 10 years as information becomes available.

Notes to Schedule: None

Changes in assumptions: In 2020, the accounting discount rate reduced from 3.8 percent to 2.7 percent.

## **SUPPLEMENTARY INFORMATION**

**THIS PAGE INTENTIONALLY LEFT BLANK**

CITY OF POMONA

**BUDGETARY COMPARISON SCHEDULE  
CAPITAL OUTLAY CAPITAL PROJECTS FUND  
YEAR ENDED JUNE 30, 2020**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 3,382,533	\$ 3,382,533	\$ 3,382,533	\$ -
<b>Resources (Inflows):</b>				
Licenses, permits and fees	15,000	15,000	500,303	485,303
Intergovernmental	170,000	2,222,257	599,858	(1,622,399)
Charges for services	-	-	30,861	30,861
Use of money and properties	12,886	12,886	80,566	67,680
Contributions from Successor Agency	-	2,083,183	7,234,181	5,150,998
Miscellaneous	-	280,000	311,480	31,480
Transfers in	12,060,697	16,895,891	12,121,460	(4,774,431)
<b>Amounts Available for Appropriations</b>	<b>15,641,116</b>	<b>24,891,750</b>	<b>24,261,242</b>	<b>(630,508)</b>
<b>Charges to Appropriation (Outflow):</b>				
Capital outlay	12,146,991	20,355,105	20,338,744	16,361
Debt service:				
Principal retirement	223,116	223,116	180,614	42,502
Interest and fiscal charges	-	-	42,502	(42,502)
Transfers out	213,060	268,355	233,611	34,744
<b>Total Charges to Appropriations</b>	<b>12,583,167</b>	<b>20,846,576</b>	<b>20,795,471</b>	<b>51,105</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 3,057,949</b>	<b>\$ 4,045,174</b>	<b>\$ 3,465,771</b>	<b>\$ (579,403)</b>



CITY OF POMONA

**BUDGETARY COMPARISON SCHEDULE  
GENERAL GOVERNMENT  
YEAR ENDED JUNE 30, 2020**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ (72,276,103)	\$ (72,276,103)	\$ (72,276,103)	\$ -
<b>Resources (Inflows):</b>				
Taxes	673,935	673,935	-	(673,935)
Intergovernmental	291,460	291,460	291,460	-
Use of money and properties	10,809	10,809	7,969	(2,840)
Transfers in	5,243,738	5,243,738	5,243,738	-
<b>Amounts Available for Appropriations</b>	<b>(66,056,161)</b>	<b>(66,056,161)</b>	<b>(66,732,936)</b>	<b>(676,775)</b>
<b>Charges to Appropriation (Outflow):</b>				
Debt service:				
Principal retirement	784,533	784,533	784,533	-
Interest and fiscal charges	3,202,365	3,202,365	3,209,898	(7,533)
Transfers out	2,275,000	2,275,000	-	2,275,000
<b>Total Charges to Appropriations</b>	<b>6,261,898</b>	<b>6,261,898</b>	<b>3,994,431</b>	<b>2,267,467</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ (72,318,059)</b>	<b>\$ (72,318,059)</b>	<b>\$ (70,727,367)</b>	<b>\$ 1,590,692</b>

CITY OF POMONA

**BUDGETARY COMPARISON SCHEDULE  
PUBLIC FINANCING AUTHORITY  
YEAR ENDED JUNE 30, 2020**

	<b>Budget Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Budgetary Fund Balance, July 1	\$ 76,626,414	\$ 76,626,414	\$ 76,626,414	\$ -
<b>Resources (Inflows):</b>				
Use of money and properties	187,062	187,062	332,070	145,008
<b>Amounts Available for Appropriations</b>	<b>76,813,476</b>	<b>76,813,476</b>	<b>76,958,484</b>	<b>145,008</b>
<b>Charges to Appropriation (Outflow):</b>				
Debt service:				
Principal retirement	2,860,000	2,860,000	2,860,000	-
Interest and fiscal charges	178,717	180,941	177,209	3,732
<b>Total Charges to Appropriations</b>	<b>3,038,717</b>	<b>3,040,941</b>	<b>3,037,209</b>	<b>3,732</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 73,774,759</b>	<b>\$ 73,772,535</b>	<b>\$ 73,921,275</b>	<b>\$ 148,740</b>

## NONMAJOR GOVERNMENTAL FUNDS

### Nonmajor Special Revenue Funds:

The **Community Development Block Grant (CDBG) Fund** accounts for funds received from the U.S. Department of Housing and Urban Development to develop viable urban communities by providing decent housing and a suitable environment and expand economic opportunity for persons of low and moderate income.

The **State Gas Tax Fund** accounts for revenues received and expenditures made for general street improvement and maintenance. The revenue consists of the City's share of state of state gasoline taxes collected under Sections 2105,2106,2107.5 of the Street and Highway Code.

The **Proposition "A" Fund** accounts for the receipt and disbursement of funds derived from the one-half cent sales tax imposed by the Proposition "A" ordinance of the Los Angeles County Transportation Commission. The funds are used to finance public transportation projects.

The **Proposition "C" Fund** accounts for the receipt and disbursement of funds derived from a 1990-91 increase in County sales tax. The funds are used to finance transit and transit-related projects.

The **Vehicle Parking District Fund** accounts for operation, maintenance, capital improvements, and administration of parking lots in the downtown business area. Revenues are received from parking fees.

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

The **Landscape Maintenance District Fund** accounts for revenues received and expenditures made for landscape and lighting maintenance in various areas of the City. Revenues consist of assessments received from property owners.

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

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

The **Measure "R" Fund** accounts for street maintenance, traffic signal, street light maintenance, traffic paint and sign services which are funded with one-half cent sales tax revenue.

The **Measure "M" Fund** accounts for new transit and highway projects, enhances bus and rail operations, and several other transportation improvements in Los Angeles County which is funded with one half cent sales tax revenue.

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

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

## **NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)**

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

The **Fairplex Mitigation Fund** accounts for City revenue from Fairplex events to fund public safety measures and initiatives to those residents most impacted by Fairplex events.

### **Nonmajor Capital Projects Funds**

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

CITY OF POMONA

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2020

	Special Revenue Funds			
	Community Development Block Grant	State Gas Tax	Proposition A	Proposition C
<b>Assets:</b>				
Cash and investments	\$ -	\$ 3,495,690	\$ 2,632,012	\$ 9,882,207
Receivables (net):				
Accounts	-	5,251	2,000	-
Notes and loans	1,545,013	-	-	-
Interest	-	10,223	8,667	32,755
Prepaid items	-	-	-	-
Due from other governments	653,168	192,430	22,807	-
Advances to other funds	-	-	-	-
Restricted assets:				
Cash and investments	-	-	-	-
<b>Total Assets</b>	<b>\$ 2,198,181</b>	<b>\$ 3,703,594</b>	<b>\$ 2,665,486</b>	<b>\$ 9,914,962</b>
<b>Liabilities, Deferred inflows of Resources, and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 187,110	\$ 266,863	\$ 43,485	\$ 300
Payroll payable	43,321	44,149	5,187	4,000
Deposits payable	-	-	-	-
Unearned revenues	-	-	-	-
Due to other funds	97,488	-	-	-
<b>Total Liabilities</b>	<b>327,919</b>	<b>311,012</b>	<b>48,672</b>	<b>4,300</b>
<b>Deferred inflows of resources:</b>				
Unavailable revenues	821,738	-	22,807	-
<b>Total Deferred inflows of Resources</b>	<b>821,738</b>	<b>-</b>	<b>22,807</b>	<b>-</b>
<b>Fund Balances:</b>				
<b>Nonspendable:</b>				
Prepaid costs	-	-	-	-
<b>Restricted for:</b>				
Development and public works	1,048,524	3,392,582	2,594,007	9,910,662
Public safety	-	-	-	-
Assessment district improvement	-	-	-	-
<b>Total Fund Balances</b>	<b>1,048,524</b>	<b>3,392,582</b>	<b>2,594,007</b>	<b>9,910,662</b>
<b>Total Liabilities, deferred inflows of resources, and Fund Balances</b>	<b>\$ 2,198,181</b>	<b>\$ 3,703,594</b>	<b>\$ 2,665,486</b>	<b>\$ 9,914,962</b>

CITY OF POMONA

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2020

(CONTINUED)

	Special Revenue Funds			
	Vehicle Parking District	Air Quality Improvement	Landscape Maintenance District	Asset Forfeiture
<b>Assets:</b>				
Cash and investments	\$ 2,331,814	\$ 214,213	\$ 980,462	\$ 1,466,804
Receivables (net):				
Accounts	6,890	-	-	-
Notes and loans	-	-	-	-
Interest	7,708	762	2,798	4,440
Prepaid items	-	-	-	8,441
Due from other governments	983	48,294	15,971	5,080
Advances to other funds	304,435	-	-	-
Restricted assets:				
Cash and investments	-	-	-	-
<b>Total Assets</b>	<b>\$ 2,651,830</b>	<b>\$ 263,269</b>	<b>\$ 999,231</b>	<b>\$ 1,484,765</b>
<b>Liabilities, Deferred inflows of Resources, and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 108,063	\$ -	\$ 229,340	\$ 14,036
Payroll payable	11,596	1,122	10,464	-
Deposits payable	2,334	-	-	-
Unearned revenues	-	-	-	-
Due to other funds	-	-	-	-
<b>Total Liabilities</b>	<b>121,993</b>	<b>1,122</b>	<b>239,804</b>	<b>14,036</b>
<b>Deferred inflows of resources:</b>				
Unavailable revenues	-	-	-	-
<b>Total Deferred inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances:</b>				
<b>Nonspendable:</b>				
Prepaid costs	-	-	-	8,441
<b>Restricted for:</b>				
Development and public works	2,529,837	262,147	-	-
Public safety	-	-	-	1,462,288
Assessment district improvement	-	-	759,427	-
<b>Total Fund Balances</b>	<b>2,529,837</b>	<b>262,147</b>	<b>759,427</b>	<b>1,470,729</b>
<b>Total Liabilities, deferred inflows of resources, and Fund Balances</b>	<b>\$ 2,651,830</b>	<b>\$ 263,269</b>	<b>\$ 999,231</b>	<b>\$ 1,484,765</b>

CITY OF POMONA

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2020

	<u>Special Revenue Funds</u>			
	<u>Traffic Offender</u>	<u>Measure R</u>	<u>Measure M</u>	<u>Special Fees</u>
<b>Assets:</b>				
Cash and investments	\$ 357,736	\$ 2,883,143	\$ 1,403,949	\$ 2,434,618
Receivables (net):				
Accounts	-	-	-	-
Notes and loans	-	-	-	-
Interest	1,199	8,610	3,802	-
Prepaid items	-	-	-	-
Due from other governments	-	-	-	-
Advances to other funds	-	-	-	-
Restricted assets:				
Cash and investments	-	-	-	-
<b>Total Assets</b>	<b><u>\$ 358,935</u></b>	<b><u>\$ 2,891,753</u></b>	<b><u>\$ 1,407,751</u></b>	<b><u>\$ 2,434,618</u></b>
<b>Liabilities, Deferred inflows of Resources, and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 789	\$ 124,810	\$ 107,289	\$ 4,928
Payroll payable	6,067	34,390	17,255	-
Deposits payable	-	-	-	-
Unearned revenues	-	-	-	-
Due to other funds	-	-	-	-
<b>Total Liabilities</b>	<b><u>6,856</u></b>	<b><u>159,200</u></b>	<b><u>124,544</u></b>	<b><u>4,928</u></b>
<b>Deferred inflows of resources:</b>				
Unavailable revenues	-	-	-	-
<b>Total Deferred inflows of Resources</b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>
<b>Fund Balances:</b>				
<b>Nonspendable:</b>				
Prepaid costs	-	-	-	-
<b>Restricted for:</b>				
Development and public works	-	2,732,553	1,283,207	2,429,690
Public safety	352,079	-	-	-
Assessment district improvement	-	-	-	-
<b>Total Fund Balances</b>	<b><u>352,079</u></b>	<b><u>2,732,553</u></b>	<b><u>1,283,207</u></b>	<b><u>2,429,690</u></b>
<b>Total Liabilities, deferred inflows of resources, and Fund Balances</b>	<b><u>\$ 358,935</u></b>	<b><u>\$ 2,891,753</u></b>	<b><u>\$ 1,407,751</u></b>	<b><u>\$ 2,434,618</u></b>

CITY OF POMONA

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2020

(CONTINUED)

	Special Revenue Funds			Capital Projects Funds
	PEG Fee	OATH Initiative	Fairplex Mitigation Fund	Assessment District Improvement
<b>Assets:</b>				
Cash and investments	\$ 238,549	\$ 1,513,881	\$ 423,900	\$ 58,500
Receivables (net):				
Accounts	31,643	-	-	-
Notes and loans	-	-	-	-
Interest	-	-	-	-
Prepaid items	-	-	-	-
Due from other governments	-	-	-	-
Advances to other funds	-	-	-	-
Restricted assets:				
Cash and investments	-	-	-	3,604
<b>Total Assets</b>	<b>\$ 270,192</b>	<b>\$ 1,513,881</b>	<b>\$ 423,900</b>	<b>\$ 62,104</b>
<b>Liabilities, Deferred inflows of Resources, and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ 13,257	\$ -	\$ -
Payroll payable	-	49,385	-	-
Deposits payable	-	-	-	-
Unearned revenues	-	1,451,239	-	-
Due to other funds	-	-	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>1,513,881</b>	<b>-</b>	<b>-</b>
<b>Deferred inflows of resources:</b>				
Unavailable revenues	-	-	-	-
<b>Total Deferred inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances:</b>				
<b>Nonspendable:</b>				
Prepaid costs	-	-	-	-
<b>Restricted for:</b>				
Development and public works	270,192	-	423,900	-
Public safety	-	-	-	-
Assessment district improvement	-	-	-	62,104
<b>Total Fund Balances</b>	<b>270,192</b>	<b>-</b>	<b>423,900</b>	<b>62,104</b>
<b>Total Liabilities, deferred inflows of resources, and Fund Balances</b>	<b>\$ 270,192</b>	<b>\$ 1,513,881</b>	<b>\$ 423,900</b>	<b>\$ 62,104</b>



CITY OF POMONA

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2020

	<u>Total Nonmajor Governmental Funds</u>
<b>Assets:</b>	
Cash and investments	\$ 30,317,478
Receivables (net):	
Accounts	45,784
Notes and loans	1,545,013
Interest	80,964
Prepaid items	8,441
Due from other governments	938,733
Advances to other funds	304,435
Restricted assets:	
Cash and investments	3,604
	<u>3,604</u>
<b>Total Assets</b>	<b><u>\$ 33,244,452</u></b>
<b>Liabilities, Deferred inflows of Resources, and Fund Balances:</b>	
<b>Liabilities:</b>	
Accounts payable	\$ 1,100,270
Payroll payable	226,936
Deposits payable	2,334
Unearned revenues	1,451,239
Due to other funds	97,488
	<u>97,488</u>
<b>Total Liabilities</b>	<b><u>2,878,267</u></b>
<b>Deferred inflows of resources:</b>	
Unavailable revenues	844,545
	<u>844,545</u>
<b>Total Deferred inflows of Resources</b>	<b><u>844,545</u></b>
<b>Fund Balances:</b>	
<b>Nonspendable:</b>	
Prepaid costs	8,441
<b>Restricted for:</b>	
Development and public works	26,877,301
Public safety	1,814,367
Assessment district improvement	821,531
	<u>821,531</u>
<b>Total Fund Balances</b>	<b><u>29,521,640</u></b>
<b>Total Liabilities, deferred inflows of resources, and Fund Balances</b>	<b><u>\$ 33,244,452</u></b>

**THIS PAGE INTENTIONALLY LEFT BLANK**

CITY OF POMONA

COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2020

	Special Revenue Funds			
	Community Development Block Grant	State Gas Tax	Proposition A	Proposition C
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-
Licenses, permits and fees	-	-	-	-
Intergovernmental	1,966,855	5,763,254	3,014,621	2,492,340
Charges for services	302,728	562	-	-
Use of money and properties	1,103	79,070	69,948	255,098
Fines and forfeitures	-	-	-	-
Miscellaneous	-	237,844	1,500	-
<b>Total Revenues</b>	<b>2,270,686</b>	<b>6,080,730</b>	<b>3,086,069</b>	<b>2,747,438</b>
<b>Expenditures:</b>				
Current:				
General government	-	-	-	-
Public safety	78,980	-	-	-
Urban development	1,847,442	3,563,362	2,695,721	119,339
Capital outlay	-	22,582	-	-
Debt service:				
Principal retirement	20,000	65,148	-	-
Interest and fiscal charges	1,955	-	-	-
<b>Total Expenditures</b>	<b>1,948,377</b>	<b>3,651,092</b>	<b>2,695,721</b>	<b>119,339</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	322,309	2,429,638	390,348	2,628,099
<b>Other Financing Sources (Uses):</b>				
Transfers in	307,806	881,750	-	37,110
Transfers out	(663,826)	(2,529,879)	(820,821)	(328,914)
<b>Total Other Financing Sources (Uses)</b>	<b>(356,020)</b>	<b>(1,648,129)</b>	<b>(820,821)</b>	<b>(291,804)</b>
Net Change in Fund Balances	(33,711)	781,509	(430,473)	2,336,295
Fund Balances, Beginning of Year	1,082,235	2,611,073	3,024,480	7,574,367
<b>Fund Balances, End of Year</b>	<b>\$ 1,048,524</b>	<b>\$ 3,392,582</b>	<b>\$ 2,594,007</b>	<b>\$ 9,910,662</b>

## CITY OF POMONA

COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2020

(CONTINUED)

	Special Revenue Funds			
	Vehicle Parking District	Air Quality Improvement	Landscape Maintenance District	Asset Forfeiture
<b>Revenues:</b>				
Taxes	\$ 16,140	\$ -	\$ -	\$ -
Special assessments	-	-	1,218,873	-
Licenses, permits and fees	-	-	-	-
Intergovernmental	-	195,710	-	633,310
Charges for services	129,160	-	-	71
Use of money and properties	543,557	5,952	20,617	39,172
Fines and forfeitures	-	-	-	-
Miscellaneous	-	-	-	-
<b>Total Revenues</b>	<b>688,857</b>	<b>201,662</b>	<b>1,239,490</b>	<b>672,553</b>
<b>Expenditures:</b>				
Current:				
General government	640,938	-	-	-
Public safety	-	-	-	362,052
Urban development	-	61,299	1,325,471	-
Capital outlay	-	51,530	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
<b>Total Expenditures</b>	<b>640,938</b>	<b>112,829</b>	<b>1,325,471</b>	<b>362,052</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	47,919	88,833	(85,981)	310,501
<b>Other Financing Sources (Uses):</b>				
Transfers in	-	-	-	-
Transfers out	-	(85,000)	-	(120,000)
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>(85,000)</b>	<b>-</b>	<b>(120,000)</b>
Net Change in Fund Balances	47,919	3,833	(85,981)	190,501
Fund Balances, Beginning of Year	2,481,918	258,314	845,408	1,280,228
<b>Fund Balances, End of Year</b>	<b>\$ 2,529,837</b>	<b>\$ 262,147</b>	<b>\$ 759,427</b>	<b>\$ 1,470,729</b>

CITY OF POMONA

COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2020

	Special Revenue Funds			
	Traffic Offender	Measure R	Measure M	Special Fees
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-
Licenses, permits and fees	-	-	-	775,831
Intergovernmental	-	1,867,041	2,100,905	-
Charges for services	175,175	-	-	-
Use of money and properties	9,236	74,137	30,932	25,093
Fines and forfeitures	-	-	-	-
Miscellaneous	-	-	-	-
<b>Total Revenues</b>	<b>184,411</b>	<b>1,941,178</b>	<b>2,131,837</b>	<b>800,924</b>
<b>Expenditures:</b>				
Current:				
General government	-	-	-	-
Public safety	59,744	-	-	-
Urban development	-	1,438,779	621,698	45,212
Capital outlay	-	-	260,913	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
<b>Total Expenditures</b>	<b>59,744</b>	<b>1,438,779</b>	<b>882,611</b>	<b>45,212</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	124,667	502,399	1,249,226	755,712
<b>Other Financing Sources (Uses):</b>				
Transfers in	-	-	-	-
Transfers out	-	(867,541)	(1,273,881)	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>(867,541)</b>	<b>(1,273,881)</b>	<b>-</b>
Net Change in Fund Balances	124,667	(365,142)	(24,655)	755,712
Fund Balances, Beginning of Year	227,412	3,097,695	1,307,862	1,673,978
<b>Fund Balances, End of Year</b>	<b>\$ 352,079</b>	<b>\$ 2,732,553</b>	<b>\$ 1,283,207</b>	<b>\$ 2,429,690</b>

CITY OF POMONA

COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2020

(CONTINUED)

	Special Revenue Funds			Capital Projects Funds
	PEG Fee	OATH Initiative	Fairplex Mitigation Fund	Assessment District Improvement
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-
Licenses, permits and fees	129,940	-	-	-
Intergovernmental	-	1,696,263	418,821	-
Charges for services	-	-	-	-
Use of money and properties	2,291	-	5,079	1,155
Fines and forfeitures	-	-	-	-
Miscellaneous	-	-	-	-
<b>Total Revenues</b>	<b>132,231</b>	<b>1,696,263</b>	<b>423,900</b>	<b>1,155</b>
<b>Expenditures:</b>				
Current:				
General government	-	-	-	-
Public safety	-	1,696,263	-	-
Urban development	-	-	-	-
Capital outlay	2,146	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
<b>Total Expenditures</b>	<b>2,146</b>	<b>1,696,263</b>	<b>-</b>	<b>-</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	130,085	-	423,900	1,155
<b>Other Financing Sources (Uses):</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net Change in Fund Balances	130,085	-	423,900	1,155
Fund Balances, Beginning of Year	140,107	-	-	60,949
<b>Fund Balances, End of Year</b>	<b>\$ 270,192</b>	<b>\$ -</b>	<b>\$ 423,900</b>	<b>\$ 62,104</b>

CITY OF POMONA

COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2020

	<b>Total Nonmajor Governmental Funds</b>
<b>Revenues:</b>	
Taxes	\$ 16,140
Special assessments	1,218,873
Licenses, permits and fees	905,771
Intergovernmental	20,149,120
Charges for services	607,696
Use of money and properties	1,162,440
Fines and forfeitures	-
Miscellaneous	239,344
	<hr/>
<b>Total Revenues</b>	<b>24,299,384</b>
	<hr/>
<b>Expenditures:</b>	
Current:	
General government	640,938
Public safety	2,197,039
Urban development	11,718,323
Capital outlay	337,171
Debt service:	
Principal retirement	85,148
Interest and fiscal charges	1,955
	<hr/>
<b>Total Expenditures</b>	<b>14,980,574</b>
	<hr/>
Excess (Deficiency) of Revenues Over (Under) Expenditures	9,318,810
	<hr/>
<b>Other Financing Sources (Uses):</b>	
Transfers in	1,226,666
Transfers out	(6,689,862)
	<hr/>
<b>Total Other Financing Sources (Uses)</b>	<b>(5,463,196)</b>
	<hr/>
Net Change in Fund Balances	3,855,614
	<hr/>
Fund Balances, Beginning of Year	25,666,026
	<hr/>
<b>Fund Balances, End of Year</b>	<b>\$ 29,521,640</b>
	<hr/> <hr/>

CITY OF POMONA

**BUDGETARY COMPARISON SCHEDULE  
COMMUNITY DEVELOPMENT BLOCK GRANT  
YEAR ENDED JUNE 30, 2020**

	<b>Budget Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Budgetary Fund Balance, July 1	\$ 1,082,235	\$ 1,082,235	\$ 1,082,235	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	2,485,797	4,146,309	1,966,855	(2,179,454)
Charges for services	-	9,605	302,728	293,123
Use of money and properties	5,988	5,988	1,103	(4,885)
Transfers in	312,156	312,156	307,806	(4,350)
<b>Amounts Available for Appropriations</b>	<b>3,886,176</b>	<b>5,556,293</b>	<b>3,660,727</b>	<b>(1,895,566)</b>
<b>Charges to Appropriation (Outflow):</b>				
Public safety	128,503	131,480	78,980	52,500
Urban development	1,594,675	3,036,697	1,847,442	1,189,255
Capital outlay	-	2,800	-	2,800
Debt service:				
Principal retirement	11,000	11,000	20,000	(9,000)
Interest and fiscal charges	-	-	1,955	(1,955)
Transfers out	711,901	1,158,195	663,826	494,369
<b>Total Charges to Appropriations</b>	<b>2,446,079</b>	<b>4,340,172</b>	<b>2,612,203</b>	<b>1,727,969</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 1,440,097</b>	<b>\$ 1,216,121</b>	<b>\$ 1,048,524</b>	<b>\$ (167,597)</b>



CITY OF POMONA

**BUDGETARY COMPARISON SCHEDULE  
STATE GAS TAX  
YEAR ENDED JUNE 30, 2020**

	<b>Budget Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Budgetary Fund Balance, July 1	\$ 2,611,073	\$ 2,611,073	\$ 2,611,073	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	6,434,348	6,434,348	5,763,254	(671,094)
Charges for services	-	-	562	562
Use of money and properties	31,409	31,409	79,070	47,661
Miscellaneous	175,569	175,569	237,844	62,275
Transfers in	131,750	131,750	881,750	750,000
<b>Amounts Available for Appropriations</b>	<b>9,384,149</b>	<b>9,384,149</b>	<b>9,573,553</b>	<b>189,404</b>
<b>Charges to Appropriation (Outflow):</b>				
Urban development	4,224,470	4,251,378	3,563,362	688,016
Capital outlay	-	22,653	22,582	71
Debt service:				
Principal retirement	65,148	65,148	65,148	-
Transfers out	2,423,009	2,423,009	2,529,879	(106,870)
<b>Total Charges to Appropriations</b>	<b>6,712,627</b>	<b>6,762,188</b>	<b>6,180,971</b>	<b>581,217</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 2,671,522</b>	<b>\$ 2,621,961</b>	<b>\$ 3,392,582</b>	<b>\$ 770,621</b>

CITY OF POMONA

**BUDGETARY COMPARISON SCHEDULE  
PROPOSITION A  
YEAR ENDED JUNE 30, 2020**

	<b>Budget Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Budgetary Fund Balance, July 1	\$ 3,024,480	\$ 3,024,480	\$ 3,024,480	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	3,160,372	3,160,372	3,014,621	(145,751)
Use of money and properties	45,115	45,115	69,948	24,833
Miscellaneous	-	-	1,500	1,500
<b>Amounts Available for Appropriations</b>	<b>6,229,967</b>	<b>6,229,967</b>	<b>6,110,549</b>	<b>(119,418)</b>
<b>Charges to Appropriation (Outflow):</b>				
Urban development	2,993,680	2,997,548	2,695,721	301,827
Transfers out	610,787	610,787	820,821	(210,034)
<b>Total Charges to Appropriations</b>	<b>3,604,467</b>	<b>3,608,335</b>	<b>3,516,542</b>	<b>91,793</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 2,625,500</b>	<b>\$ 2,621,632</b>	<b>\$ 2,594,007</b>	<b>\$ (27,625)</b>

CITY OF POMONA

**BUDGETARY COMPARISON SCHEDULE  
PROPOSITION C  
YEAR ENDED JUNE 30, 2020**

	<b>Budget Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Budgetary Fund Balance, July 1	\$ 7,574,367	\$ 7,574,367	\$ 7,574,367	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	2,600,709	2,600,709	2,492,340	(108,369)
Use of money and properties	91,429	91,429	255,098	163,669
Transfers in	-	-	37,110	37,110
<b>Amounts Available for Appropriations</b>	<b>10,266,505</b>	<b>10,266,505</b>	<b>10,358,915</b>	<b>92,410</b>
<b>Charges to Appropriation (Outflow):</b>				
Urban development	121,362	123,929	119,339	4,590
Transfers out	2,823,590	2,823,590	328,914	2,494,676
<b>Total Charges to Appropriations</b>	<b>2,944,952</b>	<b>2,947,519</b>	<b>448,253</b>	<b>2,499,266</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 7,321,553</b>	<b>\$ 7,318,986</b>	<b>\$ 9,910,662</b>	<b>\$ 2,591,676</b>

CITY OF POMONA

**BUDGETARY COMPARISON SCHEDULE  
VEHICLE PARKING DISTRICT  
YEAR ENDED JUNE 30, 2020**

	<b>Budget Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Budgetary Fund Balance, July 1	\$ 2,481,918	\$ 2,481,918	\$ 2,481,918	\$ -
<b>Resources (Inflows):</b>				
Taxes	15,105	15,105	16,140	1,035
Charges for services	145,000	145,000	129,160	(15,840)
Use of money and properties	1,145,004	1,145,004	543,557	(601,447)
Transfers in	-	24,500	-	(24,500)
<b>Amounts Available for Appropriations</b>	<b>3,787,027</b>	<b>3,811,527</b>	<b>3,170,775</b>	<b>(640,752)</b>
<b>Charges to Appropriation (Outflow):</b>				
General government	917,840	946,532	640,938	305,594
Transfers out	-	24,500	-	24,500
<b>Total Charges to Appropriations</b>	<b>917,840</b>	<b>971,032</b>	<b>640,938</b>	<b>330,094</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 2,869,187</b>	<b>\$ 2,840,495</b>	<b>\$ 2,529,837</b>	<b>\$ (310,658)</b>

CITY OF POMONA

**BUDGETARY COMPARISON SCHEDULE  
AIR QUALITY IMPROVEMENT  
YEAR ENDED JUNE 30, 2020**

	<b>Budget Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Budgetary Fund Balance, July 1	\$ 258,314	\$ 258,314	\$ 258,314	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	199,000	199,000	195,710	(3,290)
Use of money and properties	5,544	5,544	5,952	408
<b>Amounts Available for Appropriations</b>	<b>462,858</b>	<b>462,858</b>	<b>459,976</b>	<b>(2,882)</b>
<b>Charges to Appropriation (Outflow):</b>				
Urban development	35,374	53,498	61,299	(7,801)
Capital outlay	51,530	51,530	51,530	-
Transfers out	233,939	233,939	85,000	148,939
<b>Total Charges to Appropriations</b>	<b>320,843</b>	<b>338,967</b>	<b>197,829</b>	<b>141,138</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 142,015</b>	<b>\$ 123,891</b>	<b>\$ 262,147</b>	<b>\$ 138,256</b>

CITY OF POMONA

**BUDGETARY COMPARISON SCHEDULE  
LANDSCAPE MAINTENANCE DISTRICT  
YEAR ENDED JUNE 30, 2020**

	<b>Budget Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Budgetary Fund Balance, July 1	\$ 845,408	\$ 845,408	\$ 845,408	\$ -
<b>Resources (Inflows):</b>				
Special assessments	1,223,878	1,223,878	1,218,873	(5,005)
Use of money and properties	14,385	14,385	20,617	6,232
<b>Amounts Available for Appropriations</b>	<b>2,083,671</b>	<b>2,083,671</b>	<b>2,084,898</b>	<b>1,227</b>
<b>Charges to Appropriation (Outflow):</b>				
Urban development	1,462,197	1,469,499	1,325,471	144,028
<b>Total Charges to Appropriations</b>	<b>1,462,197</b>	<b>1,469,499</b>	<b>1,325,471</b>	<b>144,028</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 621,474</b>	<b>\$ 614,172</b>	<b>\$ 759,427</b>	<b>\$ 145,255</b>

CITY OF POMONA

**BUDGETARY COMPARISON SCHEDULE  
ASSET FORFEITURE  
YEAR ENDED JUNE 30, 2020**

	<b>Budget Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Budgetary Fund Balance, July 1	\$ 1,280,228	\$ 1,280,228	\$ 1,280,228	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	775,000	775,000	633,310	(141,690)
Charges for services	6,000	6,000	71	(5,929)
Use of money and properties	12,740	12,740	39,172	26,432
Miscellaneous	1,708,775	1,708,775	-	(1,708,775)
<b>Amounts Available for Appropriations</b>	<b>3,782,743</b>	<b>3,782,743</b>	<b>1,952,781</b>	<b>(1,829,962)</b>
<b>Charges to Appropriation (Outflow):</b>				
General government	-	-	-	-
Public safety	955,550	807,638	362,052	445,586
Capital outlay	-	147,912	-	147,912
Transfers out	-	120,000	120,000	-
<b>Total Charges to Appropriations</b>	<b>955,550</b>	<b>1,075,550</b>	<b>482,052</b>	<b>593,498</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 2,827,193</b>	<b>\$ 2,707,193</b>	<b>\$ 1,470,729</b>	<b>\$ (1,236,464)</b>

CITY OF POMONA

**BUDGETARY COMPARISON SCHEDULE  
TRAFFIC OFFENDER  
YEAR ENDED JUNE 30, 2020**

	<b>Budget Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Budgetary Fund Balance, July 1	\$ 227,412	\$ 227,412	\$ 227,412	\$ -
<b>Resources (Inflows):</b>				
Charges for services	160,000	160,000	175,175	15,175
Use of money and properties	3,353	3,353	9,236	5,883
<b>Amounts Available for Appropriations</b>	<b>390,765</b>	<b>390,765</b>	<b>411,823</b>	<b>21,058</b>
<b>Charges to Appropriation (Outflow):</b>				
Public safety	120,850	140,850	59,744	81,106
Capital outlay	65,000	45,000	-	45,000
<b>Total Charges to Appropriations</b>	<b>185,850</b>	<b>185,850</b>	<b>59,744</b>	<b>126,106</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 204,915</b>	<b>\$ 204,915</b>	<b>\$ 352,079</b>	<b>\$ 147,164</b>



CITY OF POMONA

**BUDGETARY COMPARISON SCHEDULE  
MEASURE R  
YEAR ENDED JUNE 30, 2020**

	<b>Budget Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Budgetary Fund Balance, July 1	\$ 3,097,695	\$ 3,097,695	\$ 3,097,695	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	1,950,742	1,950,742	1,867,041	(83,701)
Use of money and properties	47,942	47,942	74,137	26,195
<b>Amounts Available for Appropriations</b>	<b>5,096,379</b>	<b>5,096,379</b>	<b>5,038,873</b>	<b>(57,506)</b>
<b>Charges to Appropriation (Outflow):</b>				
Urban development	1,532,234	1,567,507	1,438,779	128,728
Transfers out	347,925	671,591	867,541	(195,950)
<b>Total Charges to Appropriations</b>	<b>1,880,159</b>	<b>2,239,098</b>	<b>2,306,320</b>	<b>(67,222)</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 3,216,220</b>	<b>\$ 2,857,281</b>	<b>\$ 2,732,553</b>	<b>\$ (124,728)</b>

CITY OF POMONA

**BUDGETARY COMPARISON SCHEDULE  
MEASURE M  
YEAR ENDED JUNE 30, 2020**

	<b>Budget Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Budgetary Fund Balance, July 1	\$ 1,307,862	\$ 1,307,862	\$ 1,307,862	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	2,210,602	2,210,602	2,100,905	(109,697)
Use of money and properties	27,428	27,428	30,932	3,504
<b>Amounts Available for Appropriations</b>	<b>3,545,892</b>	<b>3,545,892</b>	<b>3,439,699</b>	<b>(106,193)</b>
<b>Charges to Appropriation (Outflow):</b>				
Urban development	851,694	862,791	621,698	241,093
Capital outlay	214,812	261,284	260,913	371
Transfers out	973,491	1,093,491	1,273,881	(180,390)
<b>Total Charges to Appropriations</b>	<b>2,039,997</b>	<b>2,217,566</b>	<b>2,156,492</b>	<b>61,074</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 1,505,895</b>	<b>\$ 1,328,326</b>	<b>\$ 1,283,207</b>	<b>\$ (45,119)</b>

CITY OF POMONA

**BUDGETARY COMPARISON SCHEDULE  
SPECIAL FEES  
YEAR ENDED JUNE 30, 2020**

	<b>Budget Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Budgetary Fund Balance, July 1	\$ 1,673,978	\$ 1,673,978	\$ 1,673,978	\$ -
<b>Resources (Inflows):</b>				
Special assessments	251,200	251,200	775,831	524,631
Use of money and properties	-	-	25,093	25,093
<b>Amounts Available for Appropriations</b>	<b>1,925,178</b>	<b>1,925,178</b>	<b>2,474,902</b>	<b>549,724</b>
<b>Charges to Appropriation (Outflow):</b>				
Urban development	200,000	200,000	45,212	154,788
<b>Total Charges to Appropriations</b>	<b>200,000</b>	<b>200,000</b>	<b>45,212</b>	<b>154,788</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 1,725,178</b>	<b>\$ 1,725,178</b>	<b>\$ 2,429,690</b>	<b>\$ 704,512</b>

CITY OF POMONA

BUDGETARY COMPARISON SCHEDULE  
 PEG FEE  
 YEAR ENDED JUNE 30, 2020

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 140,107	\$ 140,107	\$ 140,107	\$ -
<b>Resources (Inflows):</b>				
Licenses, permits and fees	85,000	85,000	129,940	44,940
Use of money and properties	-	-	2,291	2,291
<b>Amounts Available for Appropriations</b>	<b>225,107</b>	<b>225,107</b>	<b>272,338</b>	<b>47,231</b>
<b>Charges to Appropriation (Outflow):</b>				
Capital outlay	85,000	85,000	2,146	82,854
<b>Total Charges to Appropriations</b>	<b>85,000</b>	<b>85,000</b>	<b>2,146</b>	<b>82,854</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 140,107</b>	<b>\$ 140,107</b>	<b>\$ 270,192</b>	<b>\$ 130,085</b>

CITY OF POMONA

BUDGETARY COMPARISON SCHEDULE  
 OATH INITIATIVE  
 YEAR ENDED JUNE 30, 2020

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	-	1,554,726	1,696,263	141,537
<b>Amounts Available for Appropriations</b>	<b>-</b>	<b>1,554,726</b>	<b>1,696,263</b>	<b>141,537</b>
<b>Charges to Appropriation (Outflow):</b>				
Public safety	-	1,572,671	1,696,263	(123,592)
<b>Total Charges to Appropriations</b>	<b>-</b>	<b>1,572,671</b>	<b>1,696,263</b>	<b>(123,592)</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ -</b>	<b>\$ (17,945)</b>	<b>\$ -</b>	<b>\$ 17,945</b>

## **INTERNAL SERVICE FUNDS**

The **Internal Service Funds** account for maintenance and repair of City vehicles and equipment, risk management, general liability, workers' compensation, information technology, and printing and mail service provided to other departments or agencies of the City.

**THIS PAGE INTENTIONALLY LEFT BLANK**

## CITY OF POMONA

**COMBINING STATEMENT OF NET POSITION  
INTERNAL SERVICE FUNDS  
JUNE 30, 2020**

	Governmental Activities - Internal Service Funds				Totals
	Self-Insurance	Equipment Maintenance	Information Technology	Printing/Mail Services	
<b>Assets:</b>					
Current:					
Cash and investments	\$ 10,199,886	\$ 291,201	\$ 239,794	\$ -	\$ 10,730,881
Receivables:					
Accounts	591	-	-	-	591
Interest	65,475	-	-	-	65,475
Prepaid items	-	-	-	1,438	1,438
Inventories	-	375,424	-	-	375,424
<b>Total Current Assets</b>	<b>10,265,952</b>	<b>666,625</b>	<b>239,794</b>	<b>1,438</b>	<b>11,173,809</b>
Noncurrent:					
Capital assets - net of accumulated depreciation	-	142,570	120,293	-	262,863
<b>Total Noncurrent Assets</b>	<b>-</b>	<b>142,570</b>	<b>120,293</b>	<b>-</b>	<b>262,863</b>
<b>Total Assets</b>	<b>10,265,952</b>	<b>809,195</b>	<b>360,087</b>	<b>1,438</b>	<b>11,436,672</b>
<b>Deferred Outflows of Resources:</b>					
Deferred outflows of resources related to pensions	99,857	316,062	211,624	-	627,543
Deferred outflows of resources related to other postemployment benefits	51,132	268,633	138,896	-	458,661
<b>Total Deferred Outflows of Resources</b>	<b>150,989</b>	<b>584,695</b>	<b>350,520</b>	<b>-</b>	<b>1,086,204</b>
<b>Liabilities:</b>					
Current:					
Accounts payable	108,827	285,716	44,131	124	438,798
Due to other funds	-	-	-	60,844	60,844
Payroll payable	24,167	72,865	46,788	-	143,820
Compensated absences, due within one year	-	204,797	-	-	204,797
Claims and judgements, due within one year	6,311,000	-	-	-	6,311,000
<b>Total Current Liabilities</b>	<b>6,443,994</b>	<b>563,378</b>	<b>90,919</b>	<b>60,968</b>	<b>7,159,259</b>
Noncurrent:					
Claims and judgements, due in more than one year	9,223,779	-	-	-	9,223,779
Total other postemployment benefit liability	511,688	2,688,278	1,389,962	-	4,589,928
Net pension liability	846,024	2,677,781	1,792,949	-	5,316,754
<b>Total Noncurrent Liabilities</b>	<b>10,581,491</b>	<b>5,366,059</b>	<b>3,182,911</b>	<b>-</b>	<b>19,130,461</b>
<b>Total Liabilities</b>	<b>17,025,485</b>	<b>5,929,437</b>	<b>3,273,830</b>	<b>60,968</b>	<b>26,289,720</b>
<b>Deferred Inflows of Resources:</b>					
Deferred inflows of resources related to pensions	11,887	37,624	25,192	-	74,703
Deferred inflows of resources related to other postemployment benefits	19,544	102,679	53,091	-	175,314
<b>Total Deferred Inflows of Resources</b>	<b>31,431</b>	<b>140,303</b>	<b>78,283</b>	<b>-</b>	<b>250,017</b>
<b>Net Position:</b>					
Net investment in capital assets	-	142,570	120,293	-	262,863
Unrestricted	(6,639,975)	(4,818,420)	(2,761,799)	(59,530)	(14,279,724)
<b>Total Net Position</b>	<b>\$ (6,639,975)</b>	<b>\$ (4,675,850)</b>	<b>\$ (2,641,506)</b>	<b>\$ (59,530)</b>	<b>\$ (14,016,861)</b>



CITY OF POMONA

COMBINING STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN FUND NET POSITION  
INTERNAL SERVICE FUNDS  
YEAR ENDED JUNE 30, 2020

	Governmental Activities - Internal Service Funds				
	Self- Insurance	Equipment Maintenance	Information Technology	Printing/Mail Services	Totals
<b>Operating Revenues:</b>					
Charges for services	\$ 4,708,750	\$ 4,253,805	\$ 1,980,550	\$ 4,046	\$ 10,947,151
Miscellaneous	350,492	-	-	-	350,492
<b>Total Operating Revenues</b>	<b>5,059,242</b>	<b>4,253,805</b>	<b>1,980,550</b>	<b>4,046</b>	<b>11,297,643</b>
<b>Operating Expenses:</b>					
Personnel services	-	2,006,261	1,385,665	-	3,391,926
Operations	-	2,535,613	859,413	16,830	3,411,856
Claims expense	6,239,071	477	-	-	6,239,548
Depreciation expense	-	13,243	23,788	-	37,031
Insurance	-	60,282	30,140	-	90,422
<b>Total Operating Expenses</b>	<b>6,239,071</b>	<b>4,615,876</b>	<b>2,299,006</b>	<b>16,830</b>	<b>13,170,783</b>
Operating Income (Loss)	(1,179,829)	(362,071)	(318,456)	(12,784)	(1,873,140)
<b>Nonoperating Revenues:</b>					
Investment income	497,849	2,112	2,336	-	502,297
<b>Total Nonoperating Revenues</b>	<b>497,849</b>	<b>2,112</b>	<b>2,336</b>	<b>-</b>	<b>502,297</b>
Changes in Net Position	(681,980)	(359,959)	(316,120)	(12,784)	(1,370,843)
<b>Net Position:</b>					
Beginning of Year	(5,957,995)	(4,315,891)	(2,325,386)	(46,746)	(12,646,018)
<b>End of Fiscal Year</b>	<b>\$ (6,639,975)</b>	<b>\$ (4,675,850)</b>	<b>\$ (2,641,506)</b>	<b>\$ (59,530)</b>	<b>\$ (14,016,861)</b>

CITY OF POMONA

COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
YEAR ENDED JUNE 30, 2020

	Governmental Activities - Internal Service Funds				
	Self-Insurance	Equipment Maintenance	Information Technology	Printing/Mail Services	Totals
<b>Cash Flows from Operating Activities:</b>					
Cash received from customers and users	\$ 5,059,242	\$ 4,253,805	\$ 1,980,550	\$ 4,046	\$ 11,297,643
Cash paid to suppliers for goods and services	(3,790,457)	(2,803,482)	(960,551)	(20,651)	(7,575,141)
Cash paid for general and administrative expenses	(51,559)	(1,661,681)	(975,281)	-	(2,688,521)
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>1,217,226</b>	<b>(211,358)</b>	<b>44,718</b>	<b>(16,605)</b>	<b>1,033,981</b>
<b>Cash Flows from Non-Capital Financing Activities:</b>					
Cash received from other funds				60,844	60,844
<b>Net Cash Provided (Used) by Non-Capital Financing Activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>60,844</b>	<b>60,844</b>
<b>Cash Flows from Capital and Related Financing Activities:</b>					
Acquisition and construction of capital assets	-	(29,972)	-	-	(29,972)
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	<b>-</b>	<b>(29,972)</b>	<b>-</b>	<b>-</b>	<b>(29,972)</b>
<b>Cash Flows from Investing Activities:</b>					
Interest received	498,599	2,112	2,336	-	503,047
<b>Net Cash Provided (Used) by Investing Activities</b>	<b>498,599</b>	<b>2,112</b>	<b>2,336</b>	<b>-</b>	<b>503,047</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>1,715,825</b>	<b>(239,218)</b>	<b>47,054</b>	<b>44,239</b>	<b>1,567,900</b>
Cash and Cash Equivalents at Beginning of Year	8,484,061	530,419	192,740	(44,239)	9,162,981
<b>Cash and Cash Equivalents at End of Year</b>	<b>\$ 10,199,886</b>	<b>\$ 291,201</b>	<b>\$ 239,794</b>	<b>\$ -</b>	<b>\$ 10,730,881</b>
<b>Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:</b>					
Operating income (loss)	\$ (1,179,829)	\$ (362,071)	\$ (318,456)	\$ (12,784)	\$ (1,873,140)
<b>Adjustments to reconcile operating income (loss) net cash provided (used) by operating activities:</b>					
Depreciation	-	13,243	23,788	-	37,031
(Increase) decrease in inventories	-	(41,054)	-	-	(41,054)
(Increase) decrease in deferred outflows of resources related to pensions	(10,479)	(38,178)	(39,369)	-	(88,026)
(Increase) decrease in deferred outflows of resources related to other postemployment benefits	(25,672)	(163,398)	(89,210)	-	(278,280)
Increase (decrease) in accounts payable	103,877	(166,056)	(70,998)	(3,821)	(136,998)
Increase (decrease) in payroll payable	5,053	13,621	9,052	-	27,726
Increase (decrease) in claims and judgments	2,344,737	-	-	-	2,344,737
Increase (decrease) in compensated absences	-	24,986	-	-	24,986
Increase (decrease) in net other postemployment benefit liability	(66,132)	299,942	262,331	-	496,141
Increase (decrease) in net pension liability	47,003	193,553	253,018	-	493,574
Increase (decrease) in deferred inflows of resources related to pensions	2,932	9,783	7,934	-	20,649
Increase (decrease) in deferred inflows of resources related to other postemployment benefits	(4,264)	4,271	6,628	-	6,635
<b>Total Adjustments</b>	<b>2,397,055</b>	<b>150,713</b>	<b>363,174</b>	<b>(3,821)</b>	<b>2,907,121</b>
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$ 1,217,226</b>	<b>\$ (211,358)</b>	<b>\$ 44,718</b>	<b>\$ (16,605)</b>	<b>\$ 1,033,981</b>

**THIS PAGE INTENTIONALLY LEFT BLANK**

## **AGENCY FUNDS**

The **Agency Funds** account for assets held by the City for other funds, governments, or individuals. These funds include receipts and disbursements of funds for the debt service activity of the 1911 Act assessment districts, cash deposits collected for street and sidewalk encroachment permits, debt services activity related to debt without government commitment for various assessment district improvements, cash guarantees (deposits) collected by the City for various construction improvement projects, deposits of miscellaneous self-supporting City Projects, payment of various employee benefits and deductions, including, but not limited to, health and dental insurance premiums, federal and state withholding taxes, life insurance and other withholdings from regular compensation as well as monitoring of the local watershed as required by the MS4 permit as a lead agency of the East San Gabriel Valley Watershed Management Group.

CITY OF POMONA

COMBINING STATEMENT OF NET POSITION  
 ALL AGENCY FUNDS  
 JUNE 30, 2020

	Assessment Districts	Engineers' Revolving	Construction Guarantee	Municipal Revolving
<b>Assets:</b>				
Cash and investments	\$ 251,266	\$ 433,028	\$ 809,166	\$ 1,358,591
Receivables (net):				
Accounts	-	-	-	202,171
Interest	622	43	-	-
Due from other governments	23,533	-	-	256,538
<b>Total Assets</b>	<b>275,421</b>	<b>433,071</b>	<b>809,166</b>	<b>1,817,300</b>
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ -	\$ 250	\$ 401,836
Deposits payable	47,228	433,071	808,916	1,415,464
Due to external parties/other agencies	228,193	-	-	-
<b>Total Liabilities</b>	<b>\$ 275,421</b>	<b>\$ 433,071</b>	<b>\$ 809,166</b>	<b>\$ 1,817,300</b>

CITY OF POMONA

COMBINING STATEMENT OF NET POSITION  
 ALL AGENCY FUNDS  
 JUNE 30, 2020

	Employee Benefits/Deductions	East San Gabriel Valley Water Management	Totals
<b>Assets:</b>			
Cash and investments	\$ 524,221	\$ 85,911	\$ 3,462,183
Receivables (net):			
Accounts	-	75,063	277,234
Interest	-	69	734
Due from other governments	-	-	280,071
<b>Total Assets</b>	<b>524,221</b>	<b>161,043</b>	<b>4,020,222</b>
<b>Liabilities:</b>			
Accounts payable	\$ 524,221	\$ 98,562	\$ 1,024,869
Deposits payable	-	62,481	2,767,160
Due to external parties/other agencies	-	-	228,193
<b>Total Liabilities</b>	<b>\$ 524,221</b>	<b>\$ 161,043</b>	<b>\$ 4,020,222</b>

## CITY OF POMONA

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 ALL AGENCY FUNDS  
 YEAR ENDED JUNE 30, 2020**

	<u>Balance July 1, 2019</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2020</u>
<b><u>Assessment Districts</u></b>				
<b>Assets:</b>				
Cash and investments	\$ 231,280	\$ 23,548	\$ 3,562	\$ 251,266
Receivables (net):				
Interest	967	621	966	622
Due from other governments	12,186	23,533	12,186	23,533
<b>Total Assets</b>	<b><u>\$ 244,433</u></b>	<b><u>\$ 47,702</u></b>	<b><u>\$ 16,714</u></b>	<b><u>\$ 275,421</u></b>
<b>Liabilities:</b>				
Deposits payable	\$ 18,342	\$ 41,596	\$ 12,710	\$ 47,228
Due to external parties/other agencies	226,091	5,485	3,383	228,193
<b>Total Liabilities</b>	<b><u>\$ 244,433</u></b>	<b><u>\$ 47,081</u></b>	<b><u>\$ 16,093</u></b>	<b><u>\$ 275,421</u></b>
<b><u>Engineers' Revolving</u></b>				
<b>Assets:</b>				
Cash and investments	\$ 430,644	\$ 2,384	\$ -	\$ 433,028
Receivables (net):				
Interest	212	43	212	43
<b>Total Assets</b>	<b><u>\$ 430,856</u></b>	<b><u>\$ 2,427</u></b>	<b><u>\$ 212</u></b>	<b><u>\$ 433,071</u></b>
<b>Liabilities:</b>				
Deposits payable	\$ 430,856	\$ 4,641	\$ 2,426	\$ 433,071
<b>Total Liabilities</b>	<b><u>\$ 430,856</u></b>	<b><u>\$ 4,641</u></b>	<b><u>\$ 2,426</u></b>	<b><u>\$ 433,071</u></b>
<b><u>Construction Guarantee</u></b>				
<b>Assets:</b>				
Cash and investments	\$ 799,582	\$ 50,516	\$ 40,932	\$ 809,166
<b>Total Assets</b>	<b><u>\$ 799,582</u></b>	<b><u>\$ 50,516</u></b>	<b><u>\$ 40,932</u></b>	<b><u>\$ 809,166</u></b>
<b>Liabilities:</b>				
Accounts payable	\$ 250	\$ 40,931	\$ 40,931	\$ 250
Deposits payable	799,332	50,516	40,932	808,916
<b>Total Liabilities</b>	<b><u>\$ 799,582</u></b>	<b><u>\$ 91,447</u></b>	<b><u>\$ 81,863</u></b>	<b><u>\$ 809,166</u></b>
<b><u>Municipal Revolving</u></b>				
<b>Assets:</b>				
Cash and investments	\$ 1,495,759	\$ 1,021,806	\$ 1,158,974	\$ 1,358,591
Receivables (net):				
Accounts	83,779	980,318	861,926	202,171
Due from other governments	-	256,538	-	256,538
<b>Total Assets</b>	<b><u>\$ 1,579,538</u></b>	<b><u>\$ 2,258,662</u></b>	<b><u>\$ 2,020,900</u></b>	<b><u>\$ 1,817,300</u></b>
<b>Liabilities:</b>				
Accounts payable	\$ 78,061	\$ 1,458,913	\$ 1,135,138	\$ 401,836
Deposits payable	1,501,477	1,507,918	1,593,931	1,415,464
<b>Total Liabilities</b>	<b><u>\$ 1,579,538</u></b>	<b><u>\$ 2,966,831</u></b>	<b><u>\$ 2,729,069</u></b>	<b><u>\$ 1,817,300</u></b>

CITY OF POMONA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 ALL AGENCY FUNDS  
 YEAR ENDED JUNE 30, 2020

	<u>Balance July 1, 2019</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2020</u>
<b><u>Employee Benefits/Deductions</u></b>				
<b>Assets:</b>				
Cash and investments	\$ 797,291	\$ 35,370,231	\$ 35,643,301	\$ 524,221
<b>Total Assets</b>	<b><u>\$ 797,291</u></b>	<b><u>\$ 35,370,231</u></b>	<b><u>\$ 35,643,301</u></b>	<b><u>\$ 524,221</u></b>
<b>Liabilities:</b>				
Accounts payable	\$ 797,291	\$ 37,409,493	\$ 37,682,563	\$ 524,221
<b>Total Liabilities</b>	<b><u>\$ 797,291</u></b>	<b><u>\$ 37,409,493</u></b>	<b><u>\$ 37,682,563</u></b>	<b><u>\$ 524,221</u></b>
<b><u>East San Gabriel Valley Water Management</u></b>				
<b>Assets:</b>				
Cash and investments	\$ 61,143	\$ 429,192	\$ 404,424	\$ 85,911
Receivables (net):				
Accounts	77,807	237,193	239,937	75,063
Interest	64	69	64	69
<b>Total Assets</b>	<b><u>\$ 139,014</u></b>	<b><u>\$ 666,454</u></b>	<b><u>\$ 644,425</u></b>	<b><u>\$ 161,043</u></b>
<b>Liabilities:</b>				
Accounts payable	\$ 114,614	\$ 378,456	\$ 394,508	\$ 98,562
Deposits payable	24,400	38,081	-	62,481
<b>Total Liabilities</b>	<b><u>\$ 139,014</u></b>	<b><u>\$ 416,537</u></b>	<b><u>\$ 394,508</u></b>	<b><u>\$ 161,043</u></b>
<b><u>Totals - All Agency Funds</u></b>				
<b>Assets:</b>				
Cash and investments	\$ 3,815,699	\$ 36,897,677	\$ 37,251,193	\$ 3,462,183
Receivables (net):				
Accounts	161,586	1,217,511	1,101,863	277,234
Interest	1,243	733	1,242	734
Due from other governments	12,186	280,071	12,186	280,071
<b>Total Assets</b>	<b><u>\$ 3,990,714</u></b>	<b><u>\$ 38,395,992</u></b>	<b><u>\$ 38,366,484</u></b>	<b><u>\$ 4,020,222</u></b>
<b>Liabilities:</b>				
Accounts payable	\$ 990,216	\$ 39,287,793	\$ 39,253,140	\$ 1,024,869
Deposits payable	2,774,407	1,642,752	1,649,999	2,767,160
Due to external parties/other agencies	226,091	5,485	3,383	228,193
<b>Total Liabilities</b>	<b><u>\$ 3,990,714</u></b>	<b><u>\$ 40,936,030</u></b>	<b><u>\$ 40,906,522</u></b>	<b><u>\$ 4,020,222</u></b>



**THIS PAGE INTENTIONALLY LEFT BLANK**

## STATISTICAL SECTION

**THIS PAGE INTENTIONALLY LEFT BLANK**

## Statistical Section (Unaudited)

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

<b><u>Contents</u></b>	<b><u>Page</u></b>
<b><u>Financial Trends</u></b> - <i>These schedules contain information to help the reader to understand how the City's financial performance and well-being have changed over time.</i>	
1 Net Position by Component	190
2 Changes in Net Position	192
3 Fund Balances - Governmental Funds	196
4 Changes in Fund Balances - Governmental Funds	198
5 Governmental Activities Tax Revenues by Source	200
<b><u>Revenue Capacity</u></b> - <i>These schedules contain information to help the reader assess the City's most significant own-source revenue.</i>	
6 Assessed Value and Estimated Actual Value of Taxable Property	201
7 Property Tax Rates - Direct and Overlapping Governments	202
8 Principal Property Taxpayers	203
9 Top 25 Sales Tax Generators	204
10 Property Tax Levies and Collections	205
<b><u>Debt Capacity</u></b> - <i>These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.</i>	
11 Ratios of Outstanding Debt by Type	206
12 Ratios of General Bonded Debt Outstanding	208
13 Direct and Overlapping Debt	209
14 Legal Debt Margin Information	210
15 Pledged Revenue Coverage - Water	212
16 Pledged Revenue Coverage - Sewer	213
<b><u>Demographic and Economic Information</u></b> - <i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.</i>	
17 Demographic and Economic Statistics	214
18 Principal Employers	215
<b><u>Operating Information</u></b> - <i>These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.</i>	
19 Authorized Full-Time City Employees by Function	216
20 Operating Indicators by Function	217
21 Capital Asset Statistics by Function	218

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

	Fiscal Year				
	2011	2012	2013	2014	2015
<b>Governmental activities:</b>					
Net investment in capital assets	\$ 257,218,882	\$ 272,949,495	\$ 266,340,326	\$ 239,862,742	\$ 232,263,791
Restricted	138,810,197	94,261,171	94,797,810	91,110,197	138,440,707
Unrestricted	(232,125,172)	(99,699,617)	(88,955,872)	(66,485,308)	(255,237,644)
<b>Total governmental activities net position</b>	<b>\$ 163,903,907</b>	<b>\$ 267,511,049</b>	<b>\$ 272,182,264</b>	<b>\$ 264,487,631</b>	<b>\$ 115,466,854</b>
<b>Business-type activities:</b>					
Net investment in capital assets	\$ 53,012,960	\$ 46,811,318	\$ 40,774,712	\$ 43,825,224	\$ 42,086,156
Restricted	7,660,879	13,544,047	14,805,693	32,725,153	28,900,238
Unrestricted	36,095,478	39,600,817	42,671,686	23,144,683	15,566,032
<b>Total business-type activities net position</b>	<b>\$ 96,769,317</b>	<b>\$ 99,956,182</b>	<b>\$ 98,252,091</b>	<b>\$ 99,695,060</b>	<b>\$ 86,552,426</b>
<b>Primary government:</b>					
Net investment in capital assets	\$ 310,231,842	\$ 319,760,813	\$ 307,115,038	\$ 283,687,966	\$ 274,349,947
Restricted	146,471,076	107,805,218	109,603,503	123,835,350	167,340,945
Unrestricted	(196,029,694)	(60,098,800)	(46,284,186)	(43,340,625)	(239,671,612)
<b>Total primary government net position</b>	<b>\$ 260,673,224</b>	<b>\$ 367,467,231</b>	<b>\$ 370,434,355</b>	<b>\$ 364,182,691</b>	<b>\$ 202,019,280</b>

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

**Schedule 1**

	Fiscal Year				
	2016	2017	2018	2019	2020
<b>Governmental activities:</b>					
Net investment in capital assets	\$ 224,471,223	\$ 234,174,328	\$ 239,698,525	\$ 246,211,473	\$ 249,865,379
Restricted	116,594,550	73,828,441	76,492,595	78,464,005	73,644,455
Unrestricted	<u>(227,001,243)</u>	<u>(241,201,601)</u>	<u>(257,496,100)</u>	<u>(263,613,107)</u>	<u>(276,437,035)</u>
<b>Total governmental activities net position</b>	<u>\$ 114,064,530</u>	<u>\$ 66,801,168</u>	<u>\$ 58,695,020</u>	<u>\$ 61,062,371</u>	<u>\$ 47,072,799</u>
<b>Business-type activities:</b>					
Net investment in capital assets	\$ 42,988,769	\$ 47,223,963	\$ 49,968,356	\$ 50,227,346	\$ 52,662,674
Restricted	23,984,978	1,885,849	7,352,171	7,474,831	7,526,741
Unrestricted	<u>25,022,337</u>	<u>22,446,812</u>	<u>15,446,370</u>	<u>18,984,171</u>	<u>24,753,618</u>
<b>Total business-type activities net position</b>	<u>\$ 91,996,084</u>	<u>\$ 71,556,624</u>	<u>\$ 72,766,897</u>	<u>\$ 76,686,348</u>	<u>\$ 84,943,033</u>
<b>Primary government:</b>					
Net investment in capital assets	\$ 267,459,992	\$ 281,398,291	\$ 289,666,881	\$ 296,438,819	\$ 302,528,053
Restricted	140,579,528	75,714,290	83,844,766	85,938,836	81,171,196
Unrestricted	<u>(201,978,906)</u>	<u>(218,754,789)</u>	<u>(242,049,730)</u>	<u>(244,628,936)</u>	<u>(251,683,417)</u>
<b>Total primary government net position</b>	<u>\$ 206,060,614</u>	<u>\$ 138,357,792</u>	<u>\$ 131,461,917</u>	<u>\$ 137,748,719</u>	<u>\$ 132,015,832</u>

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

	Fiscal Year				
	2011	2012	2013	2014	2015
<b>Expenses</b>					
Governmental activities:					
General government	\$ 6,064,138	\$ 5,248,291	\$ 7,499,578	\$ 5,583,709	\$ 5,559,844
Public safety	63,110,539	63,470,704	62,632,820	66,570,974	67,614,853
Urban development	77,538,633	94,480,470	36,407,420	47,913,493	42,134,924
Neighborhood services	7,082,135	6,771,751	14,858,140	6,181,264	6,151,817
Interest on long-term debt	29,390,035	21,834,146	7,997,227	5,364,960	5,252,517
<b>Total governmental activities</b>	<b>183,185,480</b>	<b>191,805,362</b>	<b>129,395,185</b>	<b>131,614,400</b>	<b>126,713,955</b>
Business-type activities:					
Water	29,408,125	25,909,880	28,242,875	29,585,491	27,125,628
Sewer	5,733,464	5,192,272	8,544,029	4,164,990	3,962,091
Refuse	8,762,936	8,732,864	8,403,397	8,562,818	8,467,884
Canon Water Company	13,927	13,219	25,163	18,154	26,747
Pomona Choice Energy Authority	-	-	-	-	-
<b>Total business-type activities</b>	<b>43,918,452</b>	<b>39,848,235</b>	<b>45,215,464</b>	<b>42,331,453</b>	<b>39,582,350</b>
<b>Total primary government expenses</b>	<b>\$ 227,103,932</b>	<b>\$ 231,653,597</b>	<b>\$ 174,610,649</b>	<b>\$ 173,945,853</b>	<b>\$ 166,296,305</b>
<b>Program Revenues</b>					
Governmental activities:					
Charges for services:					
Police revenues	\$ 2,053,307	\$ 2,493,299	\$ 3,066,121	\$ 3,316,768	\$ 3,488,416
Plan check fees	354,575	408,563	1,017,684	816,046	778,349
Building permits	466,567	687,783	937,070	1,107,049	1,093,143
Graffiti abatement	564,531	563,935	552,417	567,499	566,547
Street sweeping fees	473,614	472,717	462,461	475,665	474,722
Maintenance assessment fees	1,214,829	1,229,707	1,229,659	1,193,066	1,213,094
All other	7,249,221	731,866	9,066,076	6,014,243	6,708,617
Operating contributions and grants	23,115,271	18,896,518	20,548,119	19,501,511	17,564,805
Capital contributions and grants	24,908,628	18,512,640	15,442,436	12,758,089	12,627,464
<b>Total governmental activities program revenues</b>	<b>60,400,543</b>	<b>43,997,028</b>	<b>52,322,043</b>	<b>45,749,936</b>	<b>44,515,157</b>
Business-type activities:					
Charges for services:					
Water	27,898,709	29,405,992	30,633,205	31,611,142	29,888,243
Sewer	4,342,682	4,528,346	4,461,575	4,684,934	4,733,661
Refuse	9,046,619	9,273,301	9,107,603	9,561,681	9,523,134
Canon Water Company	-	-	64,221	64,221	64,221
Pomona Choice Energy Authority	-	-	-	-	-
Operating contributions and grants	109,165	880	46,588	42,833	42,052
Capital contributions and grants	-	388,000	-	-	-
<b>Total business-type activities program revenues</b>	<b>41,397,175</b>	<b>43,596,519</b>	<b>44,313,192</b>	<b>45,964,811</b>	<b>44,251,311</b>
<b>Total primary government program revenues</b>	<b>\$ 101,797,718</b>	<b>\$ 87,593,547</b>	<b>\$ 96,635,235</b>	<b>\$ 91,714,747</b>	<b>\$ 88,766,468</b>

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

	Fiscal Year				
	2011	2012	2013	2014	2015
<b>Net (Expense)/Revenue</b>					
Governmental activities	\$ (122,784,937)	\$ (147,808,334)	\$ (77,073,142)	\$ (85,864,464)	\$ (82,198,798)
Business-type activities	(2,521,277)	3,748,284	(902,272)	3,633,358	4,668,961
<b>Total primary government net expense</b>	<b>\$ (125,306,214)</b>	<b>\$ (144,060,050)</b>	<b>\$ (77,975,414)</b>	<b>\$ (82,231,106)</b>	<b>\$ (77,529,837)</b>
<b>General Revenues and Other Changes in Net Position</b>					
Governmental activities:					
Taxes:					
Property taxes	\$ 58,116,765	\$ 41,754,679	\$ 32,143,878	\$ 33,630,550	\$ 36,408,806
Sales taxes	9,507,105	10,804,554	12,354,719	12,040,357	13,544,946
Motor vehicle licenses	829,147	83,907	69,443	-	67,079
Transient occupancy taxes	1,266,721	1,359,064	1,473,662	1,560,682	1,568,387
Property transfer taxes	987,363	1,111,530	1,475,856	1,430,195	1,581,039
Franchise taxes	5,910,791	5,961,105	5,671,708	6,029,371	6,563,245
Utility users taxes	17,718,623	17,374,682	16,941,444	17,311,594	17,465,816
Business licenses	2,730,397	3,065,405	3,123,120	3,171,919	3,346,851
Other taxes	4,008	69,575	20,966	12,963	59,221
Investment earnings/(expenses)	23,775,050	13,432,247	4,363,428	2,304,604	2,109,521
Miscellaneous	2,547,071	6,703,775	2,347,387	2,900,772	3,461,493
Gain on sale of property	-	-	-	-	-
Extraordinary gain/(loss) on dissolution of Redevelopment Agency	-	149,004,835	804,048	(144,397)	808,340
Transfers	(220,346)	690,118	954,698	538,371	1,011,800
<b>Total governmental activities</b>	<b>123,172,695</b>	<b>251,415,476</b>	<b>81,744,357</b>	<b>80,786,981</b>	<b>87,996,544</b>
Business-type activities:					
Investment earnings/(expenses)	133,255	126,449	41,890	125,696	92,349
Miscellaneous	3,733	2,250	31,677	117,000	121,408
Income (loss) on sale of capital assets	-	-	79,312	9,205	1,965
Transfers	220,346	(690,118)	(954,698)	(538,371)	(1,011,800)
<b>Total business-type activities</b>	<b>357,334</b>	<b>(561,419)</b>	<b>(801,819)</b>	<b>(286,470)</b>	<b>(796,078)</b>
<b>Total primary government</b>	<b>\$ 123,530,029</b>	<b>\$ 250,854,057</b>	<b>\$ 80,942,538</b>	<b>\$ 80,500,511</b>	<b>\$ 87,200,466</b>
<b>Changes in Net Position</b>					
Governmental activities	\$ 387,758	\$ 103,607,142	\$ 4,671,215	\$ (5,077,483)	\$ 5,797,746
Business-type activities	(2,163,943)	3,186,865	(1,704,091)	3,346,888	3,872,883
<b>Total primary government</b>	<b>\$ (1,776,185)</b>	<b>\$ 106,794,007</b>	<b>\$ 2,967,124</b>	<b>\$ (1,730,595)</b>	<b>\$ 9,670,629</b>



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

**Schedule 2**

	Fiscal Year				
	2016	2017	2018	2019	2020
<b>Expenses</b>					
Governmental activities:					
General government	\$ 7,562,244	\$ 6,469,953	\$ 17,361,635	\$ 18,396,137	\$ 9,102,528
Public safety	68,882,651	80,253,767	90,198,911	88,946,880	105,018,750
Urban development	43,544,386	42,113,740	39,353,774	46,536,121	58,913,340
Neighborhood services	7,853,695	7,410,753	7,624,657	7,399,533	5,800,930
Interest on long-term debt	5,027,126	5,225,017	4,011,254	2,941,398	3,197,362
<b>Total governmental activities</b>	<b>132,870,102</b>	<b>141,473,230</b>	<b>158,550,231</b>	<b>164,220,069</b>	<b>182,032,910</b>
Business-type activities:					
Water	25,763,116	28,440,029	30,919,855	27,912,991	28,007,704
Sewer	4,026,081	3,792,538	4,067,892	4,379,232	2,747,675
Refuse	8,028,531	9,443,548	10,197,844	9,934,035	9,955,161
Canon Water Company	21,080	19,718	29,972	26,695	28,741
Pomona Choice Energy Authority	-	-	-	-	833,607
<b>Total business-type activities</b>	<b>37,838,808</b>	<b>41,695,833</b>	<b>45,215,563</b>	<b>42,252,953</b>	<b>41,572,888</b>
<b>Total primary government expenses</b>	<b>\$ 170,708,910</b>	<b>\$ 183,169,063</b>	<b>\$ 203,765,794</b>	<b>\$ 206,473,022</b>	<b>\$ 223,605,798</b>
<b>Program Revenues</b>					
Governmental activities:					
Charges for services:					
Police revenues	\$ 3,376,174	\$ 3,205,255	\$ 3,468,394	\$ 2,932,265	\$ 1,648,147
Plan check fees	1,219,738	988,963	866,034	1,110,162	1,282,955
Building permits	2,353,704	1,790,114	1,925,425	2,108,774	2,058,052
Graffiti abatement	568,757	566,597	556,879	18,721	-
Street sweeping fees	476,646	474,051	465,927	15,030	-
Maintenance assessment fees	1,176,050	1,200,732	1,191,903	1,216,193	1,218,872
All other	8,100,519	5,900,327	5,667,496	6,502,456	27,387,658
Operating contributions and grants	16,994,223	29,965,692	35,876,846	45,323,992	30,066,570
Capital contributions and grants	11,413,949	8,071,688	8,191,910	6,477,530	14,964,309
<b>Total governmental activities program revenues</b>	<b>45,679,760</b>	<b>52,163,419</b>	<b>58,210,814</b>	<b>65,705,123</b>	<b>78,626,563</b>
Business-type activities:					
Charges for services:					
Water	28,189,546	29,239,473	29,713,762	30,537,806	32,467,193
Sewer	4,425,247	4,291,847	4,312,373	4,795,076	5,557,690
Refuse	9,692,936	10,071,188	10,104,225	10,600,103	10,889,767
Canon Water Company	64,221	64,221	64,221	-	-
Pomona Choice Energy Authority	-	-	-	-	-
Operating contributions and grants	45,841	396,147	4,137,026	83,280	41,458
Capital contributions and grants	-	-	-	-	-
<b>Total business-type activities program revenues</b>	<b>42,417,791</b>	<b>44,062,876</b>	<b>48,331,607</b>	<b>46,016,265</b>	<b>48,956,108</b>
<b>Total primary government program revenues</b>	<b>\$ 88,097,551</b>	<b>\$ 96,226,295</b>	<b>\$ 106,542,421</b>	<b>\$ 111,721,388</b>	<b>\$ 127,582,671</b>

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

Schedule 2

	Fiscal Year				
	2016	2017	2018	2019	2020
<b>Net (Expense)/Revenue</b>					
Governmental activities	\$ (87,190,342)	\$ (89,309,811)	\$ (100,339,417)	\$ (98,514,946)	\$ (103,406,347)
Business-type activities	4,578,983	2,367,043	3,116,044	3,763,312	7,383,220
<b>Total primary government net expense</b>	<b>\$ (82,611,359)</b>	<b>\$ (86,942,768)</b>	<b>\$ (97,223,373)</b>	<b>\$ (94,751,634)</b>	<b>\$ (96,023,127)</b>
<b>General Revenues and Other Changes in Net Position</b>					
Governmental activities:					
Taxes:					
Property taxes	\$ 33,716,887	\$ 33,649,454	\$ 35,564,811	\$ 39,212,060	\$ 38,634,967
Sales taxes	15,171,472	18,135,287	18,913,339	22,239,249	30,407,998
Motor vehicle licenses	61,498	69,708	81,751	74,731	122,129
Transient occupancy taxes	1,723,719	2,101,946	2,183,989	2,514,809	2,431,755
Property transfer taxes	1,859,615	1,924,198	1,874,513	1,790,878	-
Franchise taxes	6,425,511	6,418,863	6,630,484	4,921,153	4,942,288
Utility users taxes	16,419,345	16,022,386	16,455,057	15,897,932	15,562,762
Business licenses	3,408,813	3,830,673	3,762,860	4,207,458	-
Other taxes	139,498	-	2,546	2,049	-
Investment earnings/(expenses)	2,665,388	2,198,733	1,880,240	3,077,304	4,820,983
Miscellaneous	3,759,791	309,624	1,735,726	1,406,014	1,686,413
Gain on sale of property	-	-	-	2,576,121	-
Extraordinary gain/(loss) on dissolution of Redevelopment Agency	-	-	-	-	-
Transfers	(482,001)	2,710,344	3,062,886	3,047,606	3,613,692
<b>Total governmental activities</b>	<b>84,869,536</b>	<b>87,371,216</b>	<b>92,148,202</b>	<b>100,967,364</b>	<b>102,222,987</b>
Business-type activities:					
Investment earnings/(expenses)	313,933	134,138	454,394	1,672,232	1,625,955
Miscellaneous	817,020	1,709,825	692,721	1,531,513	308,401
Income (loss) on sale of capital assets	-	-	-	-	-
Transfers	482,001	(2,710,344)	(3,062,886)	(3,047,606)	(3,613,692)
<b>Total business-type activities</b>	<b>1,612,954</b>	<b>(866,381)</b>	<b>(1,915,771)</b>	<b>156,139</b>	<b>(1,679,336)</b>
<b>Total primary government</b>	<b>\$ 86,482,490</b>	<b>\$ 86,504,835</b>	<b>\$ 90,232,431</b>	<b>\$ 101,123,503</b>	<b>\$ 100,543,651</b>
<b>Changes in Net Position</b>					
Governmental activities	\$ (2,320,806)	\$ (1,938,595)	\$ (8,191,215)	\$ 2,452,418	\$ (1,183,360)
Business-type activities	6,191,937	1,500,662	1,200,273	3,919,451	5,703,884
<b>Total primary government</b>	<b>\$ 3,871,131</b>	<b>\$ (437,933)</b>	<b>\$ (6,990,942)</b>	<b>\$ 6,371,869</b>	<b>\$ 4,520,524</b>

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

	Fiscal Year				
	2011	2012	2013	2014	2015
<b>General Fund:</b>					
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-	-
Non-spendable	126,089	140,834	109,949	112,436	102,280
Restricted	-	-	-	-	-
Committed	5,563,011	2,007,185	7,316,769	12,260,809	14,467,914
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	2,717,909
<b>Total General Fund</b>	<b>\$ 5,689,100</b>	<b>\$ 2,148,019</b>	<b>\$ 7,426,718</b>	<b>\$ 12,373,245</b>	<b>\$ 17,288,103</b>
<b>All Other Governmental Funds:</b>					
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, designated	-	-	-	-	-
Unreserved, reported in:					
Special revenue funds	-	-	-	-	-
Debt service funds	-	-	-	-	-
Capital projects funds	-	-	-	-	-
Non-spendable	259,577,717	60,310,838	13,880,356	11,996,916	84,397,170
Restricted	81,339,275	41,875,382	88,633,395	86,119,256	54,043,537
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	(202,261,861)	(43,208,211)	(41,655,762)	(41,134,968)	(59,893,036)
<b>Total All Other Governmental Funds</b>	<b>\$ 138,655,131</b>	<b>\$ 58,978,009</b>	<b>\$ 60,857,989</b>	<b>\$ 56,981,204</b>	<b>\$ 78,547,671</b>

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

**Schedule 3**

	Fiscal Year				
	2016	2017	2018	2019	2020
<b>General Fund:</b>					
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-	-
Non-spendable	106,876	65,843	11,795	11,795	11,795
Restricted	-	8,791	17,170	6,200	6,200
Committed	15,664,972	16,151,859	16,635,397	18,158,901	19,621,727
Assigned	-	-	-	-	-
Unassigned	1,067,804	938,380	1,309,638	3,825,896	2,102,732
<b>Total General Fund</b>	<b>\$ 16,839,652</b>	<b>\$ 17,164,873</b>	<b>\$ 17,974,000</b>	<b>\$ 22,002,792</b>	<b>\$ 21,742,454</b>
<b>All Other Governmental Funds:</b>					
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, designated	-	-	-	-	-
Unreserved, reported in:					
Special revenue funds	-	-	-	-	-
Debt service funds	-	-	-	-	-
Capital projects funds	-	-	-	-	-
Non-spendable	9,081	900,707	864,959	829,211	792,822
Restricted	116,479,028	144,882,213	148,814,041	145,131,994	144,365,622
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	(39,170,313)	(76,496,881)	(75,548,438)	(73,096,233)	(71,511,748)
<b>Total All Other Governmental Funds</b>	<b>\$ 77,317,796</b>	<b>\$ 69,286,039</b>	<b>\$ 74,130,562</b>	<b>\$ 72,864,972</b>	<b>\$ 73,646,696</b>

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

	Fiscal Year				
	2011	2012	2013	2014	2015
<b>Revenues:</b>					
Taxes	\$ 95,691,191	\$ 79,677,392	\$ 72,063,654	\$ 74,894,452	\$ 79,325,218
Special assessments	1,214,829	1,229,707	1,229,658	1,193,067	1,213,093
Licenses and permits	3,333,417	4,234,901	5,770,483	6,637,168	6,569,523
Intergovernmental	50,654,510	38,432,208	35,229,918	32,189,819	30,287,748
Charges for services	3,625,992	3,637,583	4,619,080	4,145,014	4,009,626
Interest and rentals	15,732,587	13,417,141	4,364,959	2,294,343	2,098,902
Fines and forfeitures	1,784,123	1,820,973	1,960,621	2,119,972	2,063,417
Loans repaid	-	-	-	-	-
Contributions and donations	-	-	-	-	51,581
Miscellaneous	4,663,782	5,223,877	5,040,269	2,329,091	3,175,185
<b>Total Revenues</b>	<b>176,700,431</b>	<b>147,673,782</b>	<b>130,278,642</b>	<b>125,802,926</b>	<b>128,794,293</b>
<b>Expenditures:</b>					
General government	3,073,323	2,385,778	4,388,871	3,569,806	4,037,452
Public safety	61,574,218	61,362,969	62,362,342	65,349,307	68,400,434
Urban development	83,925,250	59,708,273	45,707,873	43,679,402	43,859,126
Neighborhood services	5,889,207	5,577,913	5,007,798	4,748,939	4,702,795
Capital outlay	2,644,383	1,835,062	2,040,791	1,660,811	993,126
Debt service:					
Principal retirement	5,480,210	8,123,605	2,437,533	2,817,951	2,916,051
Interest and fiscal charges	26,522,841	25,243,568	7,358,464	4,974,045	4,855,160
Debt issuance costs	-	-	-	-	-
<b>Total Expenditures</b>	<b>189,109,432</b>	<b>164,237,168</b>	<b>129,303,672</b>	<b>126,800,261</b>	<b>129,764,144</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(12,409,001)	(16,563,386)	974,970	(997,335)	(969,851)
<b>Other Financing Sources (Uses):</b>					
Notes and loans issued	649,425	-	200,000	300,000	-
Bond premium	-	-	-	-	-
Payments to escrow agent	-	-	-	-	-
Proceeds from capital leases	-	620,860	695,000	-	-
Proceeds from sale of capital assets	1,764,196	271,938	4,529,370	1,047,249	35,530
Gain/Loss - sale of land held for resale	-	-	-	-	-
Transfers in	25,487,284	15,766,850	16,654,519	8,628,509	9,379,865
Transfers out	(29,524,748)	(15,076,732)	(15,699,821)	(7,764,284)	(8,368,065)
<b>Total Other Financing Sources (Uses)</b>	<b>(1,623,843)</b>	<b>1,582,916</b>	<b>6,379,068</b>	<b>2,211,474</b>	<b>1,047,330</b>
Extraordinary gain/(loss) on dissolution of Redevelopment Agency	-	(68,237,733)	(195,359)	-	-
<b>Net Change in Fund Balances</b>	<b>\$(14,032,844)</b>	<b>\$(83,218,203)</b>	<b>\$ 7,158,679</b>	<b>\$ 1,214,139</b>	<b>\$ 77,479</b>
Debt service as a percentage of noncapital expenditures	17.16%	20.55%	7.70%	6.23%	6.03%

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

Schedule 4

	Fiscal Year				
	2016	2017	2018	2019	2020
<b>Revenues:</b>					
Taxes	\$ 77,688,810	\$ 78,376,705	\$ 81,805,282	\$ 87,085,055	\$ 97,789,234
Special assessments	1,176,050	1,200,732	1,191,903	1,216,193	1,218,873
Licenses and permits	9,416,790	11,515,855	10,739,196	10,723,301	8,143,508
Intergovernmental	27,724,855	27,086,788	34,680,502	42,419,256	44,100,666
Charges for services	4,633,898	3,709,494	5,013,473	4,543,629	4,242,129
Interest and rentals	2,605,626	3,114,537	3,012,296	4,064,868	4,012,539
Fines and forfeitures	2,055,615	2,206,305	2,295,944	2,404,584	2,292,894
Loans repaid	-	-	-	-	-
Contributions and donations	602,278	7,691,802	4,821,406	4,812,827	10,051,756
Miscellaneous	3,266,373	2,685,309	3,782,618	2,869,736	1,581,504
<b>Total Revenues</b>	<b>129,170,295</b>	<b>137,587,527</b>	<b>147,342,620</b>	<b>160,139,449</b>	<b>173,433,103</b>
<b>Expenditures:</b>					
General government	5,002,584	5,918,673	5,751,221	7,745,388	7,072,216
Public safety	71,798,453	74,843,810	77,756,206	81,083,093	88,647,348
Urban development	35,196,589	34,097,446	36,209,571	41,240,049	48,212,005
Neighborhood services	4,637,086	6,013,429	6,784,633	7,170,588	4,114,109
Capital outlay	6,851,535	20,296,897	16,821,629	19,582,343	21,428,776
Debt service:					
Principal retirement	3,894,921	80,240,987	2,524,919	4,160,260	4,152,687
Interest and fiscal charges	4,627,698	5,714,773	2,788,617	3,488,941	3,447,673
Debt issuance costs	-	-	-	-	-
<b>Total Expenditures</b>	<b>132,008,866</b>	<b>227,126,015</b>	<b>148,636,796</b>	<b>164,470,662</b>	<b>177,074,814</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,838,571)	(89,538,488)	(1,294,176)	(4,331,213)	(3,641,711)
<b>Other Financing Sources (Uses):</b>					
Notes and loans issued	-	77,120,000	763,528	-	-
Bond premium	-	2,239,031	-	-	-
Payments to escrow agent	-	-	-	-	-
Proceeds from capital leases	400,408	-	2,349,563	3,152,697	-
Proceeds from sale of capital assets	-	1,640	148,124	-	-
Gain/Loss - sale of land held for resale	-	-	-	-	-
Transfers in	9,899,873	21,108,888	12,822,718	20,711,781	20,641,477
Transfers out	(9,781,874)	(18,398,544)	(9,578,065)	(16,770,063)	(17,027,785)
<b>Total Other Financing Sources (Uses)</b>	<b>518,407</b>	<b>82,071,015</b>	<b>6,505,868</b>	<b>7,094,415</b>	<b>3,613,692</b>
Extraordinary gain/(loss) on dissolution of Redevelopment Agency	-	-	-	-	-
<b>Net Change in Fund Balances</b>	<b>\$ (2,320,164)</b>	<b>\$ (7,467,473)</b>	<b>\$ 5,211,692</b>	<b>\$ 2,763,202</b>	<b>\$ (28,019)</b>
Debt service as a percentage of noncapital expenditures	6.81%	41.56%	4.03%	5.28%	4.88%

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

**Schedule 5**

Fiscal Year Ended June 30	Property Tax	Sales Tax	Motor Vehicle License	Transient Occupancy	Property Transfer Tax	Franchise	Utility Users Tax	Business Licenses	Other	Total
2011	\$ 58,117	\$ 9,507	829	1,267	987	5,911	17,719	2,730	4	97,071
2012	41,755	10,805	84	1,359	1,112	5,961	17,375	3,065	70	81,586
2013	32,144	12,355	69	1,474	1,476	5,672	16,941	3,123	20	73,274
2014	33,631	12,040	-	1,561	1,430	6,029	17,312	3,172	13	75,188
2015	36,409	13,545	68	1,568	1,581	6,563	17,466	3,347	59	80,606
2016	33,717	15,171	61	1,724	1,860	6,426	16,419	3,409	139	78,926
2017	34,581	18,135	70	2,102	1,924	6,419	15,805	3,830	-	82,866
2018	35,565	18,913	82	2,184	1,875	6,630	16,455	3,763	3	85,470
2019	39,212	22,239	74	2,514	1,790	4,921	15,897	4,207	2	90,856
2020	38,635	30,408	122	2,431	1,430	4,942	15,562	4,379	2	97,911

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

**Schedule 6**

Fiscal Year Ended June 30	Residential Property	Commercial Property	Industrial Property	Other	Unitary Values	Unsecured Property	Less: Tax Exempt Property (1)	Total Taxable Assessed Value	Total Direct Tax Rate (2)	Estimated Actual Taxable Value (3)	Factor of Taxable Assessed Value (3)
2011	\$ 5,441,493	1,034,597	\$1,244,142	\$ 885,973	\$ 788	\$352,403	\$ 538,120	\$ 8,421,276	0.20728	\$8,288,686	0.984255
2012	5,571,482	998,040	1,226,077	905,772	655	360,777	652,301	8,410,502	0.20375	8,637,468	1.026986
2013	5,679,812	1,019,770	1,178,211	884,418	655	350,896	678,279	8,435,483	0.21734	9,148,296	1.084502
2014	5,932,623	1,059,762	1,233,924	869,787	374	372,621	647,264	8,821,827	0.18781	11,575,340	1.312125
2015	6,396,012	1,070,267	1,261,918	942,134	-	379,640	814,565	9,235,406	0.19079	12,340,257	1.336190
2016	6,713,231	1,111,554	1,325,414	305,936	-	383,971	818,224	9,840,106	0.22197	10,658,330	1.339440
2017	7,072,432	1,194,489	1,517,293	367,221	-	368,869	811,349	10,520,304	0.22256	11,411,995	1.336080
2018	7,453,284	1,246,745	1,556,649	353,138	-	409,305	948,940	11,019,121	0.21967	11,968,061	1.384510
2019	7,892,684	1,285,252	1,690,716	373,330	-	414,091	960,220	11,656,073	0.22089	12,616,293	1.387900
2020	8,426,331	1,351,346	1,751,496	379,670	-	440,437	990,772	12,349,280	0.22824	13,340,052	1.445350

Source: Los Angeles County Assessor data, MuniServices, LLC (for years 2007 to 2015), HdL for the 2016 and 2017 years. Prior Year values have been restated for consistency and compliance with GASB No. 44 guidelines

(1) Exemptions are exclusive of home owner exemptions.

(2) Total direct tax rate is the voter approved taxes over and above the 1% Proposition 13 tax for TRA 007-790.

(3) Estimated Actual Value is derived from a series of calculations comparing median assessed values from 1940 to current median sale prices. Based on these calculations a multiplier value was extrapolated and applied to current assessed values.



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

*Schedule 7*

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Basic City and County Levy:										
City of Pomona	0.233504	0.233504	0.233504	0.233504	0.233504	0.233504	0.233504	0.233504	0.233504	0.233504
Other taxing agencies	0.766496	0.766496	0.766496	0.766496	0.766496	0.766496	0.766496	0.766496	0.766496	0.766496
Total	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000
Override Assessments:										
County	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
Unified Schools	0.177212	0.173636	0.184882	0.164074	0.165993	0.297990	0.284510	0.335000	0.337670	0.372320
Community College	0.026363	0.026415	0.028957	0.020231	0.021294	0.037950	0.048060	0.046000	0.046730	0.069530
Flood Control	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
Metro Water District	0.003700	0.003700	0.003500	0.003500	0.003500	0.003500	0.003500	0.003500	0.003500	0.003500
Total	0.207275	0.203751	0.217339	0.187805	0.190787	0.339440	0.336070	0.384500	0.387900	0.445350
Total Tax Rate	1.207275	1.203751	1.217339	1.187805	1.190787	1.339440	1.336070	1.384500	1.387900	1.445350

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

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

**Schedule 8**

Taxpayer	2020			2011		
	Taxable Assessed Valuation	Rank	Percent of Total City Taxable Assessed Value	Taxable Assessed Valuation	Rank	Percent of Total City Taxable Assessed Value
Crest Financing LP	\$ 90,190,274	1	0.73%	\$ 64,157,453	1	0.76%
1271 W Sunset LLC	88,588,800	2	0.72%			
Los Angeles County Fair Associates	70,356,408	3	0.57%	42,683,426	4	0.51%
Rexford Industrial 1601 Mission LLC	50,098,698	4	0.41%			
Rexford Industrial Realty LP	43,898,267	5	0.36%			
PI Properties No. 97 Pomona LLC	40,884,868	6	0.33%			
BPP Pacific Industrial CA REIT Owner	33,785,949	7	0.27%			
Altas Pomona Energy Storage Inc.	32,803,118	8	0.27%			
CMC Dragon LP	32,037,433	9	0.26%			
Investel One LLC	31,270,147	10	0.25%			
KTR Pomona LLC				54,593,306	2	0.65%
Realty Associates Fund VII LP				49,791,800	3	0.59%
Western University of Heal Science				36,889,125	5	0.44%
RIPON Congeneration LLC				36,353,562	6	0.43%
NHP of PMB Pomona LLC				30,171,244	7	0.36%
LBA Realty Fund III-Company LLC				28,492,311	8	0.34%
The Coca-Cola Company				27,829,925	9	0.33%
CH Realty III Pomona LP				27,097,715	10	0.32%

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

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

**Schedule 9**

2020	2011
76	All Star KIA
Arco AM PM	Auto Care 76 Pomona
Chevron	Cardenas Markets
dd's Discounts	Cornucopia Foods
Ferguson Enterprises	CVS Pharmacy
Food 4 Less	Fairplex Chevron
Giant RV	Ferguson Enterprises
Global Rental Co	Food 4 Less
HD Supply Home Improvement Solutions	Garys Chevron
Home Depot	Global Rental Co
Hub Construction Specialties	Hd Supply Repair & Remodeling
Huntington Hardware	Home Depot
Marco Equipment	Lees Mobil
Mike Thompsons RVs	Marco Equipment
Ovations Fanfare	Mega RV
Plug in Auto	Mike Thompsons RV
Pomona Kia	Phenix Enterprises
Rohr Steel	Reservoir Mart
Roofline Supply & Delivery	Rohr Steel
Ryder Vehicle Sales	Superior Duct Fabrication
Superior Duct Fabrication	Tesoro Refining & Marketing
Target	Towne Arco
Towne Arco	United Oil
USA Gas	Walmart Supercenter
Walmart Supercenter	West Coast Petroleum Services

Source: HdL

**City of Pomona**  
**Property Tax Levies and Collections**  
**Last Ten Fiscal Years**

**Schedule 10**

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Delinquent Tax Collections by levy year	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2011	\$ 11,962,439	\$ 11,830,918	98.9%	\$ 697,738	\$ 12,528,656	104.7%
2012	12,329,907	12,113,998	98.2%	377,392	12,491,390	101.3%
2013	12,528,234	12,434,130	99.2%	349,337	12,783,467	102.0%
2014	13,596,705	13,442,112	98.9%	637,832	14,079,944	103.6%
2015	14,612,641	14,510,121	99.3%	613,771	15,123,892	103.5%
2016	13,843,856	13,691,612	98.9%	230,228	13,921,840	100.6%
2017	14,758,820	14,939,800	101.2%	106,993	15,046,793	102.0%
2018	15,617,055	15,448,699	98.9%	285,086	15,733,785	100.7%
2019	15,870,148	16,259,418	102.5%	525,464	16,784,882	105.8%
2020	17,088,316	17,287,322	101.2%	382,279	17,669,601	103.4%

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

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

Fiscal Year Ended June 30	Governmental Activities				
	Tax Allocation Bonds	Revenue Bonds	Pension Obligation Ref Bonds	Certificates of Participation	Other
2011	\$ 9,460,000	222,313,564	44,114,118	12,643,679	43,497,491
2012	-	43,836,347	44,299,214	12,333,057	2,379,277
2013	-	42,446,378	44,400,752	12,012,435	1,864,337
2014	-	41,110,000	44,414,040	11,681,813	1,754,285
2015	-	39,564,000	44,333,953	11,336,191	1,241,295
2016	-	37,938,000	44,152,153	10,970,569	1,137,985
2017	-	84,782,557	7,594,276	-	564,977
2018	-	82,605,188	4,013,547	-	3,217,149
2019	-	79,159,819	3,761,134	-	2,641,009
2020	-	75,670,451	3,492,601	-	2,132,854

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

(1) These ratios are calculated using personal income and population for the prior year.

Business-type Activities			Total Business-type Activities	Total Primary Government	Percentage of Personal Income (1)	Debt per Capita (1)
Total Governmental Activities	Revenue Bonds	Other				
332,028,852	\$ 137,580,343	515,674	138,096,017	470,124,869	n/a	2,877
102,847,895	136,030,252	174,904	136,205,156	239,053,051	n/a	1,468
100,723,902	135,674,210	4,112,175	139,786,385	240,510,287	n/a	1,593
98,960,138	133,915,426	3,564,689	137,480,115	236,440,253	n/a	1,558
96,475,439	132,086,642	3,004,392	135,091,034	231,566,473	n/a	1,519
94,198,707	130,187,858	2,430,984	132,618,842	226,817,549	n/a	1,458
92,941,810	118,139,497	1,844,160	119,983,657	212,925,467	n/a	1,371
89,835,884	114,827,755	1,243,603	116,071,358	205,907,242	n/a	1,323
85,561,962	112,351,013	628,993	112,980,006	198,541,968	n/a	1,287
81,295,906	109,839,270	-	109,839,270	191,135,176	n/a	1,235

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

Schedule 12

Fiscal Year Ended June 30	General Bonded Debt Outstanding					Restricted for Debt Service *	Net Bonded Debt	Percentage of Actual Value of Property (1)	Per Capita (2)
	Revenue Bonds	Tax Allocation Bonds	Pension Obligation Ref Bonds	Certificates of Participation	Total				
2011	\$222,313	9,460	44,114	12,644	288,531	29,115	259,416	3.4%	1,933
2012	43,836	-	44,299	12,333	100,468	51,855	48,613	1.2%	670
2013	42,446	-	44,401	12,012	98,859	50,439	48,420	1.2%	655
2014	41,110	-	44,414	11,682	97,206	49,229	47,977	1.1%	640
2015	39,564	-	44,334	11,336	95,234	47,845	47,389	1.0%	625
2016	37,938	-	44,152	10,971	93,061	55,810	37,251	0.9%	598
2017	84,783	-	7,594	-	92,377	65,473	26,904	0.9%	545
2018	82,605	-	4,013	-	86,618	67,771	18,847	0.8%	514
2019	79,159	-	3,761	-	82,920	65,249	17,671	0.7%	519
2020	75,670	-	3,492	-	79,162	63,465	15,697	0.6%	511

\* Includes bond reserves and unspent bond proceeds.

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

(1) See Schedule 6 for property value data.

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

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

**Schedule 13**

OVERLAPPING DEBT 06/30/2020:	Total Debt 6/30/2020	% Applicable (1)	City's Share of Debt 06/30/2020
Metropolitan Water District	\$ 18,151,752	0.605%	\$ 109,871
Citrus Community College District	87,066,705	1.189%	1,035,511
Mount San Antonio Community College District	645,678,000	12.410%	80,128,772
Bonita Unified School District	117,198,880	0.204%	238,816
Claremont Unified School District	75,605,000	5.989%	4,528,308
Pomona Unified School District	294,468,209	76.955%	231,851,317
Total Overlapping Debt	<u>1,238,168,546</u>		<u>317,892,595</u>
Obligations Under Capital Leases	1,596,818	100.000%	1,596,818
Notes Payable	536,036	100.000%	536,036
Revenue Bonds	75,670,451	100.000%	75,670,451
Pension Obligation Refunding Bonds	3,492,601	100.000%	3,492,601
Accreted Interest	4,495,331	100.000%	4,495,331
Total Direct Debt	<u>85,791,237</u>		<u>85,791,237</u>
<b>TOTAL DIRECT AND OVERLAPPING DEBT</b>	<b><u>\$ 1,323,959,783</u></b>		<b><u>\$ 403,683,832</u></b>
OVERLAPPING DEBT 06/30/2011:	Total Debt 6/30/2011	% Applicable (1)	City's Share of Debt 06/30/2011
Metropolitan Water District	\$ 107,259,876	0.643%	\$ 689,652
Citrus Community College District	81,425,302	1.292%	1,052,104
Mount San Antonio Community College District	169,109,985	12.252%	20,719,951
Bonita Unified School District	107,542,395	0.086%	92,739
Claremont Unified School District	35,850,000	6.421%	2,301,831
Pomona Unified School District	215,100,661	75.638%	162,701,122
Total Overlapping Debt	<u>716,288,219</u>		<u>187,557,399</u>
<b>TOTAL OVERLAPPING DEBT</b>	<b><u>\$ 716,288,219</u></b>		<b><u>\$ 187,557,399</u></b>

Source: HdL, and prior year CAFR

1) Percentage of overlapping agency's assessed valuation located within the boundaries of the city.



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

	2011	2012	2013	2014	2015
Assessed valuation	\$ 8,421,276	\$ 8,410,502	\$ 8,435,483	\$ 8,821,827	\$ 9,329,596
Debt limit percentage	15.00%	15.00%	15.00%	15.00%	15.00%
Debt limit	\$ 1,263,191	\$ 1,261,575	\$ 1,265,322	\$ 1,323,274	\$ 1,399,439
Amount of debt applicable to debt limit	-	-	-	-	-
Legal debt margin	\$ 1,263,191	\$ 1,261,575	\$ 1,265,322	\$ 1,323,274	\$ 1,399,439
Total debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%

**Schedule 14**

2016	2017	2018	2019	2020
\$ 9,840,106	\$ 10,520,304	\$ 11,019,121	\$ 11,656,073	\$ 12,349,280
15.00%	15.00%	15.00%	15.00%	15.00%
\$ 1,476,016	\$ 1,578,046	\$ 1,652,868	\$ 1,748,411	\$ 1,852,392
-	-	-	-	-
\$ 1,476,016	\$ 1,578,046	\$ 1,652,868	\$ 1,748,411	\$ 1,852,392
0.00%	0.00%	0.00%	0.00%	0.00%

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

**Schedule 15**

Fiscal Year Ended June 30	Water Revenue Bonds							Net Revenue Coverage
	Water Revenue (1)	Less Operating Expenses (2)	Net Available Revenue	Rate Stabilization Fund (3)	Debt Service		Total	
					Principal	Interest		
2011	\$ 27,087,846	\$ 19,041,122	8,046,724	-	1,095,000	5,087,935	6,182,935	1.30
2012	27,735,841	18,961,467	8,774,374	-	1,140,000	5,041,155	6,181,155	1.42
2013*	30,638,933	20,160,007	10,478,926	-	1,190,000	5,149,571	6,339,571	1.65
2014*	31,680,312	21,494,289	10,186,023	-	1,240,000	5,098,994	6,338,994	1.61
2015*	29,925,501	19,626,529	10,298,972	-	1,295,000	5,046,289	6,341,289	1.62
2016*	28,964,078	18,073,465	10,890,613	-	1,350,000	4,991,195	6,341,195	1.72
2017*	31,404,614	21,474,204	9,930,410	-	1,415,000	4,922,961	6,337,961	1.57
2018*	34,749,625	24,423,625	10,326,000	5,130,000	1,925,000	3,197,357	5,122,357	2.02
2019*	33,379,437	21,195,818	12,183,619	5,226,026	1,815,000	3,316,618	5,131,618	2.37
2020*	33,775,857	21,486,313	12,289,544	5,290,421	1,840,000	3,285,745	5,125,745	2.40

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

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

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

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

**Schedule 16**

Fiscal Year Ended June 30	Sewer Revenue Bonds							Net Revenue Coverage
	Sewer Revenue (1)	Less Operating Expenses (2)	Net Available Revenue	Rate Stabilization Fund (3)	Debt Service			
					Principal	Interest	Total	
2011	\$ 4,400,436	\$ 2,444,519	1,955,917	-	325,000	1,301,753	1,626,753	1.20
2012	4,570,662	2,445,349	2,125,313	-	340,000	1,290,216	1,630,216	1.30
2013	4,497,533	2,511,043	1,986,490	-	355,000	1,277,020	1,632,020	1.22
2014*	4,854,056	2,187,639	2,666,417	-	370,000	1,263,530	1,633,530	1.63
2015*	4,838,316	2,203,618	2,634,698	-	385,000	1,247,875	1,632,875	1.61
2016*	4,580,735	2,014,093	2,566,642	-	400,000	420,703	820,703	3.13
2017*	4,330,205	2,146,411	2,183,794	-	175,000	863,174	1,038,174	2.10
2018*	4,435,747	2,331,657	2,104,090	1,453,169	305,000	591,009	896,009	2.35
2019*	5,048,618	2,779,101	2,269,517	1,480,198	555,000	842,546	1,397,546	1.62
2020*	5,926,012	1,094,541	4,831,471	1,498,437	565,000	884,376	1,449,376	3.33

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

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

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

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

**Schedule 17**

<u>Fiscal Year</u>	<u>Population (1)</u>	<u>Personal Income (2) (in thousands)</u>	<u>Per Capita Personal Income (2)</u>	<u>Median Age</u>	<u>Public School Enrollment (3)</u>	<u>Unemployment Rate (4)</u>
2011	149,243	\$ 2,651,969	\$ 17,769	28.6	28,298	14.7%
2012	149,950	2,533,677	16,897	28.1	27,737	13.2%
2013	150,942	2,593,902	17,185	29.5	27,186	12.2%
2014	151,713	2,392,059	15,767	30.2	26,264	11.0%
2015	152,419	2,659,712	17,450	29.9	25,311	7.9%
2016	155,604	2,575,663	16,552	30.4	24,673	7.5%
2017	155,306	2,664,317	17,155	30.9	24,314	5.9%
2018	155,687	2,722,806	17,488	31.0	23,635	5.9%
2019	154,310	2,885,143	18,697	31.5	23,806	5.1%
2020	154,817	3,290,944	21,257	32.2	22,766	14.7%

Source: 2008-09, 2009-10, 2011-12, 2012-13, 2013-14, and 2014-15: MuniServices, LLC

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

Source: 2015-16, 2016-17, 2017-18, 2018-19, 2019-20 : HdL

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

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

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

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

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

**Schedule 18**

Employer	2020			2011		
	Number of Employees	Rank	Percentage of Total City Employment	Number of Employees	Rank	Percentage of Total City Employment
Pomona Unified School District	4,329	1	6.3%	3,076	1	5.1%
Pomona Valley Hospital	3,687	2	5.4%	2,875	2	4.6%
California State Polytechnic University	2,714	3	4.0%	2,150	3	3.9%
Casa Colina Rehabilitation Center	1,031	4	1.5%	705	5	1.5%
Tri City Mental Health Center	744	5	1.1%			
City of Pomona	572	6	0.8%	703	6	0.9%
Laretta LLC	395	7	0.6%			
Inland Valley Care & Rehab	350	8	0.5%	282	10	0.6%
Park Ave Healthcare & Wellness Center	335	9	0.5%			
Parkwood Landscapes Maintenance	263	10	0.4%			
Home Depot	169	11	0.2%			
Ferguson Enterprises Inc.	160	12	0.2%			
B2Sign Inc	150	13	0.2%			
Procraft Construction	140	14	0.2%			
Circle Wood Services Inc.	138	15	0.2%			
Lanterman Developmental Center				1,053	4	2.6%
Verizon				596	7	0.9%
County of Los Angeles Dept. of Social Services				372	8	0.8%
First Transit				320	9	0.6%
Hayward Industries				258	11	0.5%
Lloyd's Material Supply				250	12	0.4%
Walmart Stores Inc				236	13	0.4%
Hamilton Sundstrand				199	14	0.4%
Consolidated Foundries				175	15	0.4%

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

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

**Schedule 19**

Function	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Government	24	20	19	19	20	20	20	20	20	20
Support Services	33	32	32	32	31	32	33	41	46	46
Police	271	270	269	270	268	270	271	271	280	280
Public Works	184	184	170	169	170	106	106	93	96	96
Water/Wastewater	0	0	0	0	0	68	68	74	75	75
Community Development	47	40	38	40	0	0	0	0	0	0
Dev & Neighborhood Svcs	0	0	0	0	47	47	48	48	53	53
Utility Services	0	0	0	0	0	0	0	0	0	0
Community Services and Library	21	21	11	9	2	2	2	2	1.6	1.6
<b>Total</b>	<b>580</b>	<b>567</b>	<b>539</b>	<b>539</b>	<b>538</b>	<b>545</b>	<b>548</b>	<b>549</b>	<b>571.6</b>	<b>571.6</b>

Various departments were consolidated in 2009-2010

Source: City of Pomona Finance Department

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

*Schedule 20*

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Police:</b>										
Felony Arrests	2,825	2,713	3,145	3,105	2,726	2,441	2,142	2,049	2,270	1,903
Misdemeanor Arrests	5,557	5,780	5,821	5,876	6,424	7,446	6,825	6,067	6,228	4,463
Parking Citations	22,685	21,462	36,718	30,145	30,788	31,807	32,107	27,959	26,214	21,237
Moving Citations	11,554	10,452	9,179	9,791	9,153	8,898	7,157	6,714	6,884	6,282
<b>Fire:</b>										
Incidents	12,239	11,807	12,447	13,675	15,289	16,381	16,901	16,367	16,340	16,544
<b>Urban development:</b>										
Residential building permits issued	655	720	622	722	925	294	969	3,476	660	788
Inspections	5,378	5,645	4,054	6,050	5,536	6,236	7,947	11,764	11,723	10,642
Asphalt repaired (square feet)	38,842	9,222	19,400	36,068	84,879	84,649	95,104	78,765	84,516	79,420
Sidewalk repaired (square feet)	18,700	12,415	7,285	1,500	1,750	2,279	2,997	7,001	99,111	12,568
<b>Community services:*</b>										
Community Center participants	502,674	572,270	520,157	501,727	-	-	-	-	-	-
Senior Program participants	120,095	121,165	108,086	100,703	44,768	44,228	59,967	59,065	48,229	51,836
Youth program participants	381,280	403,617	362,217	337,180	56,728	52,075	33,579	40,917	37,696	24,769
Other program participants	36,296	42,343	49,854	66,743	32,480	26,126	18,901	16,919	30,768	21,858
Sports participants	254,989	311,201	309,795	366,978	168,034	182,529	154,670	144,680	120,002	66,685
Facility rentals	310	547	635	687	2,090	1,815	2,183	1,644	1,679	1,430
<b>Library:</b>										
Program attendance (all progra	8,857	8,568	1,770	2,578	2,940	3,077	3,069	3,058	2,623	2,010
Literacy instruction (hours)	709	749	-	-	-	-	-	-	-	-
<b>Water:</b>										
New connections	5	7	17	9	12	21	12	13	12	19
Average daily consumption (thousands of gallons)	17,719	17,865	18,670	19,615	17,905	14,450	15,084	20,243	18,471	13,502
<b>Refuse:</b>										
Curbside Collection (in tons)	38,068	36,472	37,246	36,593	35,474	36,682	37,934	37,257	40,793	47,251
Recycle Collection (in tons)	7,108	6,801	6,896	6,907	7,218	6,544	6,759	7,083	4,722	4,799
Greenwaste Collection (in tons)	14,280	13,234	12,510	11,934	11,904	13,480	13,699	13,143	12,618	11,824

Source: Various City Departments

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



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

**Schedule 21**

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Police:</b>										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	44	42	58	51	51	46	44	45	44	44
<b>Fire:</b>										
Fire stations	8	8	8	8	8	8	8	8	8	8
<b>Public works:</b>										
Streets (miles)	388	388	388	388	388	388	388	388	388	388
Streetlights	7,645	7,645	7,701	7,721	7,725	7,725	7,725	7,725	7,725	7,725
Traffic signals	180	161	162	164	164	169	169	169	169	169
<b>Community services:</b>										
Parks	26	26	26	26	26	26	26	27	27	27
Park Acreage	221	221	221	221	221	221	221	221	221	221
Baseball fields	14	14	14	14	14	14	14	14	14	14
Soccer fields	17	17	17	17	17	17	17	17	17	17
Basketball courts	22	22	22	22	22	22	22	22	22	22
Tennis courts	9	9	9	9	9	9	9	9	9	9
Community centers	14	14	14	14	14	14	14	14	14	14
Libraries	1	1	1	1	1	1	1	1	1	1
<b>Water:</b>										
Water mains (miles)	467	457	457	457	457	457	457	457	457	488
<b>Sewer:</b>										
Sanitary sewers (miles)	357	305	305	305	305	305	305	305	305	305
Storm drains (miles)	120	120	120	120	120	120	120	120	120	120

Source: Various City Departments

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Pomona, California, (the City) as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated March 25, 2021.

**Internal Control over Financial Reporting**

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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

**Compliance and Other Matters**

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



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

### **City's Response to Findings**

The City's response to the findings identified in our audit was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **Purpose of this Report**

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

*Lance, Soll & Lughard, LLP*

Brea, California  
March 25, 2021



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

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS

### Construction in Progress Adjustment

**Reference Number:** 2020-001

**Condition:**

A restatement was required in the Governmental Activities as the result of the City capitalizing costs related to pollution remediation. The removal of these prior period cost incorrectly capitalized required a restatement in the amount of (\$3,532,586).

**Criteria:**

Costs related to pollution remediations, which are returning land back to its original state should not be capitalized.

**Cause of Condition:**

Incorrect capitalization of costs for remediation.

**Effect or Potential Effect of Condition:**

Capitalization of costs related to pollution remediation totaled \$3,532,586, which will reduce the net position in the Governmental Activities.

**Recommendation:**

The City should ensure appropriate review by management occurs with all costs identified to be capitalized. All costs should be reviewed by management to ensure they meet the City's capitalization policy and are eligible costs to be capitalized in line with generally accepted accounting principles.

**Management's Response and Corrective Action:**

Management reviews the capitalization of assets on an annual basis. We will ensure going forward that any costs related to pollution remediation are not capitalized.

### Fuel Inventory Adjustment

**Reference Number:** 2020-002

**Condition:**

A material journal entry was required during the audit to correct fuel inventory in the Equipment Maintenance fund. This was the result of the fuel inventory not being reconciled as of June 30, 2020. An adjustment in the amount of \$850,434 was required to correct fuel inventory balance.

**Criteria:**

Reconciliation of fuel inventory should be inline with City policy and generally accepted accounting principles. Inventory asset should not include fuel that has already been utilized.

**Cause of Condition:**

No reconciliation was performed during the year end closing process.

**Effect or Potential Effect of Condition:**

Inventory assets were overstated and required a material journal entry in the amount of \$850,434 to adjust to proper inventory balance at June 30, 2020.



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

**Recommendation:**

Management should ensure all reconciliations are performed during the year end closing process. Management should review trial balance and perform analytical procedures while also maintaining an organized yearend close process with documentation to help prevent inaccurate reporting information.

**Management's Response and Corrective Action:**

The City has mechanisms in place to ensure all necessary year-end adjustments are made. Due to the pandemic and the shutdowns, it was increasingly difficult to ensure all the mechanisms were working and being utilized.