

CITY OF POMONA CALIFORNIA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE YEAR ENDING
June 30, 2021



CITY OF POMONA, CALIFORNIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2021

THIS PAGE INTENTIONALLY LEFT BLANK

CITY OF POMONA, CALIFORNIA
 ANNUAL COMPREHENSIVE FINANCIAL REPORT
 FOR THE YEAR ENDED JUNE 30, 2021

TABLE OF CONTENTS

	<u>Page Number</u>
INTRODUCTORY SECTION (Unaudited)	
Letter of Transmittal	i
GFOA Certificate of Achievement for Excellence in Financial Reporting	vi
Organizational Chart	vii
Directory of City Officials	viii
FINANCIAL SECTION	
INDEPENDENT AUDITORS' REPORT	1
MANAGEMENT'S DISCUSSION AND ANALYSIS (Required Supplementary Information) (Unaudited)	5
BASIS FINANCIAL STATEMENTS	
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	44
Statement of Changes in Fiduciary Net Position	45
Notes to Financial Statements	53

CITY OF POMONA, CALIFORNIA
 ANNUAL COMPREHENSIVE FINANCIAL REPORT
 FOR THE YEAR ENDED JUNE 30, 2021

TABLE OF CONTENTS

	<u>Page Number</u>
REQUIRED SUPPLEMENTARY INFORMATION	
Budgetary Comparison Schedule:	
General Fund.....	130
Housing Authority Special Revenue Fund.....	131
Miscellaneous Grants Special Revenue Fund	132
Notes to the Budgetary Comparison Schedule	133
Schedule of Changes in the Net Pension Liability and Related Ratios:	
Miscellaneous Plan – Agent Multiple – Employer Defined Benefit Plan	134
Safety Plan – Agent Multiple – Employer Defined Benefit Plan	136
Collateral Benefits Plan	139
Schedule of Contributions - Pensions:	
Miscellaneous Plan – Agent Multiple – Employer Defined Benefit Plan	140
Safety Plan – Agent Multiple – Employer Defined Benefit Plan	142
Collateral Benefits Plan	144
Schedule of Changes in Net Other Post-Employment Benefits Liability and Related Ratios:	
Other Post-Employment Benefits Plan	146
SUPPLEMENTARY INFORMATION	
Schedule of Revenues, Expenditures, and Change in Fund Balance – Budget and Actual:	
Capital Outlay Capital Projects Fund	150
Assessment District Improvement.....	151
General Government Debt Service Fund.....	152
Public Financing Authority Debt Service Fund.....	153
Nonmajor Governmental Funds:	
Combining Balance Sheets	154
Combining Statements of Revenues, Expenditures, and Change in Fund Balance.....	160
Schedule of Revenues, Expenditures, and Change in Fund Balance – Budget and Actual:	
Community Development Block Grant Special Revenue Fund	165
State Gas Tax	166
Proposition A	167
Proposition C	168

CITY OF POMONA, CALIFORNIA
 ANNUAL COMPREHENSIVE FINANCIAL REPORT
 FOR THE YEAR ENDED JUNE 30, 2021

TABLE OF CONTENTS

	<u>Page Number</u>
SUPPLEMENTARY INFORMATION (CONTINUED)	
Vehicle Parking District	169
Air Quality Improvement.....	170
Landscape Maintenance District	171
Asset Forfeiture	172
Traffic Offender	173
Measure R	174
Measure M.....	175
Special Fees.....	176
PEG Fee.....	177
OATH Initiative	178
Measure W	179
 Internal Service Funds:	
Combining Statement of Net Position.....	182
Combining Statements of Revenues, Expenditures, and Change in Net Position.....	184
Combining Statement of Cash Flows	186
 Custodial Funds:	
Combining Statements of Fiduciary Assets and Liabilities – All Custodial Funds	190
Combining Statements Changes in Fiduciary Assets and Liabilities – All Custodial Funds	191
 STATISTICAL SECTION (Unaudited)	
Description of Statistical Section Contents	195
 Financial Trends:	
Net Position by Component	197
Change in Net Position	198
Fund Balances – Governmental Funds	200
Changes in Fund Balances – Governmental Funds.....	201
Governmental Activities Tax Revenue by Source	202
 Revenue Capacity:	
Assessed Value and Estimated Actual Value of Taxable Property	203
Property Tax Rates – Direct and Overlapping Governments	204
Principal Property Taxpayers.....	205
Top 25 Sales Tax Generators.....	206
Property Tax Levies and Collections	207

CITY OF POMONA, CALIFORNIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2021

TABLE OF CONTENTS

	<u>Page Number</u>
STATISTICAL SECTION (Unaudited) (CONTINUED)	
Debt Capacity:	
Ratios of Outstanding Debt by Type	208
Ratio of General Bonded Debt Outstanding	209
Direct and Overlapping Debt	210
Legal Debt Margin Information	211
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
OTHER REPORT	
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

January 6, 2022

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



The audited Annual Comprehensive Financial Report (ACFR) of the City of Pomona, California (City) for the fiscal year ended June 30, 2021 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 fiscal year ended June 30, 2021. 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 Annual Comprehensive 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 are 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 151,319 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 2021 estimates published by the Labor Market Information Division of the California Employment Development Department (the most recent such data available), the City's civilian labor force presently stands at approximately 67,500 workers with 61,700 employed. This results in an unemployment rate of 8.5%.

Retail Sales and Use Tax remains an extremely significant source of revenue for the City. In spite of the Pandemic, sales tax remained strong. 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.

Property values increased from the prior years keeping the property tax base strong as well through the Pandemic. Current taxable assessed valuation for the City of Pomona including redevelopment areas is \$13,046,851,688 according to the Office of the Los Angeles County Auditor-Controller. Based on the City assessed valuation, overall property tax receipts (secured, unsecured, transfer tax, etc.) were 34.62% of the 2020-21 General Fund revenues, while sales tax and related line items were 28.28% 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 2020-21 General Fund expenditure and fund balance numbers, the General Fund has already exceeded the final goal of 17%. The City is currently working on a new expansive fund balance policy and will bring it to council for approval. 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 was a great tool to help plan for the future and be proactive instead of reactive. The City passed the sales tax measure which significantly aided the City during the COVID-19 pandemic.

To address long term concern of the City's growing Pension Liability, The City issued a Pension Obligation bond (Series BJ) in August of 2021. The bond was issued to pay down the City's Pension Liability. The proceeds of the bond were sent directly to PERS for investment. For June 30, 2021, the new Pension Obligation bond and the Net Pension Liability are presented in the government wide statement of Net Position. This is due to the Net Pension Liability actuarial having a measurement date of June 30, 2020. Any contributions made after the measurement date are presented as a deferred outflow in the statement of Net Position. In the fiscal year ending June 30, 2022, the deferred outflow or contribution to PERS will reduce the Net Pension Liability and only the Pension Obligation bond will be presented.

OUTLOOK FOR THE FUTURE

As everyone is aware, the world was struck with a Global pandemic from COVID-19 towards the second half of last 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 proved to be able to weather the storm of the Pandemic. The National Government took action and passed the CARES Act (in the beginning of Fiscal Year 2020-21) to help the City navigate through the impacts of COVID. As the City looks ahead to Fiscal Year 2021-22 and beyond, in spite of the pandemic, staff is encouraged by the General Fund reserve balance and actual results from Fiscal Year 2020-21. The Fiscal Year 2021-22 budget was adopted as a balanced budget. The City of Pomona staff continues to look to the future to ensure the City can continue to serve the Citizens in the best possible way.

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 Annual Comprehensive Financial Report (ACFR) 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. The City's award for year ending June 30, 2020 is still pending review. GFOA indicated results will be delayed due to the Pandemic.

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 ACFR 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, 2021. Please read it in conjunction with the basic financial statements and the accompanying notes to the basic financial statements.

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

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

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Andrew Mowbray". The signature is fluid and cursive, with a large, sweeping flourish at the end.

Andrew Mowbray
Finance Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Pomona
California**

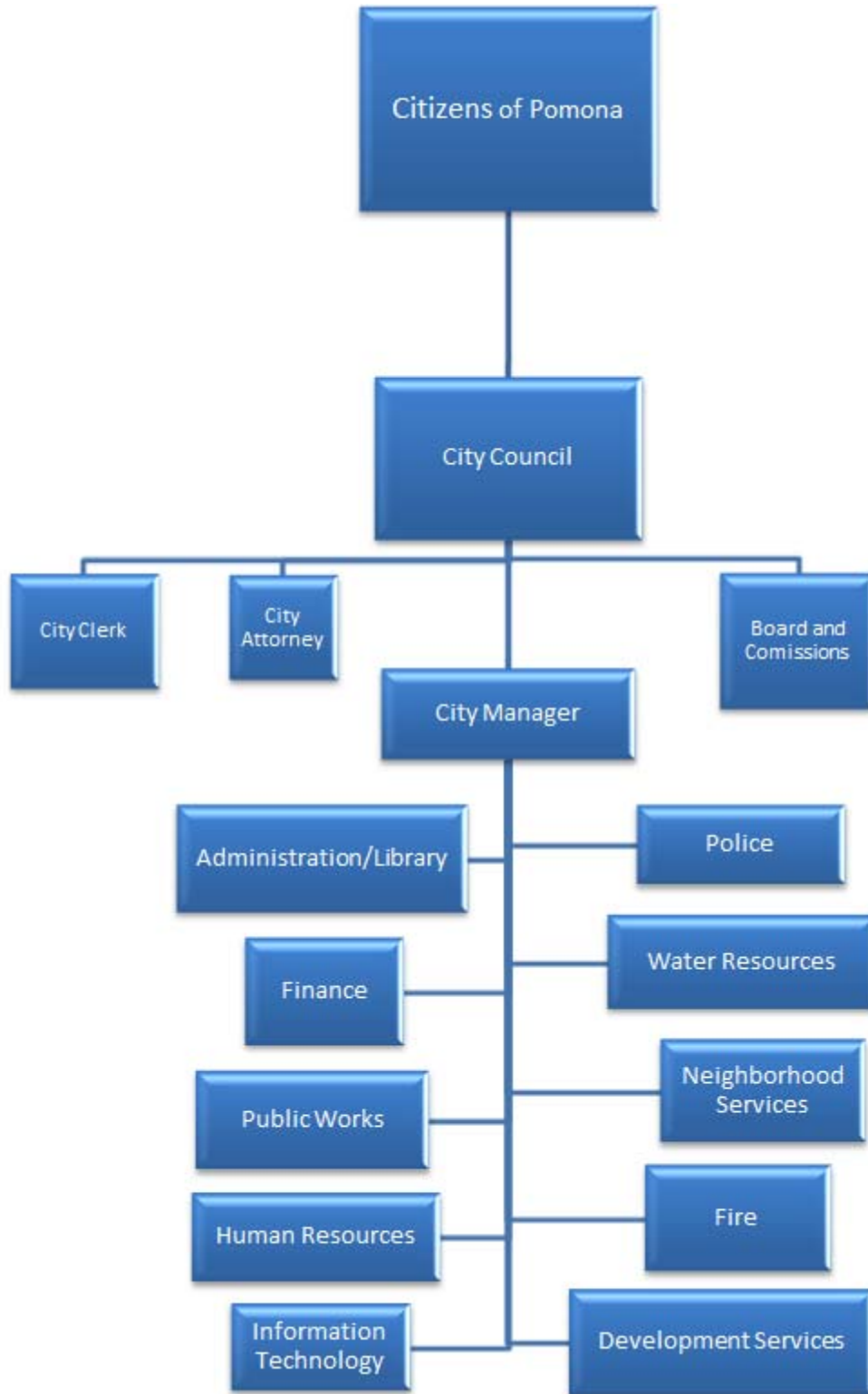
For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2019

Christopher P. Morill

Executive Director/CEO

Organizational Chart



CITY OF POMONA
DIRECTORY OF CITY OFFICIALS
at June 30, 2021

CITY COUNCIL

Tim Sandoval

Mayor

John Nolte
Councilmember
District 1

Victor Preciado
Councilmember
District 2

Nora Garcia
Councilmember
District 3

**Elizabeth
Ontiveros-Cole**
Councilmember
District 4

Steve Lustro
Councilmember
District 5

Robert S. Torres
Councilmember
District 6

APPOINTED ADMINISTRATIVE OFFICIALS

City 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 Ellis
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

Opinions

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, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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, 2021, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management 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; and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the date of the financial statements.



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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with the GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if, there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Reporting Responsibilities

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 as listed in the table of contents 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.



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

Supplementary 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 combining and individual nonmajor fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The 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.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section and statistical section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 6, 2022, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Lance, Soll & Lughard, LLP".

Brea, California
January 6, 2022

THIS PAGE INTENTIONALLY LEFT BLANK



MANAGEMENT'S DISCUSSION AND ANALYSIS

Fiscal Year Ended June 30, 2021

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, 2021. This narrative discussion and analysis focuses on the fiscal year 2020-21 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 \$127.2 million. The Net Position is composed of \$308.9 million of Net Investment in Capital Assets, \$78.6 million Restricted and \$(260.3) 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 \$326.5 million combined.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$113.7 million.
- At the end of the current fiscal year, committed fund balance for fiscal sustainability in the General Fund was \$18.5 million, which is 17% of total general fund expenditures, including transfers out. The City was able to substantially increase fund balance in the General Fund resulting in \$17.8 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 Annual Comprehensive Financial Report (ACFR) for the City of Pomona. The ACFR 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 ACFR 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 on long term debt. The business-type activities of the City of Pomona include water, sewer, refuse, Pomona Choice Energy Authority 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 21 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 American Rescue Plan 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

CITY OF POMONA

Management's Discussion and Analysis, Continued
Year Ended June 30, 2021

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. The City implemented GASB 84 during the fiscal year. GASB 84 redefined what a Fiduciary activity is and how it should be reported. The implementation resulted in several activities no longer meeting the new criteria and had to be moved to the City's General Fund.

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, 2020 and 2021.

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Current and other assets	\$ 173.8	\$ 129.7	\$ 94.9	\$ 83.6	\$ 268.7	\$ 213.3
Capital assets	291.3	287.7	155.8	159.0	447.1	446.7
Total assets	<u>465.1</u>	<u>417.4</u>	<u>250.7</u>	<u>242.6</u>	<u>715.8</u>	<u>660.0</u>
Deferred outflows of resources						
Deferred charge	0.3	0.4	0.5	0.5	0.8	0.9
Deferred pension related items	211.3	23.3	23.1	2.3	234.4	25.6
Deferred OPEB related items	11.4	3.5	2.9	1.9	14.3	5.4
Total deferred outflows of resources	<u>223.0</u>	<u>27.2</u>	<u>26.5</u>	<u>4.7</u>	<u>249.5</u>	<u>31.9</u>
Current and other liabilities	40.0	31.4	11.2	11.2	51.2	42.6
Long-term liabilities outstanding	607.5	364.8	173.8	147.2	781.3	512.0
Total liabilities	<u>647.5</u>	<u>396.2</u>	<u>185.0</u>	<u>158.4</u>	<u>832.5</u>	<u>554.6</u>
Deferred inflows of resources						
Deferred charge on refunding	0.3	0.4	2.9	3.0	3.2	3.4
Deferred pension related items	0.7	2.5	0.2	0.3	0.9	2.8
Deferred OPEB related items	1.2	3.1	0.3	0.7	1.5	3.8
Total deferred inflows of resources	<u>2.2</u>	<u>6.0</u>	<u>3.4</u>	<u>4.0</u>	<u>5.6</u>	<u>10.0</u>
Net Position:						
Net Investment in capital assets	254.4	249.6	54.5	52.6	308.9	302.2
Restricted	78.6	73.5	-	7.5	78.6	81.0
Unrestricted	(294.6)	(280.7)	34.3	24.8	(260.3)	(255.9)
Total net position	<u>\$ 38.4</u>	<u>\$ 42.4</u>	<u>\$ 88.8</u>	<u>\$ 84.9</u>	<u>\$ 127.2</u>	<u>\$ 127.3</u>

CITY OF POMONA

Management's Discussion and Analysis, Continued
 Year Ended June 30, 2021

For the City of Pomona, total assets and deferred outflow of resources exceeded total liabilities and deferred inflows of resources by \$127.2 million at June 30, 2021. \$308.9 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 \$78.6 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 \$(260.3 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 \$218 million, and the net OPEB liability in the amount of \$108.5 million.

The City issued a Pension Obligation bond (Series BJ) in August of 2021. The bond was issued to pay down the City's Pension Liability. The proceeds of the bond were sent directly to PERS for investment. For June 30, 2021, the new Pension Obligation bond and the Net Pension Liability are presented in the government wide statement of Net Position. This is due to the Net Pension Liability actuarial having a measurement date of June 30, 2020. Any contributions made after the measurement date are presented as a deferred outflow in the statement of Net Position. In the fiscal year ending June 30, 2022, the deferred outflow or contribution to PERS will reduce the Net Pension Liability and only the Pension Obligation bond will be presented.

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, residential refuse operations, Pomona Choice Energy Authority 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, 2021 and 2020.

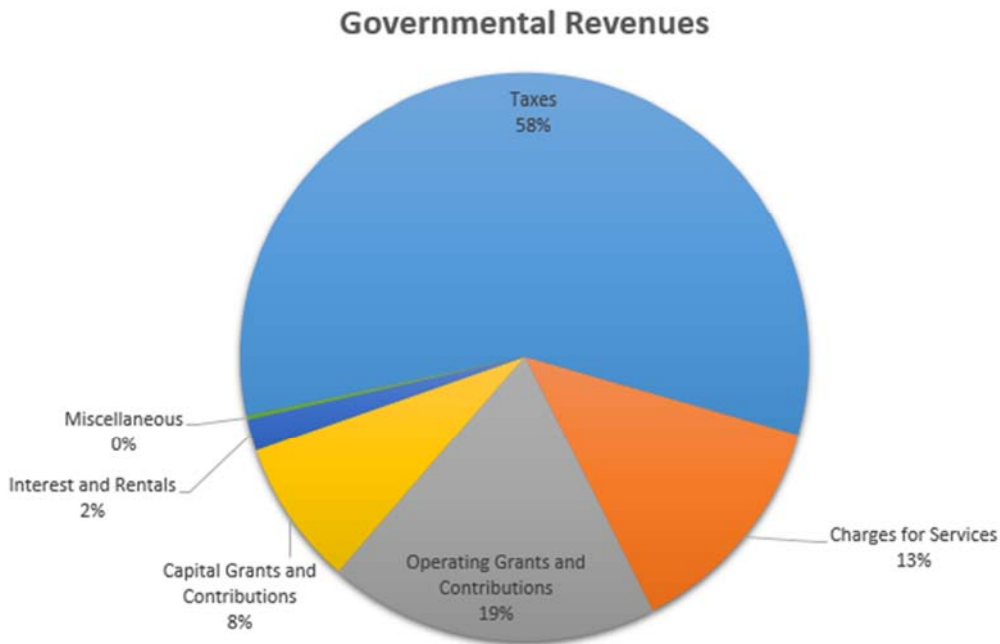
	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program Revenues:						
Charges for services	\$ 23.6	\$ 33.6	\$ -	\$ -	\$ 23.6	\$ 33.6
Water	-	-	37.7	32.5	37.7	32.5
Sewer	-	-	6.5	5.5	6.5	5.5
Refuse	-	-	11.1	10.9	11.1	10.9
Pomona Choice Energy Authority	-	-	10.6	-	10.6	-
Operating contributions and grants	33.9	30.0	-	0.1	33.9	30.1
Capital contributions and grants	14.9	14.9	-	-	14.9	14.9
General Revenues:						
Taxes:						
Property taxes	44.1	38.6	-	-	44.1	38.6
Sales taxes	34.3	30.4	-	-	34.3	30.4
Transient occupancy taxes	2.2	2.4	-	-	2.2	2.4
Franchises taxes	5.1	4.9	-	-	5.1	4.9
Utility users taxes	16.5	15.5	-	-	16.5	15.5
Other taxes	2.2	1.8	-	-	2.2	1.8
Use of money and properties	3.2	4.8	-	1.6	3.2	6.4
Miscellaneous	0.3	0.3	0.2	0.3	0.5	0.6
Total revenues	180.38	177.2	66.1	50.9	246.4	228.1

CITY OF POMONA

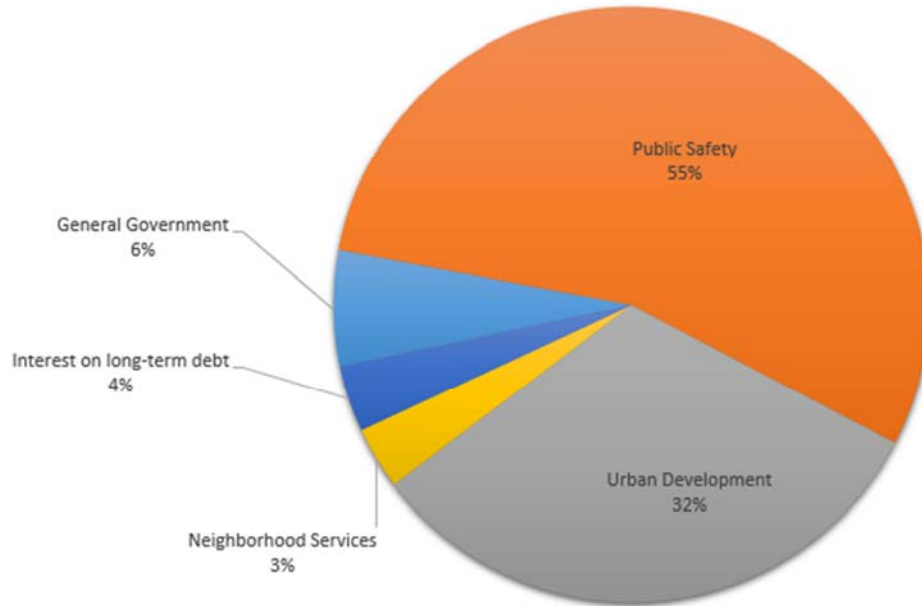
Management’s Discussion and Analysis, Continued
 Year Ended June 30, 2021

Expenses:						
General government	12.1	9.1	-	-	12.1	9.1
Public safety	105.6	105.0	-	-	105.6	105.0
Urban development	61.5	58.9	-	-	61.5	58.9
Neighborhood services	6.6	5.8	-	-	6.6	5.8
Interest on long-term debt	6.3	3.2	-	-	6.3	3.2
Water	-	-	33.8	28.1	33.8	28.1
Sewer	-	-	4.1	2.7	4.1	2.7
Refuse	-	-	11.2	9.9	11.2	9.9
Pomona Choice Energy Authority	-	-	10.0	0.8	10.0	0.8
Canon Water Company	-	-	-	-	-	-
Total expenses	192.1	182.0	59.1	41.5	251.2	223.5
Increase(decrease) in net position before transfers	(11.8)	(4.8)	7.0	9.4	(4.8)	4.6
Transfers	3.1	3.6	(3.1)	(3.6)	-	-
Increase (decrease) in net position	(8.7)	(1.2)	3.9	5.8	(4.8)	4.6
Beginning Net Position as restated	47.1	48.3	84.9	79.1	132.0	127.4
Ending Net Position	\$ 38.4	\$ 47.1	\$ 88.8	\$ 84.9	\$ 127.2	\$ 132.0

Governmental Activities - The City’s program revenues totaled \$72.4 million. The City paid for the remaining “public benefit” portion of governmental activities with \$107.9 million in taxes (some of which is restricted for certain programs).The cost of all governmental activities this year was \$192.1 million. However, as shown above in the changes in net position, the amount taxpayers ultimately financed for these activities was \$104.4 million since some of the cost was paid by Charge for Services revenue \$(23.6 million), or by other governments and organizations that subsidized certain programs with operating contributions and grants \$(33.9 million), and capital contributions and grants \$(14.9 million). The City had a \$8.7 million decrease in net position from governmental activities (see Financial Analysis of the City’s Funds – General Fund for explanation) in 2020-21.

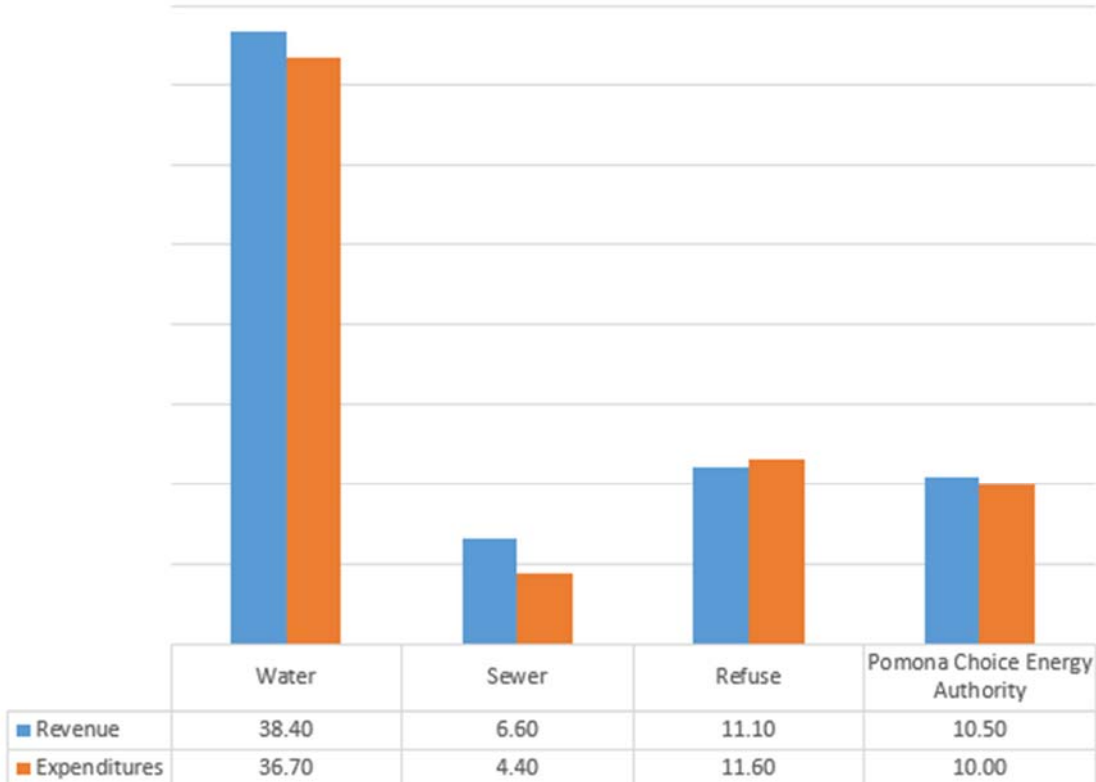


Governmental Expenditures



Business Type Activities - The cost of all business-type activities in 2020-21 was \$59.1 million and the amount of resources received was \$66.1 million. Total business-type activities resources available at the fiscal year end is \$88.8 million. This is calculated by taking beginning Net Position of \$84.9 million adding revenues of \$66.1 million, subtracting expenditures of \$59.1 million and \$(3.1 million) in transfers. This equates to an increased net position by \$3.9 million.

Enterprise Revenue & Expenditures (in millions)



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 \$121.4 million in revenues and \$103.0 million in expenditures resulting in revenues over expenditures in the amount of \$18.4 million before accounting for net other financing uses of \$(3.8) million, resulting in the General Fund fund balance to increase by \$14.6 million for the fiscal year. Total fund balance at June 30, 2021 is \$36.3 million, composed of \$45.2 million in assets combined with \$7.2 million in liabilities and \$1.7 million in deferred inflows and resources. Total fund balance includes less than \$0.1 million in nonspendable and zero restricted fund balance. Committed fund balance totals \$18.4 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 \$17.8 million is considered unassigned and above the fiscal sustainability policy. General fund revenues increased \$8.2 million in the fiscal year when compared to the prior year. The anticipated impact of COVID was not felt in the major revenues of the City. Property tax increased from the PY at its normal rate due to the tax roll being prepared on assessed values prior to COVID. The City received

significantly more sales tax than anticipated and more than the prior year. It was anticipated due to the lockdowns that sales tax would decrease but that wasn't the case for Pomona. Pomona isn't a destination City and has a significant industrial presence which kept the tax base strong, in addition, Measure PG which enacted a 0.75 percent Transaction Use Tax was in full effect during FY 2020-21. The City took action in years past to consolidate the Successor Agencies debt reducing the amount on Required Obligation Payment Schedule (ROPS). The result of less ROPS obligation increases residual Redevelopment property tax funds. Lastly the City received \$1.9 million one-time Corona Virus Relief (CRF) funds to help the City navigate through the impacts of COVID. General fund expenditures decreased by \$6.6 million when compared to the prior year. A large reason for the decrease is the issuance of a Pension Obligation Bond. The Bond was issued to pay the City's outstanding pension liability with CalPERS. The payment of the debt service in FY 2020-21 was significantly less than the Unfunded Accrued Liability that was required to be paid in the prior fiscal year. All in all, FY 2020-21 was a busy year with a lot different factors affecting how the City performed compared to the budget.

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 \$22.6 million in revenues and \$21.3 million in expenditures and transfers, resulting in a net change in fund balance in the amount of \$1.3 million. The Housing Authority fund is made up of \$22.9 million in assets, combined with \$1.3 million in liabilities and \$3.0 million in deferred inflows and resources resulting in \$18.6 million in fund balance. The \$18.6 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 as a result of receiving additional COVID relief monies.

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 \$7.1 million in revenues and \$6.5 million in expenditures resulting in revenues over expenditures of \$0.6 million. After a total other financing sources of \$0.1, the resulting net change in fund balance totals \$0.7 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 \$24.5 million in assets combined with \$0.8 million in liabilities and \$2.9 million in deferred inflows and resources resulting in \$20.8 million in fund balance. The entire fund balance is restricted for specific purposes.

American Rescue Plan Fund – The American Rescue Plan fund was created to account for the City's award of the Federal Bill passed by Congress called American Rescue Plan Act of 2021. The City was awarded \$45 million and received half of the award in FY 2020-21. A spending plan was created and approved by City Council. The City has until 2024 to obligate the money and spend by 2026. Until the money is spent it will remain a liability on the balance sheet and recognized as revenue when spent. The asset balance is \$22.6 million while being offset by a liability of the same amount. There were no revenues or expenditures in FY 2020-21.

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 \$5.5 million in revenues and \$12.7 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 \$7.3 million, the resulting net change in fund balance totals \$0.1 million. The fund is made up of \$7.5 million in assets combined with \$3.0 million in liabilities and \$0.9 million in deferred inflows and resources resulting in \$3.6 million in fund balance. The entire fund balance is restricted for specific capital projects.

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 \$202.7 million in expenditures. The expenditures are mainly principal and interest debt service payments. The huge expense in the current year is a result of the issuance of Series BJ, Pension Obligation Bond. The expense is offset by the proceeds of the bonds recorded in other financing sources and uses totaling \$195.3 million. Other funds transfer in monies to help pay for the debt in the amount of \$8.7

million. After total other financing sources of \$204 million, the resulting net change in fund balance totals \$1.6 million. The liability is an advance from the Public Financing Authority for Series BC & BG.

Public Financing Authority Debt Service Fund – The Public Financing Authority (PFA) Debt Service fund accounts for the various City debts that are issued for the City in the name of the PFA. For the fiscal year, the PFA Debt Service fund reported \$0.2 million in revenues and \$3.0 in expenditures. The expenditures are all principal and interest debt service payments. The resulting net change in fund balance totals \$(2.8) 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 \$2.8 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 \$37.7 million in operating revenues and operating expenses of \$31.1 million resulting in operating income of \$6.6 million. After consideration of non-operating revenues, expenses and transfers the total change in net position is \$1.7 million with total revenues in excess of expenses. The Water Fund is made up of \$65.8 million in current assets, \$124.3 in non-current assets, \$19.3 million in deferred outflows of resources, \$10.5 million in current liabilities, \$128.8 million in non-current liabilities and \$3.3 million in deferred inflow of resources resulting in net position of \$66.8 million.

Sewer Fund – The Sewer Fund is used to account for the operation and maintenance of the City's sewer network. The Sewer Fund reported \$6.6 million in operating revenues and operating expenses of \$2.7 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 \$2.1 million with total revenues in excess of expenses. The Sewer Fund is made up of \$14.9 million in current assets, \$31.3 million in non-current assets, \$2.4 million in deferred outflows of resources, \$0.7 million in current liabilities, \$28.4 in non-current liabilities and less than \$0.1 million in deferred inflow of resources resulting in net position of \$19.4 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 \$11.2 million in operating revenues and operating expenses of \$11.4 million resulting in an operating loss of \$(0.2) million. After consideration of non-operating revenues, non-operating expenses and transfers the total change in net position is a decrease of \$(0.5) million with total revenues deficient of expenses. The Refuse Fund is made up of \$9.1 million in current assets, \$1.0 in non-current assets, \$4.8 million in deferred outflows of resources, \$0.7 million in current liabilities, \$13 in non-current liabilities and \$0.1 million in deferred inflow of resources resulting in net position of \$1.1 million.

Pomona Choice Energy Authority Fund – The Pomona Choice Energy Authority was established in FY 2019-20 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. FY 2020-21 was the first full year of activity for the PCEA. The PCEA recorded operating revenues of \$10.5 million and operating expenses of \$10 million resulting in a positive fund balance of \$0.5 million. FY 2021-22 has proven thus far to be a more challenging year for PCEA and required a loan from the Water fund to help pay for basic operating costs.

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 minimal activity in FY 2020-21 due to it being dissolved in early FY 2021-22. The Canon Water Company Fund is made up of \$0.4 million in assets and less than \$10 thousand in liabilities resulting in net position of \$0.4 million. Canon Water Company was dissolved in FY 2021-22 and the assets will be transferred over to the Water Fund.

GENERAL FUND BUDGETARY INFORMATION

The originally adopted General Fund budget contained \$111.9 million in appropriations to fund operations and services. This amount decreased to \$107.6 million by the end of the fiscal year through City Council approved

budget amendments. This was a decrease in the amount of \$4.3 million. The decrease was a planned response to anticipated decreased revenues. The City implemented costs savings throughout the departments:

CITY OF POMONA					
Revenue / Expenditure Report					
	2020-2021	2020-2021	%	2020-2021	%
	Original	Amended	Amended/	Actuals	Actuals/
	Budget	Budget	Original	To Date	Budget
Total Revenue	110,805,443	113,210,514	102%	123,260,520	109%
Total Expenditures	116,690,369	113,089,533	97%	108,663,151	96%
Net	(5,884,926)	120,981		14,597,369	

General Fund revenues were over budget approximately \$10 million. General Fund 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 2020-21 General Fund Revenue Budget reflected \$109 million in anticipated revenues. With approved budget adjustments the total was amended to \$113 million. To date \$123 million has been received. The total revenue came in over budget due to conservative revenue projections as a result from the COVID-19 pandemic. Revenue sources anticipated to be received far exceeded the anticipated amounts. See the Financial Analysis of City Funds portion for further explanation.

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 \$434.6 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, 2021, net capital assets of the governmental activities totaled \$291.4 million and the net capital assets of the business-type activities totaled \$155.9 million. Depreciation on capital assets is recognized in the government-wide financial statements.

For Government Activities, the City had a total of 47 projects which varied in the amount of activity in FY 2020-21. The largest increase in Capital Assets was in the Construction in Progress class. A total of \$11.8 million was added to Construction in Progress in FY 2020-21. The major projects were:

- Project #73369 – Police Department Roof Replacement (\$2.5 million)
- Project #68561 – Street Preservation City Wide (\$1.8 million)
- Project #67918 – Major Street Rehab – 2015 Metro Call (\$1.8 million)
- Project #68562 – Street Preservation – Local FY 20-21 (\$1.4 million)
- Project #67921 – Street Rehab – District 6 (\$1 million)

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

- Project #93135 – Water Resources Admin & Op Facility (\$0.46 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 for FY 2020-21. As everyone is aware, the world was struck with a Global pandemic from COVID-19. 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, Utility Users tax and other various taxes. With the various orders in place it was anticipated tax revenues and revenues as a whole would decrease. The National Government took action and passed the CARES Act (in the beginning of Fiscal Year 2020-21) and the American Rescue Plan of 2021 which would aid businesses, individuals, States, Counties and local governments.

In spite of the pandemic, the City of Pomona's total Fiscal Year 2020-21 General Fund revenues grew by \$8.2 million versus prior year actuals. The anticipated impact of COVID was not felt in the major revenues of the City. Property tax increased from the PY at its normal rate due to the tax roll being prepared on assessed values prior to COVID. The City received significantly more sales tax than anticipated and more than the prior year. It was anticipated due to the lockdowns that sales tax would decrease but that wasn't the case for Pomona. Pomona isn't a destination City and has a significant industrial presence which kept the tax base strong. The City took action in years past to consolidate the Successor Agencies debt reducing the amount of monies needed on Required Obligation Payment Schedule (ROPS). The result of less ROPS monies equals more General Fund residual funds. Lastly the City received Corona Virus Relief (CRF) funds to help the City navigate through the impact of COVID. General fund expenditures decreased by \$6.6 million when compared to the prior year. A large reason for the decrease is the issuance of a Pension Obligation Bond. The Bond was issued to pay the City's outstanding pension liability with CalPERS. The payment of the debt service in FY 2020-21 was significantly less than the Unfunded Accrued Liability that was required to be paid in the prior fiscal year. All in all, FY 2020-21 was a busy year with a lot different factors affecting how the City performed compared to the budget.

The Federal government issued the America Rescue Plan Act of 2021. This provided funding sources in several different aspects in order to relieve the United States from the Pandemic. Part of the plan provided funding to State, County and Local governments. The City of Pomona was awarded \$54 million which it received half in FY 2021-22. These monies support the public health response to the pandemic and lay the foundation for a strong and equitable economic recovery.

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.

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 FINANCIAL STATEMENTS

THIS PAGE INTENTIONALLY LEFT BLANK

CITY OF POMONA

STATEMENT OF NET POSITION
JUNE 30, 2021

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets:			
Cash and investments	\$ 110,268,178	\$ 66,348,008	\$ 176,616,186
Receivables (net):			
Accounts	5,753,644	13,865,688	19,619,332
Notes and loans	32,979,461	-	32,979,461
Interest	205,211	143,732	348,943
Internal balances	(375,466)	375,466	-
Prepaid costs	761,866	11,079	772,945
Deposits	-	147,000	147,000
Due from other governments	14,969,263	-	14,969,263
Inventories	373,292	478,638	851,930
Land held for resale	4,490,541	-	4,490,541
Restricted assets:			
Cash and investments	42,156	1,242,959	1,285,115
Cash with fiscal agent	4,279,842	12,237,850	16,517,692
Other investments	-	9,000	9,000
Capital assets not being depreciated	154,824,690	22,019,300	176,843,990
Capital assets, net of depreciation	136,539,038	133,889,315	270,428,353
Total Assets	465,111,716	250,768,035	715,879,751
Deferred Outflows of Resources:			
Deferred charges on refunding	329,109	466,274	795,383
Deferred outflows of resources related to pensions	211,311,713	23,117,933	234,429,646
Deferred outflows of resources related to other postemployment benefits	11,406,912	2,926,835	14,333,747
Total Deferred Outflows of Resources	223,047,734	26,511,042	249,558,776
Liabilities:			
Accounts payable	6,840,347	5,943,263	12,783,610
Accrued liabilities	722,238	-	722,238
Accrued interest	522,355	635,403	1,157,758
Unearned revenue	25,522,200	-	25,522,200
Retentions payable	767,840	-	767,840
Deposits payable	3,745,726	4,199,255	7,944,981
Payroll payable	1,982,027	359,797	2,341,824
Noncurrent liabilities:			
Due within one year			
Long-term debt, due within one year	4,490,475	2,520,000	7,010,475
Compensated absences, due within one year	5,228,000	1,119,000	6,347,000
Claims and judgements, due within one year	20,787,000	-	20,787,000
Due in more than one year			
Long-term debt, due in more than one year	280,702,152	125,866,314	406,568,466
Compensated absences, due in more than one year	3,185,531	541,246	3,726,777
Claims and judgements, due in more than one year	10,319,168	-	10,319,168
Total other postemployment benefits liability	86,368,040	22,160,692	108,528,732
Net pension liability	196,383,842	21,646,800	218,030,642
Total Liabilities	647,566,941	184,991,770	832,558,711
Deferred Inflows of Resources:			
Deferred charges on refunding	357,275	2,927,035	3,284,310
Deferred inflows of resources related to pensions	669,256	221,195	890,451
Deferred inflows of resources related to other postemployment benefits	1,205,631	309,348	1,514,979
Total Deferred Inflows of Resources	2,232,162	3,457,578	5,689,740
Net Position:			
Net investment in capital assets	254,387,674	54,505,060	308,892,734
Restricted for:			
Community development projects	71,791,521	-	71,791,521
Capital projects	3,583,453	-	3,583,453
Debt service	3,193,908	-	3,193,908
Unrestricted	(294,596,209)	34,324,669	(260,271,540)
Total Net Position	\$ 38,360,347	\$ 88,829,729	\$ 127,190,076

CITY OF POMONA

STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2021

	Program Revenues			
	Expenses	Charges for Services	Operating Contributions and Grants	
Functions/Programs				
Primary Government:				
Governmental Activities:				
General government	\$ 12,118,537	\$ 9,960,044	\$ 291,441	\$ -
Public safety	105,638,667	4,644,618	2,370,886	-
Urban development and public works	61,542,341	8,598,962	31,238,482	14,909,220
Neighborhood services and library	6,562,941	409,782	-	-
Interest on long-term debt	6,318,687	-	-	-
Total Governmental Activities	192,181,173	23,613,406	33,900,809	14,909,220
Business-Type Activities:				
Water	33,815,407	37,712,920	-	-
Sewer	4,077,798	6,575,382	-	-
Refuse	11,274,763	11,089,435	17,006	-
Canon Water Company - February 28, 2021	12,213	-	-	-
Pomona Choice Energy Authority	9,999,345	10,578,321	-	-
Total Business-Type Activities	59,179,526	65,956,058	17,006	-
Total Primary Government	\$ 251,360,699	\$ 89,569,464	\$ 33,917,815	\$ 14,909,220

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

Net (Expenses) Revenues and Changes in Net Position		
Primary Government		
Governmental Activities	Business-Type Activities	Total
\$ (1,867,052)	\$ -	\$ (1,867,052)
(98,623,163)	-	(98,623,163)
(6,795,677)	-	(6,795,677)
(6,153,159)	-	(6,153,159)
(6,318,687)	-	(6,318,687)
(119,757,738)	-	(119,757,738)
-	3,897,513	3,897,513
-	2,497,584	2,497,584
-	(168,322)	(168,322)
-	(12,213)	(12,213)
-	578,976	578,976
-	6,793,538	6,793,538
(119,757,738)	6,793,538	(112,964,200)
44,131,198	-	44,131,198
2,181,603	-	2,181,603
34,340,732	-	34,340,732
5,134,724	-	5,134,724
16,542,842	-	16,542,842
1,929,816	-	1,929,816
113,548	-	113,548
3,256,265	(20,541)	3,235,724
318,952	191,297	510,249
-	14,650	14,650
3,092,248	(3,092,248)	-
111,041,928	(2,906,842)	108,135,086
(8,715,810)	3,886,696	(4,829,114)
47,072,799	84,943,033	132,015,832
3,358	-	3,358
\$ 38,360,347	\$ 88,829,729	\$ 127,190,076

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, 2021**

	General	Special Revenue Funds			Capital
		Housing Authority	Miscellaneous Grants	American Rescue Plan	Projects Funds Capital Outlay Capital Projects Fund
Assets:					
Cash and investments	\$ 29,624,589	\$ 3,910,121	\$ 2,215,591	\$ 22,683,207	\$ 5,838,484
Receivables (net):					
Accounts	5,182,450	253,434	165	-	205,463
Notes and loans	-	10,665,819	20,765,946	-	-
Interest	83,036	6,840	1,796	-	465
Prepaid items	11,795	-	-	-	-
Due from other governments	9,040,735	2,390,337	1,557,946	-	927,028
Due from other funds	1,289,246	-	-	-	-
Advances to other funds	-	-	-	-	-
Land held for resale	-	4,490,541	-	-	-
Restricted assets:					
Cash and investments	27,706	-	-	-	14,450
Cash with fiscal agent	-	1,168,251	-	-	575,863
Total Assets	\$ 45,259,557	\$ 22,885,343	\$ 24,541,444	\$ 22,683,207	\$ 7,561,753
Liabilities, Deferred inflows of Resources, and Fund Balances:					
Liabilities:					
Accounts payable	\$ 1,962,654	\$ 525,738	\$ 454,150	\$ -	\$ 2,177,001
Payroll payable	1,597,609	58,380	52,453	-	37,617
Accrued liabilities	-	233,641	-	-	-
Deposits payable	3,394,683	32,046	-	-	68,814
Retention payables	-	-	-	-	767,840
Due to other funds	-	-	-	-	-
Advances from other funds	304,435	-	-	-	-
Unearned revenues	-	486,667	288,702	22,683,207	-
Total Liabilities	7,259,381	1,336,472	795,305	22,683,207	3,051,272
Deferred inflows of resources:					
Unavailable revenues	1,660,688	2,946,930	2,868,260	-	927,028
Total Deferred inflows of Resources	1,660,688	2,946,930	2,868,260	-	927,028
Fund Balances:					
Nonspendable:					
Prepaid costs	11,795	-	-	-	-
Restricted					
Development and public works	-	18,601,941	-	-	-
Public safety	-	-	-	-	-
Neighborhood service	-	-	20,877,879	-	-
Assessment district improvement	-	-	-	-	-
Capital projects	-	-	-	-	3,583,453
Debt service	-	-	-	-	-
Committed					
Fiscal sustainability	18,472,905	-	-	-	-
Unassigned (deficit)	17,854,788	-	-	-	-
Total Fund Balances	36,339,488	18,601,941	20,877,879	-	3,583,453
Total Liabilities, deferred inflows of resources, and Fund Balances	\$ 45,259,557	\$ 22,885,343	\$ 24,541,444	\$ 22,683,207	\$ 7,561,753

CITY OF POMONA

**BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2021**

	<u>Debt Service Funds</u>			<u>Total Governmental Funds</u>
	<u>General Government</u>	<u>Public Financing Authority</u>	<u>Other Governmental Funds</u>	
Assets:				
Cash and investments	\$ -	\$ 102,611	\$ 34,011,852	\$ 98,386,455
Receivables (net):				
Accounts	-	-	105,404	5,746,916
Notes and loans	-	-	1,547,696	32,979,461
Interest	-	215	66,566	158,918
Prepaid items	748,633	-	-	760,428
Due from other governments	17,339	-	1,035,878	14,969,263
Due from other funds	-	-	-	1,289,246
Advances to other funds	-	69,200,000	304,435	69,504,435
Land held for resale	-	-	-	4,490,541
Restricted assets:				
Cash and investments	-	-	-	42,156
Cash with fiscal agent	731,558	1,804,170	-	4,279,842
Total Assets	\$ 1,497,530	\$ 71,106,996	\$ 37,071,831	\$ 232,607,661
Liabilities, Deferred inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ 6,736	\$ 168	\$ 1,327,653	\$ 6,454,100
Payroll payable	-	2,947	145,153	1,894,159
Accrued liabilities	488,597	-	-	722,238
Deposits payable	-	-	250,183	3,745,726
Retention payables	-	-	-	767,840
Due to other funds	915,576	-	134,602	1,050,178
Advances from other funds	69,200,000	-	-	69,504,435
Unearned revenues	-	-	2,063,624	25,522,200
Total Liabilities	70,610,909	3,115	3,921,215	109,660,876
Deferred inflows of resources:				
Unavailable revenues	-	-	838,915	9,241,821
Total Deferred inflows of Resources	-	-	838,915	9,241,821
Fund Balances:				
Nonspendable:				
Prepaid costs	748,633	-	-	760,428
Restricted				
Development and public works	-	-	29,679,936	48,281,877
Public safety	-	-	1,901,203	1,901,203
Neighborhood service	-	-	-	20,877,879
Assessment district improvement	-	-	730,562	730,562
Capital projects	-	-	-	3,583,453
Debt service	-	71,103,881	-	71,103,881
Committed				
Fiscal sustainability	-	-	-	18,472,905
Unassigned (deficit)	(69,862,012)	-	-	(52,007,224)
Total Fund Balances	(69,113,379)	71,103,881	32,311,701	113,704,964
Total Liabilities, deferred inflows of resources, and Fund Balances	\$ 1,497,530	\$ 71,106,996	\$ 37,071,831	\$ 232,607,661

THIS PAGE INTENTIONALLY LEFT BLANK

CITY OF POMONA

**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2021**

Fund balances of governmental funds		\$ 113,704,964
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.		291,140,896
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	\$ 205,166,440	
Net pension liability	(190,629,629)	
Deferred inflows of resources related to pensions	<u>(610,457)</u>	13,926,354
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	10,742,142	
Net other postemployment benefits liability	(81,334,701)	
Deferred inflows of resources related to other postemployment benefits	<u>(1,135,369)</u>	(71,727,928)
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	(1,220,449)	
Notes payable	(450,888)	
Revenue bonds	(72,128,082)	
Pension obligation refunding bonds	(198,513,295)	
Accreted interest related to the pension obligation refunding bonds	(4,179,108)	
Collateralized borrowing	(3,022,746)	
Deferred losses on refunding	(357,275)	
Deferred gains on refunding	329,109	
Compensated absences	<u>(8,205,396)</u>	(287,799,916)
Accrued interest payable for the current portion of interest due on Bonds has not been reported in the governmental funds.		(522,355)
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.		9,241,821
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>(29,603,489)</u>
Net Position of governmental activities		<u>\$ 38,360,347</u>

CITY OF POMONA

STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2021

	Special Revenue Funds				Capital Projects Funds
	General	Housing Authority	Miscellaneous Grants	American Rescue Plan	Capital Outlay Capital Projects Fund
Revenues:					
Taxes	\$ 108,106,252	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-
Licenses, permits and fees	5,042,930	-	-	-	217,025
Intergovernmental	2,316,535	21,773,724	5,461,747	-	1,351,874
Charges for services	2,116,735	18,786	366,678	-	51,284
Use of money and properties	1,412,001	497,763	1,050,618	-	(74,835)
Fines and forfeitures	1,531,634	-	-	-	-
Contributions from Successor Agency	-	182,425	-	-	3,656,052
Miscellaneous	903,124	156,385	235,964	-	337,272
Total Revenues	121,429,211	22,629,083	7,115,007	-	5,538,672
Expenditures:					
Current:					
General government	6,231,593	-	-	-	-
Public safety	82,241,417	-	690,819	-	-
Urban development	10,973,498	21,306,887	4,729,306	-	-
Neighborhood services and library	3,260,011	-	604,961	-	-
Capital outlay	65,159	49,097	453,021	-	12,565,136
Debt service:					
Principal retirement	195,758	-	-	-	180,612
Interest and fiscal charges	17,006	-	-	-	30,760
Cost of issuance	-	-	-	-	-
Total Expenditures	102,984,442	21,355,984	6,478,107	-	12,776,508
Excess (Deficiency) of Revenues Over (Under) Expenditures	18,444,769	1,273,099	636,900	-	(7,237,836)
Other Financing Sources (Uses):					
Transfers in	1,831,314	-	159,545	-	7,561,065
Transfers out	(5,679,708)	(5,022)	(50,079)	-	(213,110)
Pension bonds issued	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	7,563
Total Other Financing Sources (Uses)	(3,848,394)	(5,022)	109,466	-	7,355,518
Net Change in Fund Balances	14,596,375	1,268,077	746,366	-	117,682
Fund Balances, Beginning of Year, as previously reported	21,742,454	17,333,864	20,131,513	-	3,465,771
Restatements	659	-	-	-	-
Fund Balances, Beginning of Year, as restated	21,743,113	17,333,864	20,131,513	-	3,465,771
Fund Balances, End of Year	\$ 36,339,488	\$ 18,601,941	\$ 20,877,879	\$ -	\$ 3,583,453

CITY OF POMONA

STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2021

	Debt Service Funds			Total Governmental Funds
	General Government	Public Financing Authority	Other Governmental Funds	
Revenues:				
Taxes	\$ 17,339	\$ -	\$ 312,397	\$ 108,435,988
Special assessments	-	-	1,252,382	1,252,382
Licenses, permits and fees	-	-	563,654	5,823,609
Intergovernmental	291,441	-	20,984,757	52,180,078
Charges for services	-	-	265,733	2,819,216
Use of money and properties	313	211,003	205,601	3,302,464
Fines and forfeitures	-	-	-	1,531,634
Contributions from Successor Agency	-	-	-	3,838,477
Miscellaneous	-	-	73,408	1,706,153
Total Revenues	309,093	211,003	23,657,932	180,890,001
Expenditures:				
Current:				
General government	55,070,552	-	602,846	61,904,991
Public safety	139,071,987	-	2,298,007	224,302,230
Urban development	-	-	11,781,227	48,790,918
Neighborhood services and library	-	-	-	3,864,972
Capital outlay	-	-	182,927	13,315,340
Debt service:				
Principal retirement	833,302	2,880,000	85,148	4,174,820
Interest and fiscal charges	6,616,983	148,397	324	6,813,470
Cost of issuance	1,141,091	-	-	1,141,091
Total Expenditures	202,733,915	3,028,397	14,950,479	364,307,832
Excess (Deficiency) of Revenues Over (Under) Expenditures	(202,424,822)	(2,817,394)	8,707,453	(183,417,831)
Other Financing Sources (Uses):				
Transfers in	8,733,814	-	131,750	18,417,488
Transfers out	-	-	(6,051,841)	(11,999,760)
Pension bonds issued	195,304,996	-	-	195,304,996
Proceeds from sale of capital assets	-	-	-	7,563
Total Other Financing Sources (Uses)	204,038,810	-	(5,920,091)	201,730,287
Net Change in Fund Balances	1,613,988	(2,817,394)	2,787,362	18,312,456
Fund Balances, Beginning of Year, as previously reported	(70,727,367)	73,921,275	29,521,640	95,389,150
Restatements	-	-	2,699	3,358
Fund Balances, Beginning of Year, as restated	(70,727,367)	73,921,275	29,524,339	95,392,508
Fund Balances, End of Year	\$ (69,113,379)	\$ 71,103,881	\$ 32,311,701	\$ 113,704,964

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, 2021**

Net change in fund balances - total governmental funds \$ 18,312,456

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	\$ 13,403,128	
Depreciation	(9,624,273)	
Loss on disposal of capital assets	<u>(162,674)</u>	3,616,181

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	4,580,767	
Accreted interest of pension obligation refunding bonds	(34,474)	
Amortization of bond premium and deferred charges	113,810	
Bond issuance	<u>(195,304,996)</u>	(190,644,893)

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

9,500

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.

(533,192)

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

446,626

Pension obligation expenses are expenditures in the governmental funds, but reduce the Net Pension Liability in the statement of net position.

175,552,326

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.

(470,687)

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.

(15,004,127)

Change in net position of governmental activities

\$ (8,715,810)

PROPRIETARY FUND FINANCIAL STATEMENTS

CITY OF POMONA

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 JUNE 30, 2021

	Business-Type Activities - Enterprise Funds			Canon Water Company - February 28, 2021
	Water	Sewer	Refuse	
Assets:				
Current:				
Cash and investments	\$ 49,686,788	\$ 9,455,535	\$ 6,932,521	\$ 273,164
Receivables (net):				
Accounts	6,793,455	1,223,758	2,120,159	128,442
Interest	107,170	24,149	12,413	-
Prepaid items	9,000	-	-	2,079
Deposits	-	-	-	-
Inventories	478,638	-	-	-
Restricted:				
Cash and investments	-	750,932	-	-
Cash with fiscal agent	8,791,011	3,446,839	-	-
Total Current Assets	65,866,062	14,901,213	9,065,093	403,685
Noncurrent:				
Advances to other funds	735,836	-	-	-
Other investments	9,000	-	-	-
Capital assets - net of accumulated depreciation	123,540,573	31,286,163	1,046,445	35,434
Total Noncurrent Assets	124,285,409	31,286,163	1,046,445	35,434
Total Assets	190,151,471	46,187,376	10,111,538	439,119
Deferred Outflows of Resources:				
Deferred charges on refunding	-	466,274	-	-
Deferred outflows of resources related to pensions	17,213,651	1,729,972	4,174,310	-
Deferred outflows of resources related to other postemployment benefits	2,075,352	222,479	629,004	-
Total Deferred Outflows of Resources	19,289,003	2,418,725	4,803,314	-
Liabilities:				
Current:				
Accounts payable	2,671,097	8,777	468,186	9,334
Accrued interest	531,127	70,957	33,319	-
Deposits payable	4,199,255	-	-	-
Due to other funds	-	-	-	-
Payroll payable	272,876	25,150	61,771	-
Compensated absences, due within one year	914,000	54,000	151,000	-
Claims and judgements, due within one year	-	-	-	-
Long-term debt, due in one year	1,925,000	595,000	-	-
Total Current Liabilities	10,513,355	753,884	714,276	9,334
Noncurrent:				
Advances from other funds	-	-	-	-
Compensated absences, due in more than one year	442,483	25,313	73,450	-
Claims and judgements, due in more than one year	-	-	-	-
Long-term debt, due in more than one year	96,581,438	25,046,692	4,238,184	-
Total other postemployment benefit liability	15,713,640	1,684,511	4,762,541	-
Net pension liability	16,118,243	1,619,883	3,908,674	-
Total Noncurrent Liabilities	128,855,804	28,376,399	12,982,849	-
Total Liabilities	139,369,159	29,130,283	13,697,125	9,334
Deferred Inflows of Resources:				
Deferred charges on refunding	2,927,035	-	-	-
Deferred inflows of resources related to pensions	164,702	16,553	39,940	-
Deferred inflows of resources related to other postemployment benefits	219,351	23,515	66,482	-
Total Deferred Inflows of Resources	3,311,088	40,068	106,422	-
Net Position:				
Net investment in capital assets	43,657,715	9,765,466	1,046,445	35,434
Unrestricted	23,102,512	9,670,284	64,860	394,351
Total Net Position	\$ 66,760,227	\$ 19,435,750	\$ 1,111,305	\$ 429,785

CITY OF POMONA

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 JUNE 30, 2021

	Business-Type Activities - Enterprise		Governmental Activities- Internal Service Funds
	Funds		
	Pomona Choice Energy Authority	Totals	
Assets:			
Current:			
Cash and investments	\$ -	\$ 66,348,008	\$ 11,881,723
Receivables (net):			
Accounts	3,599,874	13,865,688	6,728
Interest	-	143,732	46,293
Prepaid items	-	11,079	1,438
Deposits	147,000	147,000	-
Inventories	-	478,638	373,292
Restricted:			
Cash and investments	492,027	1,242,959	-
Cash with fiscal agent	-	12,237,850	-
Total Current Assets	4,238,901	94,474,954	12,309,474
Noncurrent:			
Advances to other funds	-	735,836	-
Other investments	-	9,000	-
Capital assets - net of accumulated depreciation	-	155,908,615	222,832
Total Noncurrent Assets	-	156,653,451	222,832
Total Assets	4,238,901	251,128,405	12,532,306
Deferred Outflows of Resources:			
Deferred charges on refunding	-	466,274	-
Deferred outflows of resources related to pensions	-	23,117,933	6,145,273
Deferred outflows of resources related to other postemployment benefits	-	2,926,835	664,770
Total Deferred Outflows of Resources	-	26,511,042	6,810,043
Liabilities:			
Current:			
Accounts payable	2,785,869	5,943,263	386,247
Accrued interest	-	635,403	-
Deposits payable	-	4,199,255	-
Due to other funds	183,484	183,484	55,584
Payroll payable	-	359,797	87,868
Compensated absences, due within one year	-	1,119,000	208,135
Claims and judgements, due within one year	-	-	20,787,000
Long-term debt, due in one year	-	2,520,000	-
Total Current Liabilities	2,969,353	14,960,202	21,524,834
Noncurrent:			
Advances from other funds	735,836	735,836	-
Compensated absences, due in more than one year	-	541,246	-
Claims and judgements, due in more than one year	-	-	10,319,168
Long-term debt, due in more than one year	-	125,866,314	5,626,273
Total other postemployment benefit liability	-	22,160,692	5,033,339
Net pension liability	-	21,646,800	5,754,213
Total Noncurrent Liabilities	735,836	170,950,888	26,732,993
Total Liabilities	3,705,189	185,911,090	48,257,827
Deferred Inflows of Resources:			
Deferred charges on refunding	-	2,927,035	-
Deferred inflows of resources related to pensions	-	221,195	58,799
Deferred inflows of resources related to other postemployment benefits	-	309,348	70,262
Total Deferred Inflows of Resources	-	3,457,578	129,061
Net Position:			
Net investment in capital assets	-	54,505,060	222,832
Unrestricted	533,712	33,765,719	(29,267,371)
Total Net Position	\$ 533,712	\$ 88,270,779	\$ (29,044,539)

Reconciliation of Net Position to the Statement of Net Position

Net Position per Statement of Net Position - Proprietary Funds	\$ 88,270,779
Prior years' accumulated adjustment to reflect the consolidation of internal service funds activities related to the enterprise funds	582,501
Current years' adjustments to reflect the consolidation of internal service activities related to enterprise funds	(23,551)
Net Position per Statement of Net Position	\$ 88,829,729

CITY OF POMONA

STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2021

	Business-Type Activities - Enterprise Funds			Canon Water Company - February 28, 2021
	Water	Sewer	Refuse	
Operating Revenues:				
Charges for services	\$ 37,712,920	\$ 6,575,382	\$ 11,089,435	\$ -
Miscellaneous	62,412	35,252	93,633	-
Total Operating Revenues	37,775,332	6,610,634	11,183,068	-
Operating Expenses:				
Personnel services	11,198,241	1,131,213	2,788,741	-
Operations	15,450,326	808,853	7,878,476	6,365
Claims expense	3,705	5,763	67,932	-
Depreciation expense	3,457,457	668,888	522,026	5,848
Insurance	1,056,694	55,832	148,167	-
Total Operating Expenses	31,166,423	2,670,549	11,405,342	12,213
Operating Income (Loss)	6,608,909	3,940,085	(222,274)	(12,213)
Nonoperating Revenues (Expenses):				
Intergovernmental	-	-	17,006	-
Investment income	12,624	34,419	(64,179)	6
Interest expense	(3,016,845)	(885,259)	-	-
Gain on disposal of capital assets	14,650	-	-	-
Total Nonoperating Revenues (Expenses)	(2,989,571)	(850,840)	(47,173)	6
Income (Loss) Before Transfers	3,619,338	3,089,245	(269,447)	(12,207)
Transfers in	691,680	-	-	-
Transfers out	(2,572,177)	(935,815)	(275,936)	-
Changes in Net Position	1,738,841	2,153,430	(545,383)	(12,207)
Net Position:				
Beginning of Fiscal Year	65,021,386	17,282,320	1,656,688	441,992
End of Fiscal Year	\$ 66,760,227	\$ 19,435,750	\$ 1,111,305	\$ 429,785

CITY OF POMONA

STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2021

	Business-Type Activities - Enterprise Funds		
	Pomona Choice Energy Authority	Totals	Governmental Activities - Internal Service Funds
Operating Revenues:			
Charges for services	\$ 10,578,321	\$ 65,956,058	\$ 47,018,859
Miscellaneous	-	191,297	96,116
Total Operating Revenues	10,578,321	66,147,355	47,114,975
Operating Expenses:			
Personnel services	-	15,118,195	34,924,505
Operations	9,999,345	34,143,365	3,400,952
Claims expense	-	77,400	20,294,660
Depreciation expense	-	4,654,219	40,031
Insurance	-	1,260,693	110,826
Total Operating Expenses	9,999,345	55,253,872	58,770,974
Operating Income (Loss)	578,976	10,893,483	(11,655,999)
Nonoperating Revenues (Expenses):			
Intergovernmental	-	17,006	-
Investment income	(3,411)	(20,541)	(46,999)
Interest expense	-	(3,902,104)	-
Gain on disposal of capital assets	-	14,650	-
Total Nonoperating Revenues (Expenses)	(3,411)	(3,890,989)	(46,199)
Income (Loss) Before Transfers	575,565	7,002,494	(11,702,198)
Transfers in	-	691,680	95,577
Transfers out	-	(3,783,928)	(3,421,057)
Changes in Net Position	575,565	3,910,246	(15,027,678)
Net Position:			
Beginning of Fiscal Year	(41,853)	84,360,533	(14,016,861)
End of Fiscal Year	\$ 533,712	\$ 88,270,779	\$ (29,044,539)
Reconciliation of Changes in Net Position to the Statement of Activities:			
Changes in Net Position, per the Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Funds		\$ 3,910,246	
Adjustment to reflect the consolidation of current fiscal year internal service funds activities related to enterprise funds		(23,551)	
Changes in Net Position of Business-Type Activities per Statement of Activities		\$ 3,886,695	

CITY OF POMONA

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 YEAR ENDED JUNE 30, 2021

	Business-Type Activities - Enterprise Funds			Canon Water Company - February 28, 2021
	Water	Sewer	Refuse	
Cash Flows from Operating Activities:				
Cash received from customers and users	\$ 37,106,008	\$ 6,413,336	\$ 10,907,719	\$ -
Cash paid to suppliers for goods and services	(15,394,165)	(992,907)	(8,078,580)	(5,704)
Cash paid for general and administrative expenses	(23,792,879)	(2,599,551)	(6,760,700)	-
Net Cash Provided (Used) by Operating Activities	(2,081,036)	2,820,878	(3,931,561)	(5,704)
Cash Flows from Non-Capital Financing Activities:				
Cash transfers in	691,680	-	-	-
Cash transfers out	(2,572,177)	(935,815)	(275,936)	-
Cash received from other funds	-	-	-	-
Repayment made to other funds	-	-	-	-
Grant subsidy	-	-	17,006	-
Proceeds from pension obligation bonds	15,178,614	1,691,989	4,238,184	-
Net Cash Provided (Used) by Non-Capital Financing Activities	13,298,117	756,174	3,979,254	-
Cash Flows from Capital and Related Financing Activities:				
Acquisition and construction of capital assets	(1,365,388)	(139,952)	-	-
Principal paid on capital debt	(1,875,000)	(580,000)	-	-
Interest paid on capital debt	(3,248,741)	(872,253)	-	-
Proceeds from sales of capital assets	14,650	-	-	-
Net Cash Provided (Used) by Capital and Related Financing Activities	(6,474,479)	(1,592,205)	-	-
Cash Flows from Investing Activities:				
Interest received	50,406	34,795	(53,651)	6
Net Cash Provided (Used) by Investing Activities	50,406	34,795	(53,651)	6
Net Increase (Decrease) in Cash and Cash Equivalents	4,793,008	2,019,642	(5,958)	(5,698)
Cash and Cash Equivalents at Beginning of Year	53,684,791	11,633,664	6,938,479	278,862
Cash and Cash Equivalents at End of Year	\$ 58,477,799	\$ 13,653,306	\$ 6,932,521	\$ 273,164
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:				
Operating income (loss)	\$ 6,608,909	\$ 3,940,085	\$ (222,274)	\$ (12,213)
Adjustments to reconcile operating income (loss) net cash provided (used) by operating activities:				
Depreciation	3,457,457	668,888	522,026	5,848
(Increase) decrease in accounts receivable	(669,324)	(197,298)	(275,349)	-
(Increase) decrease in deposits	-	-	-	-
(Increase) decrease in prepaid expense	-	-	-	(2,079)
(Increase) decrease in inventories	(8,380)	-	-	-
(Increase) decrease in deferred outflows of resources related to pensions	(15,520,658)	(1,541,251)	(3,701,591)	-
(Increase) decrease in deferred outflows of resources related to other postemployment benefits	(726,311)	(70,410)	(184,234)	-
Increase (decrease) in accounts payable	1,019,193	(122,459)	15,995	2,740
Increase (decrease) in payroll payable	(165,839)	(15,502)	(69,128)	-
Increase (decrease) in deposits payable	105,747	-	-	-
Increase (decrease) in claims and judgments	-	-	-	-
Increase (decrease) in compensated absences	163,207	15,653	(112,403)	-
Increase (decrease) in net other postemployment benefit liability	2,213,432	162,718	311,605	-
Increase (decrease) in net pension liability	1,774,650	20,976	(96,355)	-
Increase (decrease) in deferred outflows of resources related to pensions	(36,830)	(5,912)	(16,332)	-
Increase (decrease) in deferred outflows of resources related to other postemployment benefits	(296,289)	(34,610)	(103,521)	-
Total Adjustments	(8,689,945)	(1,119,207)	(3,709,287)	6,509
Net Cash Provided (Used) by Operating Activities	\$ (2,081,036)	\$ 2,820,878	\$ (3,931,561)	\$ (5,704)
Non-Cash Investing, Capital, and Financing Activities:				
Amortization of bond premium/(discount)	\$ (111,206)	\$ 4,464	\$ -	\$ -
Amortization of deferred charges on refunding	\$ (113,304)	\$ 9,622	\$ -	\$ -

CITY OF POMONA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2021

	Business-Type Activities - Enterprise Funds		Governmental Activities- Internal Service Funds
	Pomona Choice Energy Authority	Totals	
Cash Flows from Operating Activities:			
Cash received from customers and users	\$ 6,831,447	\$ 61,258,510	\$ 47,108,838
Cash paid to suppliers for goods and services	(7,214,415)	(31,685,771)	(8,285,468)
Cash paid for general and administrative expenses	-	(33,153,130)	(39,941,044)
Net Cash Provided (Used) by Operating Activities	(382,968)	(3,580,391)	(1,117,674)
Cash Flows from Non-Capital Financing Activities:			
Cash transfers in	-	691,680	(3,421,057)
Cash transfers out	-	(3,783,928)	95,577
Cash received from other funds	183,484	183,484	-
Repayment made to other funds	-	-	(5,260)
Grant subsidy	-	17,006	-
Proceeds from pension obligation bonds	-	21,108,787	5,626,273
Net Cash Provided (Used) by Non-Capital Financing Activities	183,484	18,217,029	2,295,533
Cash Flows from Capital and Related Financing Activities:			
Acquisition and construction of capital assets	-	(1,505,340)	-
Principal paid on capital debt	-	(2,455,000)	-
Interest paid on capital debt	-	(4,120,994)	-
Proceeds from sales of capital assets	-	14,650	800
Net Cash Provided (Used) by Capital and Related Financing Activities	-	(8,066,684)	800
Cash Flows from Investing Activities:			
Interest received	(3,411)	28,145	(27,817)
Net Cash Provided (Used) by Investing Activities	(3,411)	28,145	(27,817)
Net Increase (Decrease) in Cash and Cash Equivalents	(202,895)	6,598,099	1,150,842
Cash and Cash Equivalents at Beginning of Year	694,922	73,230,718	10,730,881
Cash and Cash Equivalents at End of Year	\$ 492,027	\$ 79,828,817	\$ 11,881,723
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:			
Operating income (loss)	\$ 578,976	\$ 10,893,483	\$ (11,655,999)
Adjustments to reconcile operating income (loss) net cash provided (used) by operating activities:			
Depreciation	-	4,654,219	40,031
(Increase) decrease in accounts receivable	(3,599,874)	(4,741,845)	(6,137)
(Increase) decrease in deposits	(147,000)	(147,000)	-
(Increase) decrease in prepaid expense	-	(2,079)	-
(Increase) decrease in inventories	-	(8,380)	2,132
(Increase) decrease in deferred outflows of resources related to pensions	-	(20,763,500)	(5,517,730)
(Increase) decrease in deferred outflows of resources related to other postemployment benefits	-	(980,955)	(206,109)
Increase (decrease) in accounts payable	2,784,930	3,700,399	(52,551)
Increase (decrease) in payroll payable	-	(250,469)	(55,952)
Increase (decrease) in deposits payable	-	105,747	-
Increase (decrease) in claims and judgments	-	-	15,571,389
Increase (decrease) in compensated absences	-	66,457	3,338
Increase (decrease) in net other postemployment benefit liability	-	2,687,755	443,411
Increase (decrease) in net pension liability	-	1,699,271	437,459
Increase (decrease) in deferred outflows of resources related to pensions	-	(59,074)	(15,904)
Increase (decrease) in deferred outflows of resources related to other postemployment benefits	-	(434,420)	(105,052)
Total Adjustments	(961,944)	(14,473,874)	10,538,325
Net Cash Provided (Used) by Operating Activities	\$ (382,968)	\$ (3,580,391)	\$ (1,117,674)
Non-Cash Investing, Capital, and Financing Activities:			
Amortization of bond premium/(discount)	\$ -	\$ (106,742)	\$ -
Amortization of deferred charges on refunding	\$ -	\$ (103,682)	\$ -

THIS PAGE INTENTIONALLY LEFT BLANK

FIDUCIARY FUND FINANCIAL STATEMENTS

CITY OF POMONA

STATEMENT OF FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 JUNE 30, 2021

	<u>Custodial Funds</u>	<u>Private-Purpose Trust Fund Successor Agency of the Former RDA</u>
Assets:		
Cash and investments	\$ 16,921	\$ 10,429,392
Receivables:		
Accounts	-	5,952
Notes and loans	-	1,660,600
Accrued interest	-	13,140
Deposits	284	600
Due from other governments	57,798	-
Land held for resale	-	788,130
Restricted assets:		
Cash and investments	-	110,615
Cash and investments with fiscal agents	-	20,422,829
Capital assets:		
Capital assets, not being depreciated	-	125,423
Capital assets, net of accumulated depreciation	-	41,663
Total Assets	<u>75,003</u>	<u>33,598,344</u>
Deferred Outflows of Resources:		
Deferred charge on refunding	-	460,380
Total Deferred Outflows of Resources	<u>-</u>	<u>460,380</u>
Liabilities:		
Accounts payable	74,719	7,280
Payroll payable	-	9,979
Accrued interest	-	1,825,693
Deposits payable	-	169,040
Due to external parties/other agencies	891,004	-
Noncurrent liabilities:		
Due within one year		
Long-term debt	-	7,830,000
Compensated absences	-	71,000
Due in more than one year		
Long-term debt	-	167,374,182
Compensated absences	-	8,628
Total Liabilities	<u>965,723</u>	<u>177,295,802</u>
Net Position:		
Restricted for organizations and other governments	(890,720)	(143,237,078)
Total Net Position	<u>\$ (890,720)</u>	<u>\$ (143,237,078)</u>

CITY OF POMONA

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 YEAR ENDED JUNE 30, 2021

	<u>Custodial Funds</u>	<u>Private- Purpose Trust Fund Successor Agency of the Former RDA</u>
Additions:		
Collection of special taxes	\$ -	\$ 11,027,735
Interest	1,017	120,630
Gain on sale of fixed asset	-	140,000
Contributions from City	-	103,076
Total Additions	<u>1,017</u>	<u>11,391,441</u>
Deductions:		
Refunds of contributions	907,925	-
Administrative expenses	-	328,385
Contractual services	-	505,310
Interest expense	-	4,737,371
Depreciation expense	-	1,263
Payments to city	62,412	3,941,553
Total Deductions	<u>970,337</u>	<u>9,513,882</u>
Changes in Net Position	<u>(969,320)</u>	<u>1,877,559</u>
Net Position:		
Beginning of fiscal year, as originally reported	-	(145,114,637)
Restatements	78,600	-
Beginning of fiscal year, as restated	78,600	(145,114,637)
Net Position - End of the Year	<u>\$ (890,720)</u>	<u>\$ (143,237,078)</u>

THIS PAGE INTENTIONALLY LEFT BLANK

NOTES TO THE BASIC FINANCIAL STATEMENTS

THIS PAGE INTENTIONALLY LEFT BLANK

**INDEX TO THE NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

Note 1:	Summary of Significant Accounting Policies	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
Note 2:	Stewardship, Compliance and Accountability	65
	a. Deficit Fund Balances or Net Positions.....	65
Note 3:	Cash and Investments	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
Note 4:	Loans Receivable	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, 2021

Note 4:	Loans Receivable (Continued)	
	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
Note 5:	Interfund Transactions	75
	a. Government – Wide Financial Statements	75
	b. Fund Financial Statements	76
Note 6:	Due from Other Governments	77
Note 7:	Land Held for Resale	78
Note 8:	Capital Assets	78
	a. Government – Wide Financial Statements	78
	b. Governmental Activities	79
	c. Business – Type Activities	80
Note 9:	Other Investments	80
Note 10:	Long – Term Liabilities	81
	Governmental Activities.....	84
	Business – Type Activities.....	87
Note 11:	Compensated Absences	96
Note 12:	Non – City Obligations	96
Note 13:	Defined Benefit Pension Plan	97
	a. CalPERS Plans	97
	b. Collateral Benefits Plan.....	105
Note 14:	Other Post – Employment	109
	a. General Information About Public Employee’s 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

CITY OF POMONA

INDEX TO THE NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021

Note 15: Joint Powers Agreements	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. Foothill 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
Note 16: Risk Management	119
Note 17: Commitments and Contingencies	120
a. Agency Participation Agreement.....	120
b. Contractual Commitments	120
c. Lawsuits	120
Note 18: Successor Agency Trust for Assets of Former Redevelopment Agency	121
a. Government – Wide Financial Statements	122
b. Fund Financial Statements	122
c. Land Held for Resale	123
d. Capital Assets	123
e. Long – Term Liabilities	123
f. Compensated Absences	127
g. Insurance	127
h. Agreement for Allocation of Tax Increment Revenues	128
Note 19: Restatement – GASB Statement No. 84, Fiduciary Activities	128

THIS PAGE INTENTIONALLY LEFT BLANK

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

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, 2021**

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, 2021, except for Canon Water Company, which had a fiscal year ended February 28, 2021.

The component units listed above issue separate financial statements which can be obtained at City Hall and online at www.pomonaca.gov.

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, 2021**

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, 2021**

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 **American Rescue Plan Fund** accounts for the American Rescue Plan Act of 2021 revenues received and related expenditures.

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.

**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021**

Note 1: Summary of Significant Accounting Policies (Continued)

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

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.

**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021**

Note 1: Summary of Significant Accounting Policies (Continued)

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 one private purpose trust fund and custodial funds. Fiduciary fund types are 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 of funds to make installment payments of enforceable obligations until the obligations of the former Redevelopment Agency are paid in full and assets have been liquidated.

The Custodial Funds account for assets held by the City for other governments. These funds include receipts and disbursements of funds for the debt service activity of the 1911 Act assessment districts.

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, 2021**

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, 2021**

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:

<u>Assets</u>	<u>Years</u>
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, 2021**

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, 2021**

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, 2019
Measurement Date	June 30, 2020
Measurement Period	July 1, 2019 to June 30, 2020
<u>Collateral Benefits Plan</u>	
Valuation Date	June 30, 2020
Measurement Date	June 30, 2021
Measurement Period	July 1, 2020 to June 30, 2021

**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021**

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, 2019
Measurement Date	December 31, 2020
Measurement Period	January 1, 2020 to December 31, 2020

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, 2021

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, 2021**

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, 2021, the following funds had the deficit fund balance/net position:

Internal Service Funds	
Self Insurance	\$ (21,860,353)
Equipment Maintenance	(4,776,568)
Information Technology	(2,740,379)
Printing/Mail Services	(59,530)

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.

CITY OF POMONA

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021

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, 2021:

	Governmental Activities	Business-Type Activities	Fiduciary Funds	Total
Cash and Investments	\$ 110,268,178	\$ 66,348,008	\$ 10,446,313	\$ 187,062,499
Restricted Cash and Investments	4,321,998	13,480,809	20,533,444	38,336,251
Total	\$ 114,590,176	\$ 79,828,817	\$ 30,979,757	\$ 225,398,750

Cash and Investments is comprised of the following at June 30, 2021:

Petty cash and change funds	\$ 10,151
Demand deposits	49,364,816
Restricted cash held by City	506,477
Cash held in trust	59,255
Total Cash	49,940,699
Investments	137,766,598
Investments with fiscal agent	37,691,453
Total Investments	175,458,051
Total Cash and Investments	\$ 225,398,750

a. Demand Deposits

The carrying amounts of the City's cash deposits were \$49,940,699 at June 30, 2021. Bank balances at June 30, 2021, were \$39,632,939 which were fully insured or collateralized with securities held by the pledging financial institutions in the City's name as discussed below. The \$10,307,760 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.

CITY OF POMONA

**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021**

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 to the various funds based on the quarter-end cash and investment balances. Interest income from cash and investments with fiscal agents is credited directly to the related fund.

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

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

Authorized Investment Type	Maximum Maturity	Maximum Percentage Allowed	Maximum Investment in One Issuer
City of Pomona bonds	5 years	No Limit	N/A
U.S. Treasury obligations	5 years	No Limit	N/A
U.S. Agency or U.S. government- sponsored enterprise obligations	5 years	No Limit	N/A
California and local agency obligations	5 years	No Limit	N/A
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, 2021**
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 papers, bonds or notes issued 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, 2021, 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, 2021:

Investment Type	Measurement Input			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Uncategorized	Total
Investments				
Local Agency Investment Fund	\$ -	\$ -	\$ 55,094,546	\$ 55,094,546
U.S. Treasury Obligations	-	27,875,702	-	27,875,702
Municipal Bond	361,869	-	-	361,869
U.S. Agency Securities	14,577,324	17,673,509	-	32,250,833
Negotiable Certificate of Deposit	1,203,165	-	-	1,203,165
Money Market Mutual Funds	1,379,047	-	36,113	1,415,160
Supranational	-	606,637	-	606,637
Corporate	3,798,587	11,413,112	-	15,211,699
Comercial Paper	-	3,746,987	-	3,746,987
Investments with Fiscal Agent:				
Money Market Mutual Funds	37,099,453	-	-	37,099,453
Municipal Bonds	592,000	-	-	592,000
Total	<u>\$ 59,011,445</u>	<u>\$ 61,315,947</u>	<u>\$ 55,130,659</u>	<u>\$ 175,458,051</u>

CITY OF POMONA

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021

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, 2021, the City had the following investment maturities:

	<u>1 Year or Less</u>	<u>1 to 3 Years</u>	<u>3 to 5 Years</u>	<u>Over 5 Years</u>	<u>Total</u>
Investments:					
Local Agency Investment Fund	\$ 55,094,546	\$ -	\$ -	\$ -	\$ 55,094,546
U.S. treasury obligations	5,547,396	14,803,109	7,525,197	-	27,875,702
U.S. agency securities	4,953,800	16,750,020	10,547,013	-	32,250,833
Municipal Bond	361,869	-	-	-	361,869
Negotiable certificates of deposit	1,203,165	-	-	-	1,203,165
Money Market Mutual Funds	1,415,160	-	-	-	1,415,160
Commercial Paper	3,746,987	-	-	-	3,746,987
Corporate notes	3,610,766	9,966,751	1,634,182	-	15,211,699
Supranational	-	606,637	-	-	606,637
Investments with Fiscal Agent:					
Money Market Mutual Funds	37,099,453	-	-	-	37,099,453
Municipal bonds	592,000	-	-	-	592,000
Total	<u>\$ 113,625,142</u>	<u>\$ 42,126,517</u>	<u>\$ 19,706,392</u>	<u>\$ -</u>	<u>\$ 175,458,051</u>

CITY OF POMONA

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021

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, 2021, the City's investments are rated as following:

	Fair Value at June 30, 2021	Minimum Legal Rating	AAA	AA	A	Not Rated
Investments:						
Local Agency Investment Fund	\$ 55,094,546	N/R	\$ -	\$ -	\$ -	\$ 55,094,546
U.S. treasury obligations	27,875,702	N/R	27,875,702	-	-	-
U.S. government sponsored enterprise securities	-	N/R	-	-	-	-
U.S. agencies securities	32,250,833	A	32,250,833	-	-	-
Municipal Bond	361,869	A	361,869	-	-	-
Corporate notes	15,211,699	A	528,793	1,018,878	13,664,028	-
Negotiable certificates of deposit	1,203,165	N/R	1,203,165	-	-	-
Money Market Mutual Funds	1,415,160	AAA	1,415,160	-	-	-
Commercial Paper	3,746,987	A	-	-	3,746,987	-
Supranational	606,637	N/R	606,637	-	-	-
Investments with Fiscal Agent:						
Money Market Mutual Funds	37,099,453	N/R	-	-	-	-
Municipal bonds	592,000	AA	-	-	-	-
Total	<u>\$ 175,458,051</u>		<u>\$ 64,242,159</u>	<u>\$ 1,018,878</u>	<u>\$ 17,411,015</u>	<u>\$ 55,094,546</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.

**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021**

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 \$49,940,699 was held in collateralized accounts. Of the City's investments held by trustees and fiscal agents, \$37,691,453 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, 2021.

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, 2021, 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, 2021, the City had \$55,094,546 invested in LAIF, which had invested 0.016% 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, 2021**

Note 4: Loans Receivable

At June 30, 2021, the City's net loans receivable consisted of the following:

	Balance at June 30, 2020	Additions	Deletions	Balance at June 30, 2021
Section 108 Loans	\$ 140,000	\$ -	\$ (10,000)	\$ 130,000
Deferred Home Improvement Loans	6,948,846	12,684	(107,307)	6,854,223
Prototype Pomona Apartment Loans	1,374,427	28,423	-	1,402,850
Rental Rehabilitation Loans	526,357	7,043	-	533,400
CHDO Loan (Shield of Faith)	1,677,966	-	-	1,677,966
HOPE III Loans	406,556	18,687	-	425,243
Shield of Faith	4,741,393	-	(31,410)	4,709,983
Manufactured Housing Rehabilitation Loans	1,844,990	-	(74,916)	1,770,074
Owner Occupied Loans	2,289,616	-	(175,988)	2,113,628
Mortgage Assistance Programs Loans	7,518,291	208,000	(103,741)	7,622,550
Neighborhood In Progress Loans	2,511,577	-	(136,703)	2,374,874
Neighborhood Stabilization Program	311,716	-	(80,000)	231,716
Multi-Unit Rental Rehabilitation Program	30,000	-	(30,000)	-
Holt Avenue Housing Partners LP Loans	2,001,142	19,000	-	2,020,142
Telacu Housing Pomona	1,017,173	36,766	-	1,053,939
Tri-City Mental Health Center HOPE III Loan	88,310	-	(29,437)	58,873
Total	<u>\$ 33,428,360</u>	<u>\$ 330,603</u>	<u>\$ (779,502)</u>	<u>\$ 32,979,461</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, 2021 was \$130,00.

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, 2021 was \$6,854,223.

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, 2021 was \$1,402,850.

**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021**

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, 2021 was \$533,400.

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, 2021 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, 2021 was in the amount of \$425,243.

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 \$4,709,983. 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, 2021, total outstanding balance was in the amount of \$1,770,074.

**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021**

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, 2021 was in the amount of \$2,113,628.

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, 2021, total outstanding balance, net allowance, was in the amount of \$7,622,550.

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, 2021 is \$2,374,874.

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, 2021, the total outstanding balance was in the amount of \$231,716.

**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021**

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, 2021 was \$0.

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 was 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, 2021 was \$2,020,142.

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, 2021 was \$1,053,939.

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, 2021 was \$58,873.

Note 5: Interfund Transactions

a. Government – Wide Financial Statements

Internal Balances – At June 30, 2021, 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>\$ 375,466</u>

CITY OF POMONA

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021

Note 5: Interfund Transactions (Continued)

Transfers – For the year ended June 30, 2021, 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
Governmental Activities	Business-Type Activities
\$	\$ 3,092,248

b. Fund Financial Statements

Due To/Due From – At June 30, 2021, the City had the following short-term interfund receivables and payables to cover negative cash at the end of the fiscal year.

Due from Other Funds	Due to Other Funds				Total
	Governmental Funds		Proprietary Fund		
	General Debt Service Fund	Nonmajor Governmental Funds	Pomona Choice Energy Authority	Internal Service Funds	
Governmental Fund:					
General Fund	\$ 915,576	\$ 134,602	\$ 183,484	\$ 55,584	\$ 1,289,246

Advances To/Advances From – At June 30, 2021, the City had the following long-term Interfund advances:

Advances to	Advance from Other Funds				Total
	Governmental Funds		Proprietary Fund		
	General Fund	General Debt Service Fund	Pomona Choice Energy Authority		
Governmental Fund:					
Public Financing Authority					
Debt Service Fund	\$ -	\$ 69,200,000	\$ -	\$ -	\$ 69,200,000
Nonmajor Governmental Funds	304,435	-	-	-	304,435
Proprietary Fund:					
Water Enterprise Fund	-	-	735,836	-	735,836
Total	\$ 304,435	\$ 69,200,000	\$ 735,836	\$ -	\$ 70,240,271

Advances in the amount of \$69,200,000 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 Governmental 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, 2021, the outstanding balance of the advances was in the amount of \$304,435.

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

CITY OF POMONA

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021

Note 5: Interfund Transactions (Continued)

Transfers – For the year ended June 30, 2021, the City had the following transfers:

Transfers Out	Transfer In								Total
	Governmental Funds				Proprietary Funds				
	General Fund	Miscellaneous Grant Special Revenue Fund	Capital Outlay Capital Projects Fund	General Governmental Debt Service Fund	Nonmajor Governmental Funds	Water Fund	Internal Service Funds		
Governmental Funds:									
General Fund	\$ -	\$ 159,545	\$ 1,210,189	\$ 4,082,647	\$ 131,750	\$ -	\$ 95,577	\$ 5,679,708	
Housing Authority									
Special Revenue Fund	-	-	5,022	-	-	-	-	5,022	
Miscellaneous Grant									
Special Revenue Fund	50,079	-	-	-	-	-	-	50,079	
Capital Outlay									
Capital Project Fund	-	-	-	213,110	-	-	-	213,110	
Nonmajor Governmental Fund	-	-	5,824,772	-	-	227,069	-	6,051,841	
Proprietary Funds:									
Water Enterprise Fund	1,781,235	-	190,942	600,000	-	-	-	2,572,177	
Sewer Enterprise Fund	-	-	54,204	417,000	-	464,611	-	935,815	
Refuse Enterprise Fund	-	-	275,936	-	-	-	-	275,936	
Internal Enterprise Fund	-	-	-	3,421,057	-	-	-	3,421,057	
Total	\$ 1,831,314	\$ 159,545	\$ 7,561,065	\$ 8,733,814	\$ 131,750	\$ 691,680	\$ 95,577	\$ 19,204,745	

The transfer of \$4,082,647 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 \$7,561,065 to Capital Outlay Capital Projects Fund were to provide funding for capital projects.

The transfer of \$1,781,235 from Water Enterprise Fund to General Fund was to reimburse the City for the cost of services.

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

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

Note 6: Due from Other Governments

At June 30, 2021, 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	Debt Service Fund - General Government	Capital Outlay Capital project Fund	Nonmajor Governmental Funds	
Federal government	\$ -	\$ 452,192	\$ 1,411,635	\$ -	\$ 927,028	\$ 659,191	\$ 3,450,046
State of California	8,054,825	-	36,180	-	-	279,775	8,370,780
County of Los Angeles	983,190	1,938,145	110,131	17,339	-	34,767	3,083,572
Local government entities	2,720	-	-	-	-	62,145	64,865
Total	\$ 9,040,735	\$ 2,390,337	\$ 1,557,946	\$ 17,339	\$ 927,028	\$ 1,035,878	\$ 14,969,263

CITY OF POMONA

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021

Note 7: Land Held for Resale

At June 30, 2021, 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, 2021, the City's capital assets consisted of the following:

	Governmental Activities	Business-Type Activities	Total
Nondepreciable assets:			
Land	\$ 80,887,590	\$ 9,089,782	\$ 89,977,372
Construction in Progress	73,937,100	12,929,518	86,866,618
Total nondepreciable assets	<u>154,824,690</u>	<u>22,019,300</u>	<u>176,843,990</u>
Depreciable assets:			
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	21,887,459	228,193,390	250,080,849
Furniture and fixtures	1,149,397	5,105	1,154,502
Autos and trucks	12,763,719	7,064,002	19,827,721
Equipment under capitalized leases	3,656,570	4,257,381	7,913,951
Infrastructure	388,508,753	-	388,508,753
Total capital assets, at cost	<u>508,607,716</u>	<u>243,874,190</u>	<u>752,481,906</u>
Less accumulated depreciation:			
Building and building improvements	(13,390,847)	(3,349,882)	(16,740,729)
Improvements other than buildings	(33,651,625)	(251,285)	(33,902,910)
Machinery and equipment	(18,928,501)	(98,289,841)	(117,218,342)
Furniture and fixtures	(993,856)	(5,105)	(998,961)
Autos and trucks	(10,109,547)	(4,682,858)	(14,792,405)
Equipment under capitalized leases	(1,680,089)	(3,405,904)	(5,085,993)
Infrastructure	(293,314,213)	-	(293,314,213)
Total accumulated depreciation	<u>(372,068,678)</u>	<u>(109,984,875)</u>	<u>(482,053,553)</u>
Total depreciable assets, net	<u>136,539,038</u>	<u>133,889,315</u>	<u>270,428,353</u>
Total capital assets, net	<u>\$ 291,363,728</u>	<u>\$ 155,908,615</u>	<u>\$ 447,272,343</u>

CITY OF POMONA

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021

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, 2021:

	Balance July 1, 2020	Additions	Deletions	Transfers	Balance June 30, 2021
Nondepreciable assets:					
Land	\$ 80,887,590	\$ -	\$ -	\$ -	\$ 80,887,590
Construction in Progress	62,671,480	11,860,938	(158,225)	(437,093)	73,937,100
Total nondepreciable assets	<u>143,559,070</u>	<u>11,860,938</u>	<u>(158,225)</u>	<u>(437,093)</u>	<u>154,824,690</u>
Depreciable assets:					
Building and building	15,081,452	-	-	-	15,081,452
Improvements other than	65,560,366	-	-	-	65,560,366
Machinery and Equipment	21,610,951	483,474	(206,966)	-	21,887,459
Furniture and fixtures	1,044,044	105,353	-	-	1,149,397
Autos and trucks	12,142,545	839,556	(218,382)	-	12,763,719
Equipment under capitalized	3,542,763	113,807	-	-	3,656,570
Infrastructure	388,198,759	-	(127,099)	437,093	388,508,753
Total capital assets, at cost	<u>507,180,880</u>	<u>1,542,190</u>	<u>(552,447)</u>	<u>437,093</u>	<u>508,607,716</u>
Less accumulated depreciation:					
Building and building	(13,205,981)	(184,866)	-	-	(13,390,847)
Improvements other than	(32,114,064)	(1,537,561)	-	-	(33,651,625)
Machinery and equipment	(18,541,450)	(589,568)	202,517	-	(18,928,501)
Furniture and fixtures	(970,515)	(23,341)	-	-	(993,856)
Autos and trucks	(9,732,938)	(594,991)	218,382	-	(10,109,547)
Equipment under capitalized	(1,369,808)	(310,281)	-	-	(1,680,089)
Infrastructure	(287,017,616)	(6,423,696)	127,099	-	(293,314,213)
depreciation	<u>(362,952,372)</u>	<u>(9,664,304)</u>	<u>547,998</u>	<u>-</u>	<u>(372,068,678)</u>
Total depreciable assets, net	<u>144,228,508</u>	<u>(8,122,114)</u>	<u>(4,449)</u>	<u>437,093</u>	<u>136,539,038</u>
Total capital assets, net	<u>\$ 287,787,578</u>	<u>\$ 3,738,824</u>	<u>\$ (162,674)</u>	<u>\$ -</u>	<u>\$ 291,363,728</u>

Depreciation expense for capital assets of the governmental activities for the year ended June 30, 2021, is as follows:

General government	\$ 427,134
Public safety	1,204,382
Development services	6,900,656
Neighborhood services	1,092,101
Internal service funds	40,031
Total	<u>\$ 9,664,304</u>

CITY OF POMONA

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021

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, 2021:

	Balance July 1, 2020	Additions	Deletions	Balance June 30, 2021
Nondepreciable assets:				
Land	\$ 9,089,782	\$ -	\$ -	\$ 9,089,782
Construction in Progress	12,124,740	804,778	-	12,929,518
Total nondepreciable assets	<u>21,214,522</u>	<u>804,778</u>	<u>-</u>	<u>22,019,300</u>
Depreciable assets:				
Building and building improvements	3,482,783	-	-	3,482,783
Improvements other than buildings	871,529	-	-	871,529
Machinery and Equipment	227,823,903	399,609	(30,122)	228,193,390
Furniture and fixtures	5,105	-	-	5,105
Autos and trucks	6,763,049	300,953	-	7,064,002
Equipment under capitalized leases	4,257,381	-	-	4,257,381
Total capital assets, at cost	<u>243,203,750</u>	<u>700,562</u>	<u>(30,122)</u>	<u>243,874,190</u>
Less accumulated depreciation:				
Building and building improvements	(3,340,233)	(9,649)	-	(3,349,882)
Improvements other than buildings	(218,050)	(33,235)	-	(251,285)
Machinery and equipment	(94,638,316)	(3,681,647)	30,122	(98,289,841)
Furniture and fixtures	(5,105)	-	-	(5,105)
Autos and trucks	(4,178,908)	(503,950)	-	(4,682,858)
Equipment under capitalized leases	(2,980,166)	(425,738)	-	(3,405,904)
Total accumulated depreciation	<u>(105,360,778)</u>	<u>(4,654,219)</u>	<u>30,122</u>	<u>(109,984,875)</u>
Total depreciable assets, net	<u>137,842,972</u>	<u>(3,953,657)</u>	<u>-</u>	<u>133,889,315</u>
Total capital assets, net	<u>\$159,057,494</u>	<u>\$ (3,148,879)</u>	<u>\$ -</u>	<u>\$ 155,908,615</u>

Depreciation expense for capital assets of the business-type activities for the year ended June 30, 2021, is as follows:

Water	\$ 3,457,457
Sewer	668,888
Refuse	522,026
Canon Water Company	5,848
Total	<u>\$ 4,654,219</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, 2021

Note 10: Long-Term Liabilities

The following is a summary of changes of long-term liabilities for the year ended June 30, 2021:

	Balance July 1, 2020	Additions	Deletions	Balance June 30, 2021	Due Within One Year	Due in more than One Year
Governmental Activities:						
Pollution remediation obligations	\$ 51,786	\$ -	\$ -	\$ 51,786	\$ 51,786	\$ -
Obligation under capital leases	1,596,819	-	(376,370)	1,220,449	174,350	1,046,099
Collateralized borrowing	3,077,995	-	(55,249)	3,022,746	57,437	2,965,309
Notes Payable	536,036	-	(85,148)	450,888	85,148	365,740
Revenue Bonds	75,670,450	-	(3,542,368)	72,128,082	3,487,000	68,641,082
Pension obligation refunding bonds	3,492,601	200,931,269	(284,302)	204,139,568	299,726	203,839,842
Accreted interest	4,495,332	34,474	(350,698)	4,179,108	335,028	3,844,080
Total governmental activities	\$ 88,921,019	\$ 200,965,743	\$ (4,694,135)	\$ 285,192,627	\$ 4,490,475	\$ 280,702,152

	Balance July 1, 2020	Additions	Deletions	Balance June 30, 2021	Due Within One Year	Due in more than One Year
Business-Type Activities:						
Revenue Bonds	\$ 109,839,269	\$ -	\$ (2,561,742)	\$ 107,277,527	\$ 2,520,000	\$ 104,757,527
Pension Obligation bonds	-	21,108,787	-	21,108,787	-	21,108,787
Total business-type activities	\$ 109,839,269	\$ 21,108,787	\$ (2,561,742)	\$ 128,386,314	\$ 2,520,000	\$ 125,866,314

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, 2021.

Obligations Under Capital Leases

At June 30, 2021, obligations under capital lease consisted of the following:

	Balance July 1, 2020	Additions	Deletions	Balance June 30, 2021	Due Within One Year
BBVA	\$ 1,596,819	\$ -	\$ (376,370)	\$ 1,220,449	\$ 174,350

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.

The total leased assets by major asset class consisted of the following at June 30, 2021:

Equipment under capitalized leases, at cost	\$ 3,656,570
Accumulated depreciation	1,680,089
Equipment under capitalized leases, net	<u>\$ 5,336,659</u>

The depreciation expense for equipment under capitalized leases was \$310,281 for the year ended June 30, 2021.

CITY OF POMONA

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021

Note 10: Long-Term Liabilities (Continued)

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, 2021 is as follows:

Year Ending June 30,	
2022	\$ 211,068
2023	205,628
2024	200,189
2025	194,749
2026	189,309
2027-2028	365,299
Subtotal	<u>1,366,242</u>
Less amount representing interest	<u>(145,793)</u>
Present value of future minimum lease payments	<u>\$ 1,220,449</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.

The annual debt service requirement for the collateralized borrowing at June 30, 2021, is as follows:

Year Ending June 30,	Principal	Interest	Total
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	67,090	106,910	174,000
2027-2031	377,467	492,533	870,000
2032-2036	458,363	411,637	870,000
2037-2041	556,595	313,405	870,000
2042-2046	675,880	194,120	870,000
2047-2050	643,592	52,408	696,000
Total	<u>\$ 3,022,746</u>	<u>\$ 2,023,254</u>	<u>\$ 5,046,000</u>

Notes Payable

At June 30, 2021, notes payable consisted of the following:

	Balance July 1, 2020	Additions	Deletions	Balance June 30, 2021	Due Within One Year
Hud Section 108 Loan	\$ 80,000	\$ -	\$ (20,000)	\$ 60,000	\$ 20,000
Southern California Edison On Bill Financing	456,036	-	(65,148)	390,888	65,148
	<u>\$ 536,036</u>	<u>\$ -</u>	<u>\$ (85,148)</u>	<u>\$ 450,888</u>	<u>\$ 85,148</u>

CITY OF POMONA

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021

Note 10: Long-Term Liabilities (Continued)

HUD Section 108 Loan

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

The annual debt service requirement at June 30, 2021 is as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 20,000	\$ 3,000	\$ 23,000
2023	20,000	-	20,000
2024	20,000	-	20,000
Total	<u>\$ 60,000</u>	<u>\$ 3,000</u>	<u>\$ 63,000</u>

Southern California Edison On Bill Financing

On September 26, 2017, the City entered into the on-bill financing agreement with 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, 2021 as follow:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 65,148	\$ -	\$ 65,148
2023	65,148	-	65,148
2024	65,148	-	65,148
2025	65,148	-	65,148
2026	65,148	-	65,148
2027-2028	65,148	-	65,148
Total	<u>\$ 390,888</u>	<u>\$ -</u>	<u>\$ 390,888</u>

CITY OF POMONA

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021

Note 10: Long-Term Liabilities (Continued)

Revenue Bonds – Governmental Activities

At June 30, 2021, revenue bonds consisted of the following:

	Balance July 1, 2020	Additions	Deletions	Balance June 30, 2021	Due Within One Year
2005 Subordinate Revenue Bonds Series AL	\$ 1,260,000	\$ -	\$ (615,000)	\$ 645,000	\$ 645,000
2005 Reassessment and Refunding Bonds, Series AM	1,141,000	-	(549,000)	592,000	592,000
2016 Lease Revenue Refunding Bonds Series BC	23,330,000	-	(1,160,000)	22,170,000	1,195,000
Unamortized Bond Premium	1,804,450	-	(113,368)	1,691,082	-
2017 Taxable Lease Revenue Refunding Bonds, Series BG	48,135,000	-	(1,105,000)	47,030,000	1,055,000
Total	<u>\$ 75,670,450</u>	<u>\$ -</u>	<u>\$ (3,542,368)</u>	<u>\$ 72,128,082</u>	<u>\$ 3,487,000</u>

Unamortized Deferred Loss on Refunding

2017 Taxable Lease Revenue Refunding Bonds, Series BG	\$ (352,620)	\$ -	\$ 23,511	\$ (329,109)
	<u>\$ (352,620)</u>	<u>\$ -</u>	<u>\$ 23,511</u>	<u>\$ (329,109)</u>

Unamortized Deferred Gain on Refunding

2016 Lease Revenue Refunding Bond, Series BC	\$ 381,228	\$ -	\$ (23,953)	\$ 357,275
	<u>\$ 381,228</u>	<u>\$ -</u>	<u>\$ (23,953)</u>	<u>\$ 357,275</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.

The annual debt service requirement for the 2005 Subordinate Revenue Bonds, Series AL outstanding at June 30, 2021, is as follows:

Year Ending June 30,	Principal	Interest	Total
2022	\$ 645,000	\$ 16,448	\$ 661,448
Total	<u>\$ 645,000</u>	<u>\$ 16,448</u>	<u>\$ 661,448</u>

CITY OF POMONA

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021

Note 10: Long-Term Liabilities (Continued)

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

On February 1, 2005, the City issued \$9,524,000 in 2005 Reassessment and Refunding Revenue Bonds, Series AM, to provide funds to refund the refunding Improvement Bonds, Assessment District No. 294. Interest on the bonds is payable semiannually on each September 2 and March 2. The rate of interest is 7.22% per annum. During 2008, the bonds in the amount of \$1,920,000 were called.

The annual debt service requirement for the 2005 Subordinate Revenue Bonds, Series AM outstanding at June 30, 2021, is as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 592,000	\$ 21,371	\$ 613,371
Total	<u>\$ 592,000</u>	<u>\$ 21,371</u>	<u>\$ 613,371</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 serviced payment 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, 2021, is as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	1,370,000	573,413	1,943,413
2027-2031	7,700,000	2,026,875	9,726,875
2032-2036	8,090,000	677,150	8,767,150
Total	<u>\$ 22,170,000</u>	<u>\$ 6,065,265</u>	<u>\$ 28,235,265</u>

**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021**

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 saving 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, 2021, is as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	810,000	1,721,518	2,531,518
2027-2031	4,430,000	8,222,192	12,652,192
2032-2036	11,200,000	6,627,873	17,827,873
2037-2041	13,655,000	4,116,435	17,771,435
2042-2045	13,075,000	1,096,963	14,171,963
Total	<u>\$ 47,030,000</u>	<u>\$ 28,943,742</u>	<u>\$ 75,973,742</u>

CITY OF POMONA

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021

Note 10: Long-Term Liabilities (Continued)

Revenue Bonds – Business-Type Activities

	Balance July 1, 2020	Additions	Deletions	Balance June 30, 2021	Due Within One Year
2016 Revenue Refunding Bonds, (Sewer Project), Series BB	\$ 8,425,000	\$ -	\$ -	\$ 8,425,000	\$ -
Unamortized Bond Discount	(17,407)	-	777	(16,630)	-
2016 Taxable Revenue Refunding Bonds (Sewer Project), Series BD	3,185,000	-	(355,000)	2,830,000	370,000
Unamortized Bond Discount	(32,354)	-	3,687	(28,667)	-
2017 Refunding Revenue Bonds (Water Facilities), Series BE	32,355,000	-	-	32,355,000	-
Unamortized Bond Premium	2,984,030	-	(111,206)	2,872,824	-
2017 Taxable Refunding Revenue Bonds (Water Facilities), Series BF	49,975,000	-	(1,875,000)	48,100,000	1,925,000
2018 Taxable Refunding Revenue (Sewer Project), Series BH	12,965,000	-	(225,000)	12,740,000	225,000
Total	<u>\$ 109,839,269</u>	<u>\$ -</u>	<u>\$ (2,561,742)</u>	<u>\$ 107,277,527</u>	<u>\$ 2,520,000</u>
Unamortized Deferred Loss on Refunding:					
2016 Revenue Refunding Bonds, (Sewer Project), Series BB	\$ (352,318)	\$ -	\$ 5,088	\$ (347,230)	
2016 Taxable Revenue Refunding Bonds (Sewer Project), Series BD	(123,578)	-	4,534	(119,044)	
Total	<u>\$ (475,896)</u>	<u>\$ -</u>	<u>\$ 9,622</u>	<u>\$ (466,274)</u>	
Unamortized Deferred Gain on Refunding:					
2017 Refunding Revenue Bonds (Water Facilities), Series BE	\$ 1,252,343	\$ -	\$ (46,671)	\$ 1,205,672	
2017 Taxable Refunding Revenue Bonds (Water Facilities), Series BF	1,787,996	-	(66,633)	1,721,363	
Total	<u>\$ 3,040,339</u>	<u>\$ -</u>	<u>\$ (113,304)</u>	<u>\$ 2,927,035</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.

CITY OF POMONA

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021

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, 2021 is as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ -	\$ 292,019	\$ 292,019
2023	-	292,019	292,019
2024	-	292,019	292,019
2025	-	292,019	292,019
2026	-	292,019	292,019
2027-2031	1,775,000	1,361,694	3,136,694
2032-2036	2,735,000	933,331	3,668,331
2037-2041	3,205,000	451,406	3,656,406
2042-2043	710,000	23,963	733,963
Total	<u>\$ 8,425,000</u>	<u>\$ 4,230,489</u>	<u>\$ 12,655,489</u>

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

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

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

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, 2021**
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, 2021, is as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 370,000	\$ 65,231	\$ 435,231
2023	380,000	56,906	436,906
2024	390,000	47,406	437,406
2025	405,000	37,169	442,169
2026	415,000	26,031	441,031
2027-2029	870,000	17,019	887,019
Total	<u>\$ 2,830,000</u>	<u>\$ 249,762</u>	<u>\$ 3,079,762</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, 2021, is as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	-	1,452,150	1,452,150
2027-2031	3,185,000	7,047,125	10,232,125
2032-2036	7,175,000	5,711,225	12,886,225
2037-2041	8,740,000	4,117,350	12,857,350
2042-2046	10,770,000	2,008,700	12,778,700
2047	2,485,000	62,125	2,547,125
Total	<u>\$ 32,355,000</u>	<u>\$ 26,207,275</u>	<u>\$ 58,562,275</u>

**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021**

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, 2021, is as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	2,145,000	1,496,350	3,641,350
2027-2031	8,675,000	6,494,179	15,169,179
2032-2036	7,290,000	5,158,838	12,448,838
2037-2041	8,825,000	3,585,759	12,410,759
2042-2046	10,745,000	1,612,406	12,357,406
2047	2,420,000	49,005	2,469,005
Total	<u>\$ 48,100,000</u>	<u>\$ 24,982,678</u>	<u>\$ 73,082,678</u>

CITY OF POMONA

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021

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, 2021, is as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	250,000	467,883	717,883
2027-2031	1,410,000	2,195,105	3,605,105
2032-2036	1,715,000	1,894,070	3,609,070
2037-2041	2,090,000	1,516,595	3,606,595
2042-2046	3,535,000	815,183	4,350,183
2047	2,790,000	115,620	2,905,620
Total	<u>\$ 12,740,000</u>	<u>\$ 8,952,942</u>	<u>\$ 21,692,942</u>

CITY OF POMONA

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021

Note 10: Long-Term Liabilities (Continued)

Pension Obligation Bonds

	Balance July 1, 2020	Additions	Deletions	Balance June 30, 2021	Due Within One Year
Governmental Activities					
2006 Pension Obligation Bonds,					
Series AR	\$ 3,492,601	\$ -	\$ 264,302	\$ 3,228,299	\$ 299,726
Accreted Interest	4,495,332	34,474	350,698	4,179,108	335,028
2020 Pension Obligation Bonds,					
Series BJ	-	198,985,613	-	198,985,613	-
Bond Premium	-	1,945,656	-	1,945,656	-
Business-Type Activities					
2020 Pension Obligation Bonds,					
Series BJ	-	20,904,387	-	20,904,387	-
Bond Premium	-	204,400	-	204,400	-
Total	<u>\$ 7,987,933</u>	<u>\$ 222,074,530</u>	<u>\$ 615,000</u>	<u>\$ 229,447,463</u>	<u>\$ 634,754</u>

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021**

Note 10: Long-Term Liabilities (Continued)

by any special source of funds of the City. The current interest bonds are subject to redemption prior to maturity. The capital appreciation bonds are not subject to redemption prior to maturity.

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

The annual debt service requirement outstanding at June 30, 2021, is as follows:

Year Ending June 30,	Principal	Interest	Accreted Interest	Total
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	359,352	298,392	407,256	1,065,000
2027-2030	1,551,609	1,444,053	2,314,338	5,310,000
Total	<u>\$ 3,208,299</u>	<u>\$ 2,347,593</u>	<u>\$ 4,179,108</u>	<u>\$ 9,735,000</u>

2020 Taxable Pension Obligation Bonds, Series BJ - Original Issuance \$219,890,000

On August 13, 2020, the City issued \$219,890,000 in 2020 Taxable Pension Obligations Bonds, Series BJ to pay all or a portion of the City's currently unamortized, unfunded accrued actuarial liability to the California Public Employees Retirement system with respect to the City's defined benefit retirement plans for City employees and to pay costs of issuance of the bonds. The bonds liability has been allocated between the City's governmental activities (0.743%) and City's business-type activities (0.257%).

Interest on the bonds ranging from 2.474% to 4.000% are payable semiannually on February 1 and August 1 of each year, commence in February 2021 through the maturity on August 2046. Principal is payable in annual installments ranging from \$7,590,000 to \$11,650,000 on August 1.

The bonds are not secured by any property other than the funds that the City has actually deposited with the Trustee. If the City is in bankruptcy, it may not be obligated to make further deposits with the trustee, it may not be obligated to make any further allocations to the bonds and it may not be obligated to turn over to the trustee any moneys that have been allocated to the Bonds in the City treasury. As a result, the bonds would be treated as unsecured obligations of the City in a bankruptcy case.

Proceeds used from this bond issuance in the fiscal year ending June 30, 2021 are shown as contributions subsequent to the measurement date as of June 30, 2021 and will be applied to pension plan fiduciary assets in the fiscal year ending June 30, 2022.

CITY OF POMONA

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021

Note 10: Long-Term Liabilities (Continued)

The annual debt service requirement for 2020 Taxable Pension Obligations Bonds, Series BJ outstanding at June 30, 2021, is as follows:

Year Ending June 30,	Principal	Interest	Total
2022	\$ -	\$ 7,245,840	\$ 7,245,840
2023	7,590,000	7,573,667	15,163,667
2024	7,900,000	7,342,867	15,242,867
2025	8,220,000	7,026,767	15,246,767
2026	8,555,000	6,697,817	15,252,817
2027-2031	46,725,000	29,388,164	76,113,164
2032-2036	54,515,000	21,803,344	76,318,344
2037-2041	59,490,000	11,678,559	71,168,559
2042-2046	26,350,000	2,317,787	28,667,787
2047	545,000	25,424	570,424
Total	<u>\$ 219,890,000</u>	<u>\$ 101,100,236</u>	<u>\$ 320,990,236</u>

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, 2021, the Water and Sewer Enterprise Funds have net available revenues of \$10,548,994 and total debt service paid was \$6,357,104. 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, 2021, on the Bonds is as follows:

Debt Issue	Remaining Balance
2016 Revenue Refunding Bonds, Series BB	\$ 12,655,489
2016 Taxable Revenue Refunding Bonds, Series BD	3,079,762
2017 Refunding Revenue Bonds, Series BE	58,562,275
2017 Taxable Refunding Revenue Bonds, Series BF	73,082,678
2018 Revenue Bonds (Sewer Project), Series BH	21,692,942
Total	<u>\$ 169,073,146</u>
Revenue	2020-2021
Net available revenues, excluding debt service	<u>\$ 10,548,994</u>

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
 FOR THE YEAR ENDED JUNE 30, 2021

Note 10: Long-Term Liabilities (Continued)

Outstanding Principal on 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, 2021, of capital assets and related debt:

	<u>Outstanding Capital Related Debt, net</u>
Governmental Activities	
2016 Refunding Revenue Bond, Series BC	\$ 23,861,082
2017 Taxable Lease Revenue Refunding Bonds, Series BG (24.4%)	11,475,320
Capital Lease Obligations	1,220,449
Total	<u>\$ 36,556,851</u>
Business-Type Activities	
Water Enterprise Fund:	
2017 Refunding Revenue Bonds, Series BE	\$ 35,227,824
2017 Taxable Refunding Revenue Bonds, Series BF	48,100,000
Subtotal	<u>83,327,824</u>
Sewer Enterprise Fund:	
2016 Revenue Refunding Bonds, Series BB	8,408,370
2016 Taxable Revenue Refunding Bonds, Series BD	2,801,333
2018 Taxable Revenue Refunding Bonds, Series BH	12,740,000
Subtotal	<u>23,949,703</u>
Total	<u>\$ 107,277,527</u>

CITY OF POMONA

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021

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, 2020	Additions	Deletions	Balance June 30, 2021	Due in One Year
Compensated Absences					
Governmental activities	\$ 7,877,001	\$ 5,322,294	\$ 4,785,764	\$ 8,413,531	\$ 5,228,000
Business-type activities	1,593,789	1,119,106	1,052,649	1,660,246	1,119,000
	<u>\$ 9,470,790</u>	<u>\$ 6,441,400</u>	<u>\$ 5,838,413</u>	<u>\$ 10,073,777</u>	<u>\$ 6,347,000</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, 2021, is as follows:

Mortgage Revenue Bonds	Balance as of June 30, 2021
Single Family Mortgage Refunding Bonds 90A	\$ 9,909,000
Single Family Mortgage Refunding Bonds 90B	5,135,000
Total	<u>\$ 15,044,000</u>

CITY OF POMONA

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021

Note 13: Defined Benefit Pension Plan

	Governmental Activities	Business-Type Activities	Total
Deferred Outflows of Resources:			
Pension contribution made after measurement date:			
Miscellaneous	\$ 61,585,732	\$ 22,616,800	\$ 84,202,532
Safety	143,493,881	-	143,493,881
Difference between expected and actual experience:			
Safety	2,579,922	-	2,579,922
Net difference in projected and actual earnings on pension plan investments:			
Miscellaneous	1,364,588	501,133	1,865,721
Safety	2,274,509	-	2,274,509
Collateral Plan	13,081	-	13,081
Total deferred outflows of resources	<u>\$ 211,311,713</u>	<u>\$ 23,117,933</u>	<u>\$ 234,429,646</u>
Net Pension Liabilities:			
Miscellaneous	\$ 58,944,413	\$ 21,646,800	\$ 80,591,213
Safety	136,701,437	-	136,701,437
Collateral Plan	737,992	-	737,992
Total net pension liabilities:	<u>\$ 196,383,842</u>	<u>\$ 21,646,800</u>	<u>\$ 218,030,642</u>
Deferred Inflows of Resources:			
Difference between expected and actual experience:			
Miscellaneous	\$ 602,314	\$ 221,195	\$ 823,509
Collateral Plan	66,942	-	66,942
Total deferred inflows of resources	<u>\$ 669,256</u>	<u>\$ 221,195</u>	<u>\$ 890,451</u>
Pension Expense (Credit):			
Miscellaneous	\$ (55,076,396)	\$ (19,123,303)	\$ (74,199,699)
Safety	(125,737,930)	-	(125,737,930)
Collateral Plan	(165,825)	-	(165,825)
Total pension expense	<u>\$ (180,980,151)</u>	<u>\$ (19,123,303)</u>	<u>\$ (200,103,454)</u>

**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021**

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, 2020 are summarized as follows:

	Miscellaneous Plan		
	<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

CITY OF POMONA

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021

Note 13: Defined Benefit Pension Plan (Continued)

	Safety Plan		
	Tier 1*	Tier 2*	PEPRA
		On or After	
Hire Date	Prior to November 21, 2010	November 21, 2010 to January 1, 2013	On or after January 1, 2013
Benefit formula	3.0% @ 50	3.0% @ 55	2.7% @ 57
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	Monthly for Life	Monthly for Life	Monthly for Life
Retirement age	Minimum 50 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, 2021**

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

At June 30, 2019, the valuation date, the following employees were covered by the benefit terms:

	Plans	
	Miscellaneous	Safety
Active members	352	150
Transferred members	329	30
Terminated Members	193	19
Retired members and beneficiaries	944	394
Total	1818	593

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, 2020, the total pension liability was determined by rolling forward the June 30, 2019 total pension liability. The June 30, 2020 total pension liabilities were based on the following actuarial methods and assumptions:

Valuation Date	June 30, 2019
Measurement Date	June 30, 2020
Actuarial Cost Method	Entry Age Normal Cost Method
Actuarial Assumptions	
Discount Rate	7.15% (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, 2021**

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, 2021

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, 2019 (Valuation Date)	\$ 303,270,778	\$ 225,653,938	\$ 77,616,840
Changes Recognized from the Measurement Period			
Service Cost	3,689,145	-	3,689,145
Interest on the Total Pension Liability	21,100,019	-	21,100,019
Changes of Benefit Terms	-	-	-
Difference between Expected and Actual Experience	(1,647,018)	-	(1,647,018)
Changes of Assumptions	-	-	-
Contribution from the Employer	-	7,644,926	(7,644,926)
Contribution from Employees	-	1,868,202	(1,868,202)
Net Investment Income	-	10,972,762	(10,972,762)
Benefit Payments including Refunds of Employee Contributions	(16,726,361)	(16,726,361)	-
Plan to Plan Resource Movement	-	-	-
Administrative Expense	-	(318,117)	318,117
Other Miscellaneous Income (Expense)	-	-	-
Net Change during July 1, 2019 to June 30, 2020	<u>6,415,785</u>	<u>3,441,412</u>	<u>2,974,373</u>
Balance at June 30, 2020 (Measurement Date)	<u>\$ 309,686,563</u>	<u>\$ 229,095,350</u>	<u>\$ 80,591,213</u>

CITY OF POMONA

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021

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, 2019 (Valuation Date)	\$ 390,829,552	\$ 261,885,117	\$ 128,944,435
Changes Recognized from the Measurement Period			
Service Cost	5,538,692	-	5,538,692
Interest on the Total Pension Liability	27,404,181	-	27,404,181
Changes of Benefit Terms	-	-	-
Difference between Expected and Actual Experience	1,100,494	-	1,100,494
Changes of Assumptions	-	-	-
Contribution from the Employer	-	12,010,910	(12,010,910)
Contribution from Employees	-	1,935,321	(1,935,321)
Net Investment Income	-	12,709,328	(12,709,328)
Benefit Payments including Refunds of Employee Contributions	(22,848,264)	(22,848,264)	-
Plan to Plan Resource Movement	-	-	-
Administrative Expense	-	(369,194)	369,194
Other Miscellaneous Income (Expense)	-	-	-
Net Change during July 1, 2019 to June 30, 2020	11,195,103	3,438,101	7,757,002
Balance at June 30, 2020 (Measurement Date)	\$ 402,024,655	\$ 265,323,218	\$ 136,701,437

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	\$ 119,477,586	\$ 80,591,213	\$ 48,367,499
Safety Plan	\$ 188,288,792	\$ 136,701,437	\$ 94,187,333

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, 2021

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, 2020, the City incurred a pension expense of \$9,888,743 and \$17,870,844 for Miscellaneous and Safety plans, respectively.

As of measurement date of June 30, 2020, 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	\$ 84,202,532	\$ -	\$ 143,493,881	\$ -
Changes of assumptions	-	(823,509)	-	-
Differences between expected and actual experiences	-	-	2,579,922	-
Net difference between projected and actual earnings on pension plan investments	1,865,721	-	2,274,509	-
Total	<u>\$ 86,068,253</u>	<u>\$ (823,509)</u>	<u>\$ 148,348,312</u>	<u>\$ -</u>

The amounts above are net of outflows recognized in the 2019-20 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 2019-20 measurement period in 2.0 and 2.9 years, which was obtained by dividing the total service years of 3,671 and 1,707 (the sum of remaining service lifetimes of the active employees) by 1,815 and 593 (the total number of participants: active, inactive, and retired), respectively.

The \$84,202,532 and \$143,493,881 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, 2021 will be recognized as a reduction of the net pension liability in the year ending June 30, 2022. 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
2022	\$ (1,767,445)	\$ 1,181,968
2023	641,846	1,127,139
2024	1,198,102	1,410,794
Thereafter	969,709	1,134,530
Total	<u>\$ 1,042,212</u>	<u>\$ 4,854,431</u>

**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021**

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, 2021, the valuation date, the following employees were covered by the benefit terms:

Active employees	267
Terminated employees	0
Retired employees and beneficiaries	88
	<u>355</u>

Contributions

There was no contribution to the Plan during the fiscal year ended June 30, 2021.

**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021**

Note 13: Defined Benefit Pension Plan (Continued)

Net Pension Liability

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

The June 30, 2021 valuation was used to determine the June 30, 2021 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, 2021	4.5 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

The amortization period was reduced from 7.5 years to 4.5 years for fiscal year ended June 30, 2021.

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, 2021

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	2.92%	-0.32%	-0.32%
US Core Fixed Income	Barclays Aggergate	45.46%	1.37%	1.26%
US Equity Market	Russell 3000	38.64%	5.33%	3.70%
Foreign Developed Equity	MSCI EAFE NR	6.72%	6.27%	4.52%
Emerging Markets Equity	MSCI EM NR	4.53%	8.64%	4.95%
US EREITs	FTSE NAREIT Equity REIT	1.73%	5.75%	3.57%
		<u>100.00%</u>		
Assumed Inflation - Mean			2.30%	2.30%
Assumed Inflation - Standard Deviation			1.16%	1.16%
Portfolio Real Mean Return			3.58%	3.11%
Portfolio Nominal Mean Return			5.88%	5.48%
Portfolio Standard Deviation				9.20%
Long-Term Expected Rate of Return				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, 2020 (Measurement Date)	\$ 863,142	\$ 231,766	\$ 631,376
Changes Recognized from the Measurement Period			
Service Cost	8,023	-	8,023
Interest on the Total Pension Liability	52,950	-	52,950
Difference between Expected and Actual Experience	76,786	-	76,786
Net Investment Income	-	32,324	(32,324)
Benefit Payments including Refunds of Employee Contributions	(114,900)	(114,900)	-
Administrative Expense	-	(1,181)	1,181
Net Change during July 1, 2020 to June 30, 2021	<u>22,859</u>	<u>(83,757)</u>	<u>106,616</u>
Balance at June 30, 2021 (Measurement Date)	<u>\$ 886,001</u>	<u>\$ 148,009</u>	<u>\$ 737,992</u>

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

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

Plan's Net Pension Liability		
Discount Rate -1% (5.50%)	Current Discount Rate (6.50%)	Discount Rate +1% (7.50%)
<u>\$ 791,562</u>	<u>\$ 737,992</u>	<u>\$ 688,724</u>

**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021**

Note 13: Defined Benefit Pension Plan (Continued)

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, 2021, the City incurred a pension expense of \$165,825.

As of measurement date of June 30, 2021, the City has deferred outflows and deferred inflows of resources related to pensions as follows:

	<u>Collateral Benefits Plan</u>	
	<u>Deferred outflows of Resources</u>	<u>Deferred inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ (66,942)
Net difference between projected and actual earnings	13,081	-
Total	<u>\$ 13,081</u>	<u>\$ (66,942)</u>

The amounts above are net of outflows and inflows recognized in the 2020-2021 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:

<u>Year Ending June 30,</u>	<u>Deferred Outflows/(Inflows) of Resources</u>
2022	\$ (7,300)
2023	(6,957)
2024	(6,390)
2025	(5,648)
2026	(9,844)
Thereafter	(17,722)
Total	<u>\$ (53,861)</u>

**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021**

Note 14: Other Post-Employment Benefits (OPEB)

At June 30, 2021, 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>
Deferred Outflows of Resources:			
OPEB contribution made after measurement date	\$ 1,575,591	\$ 526,795	\$ 2,102,386
Changes in assumption	9,831,321	2,400,040	12,231,361
Total deferred outflows of resources	<u>\$ 11,406,912</u>	<u>\$ 2,926,835</u>	<u>\$ 14,333,747</u>
Total OPEB Liabilities:	<u>\$ 86,368,040</u>	<u>\$ 22,160,692</u>	<u>\$ 108,528,732</u>
Deferred Inflows of Resources:			
Difference between expected and actual experience	\$ 1,205,631	\$ 309,348	\$ 1,514,979
Total deferred inflows of resources	<u>\$ 1,205,631</u>	<u>\$ 309,348</u>	<u>\$ 1,514,979</u>
OPEB Expense(Revenue):	<u>\$ (314,376)</u>	<u>\$ 1,272,380</u>	<u>\$ 958,004</u>

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021**

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, 2019, 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, 2020 and total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2019. The total OPEB liability at December 31, 2020, measurement date was \$108,528,732.

**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021**

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	2.50% as of December 31, 2020
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 2020, the accounting discount rate changes from 2.70% to 2.50% from the measurement date December 31, 2019 to the measurement date December 31, 2020.

Discount Rate

2.50% 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, 2021

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, 2020	\$ 100,986,079	\$ -	\$ 100,986,079
Changes Recognized from the Measurement Period			
Service Cost	2,438,598	-	2,438,598
Interest on the Total Pension Liability	2,693,897	-	2,693,897
Changes of Benefit Terms	-	-	-
Difference between Expected and Actual Experience	-	-	-
Changes of Assumptions	7,273,004	-	7,273,004
Contribution from the Employer	-	4,862,846	(4,862,846)
Contribution from Employees	-	-	-
Net Investment Income	-	-	-
Benefit Payments including Refunds of Employee Contributions	(4,862,846)	(4,862,846)	-
Plan to Plan Resource Movement	-	-	-
Administrative Expense	-	-	-
Net Change during January 1, 2020 to December 31, 2020	7,542,653	-	7,542,653
Balance at December 31, 2020 (Measurement Date)	\$ 108,528,732	\$ -	\$ 108,528,732

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% (1.50%)	Rate (2.50%)	+1% (3.50%)
\$ 121,792,140	\$ 108,528,732	\$ 96,727,386

**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021**

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)		
Current		
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>\$ 101,133,782</u>	<u>\$ 108,528,732</u>	<u>\$ 117,114,623</u>

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

For the fiscal year ended June 30, 2021, the City recognized OPEB expenses in the amount of \$958,004. At June 30, 2021, the City reported deferred outflows of resources related to OPEB from the following sources:

	Deferred outflows of resources	Deferred inflows of Resources
Pension contribution after measurement date	\$ 2,102,386	\$ -
Differences between expected and actual experience	-	1,514,980
Changes of assumptions	12,231,361	-
Total	<u>\$ 14,333,747</u>	<u>\$ 1,514,980</u>

The amounts above are net of outflows recognized in the 2020 measurement period expense.

The \$2,102,386 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, 2021 will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2022. 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
2022	\$ 2,755,744
2023	2,755,744
2024	2,755,744
2025	1,910,410
2026	538,739
Thereafter	-
Total	<u>\$ 10,716,381</u>

**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021**

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, 2021.

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, 2021.

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, 2021.

**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021**

Note 15: Joint Powers Agreements (Continued)

Below are the most currently available condensed audited financial statements of the JPA as of June 30, 2021. Separate financial statements of Foothill Transit are available from its offices located in West Covina, California.

Assets	\$ 377,243,275
Liabilities	96,254,439
Net Position	<u>\$ 280,988,836</u>
Revenues	\$ 4,585,570
Expenses	136,286,087
Operating Income	<u>(131,700,517)</u>
Non-Operating Revenue (expenses)	100,196,493
Net Income	<u>(31,504,024)</u>
Capital Contributions	47,354,596
Net Position - July 1, 2020	265,138,264
Net Position - June 30, 2021	<u>\$ 280,988,836</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, 2021. 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, 2021.

**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021**

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 on 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, 2021.

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, 2021.

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, 2021

Note 15: Joint Powers Agreements (Continued)

The following are the most currently available condensed audited financial statements of the PVTA as of June 30, 2021. Separate financial statements of the PVTA are available from its offices located in La Verne, California.

Assets	<u>\$5,200,755</u>
Liabilities	\$2,318,881
Contributed capital	607,549
Net position	<u>2,274,325</u>
Total liabilities and fund equity	<u>\$5,200,755</u>
Operating revenues	\$ 50,761
Operating expenses	<u>3,715,897</u>
Operating (Income)	(3,665,136)
Non-Operating Revenue	<u>4,119,828</u>
Net Income	454,692
Net Position - July 1, 2020	<u>2,069,630</u>
Net Position - June 30, 2021	<u>\$2,524,322</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 \$5,604,530 during the year ended June 30, 2021. 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, 2021, was \$622,569.

As of June 30, 2021, the three participants had the following approximate ownership equity interest.

Member	Percentages	Agreement Balances
City of Pomona	20%	\$ 622,569
Walnut Valley Water District	35%	1,089,496
Rowland Water District	23%	715,954
Unallocated	<u>22%</u>	<u>684,826</u>
Total	<u>100%</u>	<u>\$ 3,112,845</u>

CITY OF POMONA

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021

Note 15: Joint Powers Agreements (Continued)

The Commission's condensed financial statements for the fiscal year ended June 30, 2021 is as follows:

Total Assets	\$ 7,184,011
Total Liabilities	<u>4,071,166</u>
Net Position	<u>\$ 3,112,845</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, 2021. 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 \$36,167 in annual dues for the fiscal year ending June 30, 2021.

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, 2021.

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, 2021

Note 15: Joint Powers Agreements (Continued)

Below are the most currently available condensed audited financial statements of the Center as of June 30, 2021. Separate financial statements of the Center are available from its offices located in Pomona, California.

Assets	\$ 51,382,792
Deferred outflows of resources	2,893,978
Liabilities	16,161,686
Deferred inflows of resources	8,458,967
Net position	<u>\$ 29,656,117</u>
Revenues	\$ 11,089,392
Expenses	26,582,445
Operating Income	<u>(15,493,053)</u>
Non-Operating Revenue (expenses)	18,623,925
Net Income	<u>3,130,872</u>
Net Position - July 1, 2020	26,525,245
Net Position - June 30, 2021	<u>\$ 29,656,117</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, 2021, estimated claims payable amounted to \$31,106,168.

The estimated claims payable is reported at June 30, 2021 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, 2021

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, 2021. 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, 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
June 30, 2021	15,534,779	20,786,191	(5,214,802)	31,106,168

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, 2021:

Vendors	Remaining Commitments
All American Asphalt	\$ 7,851,784
Gentry Brothers	662,622
Absolute International	601,085
Ensafe Inc.	271,047
Willdan Engineering	390,991
Cumming Management Group, Inc.	250,097
High Line Corporation	206,480
RKA Consulting Group	201,146
Converse Consultants	174,011
NV5, Inc.	172,925
All Other Commitment	483,439
Total	<u>\$ 11,265,627</u>

c. Lawsuits

The City is a defendant in certain other legal actions arising in normal course of operations. As of June 30, 2021, 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, 2021**

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, 2021**

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, 2021:

Cash and investments	\$ 10,429,392
Restricted cash	20,533,444
Total	<u>\$ 30,962,836</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, 2021, the Successor Agency’s net loans receivable consisted of the following:

	Balance July 1, 2020	Additions	Deletions	Balance June 30, 2021
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, 2021 was \$1,660,000.

CITY OF POMONA

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021

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

c. Land Held for Resale

At June 30, 2021, 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, 2021:

	Balance July 1, 2020	Additions	Deletions	Balance June 30, 2021
Nondepreciable assets:				
Land	\$ 125,423	\$ -	\$ -	\$ 125,423
Total nondepreciable assets	<u>125,423</u>	<u>-</u>	<u>-</u>	<u>125,423</u>
Depreciable assets:				
Building and building improvements	63,126	-	-	63,126
Improvements other than buildings	148,995	-	-	148,995
Machinery and equipment	429,179	-	-	429,179
Furniture and fixtures	8,361	-	-	8,361
Autos and trucks	19,513	-	-	19,513
Total capital assets, at cost	<u>669,174</u>	<u>-</u>	<u>-</u>	<u>669,174</u>
Less accumulated depreciation:				
Building and building improvements	(20,200)	(1,263)	-	(21,463)
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 accumulated depreciation	<u>(626,248)</u>	<u>(1,263)</u>	<u>-</u>	<u>(627,511)</u>
Total depreciable assets, net	<u>42,926</u>	<u>(1,263)</u>	<u>-</u>	<u>41,663</u>
Total capital assets, net	<u>\$ 168,349</u>	<u>\$ (1,263)</u>	<u>\$ -</u>	<u>\$ 167,086</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, 2021:

	Balance July 1, 2020	Additions	Deletions	Balance June 30, 2021	Due Within One Year
County deferred tax loans	\$ 62,943,871	\$ 4,135,834	\$ (3,860,523)	\$ 63,219,182	\$ -
Tax allocation bonds	119,585,000	-	(7,600,000)	111,985,000	7,830,000
Advances from the Housing SERAF loan	182,425	-	(182,425)	-	-
Total	<u>\$ 182,711,296</u>	<u>\$ 4,135,834</u>	<u>\$ (11,642,948)</u>	<u>\$ 175,204,182</u>	<u>\$ 7,830,000</u>

**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021**

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

County Deferred Tax Loans

At June 30, 2021, the County deferred tax loans consisted of the follow:

	Balance July 1, 2020	Additions	Deletions	Balance June 30, 2021
Southwest Pomona Project Area	\$ 56,009,017	\$ 3,827,323	\$ (1,332,973)	\$ 58,503,367
South Garey/Freeway Corridor Project Area	6,934,854	308,511	(2,527,550)	4,715,815
Total	<u>\$ 62,943,871</u>	<u>\$ 4,135,834</u>	<u>\$ (3,860,523)</u>	<u>\$ 63,219,182</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, 2020	Additions	Deletions	Balance June 30, 2021	Due Within One Year
1998 Tax Allocation Bonds, Series X	\$ 315,000	\$ -	\$ (55,000)	\$ 260,000	\$ 60,000
1998 Tax Allocation Bonds, Series Y	5,005,000	-	(305,000)	4,700,000	320,000
2018 Tax Allocation Bonds, Series BI	114,265,000	-	(7,240,000)	107,025,000	7,450,000
Total	<u>\$ 119,585,000</u>	<u>\$ -</u>	<u>\$ (7,600,000)</u>	<u>\$ 111,985,000</u>	<u>\$ 7,830,000</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.

**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021**

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

The annual debt service requirements outstanding at June 30, 2021, is as follows:

Year Ending June 30,	Principal	Interest	Total
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>\$ 260,000</u>	<u>\$ 28,890</u>	<u>\$ 288,890</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, 2021, is as follows:

Year Ending June 30,	Principal	Interest	Total
2022	\$ 320,000	\$ 249,620	\$ 569,620
2023	340,000	231,550	571,550
2024	360,000	212,300	572,300
2025	380,000	191,950	571,950
2026	400,000	170,500	570,500
2027-2032	2,350,000	488,125	2,838,125
2033-2037	550,000	15,125	565,125
Total	<u>\$ 4,700,000</u>	<u>\$ 1,559,170</u>	<u>\$ 6,259,170</u>

**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021**

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, 2021, is as follows:

Year Ending June 30,	Principal	Interest	Total
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>\$ 107,025,000</u>	<u>\$ 32,528,550</u>	<u>\$ 139,553,550</u>

Advances from the Housing Authority

	Balance July 1, 2020	Additions	Deletions	Balance June 30, 2021	Due Within One Year
SERAF Loan	\$ 182,425	\$ -	\$ (182,425)	\$ -	\$ -

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, 2021, is \$0.

**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021**

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 \$11,027,735 and the debt service payments on the bonds was \$11,642,948.

Remaining balance on the debt at June 30, 2021, is as follows:

Debt Issues	
County of LA Agreement	\$ 63,219,182
1998 Series X Bonds	288,890
1998 Series Y Bonds	6,259,170
2018 Series BI Bonds	139,553,550
Total	\$ 209,320,792

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, 2020	Additions	Deletions	Balance June 30, 2021	Due Within One Year
Compensated absences	\$ 71,462	\$ 39,718	\$ 31,552	\$ 79,628	\$ 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, 2021**

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, 2021.

Note 19: Restatement - GASB Statement No. 84, Fiduciary Activities

During the year ended June 30, 2021, the City adopted new accounting guidance by implementing the provisions of GASB Statement No. 84, Fiduciary Activities, which establishes criteria for identifying and reporting fiduciary activities. The implementation of this statement has resulted in changing the presentation of the financial statements. Beginning net position and beginning fund balance has been restated to reflect this change.

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

CITY OF POMONA

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED JUNE 30, 2021**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1 as restated	\$ 21,743,113	\$ 21,743,113	\$ 21,743,113	\$ -
Resources (Inflows):				
Taxes	96,379,880	96,379,880	108,106,252	11,726,372
Licenses, permits and fees	4,969,953	5,464,328	5,042,930	(421,398)
Intergovernmental	406,163	2,317,709	2,316,535	(1,174)
Charges for services	2,824,451	2,798,301	2,116,735	(681,566)
Use of money and properties	1,616,996	1,616,996	1,412,001	(204,995)
Fines and forfeitures	2,182,000	2,192,000	1,531,634	(660,366)
Miscellaneous	626,000	641,300	903,124	261,824
Transfers in	1,800,000	1,800,000	1,831,314	31,314
Amounts Available for Appropriations	132,548,556	134,953,627	145,003,638	10,050,011
Charges to Appropriation (Outflow):				
General government	6,900,241	7,269,355	6,231,593	1,037,762
Public safety	89,181,676	84,471,462	82,241,417	2,230,045
Urban development	10,960,030	11,275,041	10,973,498	301,543
Neighborhood services and library	4,685,955	4,296,885	3,260,011	1,036,874
Capital outlay	-	62,831	65,159	(2,328)
Debt service:				
Principal retirement	280,639	280,639	195,758	84,881
Interest and fiscal charges	-	-	17,006	(17,006)
Transfers out	4,721,397	5,471,174	5,679,708	(208,534)
Total Charges to Appropriations	116,729,938	113,127,387	108,664,150	4,463,237
Budgetary Fund Balance, June 30	\$ 15,818,618	\$ 21,826,240	\$ 36,339,488	\$ 14,513,248

CITY OF POMONA

**BUDGETARY COMPARISON SCHEDULE
HOUSING AUTHORITY
YEAR ENDED JUNE 30, 2021**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1, as restated	\$ 17,333,864	\$ 17,333,864	\$ 17,333,864	\$ -
Resources (Inflows):				
Intergovernmental	18,662,762	19,487,133	21,773,724	2,286,591
Charges for services	1,000	1,000	18,786	17,786
Use of money and properties	432,194	432,194	497,763	65,569
Contributions from Successor Agency	-	-	182,425	182,425
Miscellaneous	58,759	58,759	156,385	97,626
Amounts Available for Appropriations	36,488,579	37,312,950	39,962,947	2,649,997
Charges to Appropriation (Outflow):				
Urban development	19,898,670	20,678,938	21,306,887	(627,949)
Capital outlay	-	-	49,097	(49,097)
Transfers out	586,790	586,790	5,022	581,768
Total Charges to Appropriations	20,485,460	21,265,728	21,361,006	(95,278)
Budgetary Fund Balance, June 30	\$ 16,003,119	\$ 16,047,222	\$ 18,601,941	\$ 2,554,719

CITY OF POMONA

**BUDGETARY COMPARISON SCHEDULE
MISCELLANEOUS GRANTS
YEAR ENDED JUNE 30, 2021**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary Fund Balance, July 1	\$ 20,131,513	\$ 20,131,513	\$ 20,131,513	\$ -
Resources (Inflows):				
Intergovernmental	9,682,547	21,142,146	5,461,747	(15,680,399)
Charges for services	777,399	777,399	366,678	(410,721)
Use of money and properties	41,061	41,061	1,050,618	1,009,557
Miscellaneous	105,053	470,965	235,964	(235,001)
Transfers in	82,000	109,950	159,545	49,595
Amounts Available for Appropriations	30,819,573	42,673,034	27,406,065	(15,266,969)
Charges to Appropriation (Outflow):				
Public safety	738,694	1,705,513	690,819	1,014,694
Urban development	8,602,654	18,852,431	4,729,306	14,123,125
Neighborhood services and library	398,056	1,194,931	604,961	589,970
Capital outlay	85,000	684,364	453,021	231,343
Transfers out	-	-	50,079	(50,079)
Total Charges to Appropriations	9,824,404	22,437,239	6,528,186	15,909,053
Budgetary Fund Balance, June 30	\$ 20,995,169	\$ 20,235,795	\$ 20,877,879	\$ 642,084

**NOTES TO THE BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2021**

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, may 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, 2021, there were no adopted operating budgets for the Fairplex Mitigation Special Revenue Fund or American Rescue Plan Act 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)**

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
TOTAL PENSION LIABILITY				
Service Cost	\$ 3,310,829	\$ 3,161,189	\$ 3,278,100	\$ 3,757,355
Interest	18,086,982	18,495,828	19,115,591	19,389,644
Difference between Expected and Actual Experience	-	(3,363,816)	123,335	(2,724,421)
Changes in Assumptions	-	(4,427,183)	-	15,726,854
Benefit Payments, Including				
Refunds of Employee Contributions	(12,464,852)	(13,367,634)	(14,106,985)	(14,550,855)
Net Change in Total Pension Liability	8,932,959	498,384	8,410,041	21,598,577
Total Pension Liability - Beginning	245,736,775	254,669,734	255,168,118	263,578,159
Total Pension Liability - Ending (a)	\$ 254,669,734	\$ 255,168,118	\$ 263,578,159	\$ 285,176,736
PLAN FIDUCIARY NET POSITION				
Contributions - Employer	\$ 3,191,964	\$ 3,747,091	\$ 4,508,818	\$ 4,965,420
Contributions - Employee	1,640,223	1,622,551	1,710,782	1,824,492
Net Investment Income	31,444,609	4,578,528	1,092,440	21,714,550
Benefit Payments, Including				
Refunds of Employee Contributions	(12,464,852)	(13,367,634)	(14,106,985)	(14,550,855)
Administrative Expense	-	(235,754)	(124,510)	(291,464)
Net Plan to Plan Resource Movement	-	(521)	30,199	-
Other Miscellaneous Income/(Expense)	-	-	-	-
Net Change in Fiduciary Net Position	23,811,944	(3,655,739)	(6,889,256)	13,662,143
Plan Fiduciary Net Position - Beginning	184,143,961	207,955,905	204,300,166	197,410,910
Plan Fiduciary Net Position - Ending (b)	\$ 207,955,905	\$ 204,300,166	\$ 197,410,910	\$ 211,073,053
Plan Net Pension Liability/(Assets) - Ending (a) - (b)	\$ 46,713,829	\$ 50,867,952	\$ 66,167,249	\$ 74,103,683
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	81.66%	80.06%	74.90%	74.01%
Covered Payroll	\$ 21,768,272	\$ 21,843,562	\$ 21,768,272	\$ 22,899,750
Plan Net Pension Liability/(Asset) as a Percentage of Covered Payroll	214.60%	232.87%	303.96%	323.60%

(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 seven years are shown.

Notes to Schedule:

Benefit Changes:

The figures above include any liability impact that may have resulted from voluntary benefit changes that occurred after the June 30, 2019 valuation. However, offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes) that occurred after the June 30, 2019 valuation date are not included in the figures above, unless the liability impact is deemed to be material by the plan actuary.

Changes of Assumptions:

None in 2019 or 2020. 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.

2019	2020	2021
\$ 3,684,403	\$ 3,678,697	\$ 3,689,145
19,890,698	20,653,574	21,100,019
165,010	2,804,401	(1,647,018)
(1,368,646)	-	-
(15,247,444)	(16,166,651)	(16,726,361)
7,124,021	10,970,021	6,415,785
285,176,736	292,300,757	303,270,778
\$ 292,300,757	\$ 303,270,778	\$ 309,686,563
\$ 5,562,823	\$ 6,340,816	\$ 7,644,926
1,718,844	1,746,619	1,868,202
17,509,262	14,226,888	10,972,762
(15,247,444)	(16,166,651)	(16,726,361)
(328,910)	(156,756)	(318,117)
(510)	-	-
(624,606)	510	-
8,589,459	5,991,426	3,441,412
211,073,053	219,662,512	225,653,938
\$ 219,662,512	\$ 225,653,938	\$ 229,095,350
\$ 72,638,245	\$ 77,616,840	\$ 80,591,213
75.15%	74.41%	73.98%
\$ 23,628,194	\$ 23,219,075	\$ 25,342,873
307.42%	334.28%	318.00%

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)**

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
TOTAL PENSION LIABILITY				
Service Cost	\$ 4,880,486	\$ 4,785,362	\$ 4,884,739	\$ 5,801,213
Interest	23,069,282	23,712,742	24,593,728	24,844,637
Difference between Expected and Actual Experience	-	(2,090,216)	1,506,206	(4,573,322)
Changes in Assumptions	-	(5,565,887)	-	19,952,226
Benefit Payments, Including				
Refunds of Employee Contributions	(17,510,572)	(18,221,480)	(18,854,232)	(19,795,369)
Net Change in Total Pension Liability	10,439,196	2,620,521	12,130,441	26,229,385
Total Pension Liability - Beginning	313,905,458	324,344,654	326,965,175	339,095,616
Total Pension Liability - Ending (a)	\$ 324,344,654	\$ 326,965,175	\$ 339,095,616	\$ 365,325,001
PLAN FIDUCIARY NET POSITION				
Contributions - Employer	\$ 5,669,824	\$ 6,367,577	\$ 7,278,178	\$ 8,239,937
Contributions - Employee	1,402,077	1,554,104	1,534,930	1,568,799
Net Investment Income	37,455,889	5,342,317	1,164,032	25,441,922
Benefit Payments, Including				
Refunds of Employee Contributions	(17,510,572)	(18,221,480)	(18,854,232)	(19,795,369)
Administrative Expense	-	(271,705)	(147,131)	(343,113)
Net Plan to Plan Resource Movement	-	521	1,096	-
Other Miscellaneous Income/(Expense)	-	-	-	-
Net Change in Fiduciary Net Position	27,017,218	(5,228,666)	(9,023,127)	15,112,176
Plan Fiduciary Net Position - Beginning	219,628,065	246,645,283	241,416,617	232,393,490
Plan Fiduciary Net Position - Ending (b)	\$ 246,645,283	\$ 241,416,617	\$ 232,393,490	\$ 247,505,666
Plan Net Pension Liability/(Assets) - Ending (a) - (b)	\$ 77,699,371	\$ 85,548,558	\$ 106,702,126	\$ 117,819,335
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	76.04%	73.84%	68.53%	67.75%
Covered Payroll	\$ 14,837,124	\$ 15,182,720	\$ 15,528,316	\$ 16,122,314
Plan Net Pension Liability/(Asset) as a Percentage of Covered Payroll	523.68%	563.46%	687.15%	730.78%

(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 seven years are shown.

Notes to Schedule:

Benefit Changes:

The figures above include any liability impact that may have resulted from voluntary benefit changes that occurred after the June 30, 2019 valuation. However, offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes) that occurred after the June 30, 2019 valuation date are not included in the figures above, unless the liability impact is deemed to be material by the plan actuary.

Changes of Assumptions:

None in 2019 or 2020. 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.

2019	2020	2021
\$ 5,447,465	\$ 5,283,890	\$ 5,538,692
25,520,009	26,641,545	27,404,181
1,433,848	6,506,181	1,100,494
(1,916,304)	-	-
(21,286,165)	(22,125,918)	(22,848,264)
9,198,853	16,305,698	11,195,103
365,325,001	374,523,854	390,829,552
\$ 374,523,854	\$ 390,829,552	\$ 402,024,655
\$ 8,917,280	\$ 10,065,972	\$ 12,010,910
1,611,014	1,577,765	1,935,321
20,385,914	16,534,386	12,709,328
(21,286,165)	(22,125,918)	(22,848,264)
(385,682)	(182,698)	(369,194)
(596)	-	-
(732,417)	596	-
8,509,348	5,870,103	3,438,101
247,505,666	256,015,014	261,885,117
\$ 256,015,014	\$ 261,885,117	\$ 265,323,218
\$ 118,508,840	\$ 128,944,435	\$ 136,701,437
68.36%	67.01%	66.00%
\$ 17,199,482	\$ 16,421,383	\$ 17,338,673
689.03%	785.22%	788.42%

THIS PAGE INTENTIONALLY LEFT BLANK

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>	<u>2021</u>
TOTAL PENSION LIABILITY				
Service Cost	\$ 8,761	\$ 8,761	\$ 9,330	\$ 8,023
Interest	61,845	59,294	56,133	52,950
Difference between Expected and Actual Experience	-	-	-	76,786
Benefit Payments, Including				
Refunds of Employee Contributions	(114,500)	(122,900)	(111,400)	(114,900)
Net Change in Total Pension Liability	(43,894)	(54,845)	(45,937)	22,859
Total Pension Liability - Beginning	1,007,818	963,924	909,079	863,142
Total Pension Liability - Ending (a)	\$ 963,924	\$ 909,079	\$ 863,142	\$ 886,001
PLAN FIDUCIARY NET POSITION				
Contributions - Employer	\$ -	\$ 102,949	\$ 167,769	\$ -
Net Investment Income	13,113	8,427	3,889	32,324
Benefit Payments, Including				
Refunds of Employee Contributions	(114,500)	(122,900)	(111,400)	(114,900)
Administrative Expense	(126)	(124)	-	(1,181)
Net Change in Fiduciary Net Position	(101,513)	(11,648)	60,258	(83,757)
Plan Fiduciary Net Position - Beginning	284,669	183,156	171,508	231,766
Plan Fiduciary Net Position - Ending (b)	\$ 183,156	\$ 171,508	\$ 231,766	\$ 148,009
Plan Net Pension Liability/(Assets) - Ending (a) - (b)	\$ 780,768	\$ 737,571	\$ 631,376	\$ 737,992
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	19.00%	18.87%	26.85%	16.71%
Covered Payroll	N/A	N/A	N/A	N/A
Plan Net Pension Liability/(Asset) as a Percentage of Covered Payroll	N/A	N/A	N/A	N/A

(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>
Actuarially Determined Contribution	\$ 3,191,964	\$ 3,747,091	\$ 4,508,818	\$ 4,965,420
Contribution in Relation to the Actuarially Determined Contribution	(3,191,964)	(3,747,091)	(4,508,818)	(4,965,420)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 21,843,562	\$ 21,768,272	\$ 22,899,750	\$ 23,628,194
Contributions as a Percentage of Covered Payroll	14.61%	17.21%	19.69%	21.01%

(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 seven years are shown.

Note to Schedule:

Valuation Date: June 30, 2019

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	2.500%
Payroll Growth	2.750%
Projected Salary Increases	Varies by Entry Age and Service
Investment Rate of Return	7.15% (net of administrative expenses)
Retirement Age	All other actuarial assumptions used in the June 30, 2019 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 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.

2019	2020	2021
\$ 5,562,823	\$ 7,759,016	\$ 84,202,532
(5,562,823)	(7,759,016)	(84,202,532)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 23,219,075	25,342,873	26,144,350
23.96%	30.62%	322.07%

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>
Actuarially Determined Contribution	\$ 5,669,824	\$ 6,367,577	\$ 7,278,178	\$ 8,239,937
Contribution in Relation to the Actuarially Determined Contribution	(5,669,824)	(6,367,577)	(7,278,178)	(8,239,937)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 15,182,720	\$ 15,528,316	\$ 16,122,314	\$ 17,199,482
Contributions as a Percentage of Covered Payroll	37.34%	41.01%	45.14%	47.91%

(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 seven years are shown.

Note to Schedule:

Valuation Date: June 30, 2019

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	2.500%
Payroll Growth	2.750%
Projected Salary Increases	Varies by Entry Age and Service
Investment Rate of Return	7.15% (net of administrative expenses)
Retirement Age	All other actuarial assumptions used in the June 30, 2019 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 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.

2019	2020	2021
\$ 8,917,280	\$ 11,896,017	\$ 143,493,881
<u>(8,917,280)</u>	<u>(11,896,017)</u>	<u>(143,493,881)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 16,421,383	\$ 17,338,673	\$ 18,391,390
54.30%	68.61%	780.22%

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>
Actuarially Determined Contribution	\$ 110,032	\$ 102,949	\$ 102,949	\$ 102,949
Contribution in Relation to the Actuarially Determined Contribution	(110,032)	(102,949)	(102,949)	(114,500)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (11,551)</u>
Covered Payroll	N/A	N/A	N/A	N/A
Contributions as a Percentage of Covered Payroll	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 seven years are shown.

Note to Schedule:

Valuation Date:	June 30, 2017
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 the value of Miscellaneous Public Agency CalPERS Pension Plans.

2019	2020	2021
\$ 102,949	\$ 167,769	\$ -
(102,949)	(167,769)	(166,789)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ (166,789)</u>
N/A	N/A	N/A
N/A	N/A	N/A

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	2021
Total OPEB Liability				
Service cost	\$ 2,019,938	\$ 2,322,129	\$ 2,391,793	\$ 2,438,598
Interest on the total OPEB liability	3,382,262	3,193,265	3,459,741	2,693,897
Actual and expected experience difference	-	-	(2,406,146)	-
Changes in assumptions	5,151,873	(5,689,789)	10,014,158	7,273,004
Changes in benefit terms	-	-	-	-
Benefit payments	(4,149,518)	(4,419,147)	(4,532,965)	(4,862,846)
Net change in total OPEB liability	6,404,555	(4,593,542)	8,926,581	7,542,653
Total OPEB liability - beginning	90,248,485	96,653,040	92,059,498	100,986,079
Total OPEB liability - ending (a)	96,653,040	92,059,498	100,986,079	108,528,732
Plan Fiduciary Net Position				
Contribution - employer	4,149,518	4,419,147	4,532,965	4,862,846
Net investment income	-	-	-	-
Benefit payments	(4,149,518)	(4,419,147)	(4,532,965)	(4,862,846)
Administrative expense	-	-	-	-
Net change in plan fiduciary net position	-	-	-	-
Plan fiduciary net position - beginning	-	-	-	-
Plan fiduciary net position - ending (b)	\$ -	\$ -	\$ -	\$ -
Net OPEB Liability - ending (a) - (b)	\$ 96,653,040	\$ 92,059,498	\$ 100,986,079	\$ 108,528,732
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%	0.00%
Covered-employee payroll	\$ 40,827,676	\$ 40,570,643	\$ 42,681,546	\$ 44,535,741
Total OPEB liability as a percentage of covered-employee payroll	236.73%	226.91%	236.60%	243.69%

(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 2021, the accounting discount rate reduced from 2.7 percent to 2.12 percent. In 2020, the accounting discount rate reduced from 3.8 percent to 2.7 percent.

SUPPLEMENTARY INFORMATION

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 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.

The **Measure “W” Fund** accounts for City revenue approved by Los Angeles County voters with funds to capture, treat and recycle stormwater.

Nonmajor Capital Projects Funds

The **Assessment District Improvement Fund** accounts for capital improvements through special charges levied against the properties benefited.

CITY OF POMONA

**BUDGETARY COMPARISON SCHEDULE
CAPITAL OUTLAY CAPITAL PROJECTS FUND
YEAR ENDED JUNE 30, 2021**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 3,465,771	\$ 3,465,771	\$ 3,465,771	\$ -
Resources (Inflows):				
Licenses, permits and fees	293,000	293,000	217,025	(75,975)
Intergovernmental	2,840,678	4,591,554	1,351,874	(3,239,680)
Charges for services	-	-	51,284	51,284
Use of money and properties	9,311	9,311	(74,835)	(84,146)
Contributions from Successor Agency	-	615,159	3,656,052	3,040,893
Miscellaneous	-	275,794	337,272	61,478
Transfers in	4,892,678	7,098,808	7,561,065	462,257
Proceeds from sale of capital asset	-	-	7,563	7,563
Amounts Available for Appropriations	11,501,438	16,349,397	16,573,071	223,674
Charges to Appropriation (Outflow):				
Capital outlay	7,893,475	12,153,461	12,565,136	(411,675)
Debt service:				
Principal retirement	211,372	211,372	180,612	30,760
Interest and fiscal charges	-	-	30,760	(30,760)
Transfers out	216,787	216,787	213,110	3,677
Total Charges to Appropriations	8,321,634	12,581,620	12,989,618	(407,998)
Budgetary Fund Balance, June 30	\$ 3,179,804	\$ 3,767,777	\$ 3,583,453	\$ (184,324)

CITY OF POMONA

**BUDGETARY COMPARISON SCHEDULE
ASSESSMENT DISTRICT IMPROVEMENT
YEAR ENDED JUNE 30, 2021**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1 as restated	\$ 64,803	\$ 64,803	\$ 64,803	\$ -
Resources (Inflows):				
Use of money and property	978	978	(700)	(1,678)
Amounts Available for Appropriations	65,781	65,781	64,103	(1,678)
Charges to Appropriation (Outflow):				
Transfers out	-	57,799	19,870	37,929
Total Charges to Appropriations	-	57,799	19,870	37,929
Budgetary Fund Balance, June 30	\$ 65,781	\$ 7,982	\$ 44,233	\$ 36,251

CITY OF POMONA

**BUDGETARY COMPARISON SCHEDULE
GENERAL GOVERNMENT
YEAR ENDED JUNE 30, 2021**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ (70,727,367)	\$ (70,727,367)	\$ (70,727,367)	\$ -
Resources (Inflows):				
Taxes	611,751	611,751	17,339	(594,412)
Intergovernmental	315,836	315,836	291,441	(24,395)
Use of money and properties	16,564	16,564	313	(16,251)
Transfers in	5,312,657	5,312,657	8,733,814	3,421,157
Refunding bonds issued	-	-	195,304,996	195,304,996
Amounts Available for Appropriations	(64,470,559)	(64,470,559)	133,620,536	198,091,095
Charges to Appropriation (Outflow):				
General government	-	-	55,070,552	(55,070,552)
Public safety	-	-	139,071,987	(139,071,987)
Debt service:				
Principal retirement	833,302	833,302	833,302	-
Interest and fiscal charges	3,158,556	3,158,556	6,616,983	(3,458,427)
Pass-through agreement payments	-	-	1,141,091	(1,141,091)
Transfers out	2,265,000	2,265,000	-	2,265,000
Total Charges to Appropriations	6,256,858	6,256,858	202,733,915	(196,477,057)
Budgetary Fund Balance, June 30	\$ (70,727,417)	\$ (70,727,417)	\$ (69,113,379)	\$ 1,614,038

CITY OF POMONA

**BUDGETARY COMPARISON SCHEDULE
PUBLIC FINANCING AUTHORITY
YEAR ENDED JUNE 30, 2021**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 73,921,275	\$ 73,921,275	\$ 73,921,275	\$ -
Resources (Inflows):				
Use of money and properties	120,131	120,131	211,003	90,872
Amounts Available for Appropriations	74,041,406	74,041,406	74,132,278	90,872
Charges to Appropriation (Outflow):				
Debt service:				
Principal retirement	2,880,000	2,880,000	2,880,000	-
Interest and fiscal charges	151,020	145,470	148,397	(2,927)
Total Charges to Appropriations	3,031,020	3,025,470	3,028,397	(2,927)
Budgetary Fund Balance, June 30	\$ 71,010,386	\$ 71,015,936	\$ 71,103,881	\$ 87,945

CITY OF POMONA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2021

	Special Revenue Funds			
	Community Development Block Grant	State Gas Tax	Proposition A	Proposition C
Assets:				
Cash and investments	\$ -	\$ 2,956,555	\$ 3,392,612	\$ 11,135,878
Receivables (net):				
Accounts	-	-	2,000	-
Notes and loans	1,547,696	-	-	-
Interest	-	8,877	7,513	25,618
Due from other governments	659,190	279,775	10,743	-
Advances to other funds	-	-	-	-
Total Assets	\$ 2,206,886	\$ 3,245,207	\$ 3,412,868	\$ 11,161,496
Liabilities, Deferred inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ 175,645	\$ 349,467	\$ 101,472	\$ 21,798
Payroll payable	36,228	27,601	2,557	1,551
Deposits payable	-	-	-	-
Unearned revenues	-	-	-	-
Due to other funds	134,602	-	-	-
Total Liabilities	346,475	377,068	104,029	23,349
Deferred inflows of resources:				
Unavailable revenues	838,915	-	-	-
Total Deferred inflows of Resources	838,915	-	-	-
Fund Balances:				
Restricted for:				
Development and public works	1,021,496	2,868,139	3,308,839	11,138,147
Public safety	-	-	-	-
Assessment district improvement	-	-	-	-
Total Fund Balances	1,021,496	2,868,139	3,308,839	11,138,147
Total Liabilities, deferred inflows of resources, and Fund Balances	\$ 2,206,886	\$ 3,245,207	\$ 3,412,868	\$ 11,161,496

CITY OF POMONA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2021

(CONTINUED)

	Special Revenue Funds			
	Vehicle Parking District	Air Quality Improvement	Landscape Maintenance District	Asset Forfeiture
Assets:				
Cash and investments	\$ 1,856,137	\$ 369,695	\$ 833,554	\$ 1,407,273
Receivables (net):				
Accounts	9,914	60,000	-	-
Notes and loans	-	-	-	-
Interest	4,062	743	2,025	-
Due from other governments	140	51,403	34,627	-
Advances to other funds	304,435	-	-	-
Total Assets	\$ 2,174,688	\$ 481,841	\$ 870,206	\$ 1,407,273
Liabilities, Deferred inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ 9,201	\$ 1,930	\$ 177,583	\$ 12,821
Payroll payable	8,495	762	6,294	-
Deposits payable	16,334	-	-	-
Unearned revenues	-	-	-	-
Due to other funds	-	-	-	-
Total Liabilities	34,030	2,692	183,877	12,821
Deferred inflows of resources:				
Unavailable revenues	-	-	-	-
Total Deferred inflows of Resources	-	-	-	-
Fund Balances:				
Restricted for:				
Development and public works	2,140,658	479,149	-	-
Public safety	-	-	-	1,394,452
Assessment district improvement	-	-	686,329	-
Total Fund Balances	2,140,658	479,149	686,329	1,394,452
Total Liabilities, deferred inflows of resources, and Fund Balances	\$ 2,174,688	\$ 481,841	\$ 870,206	\$ 1,407,273

CITY OF POMONA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2021

	Special Revenue Funds			
	Traffic Offender	Measure R	Measure M	Special Fees
Assets:				
Cash and investments	\$ 519,200	\$ 3,323,937	\$ 2,260,072	\$ 2,632,795
Receivables (net):				
Accounts	175	-	-	-
Notes and loans	-	-	-	-
Interest	1,110	7,324	4,679	-
Due from other governments	-	-	-	-
Advances to other funds	-	-	-	-
Total Assets	\$ 520,485	\$ 3,331,261	\$ 2,264,751	\$ 2,632,795
Liabilities, Deferred inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ 11,742	\$ 65,198	\$ 121,169	\$ 87,660
Payroll payable	1,992	20,624	17,511	-
Deposits payable	-	-	-	-
Unearned revenues	-	-	-	-
Due to other funds	-	-	-	-
Total Liabilities	13,734	85,822	138,680	87,660
Deferred inflows of resources:				
Unavailable revenues	-	-	-	-
Total Deferred inflows of Resources	-	-	-	-
Fund Balances:				
Restricted for:				
Development and public works	-	3,245,439	2,126,071	2,545,135
Public safety	506,751	-	-	-
Assessment district improvement	-	-	-	-
Total Fund Balances	506,751	3,245,439	2,126,071	2,545,135
Total Liabilities, deferred inflows of resources, and Fund Balances	\$ 520,485	\$ 3,331,261	\$ 2,264,751	\$ 2,632,795

CITY OF POMONA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2021

(CONTINUED)

	Special Revenue Funds			
	PEG Fee	OATH Initiative	Fairplex Mitigation Fund	Measure W
Assets:				
Cash and investments	\$ 360,002	\$ 155,620	\$ 420,314	\$ 2,110,453
Receivables (net):				
Accounts	33,315	-	-	-
Notes and loans	-	-	-	-
Interest	-	-	-	4,288
Due from other governments	-	-	-	-
Advances to other funds	-	-	-	-
Total Assets	\$ 393,317	\$ 155,620	\$ 420,314	\$ 2,114,741
Liabilities, Deferred inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ 6,768	\$ 114,173	\$ -	\$ 71,026
Payroll payable	-	21,538	-	-
Deposits payable	-	-	-	-
Unearned revenues	-	19,909	-	2,043,715
Due to other funds	-	-	-	-
Total Liabilities	6,768	155,620	-	2,114,741
Deferred inflows of resources:				
Unavailable revenues	-	-	-	-
Total Deferred inflows of Resources	-	-	-	-
Fund Balances:				
Restricted for:				
Development and public works	386,549	-	420,314	-
Public safety	-	-	-	-
Assessment district improvement	-	-	-	-
Total Fund Balances	386,549	-	420,314	-
Total Liabilities, deferred inflows of resources, and Fund Balances	\$ 393,317	\$ 155,620	\$ 420,314	\$ 2,114,741

CITY OF POMONA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2021

	Capital Projects Funds	Total Nonmajor Governmental Funds
	Assessment District Improvement	
Assets:		
Cash and investments	\$ 277,755	\$ 34,011,852
Receivables (net):		
Accounts	-	105,404
Notes and loans	-	1,547,696
Interest	327	66,566
Due from other governments	-	1,035,878
Advances to other funds	-	304,435
Total Assets	\$ 278,082	\$ 37,071,831
Liabilities, Deferred inflows of Resources, and Fund Balances:		
Liabilities:		
Accounts payable	\$ -	\$ 1,327,653
Payroll payable	-	145,153
Deposits payable	233,849	250,183
Unearned revenues	-	2,063,624
Due to other funds	-	134,602
Total Liabilities	233,849	3,921,215
Deferred inflows of resources:		
Unavailable revenues	-	838,915
Total Deferred inflows of Resources	-	838,915
Fund Balances:		
Restricted for:		
Development and public works	-	29,679,936
Public safety	-	1,901,203
Assessment district improvement	44,233	730,562
Total Fund Balances	44,233	32,311,701
Total Liabilities, deferred inflows of resources, and Fund Balances	\$ 278,082	\$ 37,071,831

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, 2021

	Special Revenue Funds			
	Community Development Block Grant	State Gas Tax	Proposition A	Proposition C
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-
Licenses, permits and fees	-	-	-	-
Intergovernmental	2,556,402	6,188,413	3,104,734	2,575,266
Charges for services	23,133	1,271	-	-
Use of money and properties	13,945	2,472	5,825	9,780
Miscellaneous	-	64,908	6,000	-
Total Revenues	2,593,480	6,257,064	3,116,559	2,585,046
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	78,829	-	-	-
Urban development	1,923,484	3,445,895	2,033,711	114,410
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	20,000	65,148	-	-
Interest and fiscal charges	324	-	-	-
Total Expenditures	2,022,637	3,511,043	2,033,711	114,410
Excess (Deficiency) of Revenues Over (Under) Expenditures	570,843	2,746,021	1,082,848	2,470,636
Other Financing Sources (Uses):				
Transfers in	-	131,750	-	-
Transfers out	(597,871)	(3,402,214)	(368,016)	(1,243,151)
Total Other Financing Sources (Uses)	(597,871)	(3,270,464)	(368,016)	(1,243,151)
Net Change in Fund Balances	(27,028)	(524,443)	714,832	1,227,485
Fund Balances, Beginning of Year	1,048,524	3,392,582	2,594,007	9,910,662
Restatements	-	-	-	-
Fund Balances, Beginning of Year, as Restated	1,048,524	3,392,582	2,594,007	9,910,662
Fund Balances, End of Year	\$ 1,021,496	\$ 2,868,139	\$ 3,308,839	\$ 11,138,147

CITY OF POMONA

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2021

(CONTINUED)

	Special Revenue Funds			
	Vehicle Parking District	Air Quality Improvement	Landscape Maintenance District	Asset Forfeiture
Revenues:				
Taxes	\$ 16,169	\$ -	\$ -	\$ -
Special assessments	-	-	1,252,382	-
Licenses, permits and fees	-	-	-	-
Intergovernmental	-	262,157	-	740,893
Charges for services	16,305	-	-	-
Use of money and properties	181,193	1,107	(6,600)	(5,943)
Miscellaneous	-	-	-	2,500
Total Revenues	213,667	263,264	1,245,782	737,450
Expenditures:				
Current:				
General government	602,846	-	-	-
Public safety	-	-	-	723,489
Urban development	-	46,262	1,318,880	-
Capital outlay	-	-	-	90,238
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	602,846	46,262	1,318,880	813,277
Excess (Deficiency) of Revenues Over (Under) Expenditures	(389,179)	217,002	(73,098)	(76,277)
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	(389,179)	217,002	(73,098)	(76,277)
Fund Balances, Beginning of Year	2,529,837	262,147	759,427	1,470,729
Restatements	-	-	-	-
Fund Balances, Beginning of Year, as Restated	2,529,837	262,147	759,427	1,470,729
Fund Balances, End of Year	\$ 2,140,658	\$ 479,149	\$ 686,329	\$ 1,394,452

CITY OF POMONA

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2021

	Special Revenue Funds			
	Traffic Offender	Measure R	Measure M	Special Fees
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-
Licenses, permits and fees	-	-	-	429,378
Intergovernmental	-	1,934,126	2,191,436	-
Charges for services	225,024	-	-	-
Use of money and properties	(386)	2,776	8,134	(19,828)
Miscellaneous	-	-	-	-
Total Revenues	224,638	1,936,902	2,199,570	409,550
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	64,359	-	-	-
Urban development	-	1,169,955	1,234,450	294,105
Capital outlay	5,607	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	69,966	1,169,955	1,234,450	294,105
Excess (Deficiency) of Revenues Over (Under) Expenditures	154,672	766,947	965,120	115,445
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	(254,061)	(122,256)	-
Total Other Financing Sources (Uses)	-	(254,061)	(122,256)	-
Net Change in Fund Balances	154,672	512,886	842,864	115,445
Fund Balances, Beginning of Year	352,079	2,732,553	1,283,207	2,429,690
Restatements	-	-	-	-
Fund Balances, Beginning of Year, as Restated	352,079	2,732,553	1,283,207	2,429,690
Fund Balances, End of Year	\$ 506,751	\$ 3,245,439	\$ 2,126,071	\$ 2,545,135

CITY OF POMONA

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2021

(CONTINUED)

	Special Revenue Funds			
	PEG Fee	OATH Initiative	Fairplex Mitigation Fund	Measure W
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ 296,228
Special assessments	-	-	-	-
Licenses, permits and fees	134,276	-	-	-
Intergovernmental	-	1,431,330	-	-
Charges for services	-	-	-	-
Use of money and properties	(1,099)	-	(3,586)	18,511
Miscellaneous	-	-	-	-
Total Revenues	133,177	1,431,330	(3,586)	314,739
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	1,431,330	-	-
Urban development	-	-	-	200,075
Capital outlay	16,820	-	-	70,262
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	16,820	1,431,330	-	270,337
Excess (Deficiency) of Revenues Over (Under) Expenditures	116,357	-	(3,586)	44,402
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	(44,402)
Total Other Financing Sources (Uses)	-	-	-	(44,402)
Net Change in Fund Balances	116,357	-	(3,586)	-
Fund Balances, Beginning of Year	270,192	-	423,900	-
Restatements	-	-	-	-
Fund Balances, Beginning of Year, as Restated	270,192	-	423,900	-
Fund Balances, End of Year	\$ 386,549	\$ -	\$ 420,314	\$ -

CITY OF POMONA

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2021

	Capital Projects Funds	Total Nonmajor Governmental Funds
	Assessment District Improvement	
Revenues:		
Taxes	\$ -	\$ 312,397
Special assessments	-	1,252,382
Licenses, permits and fees	-	563,654
Intergovernmental	-	20,984,757
Charges for services	-	265,733
Use of money and properties	(700)	205,601
Miscellaneous	-	73,408
Total Revenues	(700)	23,657,932
Expenditures:		
Current:		
General government	-	602,846
Public safety	-	2,298,007
Urban development	-	11,781,227
Capital outlay	-	182,927
Debt service:		
Principal retirement	-	85,148
Interest and fiscal charges	-	324
Total Expenditures	-	14,950,479
Excess (Deficiency) of Revenues Over (Under) Expenditures	(700)	8,707,453
Other Financing Sources (Uses):		
Transfers in	-	131,750
Transfers out	(19,870)	(6,051,841)
Total Other Financing Sources (Uses)	(19,870)	(5,920,091)
Net Change in Fund Balances	(20,570)	2,787,362
Fund Balances, Beginning of Year	62,104	29,521,640
Restatements	2,699	2,699
Fund Balances, Beginning of Year, as Restated	64,803	29,524,339
Fund Balances, End of Year	\$ 44,233	\$ 32,311,701

CITY OF POMONA

**BUDGETARY COMPARISON SCHEDULE
COMMUNITY DEVELOPMENT BLOCK GRANT
YEAR ENDED JUNE 30, 2021**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 1,048,524	\$ 1,048,524	\$ 1,048,524	\$ -
Resources (Inflows):				
Intergovernmental	2,077,103	4,380,861	2,556,402	(1,824,459)
Charges for services	4,725	4,725	23,133	18,408
Use of money and properties	1,945	1,945	13,945	12,000
Amounts Available for Appropriations	3,132,297	5,436,055	3,642,004	(1,794,051)
Charges to Appropriation (Outflow):				
Public safety	149,487	79,663	78,829	834
Urban development	1,615,481	4,063,251	1,923,484	2,139,767
Debt service:				
Principal retirement	10,000	-	20,000	(20,000)
Interest and fiscal charges	3,000	13,000	324	12,676
Transfers out	299,135	577,001	597,871	(20,870)
Total Charges to Appropriations	2,077,103	4,732,915	2,620,508	2,112,407
Budgetary Fund Balance, June 30	\$ 1,055,194	\$ 703,140	\$ 1,021,496	\$ 318,356

CITY OF POMONA

**BUDGETARY COMPARISON SCHEDULE
STATE GAS TAX
YEAR ENDED JUNE 30, 2021**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 3,392,582	\$ 3,392,582	\$ 3,392,582	\$ -
Resources (Inflows):				
Intergovernmental	6,253,689	6,253,689	6,188,413	(65,276)
Charges for services	-	-	1,271	1,271
Use of money and properties	45,198	45,198	2,472	(42,726)
Miscellaneous	27,550	27,550	64,908	37,358
Transfers in	131,750	131,750	131,750	-
Amounts Available for Appropriations	9,850,769	9,850,769	9,781,396	(69,373)
Charges to Appropriation (Outflow):				
Urban development	3,764,869	3,703,610	3,445,895	257,715
Debt service:				
Principal retirement	65,148	65,148	65,148	-
Transfers out	2,290,000	2,241,532	3,402,214	(1,160,682)
Total Charges to Appropriations	6,120,017	6,010,290	6,913,257	(902,967)
Budgetary Fund Balance, June 30	\$ 3,730,752	\$ 3,840,479	\$ 2,868,139	\$ (92,340)

CITY OF POMONA

**BUDGETARY COMPARISON SCHEDULE
PROPOSITION A
YEAR ENDED JUNE 30, 2021**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 2,594,007	\$ 2,594,007	\$ 2,594,007	\$ -
Resources (Inflows):				
Intergovernmental	3,097,000	3,097,000	3,104,734	7,734
Use of money and properties	48,013	48,013	5,825	(42,188)
Miscellaneous	-	-	6,000	6,000
Amounts Available for Appropriations	5,739,020	5,739,020	5,710,566	(28,454)
Charges to Appropriation (Outflow):				
Urban development	3,052,573	3,043,873	2,033,711	1,010,162
Transfers out	-	-	368,016	(368,016)
Total Charges to Appropriations	3,052,573	3,043,873	2,401,727	642,146
Budgetary Fund Balance, June 30	\$ 2,686,447	\$ 2,695,147	\$ 3,308,839	\$ 613,692

CITY OF POMONA

BUDGETARY COMPARISON SCHEDULE
 PROPOSITION C
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 9,910,662	\$ 9,910,662	\$ 9,910,662	\$ -
Resources (Inflows):				
Intergovernmental	2,158,293	2,158,293	2,575,266	416,973
Use of money and properties	132,514	132,514	9,780	(122,734)
Amounts Available for Appropriations	12,201,469	12,201,469	12,495,708	294,239
Charges to Appropriation (Outflow):				
Urban development	127,686	123,686	114,410	9,276
Transfers out	1,019,111	1,819,111	1,243,151	575,960
Total Charges to Appropriations	1,146,797	1,942,797	1,357,561	585,236
Budgetary Fund Balance, June 30	\$ 11,054,672	\$ 10,258,672	\$ 11,138,147	\$ 879,475

CITY OF POMONA

BUDGETARY COMPARISON SCHEDULE
 VEHICLE PARKING DISTRICT
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 2,529,837	\$ 2,529,837	\$ 2,529,837	\$ -
Resources (Inflows):				
Taxes	15,105	15,105	16,169	1,064
Charges for services	156,000	156,000	16,305	(139,695)
Use of money and properties	2,250,192	2,250,192	181,193	(2,068,999)
Amounts Available for Appropriations	4,951,134	4,951,134	2,743,504	(2,207,630)
Charges to Appropriation (Outflow):				
General government	924,086	910,463	602,846	307,617
Total Charges to Appropriations	924,086	910,463	602,846	307,617
Budgetary Fund Balance, June 30	\$ 4,027,048	\$ 4,040,671	\$ 2,140,658	\$ (1,900,013)

CITY OF POMONA

**BUDGETARY COMPARISON SCHEDULE
AIR QUALITY IMPROVEMENT
YEAR ENDED JUNE 30, 2021**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 262,147	\$ 262,147	\$ 262,147	\$ -
Resources (Inflows):				
Intergovernmental	159,640	159,640	262,157	102,517
Use of money and properties	4,975	4,975	1,107	(3,868)
Amounts Available for Appropriations	426,762	426,762	525,411	98,649
Charges to Appropriation (Outflow):				
Urban development	25,941	24,931	46,262	(21,331)
Total Charges to Appropriations	25,941	24,931	46,262	(21,331)
Budgetary Fund Balance, June 30	\$ 400,821	\$ 401,831	\$ 479,149	\$ 77,318

CITY OF POMONA

**BUDGETARY COMPARISON SCHEDULE
LANDSCAPE MAINTENANCE DISTRICT
YEAR ENDED JUNE 30, 2021**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 759,427	\$ 759,427	\$ 759,427	\$ -
Resources (Inflows):				
Special assessments	1,201,000	1,201,000	1,252,382	51,382
Use of money and properties	15,255	15,255	(6,600)	(21,855)
Amounts Available for Appropriations	1,975,682	1,975,682	2,005,209	29,527
Charges to Appropriation (Outflow):				
Urban development	1,339,076	1,326,479	1,318,880	7,599
Total Charges to Appropriations	1,339,076	1,326,479	1,318,880	7,599
Budgetary Fund Balance, June 30	\$ 636,606	\$ 649,203	\$ 686,329	\$ 37,126

CITY OF POMONA

**BUDGETARY COMPARISON SCHEDULE
ASSET FORFEITURE
YEAR ENDED JUNE 30, 2021**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 1,470,729	\$ 1,470,729	\$ 1,470,729	\$ -
Resources (Inflows):				
Intergovernmental	550,000	550,000	740,893	190,893
Charges for services	6,000	6,000	-	(6,000)
Use of money and properties	24,545	24,545	(5,943)	(30,488)
Miscellaneous	-	-	2,500	2,500
Amounts Available for Appropriations	2,051,274	2,051,274	2,208,179	156,905
Charges to Appropriation (Outflow):				
Public safety	795,384	811,587	723,489	88,098
Capital outlay	100,000	83,797	90,238	(6,441)
Total Charges to Appropriations	895,384	895,384	813,727	81,657
Budgetary Fund Balance, June 30	\$ 1,155,890	\$ 1,155,890	\$ 1,394,452	\$ 238,562

CITY OF POMONA

BUDGETARY COMPARISON SCHEDULE
 TRAFFIC OFFENDER
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 352,079	\$ 352,079	\$ 352,079	\$ -
Resources (Inflows):				
Charges for services	263,400	263,400	225,024	(38,376)
Use of money and properties	4,315	4,315	(386)	(4,701)
Amounts Available for Appropriations	619,794	619,794	576,717	(43,077)
Charges to Appropriation (Outflow):				
Public safety	169,550	183,887	64,359	119,528
Capital outlay	95,000	80,663	5,607	75,056
Total Charges to Appropriations	264,550	264,550	69,966	194,584
Budgetary Fund Balance, June 30	\$ 355,244	\$ 355,244	\$ 506,751	\$ 151,507

CITY OF POMONA

**BUDGETARY COMPARISON SCHEDULE
MEASURE R
YEAR ENDED JUNE 30, 2021**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Budgetary Fund Balance, July 1	\$ 2,732,553	\$ 2,732,553	\$ 2,732,553	\$ -
Resources (Inflows):				
Intergovernmental	1,618,887	1,618,887	1,934,126	315,239
Use of money and properties	56,223	56,223	2,776	(53,447)
Amounts Available for Appropriations	4,407,663	4,407,663	4,669,455	261,792
Charges to Appropriation (Outflow):				
Urban development	1,215,984	1,206,434	1,169,955	36,479
Transfers out	-	14,536	254,061	(239,525)
Total Charges to Appropriations	1,215,984	1,220,970	1,424,016	(203,046)
Budgetary Fund Balance, June 30	\$ 3,191,679	\$ 3,186,693	\$ 3,245,439	\$ 58,746

CITY OF POMONA

**BUDGETARY COMPARISON SCHEDULE
MEASURE M
YEAR ENDED JUNE 30, 2021**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary Fund Balance, July 1	\$ 1,283,207	\$ 1,283,207	\$ 1,283,207	\$ -
Resources (Inflows):				
Intergovernmental	1,834,549	1,834,549	2,191,436	356,887
Use of money and properties	30,492	30,492	8,134	(22,358)
Amounts Available for Appropriations	<u>3,148,248</u>	<u>3,148,248</u>	<u>3,482,777</u>	<u>334,529</u>
Charges to Appropriation (Outflow):				
Urban development	1,325,427	1,337,009	1,234,450	102,559
Transfers out	-	-	122,256	(122,256)
Total Charges to Appropriations	<u>1,325,427</u>	<u>1,337,009</u>	<u>1,356,706</u>	<u>(19,697)</u>
Budgetary Fund Balance, June 30	<u>\$ 1,822,821</u>	<u>\$ 1,811,239</u>	<u>\$ 2,126,071</u>	<u>\$ 314,832</u>

CITY OF POMONA

**BUDGETARY COMPARISON SCHEDULE
SPECIAL FEES
YEAR ENDED JUNE 30, 2021**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 2,429,690	\$ 2,429,690	\$ 2,429,690	\$ -
Resources (Inflows):				
Special assessments	251,100	301,100	429,378	128,278
Use of money and properties	-	-	(19,828)	(19,828)
Amounts Available for Appropriations	2,680,790	2,730,790	2,839,240	108,450
Charges to Appropriation (Outflow):				
Urban development	323,000	431,816	294,105	137,711
Transfers out	500,000	500,000	-	500,000
Total Charges to Appropriations	823,000	931,816	294,105	637,711
Budgetary Fund Balance, June 30	\$ 1,857,790	\$ 1,798,974	\$ 2,545,135	\$ 746,161

CITY OF POMONA

**BUDGETARY COMPARISON SCHEDULE
PEG FEE
YEAR ENDED JUNE 30, 2021**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary Fund Balance, July 1	\$ 270,192	\$ 270,192	\$ 270,192	\$ -
Resources (Inflows):				
Licenses, permits and fees	100,000	100,000	134,276	34,276
Use of money and properties	-	-	(1,099)	(1,099)
Amounts Available for Appropriations	370,192	370,192	403,369	33,177
Charges to Appropriation (Outflow):				
Capital outlay	40,000	40,000	16,820	23,180
Total Charges to Appropriations	40,000	40,000	16,820	23,180
Budgetary Fund Balance, June 30	\$ 330,192	\$ 330,192	\$ 386,549	\$ 56,357

CITY OF POMONA

BUDGETARY COMPARISON SCHEDULE
 OATH INITIATIVE
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (Inflows):				
Intergovernmental	1,567,565	1,451,238	1,431,330	(19,908)
Amounts Available for Appropriations	1,567,565	1,451,238	1,431,330	(19,908)
Charges to Appropriation (Outflow):				
Public safety	1,409,301	1,451,388	1,431,330	20,058
Total Charges to Appropriations	1,409,301	1,451,388	1,431,330	20,058
Budgetary Fund Balance, June 30	\$ 158,264	\$ (150)	\$ -	\$ 150

CITY OF POMONA

**BUDGETARY COMPARISON SCHEDULE
MEASURE W
YEAR ENDED JUNE 30, 2021**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (Inflows):				
Taxes	-	2,377,760	296,228	(2,081,532)
Use of money and property	-	-	18,511	18,511
Amounts Available for Appropriation	-	2,377,760	314,739	(2,063,021)
Charges to Appropriation (Outflow):				
Community development	-	1,819,738	200,075	1,619,663
Capital outlay	-	70,262	70,262	-
Transfers out	-	791,260	44,402	746,858
Total Charges to Appropriations	-	2,681,260	314,739	2,366,521
Budgetary Fund Balance, June 30	\$ -	\$ (303,500)	\$ -	\$ 303,500

THIS PAGE INTENTIONALLY LEFT BLANK

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.

CITY OF POMONA

**COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2021**

	Governmental Activities - Internal Service Funds			
	Self- Insurance	Equipment Maintenance	Information Technology	Printing/Mail Services
Assets:				
Current:				
Cash and investments	\$ 10,644,968	\$ 488,283	\$ 346,227	\$ -
Receivables:				
Accounts	591	-	6,137	-
Interest	46,293	-	-	-
Prepaid items	-	-	-	1,438
Inventories	-	373,292	-	-
Total Current Assets	10,691,852	861,575	352,364	1,438
Noncurrent:				
Capital assets - net of accumulated depreciation	-	126,328	96,504	-
Total Noncurrent Assets	-	126,328	96,504	-
Total Assets	10,691,852	987,903	448,868	1,438
Deferred Outflows of Resources:				
Deferred outflows of resources related to pensions	1,075,853	3,020,996	2,048,424	-
Deferred outflows of resources related to other postemployment benefits	81,713	383,703	199,354	-
Total Deferred Outflows of Resources	1,157,566	3,404,699	2,247,778	-
Liabilities:				
Current:				
Accounts payable	46,534	283,820	40,555	5,384
Due to other funds	-	-	-	55,584
Payroll payable	16,775	40,108	30,985	-
Compensated absences, due within one year	-	208,135	-	-
Claims and judgements, due within one year	20,787,000	-	-	-
Total Current Liabilities	20,850,309	532,063	71,540	60,968
Noncurrent:				
Claims and judgements, due in more than one year	10,319,168	-	-	-
Long-term debt, due in more than one year	895,276	2,833,670	1,897,327	-
Total other postemployment benefit liability	618,697	2,905,225	1,509,417	-
Net pension liability	1,007,390	2,828,752	1,918,071	-
Total Noncurrent Liabilities	12,840,531	8,567,647	5,324,815	-
Total Liabilities	33,690,840	9,099,710	5,396,355	60,968
Deferred Inflows of Resources:				
Deferred inflows of resources related to pensions	10,294	28,905	19,600	-
Deferred inflows of resources related to other postemployment benefits	8,637	40,555	21,070	-
Total Deferred Inflows of Resources	18,931	69,460	40,670	-
Net Position:				
Net investment in capital assets	-	126,328	96,504	-
Unrestricted	(21,860,353)	(4,902,896)	(2,836,883)	(59,530)
Total Net Position	\$ (21,860,353)	\$ (4,776,568)	\$ (2,740,379)	\$ (59,530)

CITY OF POMONA

COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2021

	Governmental Activities - Internal Service Funds		
	Payroll	Pension Obligation	Totals
Assets:			
Current:			
Cash and investments	\$ 402,245	\$ -	\$ 11,881,723
Receivables:			
Accounts	-	-	6,728
Interest	-	-	46,293
Prepaid items	-	-	1,438
Inventories	-	-	373,292
Total Current Assets	402,245	-	12,309,474
Noncurrent:			
Capital assets - net of accumulated depreciation	-	-	222,832
Total Noncurrent Assets	-	-	222,832
Total Assets	402,245	-	12,532,306
Deferred Outflows of Resources:			
Deferred outflows of resources related to pensions	-	-	6,145,273
Deferred outflows of resources related to other postemployment benefits	-	-	664,770
Total Deferred Outflows of Resources	-	-	6,810,043
Liabilities:			
Current:			
Accounts payable	9,954	-	386,247
Due to other funds	-	-	55,584
Payroll payable	-	-	87,868
Compensated absences, due within one year	-	-	208,135
Claims and judgements, due within one year	-	-	20,787,000
Total Current Liabilities	9,954	-	21,524,834
Noncurrent:			
Claims and judgements, due in more than one year	-	-	10,319,168
Long-term debt, due in more than one year	-	-	5,626,273
Total other postemployment benefit liability	-	-	5,033,339
Net pension liability	-	-	5,754,213
Total Noncurrent Liabilities	-	-	26,732,993
Total Liabilities	9,954	-	48,257,827
Deferred Inflows of Resources:			
Deferred inflows of resources related to pensions	-	-	58,799
Deferred inflows of resources related to other postemployment benefits	-	-	70,262
Total Deferred Inflows of Resources	-	-	129,061
Net Position:			
Net investment in capital assets	-	-	222,832
Unrestricted	392,291	-	(29,267,371)
Total Net Position	\$ 392,291	\$ -	\$ (29,044,539)

CITY OF POMONA

COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2021

	Governmental Activities - Internal Service Funds			
	Self-Insurance	Equipment Maintenance	Information Technology	Printing/Mail Services
Operating Revenues:				
Interdepartmental charges	\$ 4,923,041	\$ 4,367,807	\$ 2,002,539	\$ 23,045
Miscellaneous	96,116	-	-	-
Total Operating Revenues	5,019,157	4,367,807	2,002,539	23,045
Operating Expenses:				
Personnel services	-	1,894,367	1,141,059	-
Operations	-	2,478,988	898,919	23,045
Claims expense	20,294,385	275	-	-
Depreciation expense	-	16,242	23,789	-
Insurance	-	76,054	34,772	-
Total Operating Expenses	20,294,385	4,465,926	2,098,539	23,045
Operating Income (Loss)	(15,275,228)	(98,119)	(96,000)	-
Nonoperating Revenues:				
Investment income	(40,727)	(3,399)	(2,873)	-
Gain (loss) on disposal of capital assets	-	800	-	-
Total Nonoperating Revenues	(40,727)	(2,599)	(2,873)	-
Income (Loss) Before Transfers	(15,315,955)	(100,718)	(98,873)	-
Transfers in	95,577	-	-	-
Transfers out	-	-	-	-
Changes in Net Position	(15,220,378)	(100,718)	(98,873)	-
Net Position:				
Beginning of Year	(6,639,975)	(4,675,850)	(2,641,506)	(59,530)
End of Fiscal Year	\$ (21,860,353)	\$ (4,776,568)	\$ (2,740,379)	\$ (59,530)

CITY OF POMONA

COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2021

	<u>Governmental Activities - Internal Service Funds</u>		
	<u>Payroll</u>	<u>Pension Obligation</u>	<u>Totals</u>
Operating Revenues:			
Interdepartmental charges	\$ 32,281,370	\$ 3,421,057	\$ 47,018,859
Miscellaneous	-	-	96,116
Total Operating Revenues	32,281,370	3,421,057	47,114,975
Operating Expenses:			
Personnel services	31,889,079	-	34,924,505
Operations	-	-	3,400,952
Claims expense	-	-	20,294,660
Depreciation expense	-	-	40,031
Insurance	-	-	110,826
Total Operating Expenses	31,889,079	-	58,770,974
Operating Income (Loss)	392,291	3,421,057	(11,655,999)
Nonoperating Revenues:			
Investment income	-	-	(46,999)
Gain (loss) on disposal of capital assets	-	-	800
Total Nonoperating Revenues	-	-	(46,199)
Income (Loss) Before Transfers	392,291	3,421,057	(11,702,198)
Transfers in	-	-	95,577
Transfers out	-	(3,421,057)	(3,421,057)
Changes in Net Position	392,291	-	(15,027,678)
Net Position:			
Beginning of Year	-	-	(14,016,861)
End of Fiscal Year	\$ 392,291	\$ -	\$ (29,044,539)

CITY OF POMONA

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2021

	Governmental Activities - Internal Service Funds			
	Self-Insurance	Equipment Maintenance	Information Technology	Printing/Mail Services
Cash Flows from Operating Activities:				
Cash received from customers and users	\$ 5,019,157	\$ 4,367,807	\$ 1,996,402	\$ 23,045
Cash paid to suppliers for goods and services	(4,785,289)	(2,555,081)	(937,267)	(17,785)
Cash paid for general and administrative expenses	(758,094)	(4,446,715)	(2,847,156)	-
Net Cash Provided (Used) by Operating Activities	(524,226)	(2,633,989)	(1,788,021)	5,260
Cash Flows from Non-Capital Financing Activities:				
Cash transfers out	-	-	-	-
Cash transfers in	95,577	-	-	-
Repayment made to other funds	-	-	-	(5,260)
Proceeds from pension obligation bonds	895,276	2,833,670	1,897,327	-
Net Cash Provided (Used) by Non-Capital Financing Activities	990,853	2,833,670	1,897,327	(5,260)
Cash Flows from Capital and Related Financing Activities:				
Proceeds from sales of capital assets	-	800	-	-
Net Cash Provided (Used) by Capital and Related Financing Activities	-	800	-	-
Cash Flows from Investing Activities:				
Interest received	(21,545)	(3,399)	(2,873)	-
Net Cash Provided (Used) by Investing Activities	(21,545)	(3,399)	(2,873)	-
Net Increase (Decrease) in Cash and Cash Equivalents	445,082	197,082	106,433	-
Cash and Cash Equivalents at Beginning of Year	10,199,886	291,201	239,794	-
Cash and Cash Equivalents at End of Year	\$ 10,644,968	\$ 488,283	\$ 346,227	\$ -
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:				
Operating income (loss)	\$ (15,275,228)	\$ (98,119)	\$ (96,000)	\$ -
Adjustments to reconcile operating income (loss) net cash provided (used) by operating activities:				
Depreciation	-	16,242	23,789	-
(Increase) decrease in accounts receivable	-	-	(6,137)	-
(Increase) decrease in inventories	-	2,132	-	-
(Increase) decrease in deferred outflows of resources related to pensions	(975,996)	(2,704,934)	(1,836,800)	-
(Increase) decrease in deferred outflows of resources related to other postemployment benefits	(30,581)	(115,070)	(60,458)	-
Increase (decrease) in accounts payable	(62,293)	(1,896)	(3,576)	5,260
Increase (decrease) in payroll payable	(7,392)	(32,757)	(15,803)	-
Increase (decrease) in claims and judgments	15,571,389	-	-	-
Increase (decrease) in compensated absences	-	3,338	-	-
Increase (decrease) in net other postemployment benefit liability	107,009	216,947	119,455	-
Increase (decrease) in net pension liability	161,366	150,971	125,122	-
Increase (decrease) in deferred inflows of resources related to pensions	(1,593)	(8,719)	(5,592)	-
Increase (decrease) in deferred inflows of resources related to other postemployment benefits	(10,907)	(62,124)	(32,021)	-
Total Adjustments	14,751,002	(2,535,870)	(1,692,021)	5,260
Net Cash Provided (Used) by Operating Activities	\$ (524,226)	\$ (2,633,989)	\$ (1,788,021)	\$ 5,260

CITY OF POMONA

**COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2021**

	Governmental Activities - Internal Service Funds		
	Payroll	Pension Obligation	Totals
Cash Flows from Operating Activities:			
Cash received from customers and users	\$ 32,281,370	\$ 3,421,057	\$ 47,108,838
Cash paid to suppliers for goods and services	9,954	-	(8,285,468)
Cash paid for general and administrative expenses	(31,889,079)	-	(39,941,044)
Net Cash Provided (Used) by Operating Activities	402,245	3,421,057	(1,117,674)
Cash Flows from Non-Capital Financing Activities:			
Cash transfers out	-	(3,421,057)	(3,421,057)
Cash transfers in	-	-	95,577
Repayment made to other funds	-	-	(5,260)
Proceeds from pension obligation bonds	-	-	5,626,273
Net Cash Provided (Used) by Non-Capital Financing Activities	-	(3,421,057)	2,295,533
Cash Flows from Capital and Related Financing Activities:			
Proceeds from sales of capital assets	-	-	800
Net Cash Provided (Used) by Capital and Related Financing Activities	-	-	800
Cash Flows from Investing Activities:			
Interest received	-	-	(27,817)
Net Cash Provided (Used) by Investing Activities	-	-	(27,817)
Net Increase (Decrease) in Cash and Cash Equivalents	402,245	-	1,150,842
Cash and Cash Equivalents at Beginning of Year	-	-	10,730,881
Cash and Cash Equivalents at End of Year	\$ 402,245	\$ -	\$ 11,881,723
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:			
Operating income (loss)	\$ 392,291	\$ 3,421,057	\$ (11,655,999)
Adjustments to reconcile operating income (loss) net cash provided (used) by operating activities:			
Depreciation	-	-	40,031
(Increase) decrease in accounts receivable	-	-	(6,137)
(Increase) decrease in inventories	-	-	2,132
(Increase) decrease in deferred outflows of resources related to pensions	-	-	(5,517,730)
(Increase) decrease in deferred outflows of resources related to other postemployment benefits	-	-	(206,109)
Increase (decrease) in accounts payable	9,954	-	(52,551)
Increase (decrease) in payroll payable	-	-	(55,952)
Increase (decrease) in claims and judgments	-	-	15,571,389
Increase (decrease) in compensated absences	-	-	3,338
Increase (decrease) in net other postemployment benefit liability	-	-	443,411
Increase (decrease) in net pension liability	-	-	437,459
Increase (decrease) in deferred inflows of resources related to pensions	-	-	(15,904)
Increase (decrease) in deferred inflows of resources related to other postemployment benefits	-	-	(105,052)
Total Adjustments	9,954	-	10,538,325
Net Cash Provided (Used) by Operating Activities	\$ 402,245	\$ 3,421,057	\$ (1,117,674)

THIS PAGE INTENTIONALLY LEFT BLANK

CUSTODIAL FUNDS

The **Custodial 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, debt services activity related to debt without government commitment for various assessment district improvements, as well as monitoring of the local watershed as required by the MS4 permit as a lead agency of the East San Gabriel Valley Watershed Management Group.

CITY OF POMONA

COMBINING STATEMENT OF FIDUCIARY NET POSITION
 ALL CUSTODIAL FUNDS
 JUNE 30, 2021

	<u>Assessment Districts</u>	<u>East San Gabriel Valley Water Management</u>	<u>Total</u>
Assets:			
Cash and investments	\$ 16,921	\$ -	\$ 16,921
Deposits	284	-	284
Due from other governments	57,798	-	57,798
Total Assets	75,003	-	75,003
Liabilities:			
Accounts payable	74,719	-	74,719
Payable to trustee	891,004	-	891,004
Total Liabilities	965,723	-	965,723
Net Position:			
Restricted for organizations and other governments	(890,720)	-	(890,720)
Total Net Position	\$ (890,720)	\$ -	\$ (890,720)

CITY OF POMONA, CALIFORNIA

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 ALL CUSTODIAL FUNDS
 JUNE 30, 2021

	Assessment Districts	East San Gabriel Valley Water Management	Totals
Additions:			
Investment earnings:			
Interest	\$ 1,086	\$ (69)	\$ 1,017
Net investment earnings	1,086	(69)	1,017
Total Additions	1,086	(69)	1,017
Deductions:			
Refunds of contributions	907,925	-	
Payments to city	-	62,412	62,412
Total Deductions	907,925	62,412	62,412
Net Increase (Decrease) in Fiduciary Net Position	(906,839)	(62,481)	(969,320)
Net Position:			
Beginning of fiscal year, as originally reported	-	-	-
Restatements	16,119	62,481	78,600
Beginning of fiscal year, as restated	16,119	62,481	78,600
Net Position - End of the Year	\$ (890,720)	\$ -	\$ (890,720)

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.

Contents **Page**

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

Net Position by Component.....	197
Changes in Net Position	198
Fund Balances – Governmental Funds.....	200
Changes in Fund Balances – Governmental Funds.....	201
Governmental Activities Tax Revenues by Source	202

Revenue Capacity – These schedules contain information to help the reader assess the City’s most significant own-source revenue.

Assessed Value and Estimated Actual Value of Taxable Property.....	203
Property Tax Rates – Direct and Overlapping Governments	204
Principal Property Taxpayers	205
Top 25 Sales Tax Generators	206
Property Tax Levies and Collections	207

Debt Capacity – 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.

Ratios of Outstanding Debt by Type.....	208
Ratios of General Bonded Debt Outstanding	209
Direct and Overlapping Debt	210
Legal Debt Margin Information	211
Pledged Revenue Coverage – Water.....	212
Pledged Revenue Coverage – Sewer	213

Demographic and Economic Information – These schedules offer demographic and economic indicators to help the reader understand the environment within which the City’s financial activities take place.

Demographic and Economic Statistics	214
Principal Employers	215

Operating Information – 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.

Authorized Full-Time City Employees by Function.....	216
Operating Indicators by Function.....	217
Capital Asset Statistics by Function	218

THIS PAGE INTENTIONALLY LEFT BLANK

City of Pomona
 Net Position by Component
 Last Ten Fiscal Years

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Governmental activities:										
Net investment in capital assets	\$ 272,949,495	\$ 266,340,326	\$ 239,862,742	\$ 232,263,791	\$ 224,471,223	\$ 234,174,328	\$ 239,698,525	\$ 246,211,473	\$ 249,865,379	\$ 254,387,674
Restricted	94,261,171	94,797,810	91,110,197	138,440,707	116,594,550	73,828,441	76,492,595	78,464,005	73,644,455	78,568,882
Unrestricted	(99,699,617)	(88,955,872)	(66,485,308)	(255,237,644)	(227,001,243)	(241,201,601)	(257,496,100)	(263,613,107)	(276,437,035)	(294,596,209)
Total governmental activities net position	\$ 267,511,049	\$ 272,182,264	\$ 264,487,631	\$ 115,466,854	\$ 114,084,530	\$ 66,801,168	\$ 58,695,020	\$ 61,062,371	\$ 47,072,799	\$ 38,360,347
Business-type activities:										
Net investment in capital assets	\$ 46,811,318	\$ 40,774,712	\$ 43,825,224	\$ 42,086,156	\$ 42,988,769	\$ 47,223,963	\$ 49,968,356	\$ 50,227,346	\$ 52,662,674	\$ 54,505,060
Restricted	13,544,047	14,805,693	32,725,153	28,900,238	23,984,978	1,885,849	7,352,171	7,474,831	7,526,741	-
Unrestricted	39,600,817	42,671,686	23,144,683	15,566,032	25,022,337	22,446,812	15,446,370	18,984,171	24,753,618	34,324,669
Total business-type activities net position	\$ 99,956,182	\$ 98,252,091	\$ 99,695,060	\$ 86,552,426	\$ 91,996,084	\$ 71,556,624	\$ 72,766,897	\$ 76,686,348	\$ 84,943,033	\$ 88,829,729
Primary government:										
Net investment in capital assets	\$ 319,760,813	\$ 307,115,038	\$ 283,687,966	\$ 274,349,947	\$ 267,459,992	\$ 281,398,291	\$ 289,666,881	\$ 296,438,819	\$ 302,528,053	\$ 308,892,734
Restricted	107,805,218	109,603,503	123,835,350	167,340,945	140,579,528	75,714,290	83,844,766	85,938,836	81,171,196	78,568,882
Unrestricted	(60,098,800)	(46,284,186)	(43,340,625)	(239,671,612)	(201,978,906)	(218,754,789)	(242,049,730)	(244,628,936)	(251,683,417)	(260,271,540)
Total primary government net position	\$ 367,467,231	\$ 370,434,355	\$ 364,182,691	\$ 202,019,280	\$ 206,060,614	\$ 138,357,792	\$ 131,461,917	\$ 137,748,719	\$ 132,015,832	\$ 127,190,076

City of Pomona
Changes in Net Position
Last Ten Fiscal Years

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Expenses										
Governmental activities:										
General government	\$ 5,248,291	\$ 7,499,578	\$ 5,583,709	\$ 5,559,844	\$ 7,562,244	\$ 6,469,953	\$ 17,361,635	\$ 18,396,137	\$ 9,102,528	\$ 12,118,537
Public safety	63,470,704	62,632,820	66,570,974	67,614,853	68,882,651	80,253,767	90,198,911	88,946,880	105,018,750	105,638,667
Urban development	94,480,470	36,407,420	47,913,493	42,134,924	43,544,386	42,113,740	39,353,774	46,536,121	58,913,340	61,542,341
Neighborhood services	6,771,751	14,858,140	6,181,264	6,151,817	7,853,695	7,410,753	7,624,657	7,399,533	5,800,930	6,562,941
Interest on long-term debt	21,834,146	7,997,227	5,364,960	5,252,517	5,027,126	5,225,017	4,011,254	2,941,398	3,197,362	6,318,687
Total governmental activities	191,805,362	129,395,185	131,614,400	126,713,955	132,870,102	141,473,230	158,550,231	164,220,069	182,032,910	192,181,173
Business-type activities:										
Water	25,909,880	28,242,875	29,585,491	27,125,628	25,763,116	28,440,029	30,919,855	27,912,991	28,007,704	33,815,407
Sewer	5,192,272	8,544,029	4,164,990	3,962,091	4,026,081	3,792,538	4,067,892	4,379,232	2,747,675	4,077,798
Refuse	8,732,864	8,403,397	8,562,818	8,467,884	8,028,531	9,443,548	10,197,844	9,934,035	9,955,161	11,274,763
Canon Water Company	13,219	25,163	18,154	26,747	21,080	19,718	29,972	26,695	28,741	12,213
Pomona Choice Energy Authority	-	-	-	26,747	21,080	19,718	29,972	26,695	28,741	12,213
Total business-type activities	39,848,235	45,215,464	42,331,453	39,582,350	37,838,808	41,695,833	45,215,563	42,252,953	41,572,888	59,179,526
Total primary government expenses	\$ 231,653,597	\$ 174,610,649	\$ 173,945,853	\$ 166,296,305	\$ 170,708,910	\$ 183,169,063	\$ 203,765,794	\$ 206,473,022	\$ 223,605,798	\$ 251,360,699
Program Revenues										
Governmental activities:										
Charges for services:										
Police revenues	\$ 2,493,299	\$ 3,066,121	\$ 3,316,768	\$ 3,488,416	\$ 3,376,174	\$ 3,205,255	\$ 3,468,394	\$ 2,932,265	\$ 1,648,147	\$ 1,939,445
Plan check fees	408,563	1,017,684	816,046	778,349	1,219,738	988,963	866,034	1,110,162	1,282,955	1,339,962
Building permits	687,783	937,070	1,107,043	1,093,143	2,353,704	1,790,114	1,925,425	2,108,774	2,068,052	1,541,953
Graffiti abatement	563,935	552,417	567,499	566,547	568,757	566,597	556,879	18,721	-	-
Street sweeping fees	472,717	482,461	475,665	474,722	476,646	474,051	465,927	15,030	-	-
Maintenance assessment fees	1,229,707	1,229,659	1,193,066	1,213,094	1,176,050	1,200,732	1,191,903	1,216,193	1,218,872	1,252,382
All other	731,866	9,066,076	6,014,243	6,708,617	8,100,519	5,900,327	5,667,496	6,502,456	27,387,658	17,540,264
Operating contributions and grants	18,896,518	20,548,119	19,501,511	17,564,805	16,994,223	29,965,682	35,876,846	45,323,992	30,066,570	33,900,809
Capital contributions and grants	18,512,640	15,442,436	12,758,089	12,627,464	11,413,949	8,071,688	8,191,910	6,477,530	14,964,309	14,909,220
Total governmental activities program revenues	43,997,028	52,322,043	45,749,936	44,515,157	45,679,760	52,163,419	58,210,814	65,705,123	78,626,563	72,423,435
Business-type activities:										
Charges for services:										
Water	29,405,992	30,633,205	31,611,142	29,888,243	28,189,546	29,239,473	29,713,762	30,537,806	32,467,193	37,712,920
Sewer	4,528,346	4,461,575	4,684,934	4,733,661	4,425,247	4,291,867	4,312,373	4,795,076	5,557,690	6,575,382
Refuse	9,273,301	9,107,603	9,561,681	9,523,134	9,692,936	10,071,188	10,104,225	10,600,103	10,889,767	11,089,435
Canon Water Company	-	64,221	64,221	64,221	64,221	64,221	64,221	-	-	-
Pomona Choice Energy Authority	-	-	-	42,052	45,841	396,147	4,137,026	83,280	41,458	17,006
Operating contributions and grants	880	46,588	42,833	42,052	45,841	396,147	4,137,026	83,280	41,458	17,006
Capital contributions and grants	388,000	-	-	-	-	-	-	-	-	-
Total business-type activities program revenues	43,596,519	44,313,192	45,964,811	44,251,311	42,417,791	44,062,876	48,331,607	46,016,265	48,956,108	65,973,064
Total primary government program revenues	\$ 87,593,547	\$ 96,635,235	\$ 91,714,747	\$ 88,766,468	\$ 88,097,551	\$ 96,226,295	\$ 106,542,421	\$ 111,721,388	\$ 127,582,671	\$ 138,396,499

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

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Net (Expense)/Revenue										
Governmental activities	\$ (147,808,334)	\$ (77,073,142)	\$ (85,864,464)	\$ (82,198,798)	\$ (87,190,342)	\$ (89,309,811)	\$ (100,339,417)	\$ (98,514,946)	\$ (103,406,347)	\$ (119,757,738)
Business-type activities	3,748,284	(902,272)	3,633,358	4,668,961	4,578,983	2,367,043	3,116,044	3,763,312	7,383,220	6,793,538
Total primary government net expense	\$ (144,060,050)	\$ (77,975,414)	\$ (82,231,106)	\$ (77,529,837)	\$ (82,611,359)	\$ (86,942,768)	\$ (97,223,373)	\$ (94,751,634)	\$ (96,023,127)	\$ (112,964,200)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes:										
Property taxes	\$ 41,754,679	\$ 32,143,878	\$ 33,630,550	\$ 36,408,806	\$ 33,716,887	\$ 33,649,454	\$ 35,564,811	\$ 39,212,060	\$ 38,634,967	\$ 44,131,198
Sales taxes	10,804,554	12,354,719	12,040,357	13,544,946	15,171,472	18,135,287	18,913,339	22,239,249	30,407,998	34,340,732
Motor vehicle licenses	83,907	69,443	-	67,079	61,498	69,708	81,751	74,731	122,129	113,548
Transient occupancy taxes	1,359,064	1,473,662	1,560,682	1,568,387	1,723,719	2,101,946	2,183,989	2,514,809	2,431,755	2,181,603
Property transfer taxes	1,111,530	1,475,856	1,430,195	1,581,039	1,859,615	1,924,198	1,874,513	1,790,878	-	-
Franchise taxes	5,961,105	5,671,708	6,029,371	6,563,245	6,425,511	6,418,863	6,630,484	4,921,153	4,942,288	5,134,724
Utility users taxes	17,374,682	16,941,444	17,311,594	17,465,816	16,419,345	16,022,386	16,455,057	15,897,932	15,562,762	16,542,842
Business licenses	3,065,405	3,123,120	3,171,919	3,346,851	3,408,813	3,830,673	3,762,860	4,207,458	-	-
Other taxes	69,575	20,966	12,963	59,221	139,498	-	2,546	2,049	-	-
Investment earnings/(expenses)	13,432,247	4,363,428	2,304,604	2,109,521	2,665,388	2,198,733	1,880,240	3,077,304	4,820,983	3,256,265
Miscellaneous	6,703,775	2,347,387	2,900,772	3,461,493	3,759,791	309,624	1,735,726	1,406,014	1,686,413	2,248,768
Extraordinary gain/(loss) on dissolution of Redevelopment Agency	149,004,835	804,048	(144,397)	808,340	-	-	-	-	-	-
Transfers	690,118	954,698	538,371	1,011,800	(482,001)	2,710,344	3,062,886	3,047,606	3,613,692	3,092,248
Total governmental activities	251,415,476	81,744,357	80,786,981	87,996,544	84,869,536	87,371,216	92,148,202	100,967,364	102,222,987	111,041,928
Business-type activities:										
Investment earnings/(expenses)	126,449	41,890	125,696	92,349	313,933	134,138	454,394	1,672,232	1,625,955	(20,541)
Miscellaneous	2,250	31,677	117,000	121,408	817,020	1,709,825	692,721	1,531,513	308,401	191,297
Income (loss) on sale of capital assets	-	79,312	9,205	1,965	-	-	-	-	-	14,650
Transfers	(690,118)	(954,698)	(538,371)	(1,011,800)	482,001	(2,710,344)	(3,062,886)	(3,047,606)	(3,613,692)	(3,092,248)
Total business-type activities	(561,419)	(801,819)	(286,470)	(796,078)	1,612,954	(866,381)	(1,915,771)	156,139	(1,679,336)	(2,906,842)
Total primary government	\$ 250,854,057	\$ 80,942,538	\$ 80,500,511	\$ 87,200,466	\$ 86,482,490	\$ 86,504,835	\$ 90,232,431	\$ 101,123,503	\$ 100,543,651	\$ 108,135,086
Changes in Net Position										
Governmental activities	\$ 103,607,142	\$ 4,671,215	\$ (5,077,483)	\$ 5,797,746	\$ (2,320,806)	\$ (1,938,595)	\$ (8,191,215)	\$ 2,452,418	\$ (1,183,360)	\$ (8,715,810)
Business-type activities	3,186,865	(1,704,091)	3,346,888	3,872,883	6,191,937	1,500,662	1,200,273	3,919,451	5,703,884	3,886,696
Total primary government	\$ 106,794,007	\$ 2,967,124	\$ (1,730,595)	\$ 9,670,629	\$ 3,871,131	\$ (437,933)	\$ (6,990,942)	\$ 6,371,869	\$ 4,520,524	\$ (4,829,114)

City of Pomona
Fund Balances - Governmental Funds
Last Ten Years

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Fund:										
Non-spendable	\$ 140,834	\$ 109,949	\$ 112,436	\$ 102,280	\$ 106,876	\$ 65,843	\$ 11,795	\$ 11,795	\$ 11,795	\$ 11,795
Restricted	-	-	-	-	-	8,791	17,170	6,200	6,200	-
Committed	2,007,185	7,316,769	12,260,809	14,467,914	15,664,972	16,151,859	16,635,397	18,158,901	19,621,727	18,472,905
Unassigned	-	-	-	2,717,909	1,067,804	938,380	1,309,638	3,825,896	2,102,732	17,854,788
Total General Fund	\$ 2,148,019	\$ 7,426,718	\$ 12,373,245	\$ 17,288,103	\$ 16,839,652	\$ 17,164,873	\$ 17,974,000	\$ 22,002,792	\$ 21,742,454	\$ 36,339,488
All Other Governmental Funds:										
Non-spendable	\$ 60,310,838	\$ 13,880,356	\$ 11,996,916	\$ 84,397,170	\$ 9,081	\$ 900,707	\$ 864,959	\$ 829,211	\$ 792,822	\$ 748,633
Restricted	41,875,382	88,633,395	86,119,256	54,043,537	116,479,028	144,882,213	148,814,041	145,131,994	144,365,622	146,478,855
Unassigned	(43,208,211)	(41,655,762)	(41,134,968)	(59,893,036)	(39,170,313)	(76,496,881)	(75,548,438)	(73,096,233)	(71,511,748)	(69,862,012)
Total All Other Governmental Funds	\$ 58,978,009	\$ 60,857,989	\$ 56,981,204	\$ 78,547,671	\$ 77,317,796	\$ 69,286,039	\$ 74,130,562	\$ 72,864,972	\$ 73,646,696	\$ 77,365,476

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

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues:										
Taxes	\$ 79,677,392	\$ 72,063,654	\$ 74,894,452	\$ 79,325,218	\$ 77,688,810	\$ 78,376,705	\$ 81,805,282	\$ 87,085,055	\$ 97,789,234	\$ 108,435,988
Special assessments	1,229,707	1,229,658	1,193,067	1,213,093	1,176,050	1,200,732	1,191,903	1,216,193	1,218,873	1,252,382
Licenses and permits	4,234,901	5,770,483	6,637,168	6,569,523	9,416,790	11,515,855	10,739,196	10,723,301	8,143,508	5,823,609
Intergovernmental	38,432,208	35,229,918	32,189,819	30,287,748	27,724,855	27,086,788	34,680,502	42,419,256	44,100,666	52,180,078
Charges for services	3,637,583	4,619,080	4,145,014	4,009,626	4,633,898	3,709,494	5,013,473	4,543,629	4,242,129	2,819,216
Interest and rentals	13,417,141	4,364,959	2,294,343	2,098,902	2,605,626	3,114,537	3,012,296	4,064,868	4,012,539	3,302,464
Fines and forfeitures	1,820,973	1,960,621	2,119,972	2,063,417	2,055,615	2,206,305	2,295,944	2,404,584	2,292,894	1,531,634
Contributions and donations	-	-	-	51,581	602,278	7,691,802	4,821,406	4,812,827	10,051,756	3,838,477
Miscellaneous	5,223,877	5,040,269	2,329,091	3,175,185	3,266,373	2,685,309	3,782,618	2,869,736	1,581,504	1,706,153
Total Revenues	147,673,782	130,278,642	125,802,926	128,794,293	129,170,295	137,587,527	147,342,620	160,139,449	173,433,103	180,890,001
Expenditures:										
General government	2,385,778	4,388,871	3,569,806	4,037,452	5,002,584	5,918,673	5,751,221	7,745,388	7,072,216	61,904,991
Public safety	61,362,969	62,362,342	65,349,307	68,400,434	71,798,453	74,843,810	77,756,206	81,083,093	88,647,348	224,302,230
Urban development	59,708,273	45,707,873	43,679,402	43,859,126	35,196,589	34,097,446	36,209,571	41,240,049	48,212,005	48,790,918
Neighborhood services	5,577,913	5,007,798	4,748,939	4,702,795	4,637,086	6,013,429	6,784,633	7,170,588	4,114,109	3,864,972
Capital outlay	1,835,062	2,040,791	1,660,811	993,126	6,851,535	20,296,897	16,821,629	19,582,343	21,428,776	13,315,340
Debt service:										
Principal retirement	8,123,605	2,437,533	2,817,951	2,916,051	3,894,921	80,240,987	2,524,919	4,160,260	4,152,687	4,174,820
Interest and fiscal charges	25,243,568	7,358,464	4,974,045	4,855,160	4,627,698	5,714,773	2,788,617	3,488,941	3,447,673	6,813,470
Debt issuance costs	-	-	-	-	-	-	-	-	-	1,141,091
Total Expenditures	164,237,168	129,303,672	126,800,261	129,764,144	132,008,866	227,126,015	148,636,796	164,470,662	177,074,814	364,307,832
Excess (Deficiency) of Revenues Over (Under) Expenditures	(16,563,386)	974,970	(997,335)	(969,851)	(2,838,571)	(89,538,488)	(1,294,176)	(4,331,213)	(3,641,711)	(183,417,831)
Other Financing Sources (Uses):										
Notes and loans issued	-	200,000	300,000	-	-	77,120,000	763,528	-	-	195,304,996
Bond premium	-	-	-	-	-	2,239,031	-	-	-	-
Proceeds from capital leases	620,860	695,000	-	-	400,408	-	2,349,563	3,152,697	-	-
Proceeds from sale of capital assets	271,938	4,529,370	1,047,249	35,530	-	1,640	148,124	-	-	7,563
Transfers in	15,766,850	16,654,519	8,628,509	9,379,865	9,899,873	21,108,888	12,822,718	20,711,781	20,641,477	18,417,488
Transfers out	(15,076,732)	(15,699,821)	(7,764,284)	(8,368,065)	(9,781,874)	(18,398,544)	(9,578,065)	(16,770,063)	(17,027,785)	(11,999,760)
Total Other Financing Sources (Uses)	1,582,916	6,379,068	2,211,474	1,047,330	518,407	82,071,015	6,505,868	7,094,415	3,613,692	201,730,287
Extraordinary gain/(loss) on dissolution of Redevelopment Agency	(68,237,733)	(195,359)	-	-	-	-	-	-	-	-
Net Change in Fund Balances	\$ (83,218,203)	\$ 7,158,679	\$ 1,214,139	\$ 77,479	\$ (2,320,164)	\$ (7,467,473)	\$ 5,211,692	\$ 2,763,202	\$ (28,019)	\$ 18,312,456
Debt service as a percentage of noncapital expenditures	20.55%	7.70%	6.23%	6.03%	6.81%	41.56%	4.03%	5.28%	4.88%	3.46%

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
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
2021	44,131	34,341	114	2,182	2,060	5,135	16,543	4,173	5	108,684

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)
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
2021	8,880,275	1,442,903	1,862,189	398,369	-	463,116	1,041,931	13,046,852	0.22818	14,088,783	1.374350

Source: Los Angeles County Assessor data, MuniServices, LLC (for years 2007 to 2015), HdL for the 2016 to 2021 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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
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	0.173636	0.184882	0.164074	0.165993	0.297990	0.284510	0.335000	0.337670	0.372320	0.304690
Community College	0.026415	0.028957	0.020231	0.021294	0.037950	0.048060	0.046000	0.046730	0.069530	0.066160
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	0.003500	0.003500	0.003500	0.003500	0.003500	0.003500	0.003500	0.003500	0.003500
Total	0.203751	0.217339	0.187805	0.190787	0.339440	0.336070	0.384500	0.387900	0.445350	0.374350
Total Tax Rate	1.203751	1.217339	1.187805	1.190787	1.339440	1.336070	1.384500	1.387900	1.445350	1.374350

Source: Los Angeles County Auditor/Controller data, MuniServices, LLC (for years 2007 to 2015), HdL for the 2016 to 2021 years.
2007-08 and prior: prior year ACFR 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	2021			2012		
	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	\$ 92,314,589	1	0.71%	\$ 64,638,162	1	0.77%
1271 W Sunset LLC	90,347,076	2	0.69%			
Rexford Industrial 1601 Mission LLC	87,780,000	3	0.67%			
Los Angeles County Fair Associates	71,670,205	4	0.55%	41,802,661	3	0.50%
Olive Ridge Gardens	46,917,310	5	0.36%			
Rexford Industrial Realty LP	44,776,230	6	0.34%			
BPP Pacific Industrial CA REIT Owner	34,461,666	7	0.26%			
CMC Dragon LP	32,678,181	8	0.25%			
Altagas Pomona Energy Storage Inc	32,671,175	9	0.25%			
Pomona II LLC	31,735,150	10	0.24%			
KTR Pomona LLC				55,004,392	2	0.65%
Realty Associates Fund VII LP				38,199,953	4	0.45%
Ripon Cogeneration LLC				28,806,037	5	0.34%
LBA Realty Fund III-Company LLC				28,744,465	6	0.34%
Coca-Cola Co				28,321,265	7	0.34%
Realty Associates Iowa Corp				26,624,610	8	0.32%
CH Realty III Pomona LP				26,400,000	9	0.31%
F D S Manufacturing Co				22,577,763	10	0.27%

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

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

Schedule 9

2021	2012
Axalta Coatings Systems	All Star KIA
Chevron Extra Mile	Cardenas Markets
Cicero Brothers Enterprises	Construction Hardware
dd's Discounts	Cornucopia Foods
Ferguson Enterprises	CVS Pharmacy
Food 4 Less	Envirokenetics
Global Rental Co	Fairplex Chevron
HD Supply Home Improvement Solutions	Ferguson Enterprises
Home Depot	Food 4 Less
Hub Construction Specialties	Garys Chevron
Huntington Hardware	Global Rental Co
In N Out Burger	Hd Supply Repair & Remodeling
Marco Equipment	Home Depot
Phenix Enterprises	Marco Equipment
Plug in Auto	Mega RV
Pomona Kia	Mike Thompsons RV
Rohr Steel	Phenix Enterprises
Roofline Supply & Delivery	Pomona 76
Ryder Vehicle Sales	Rohr Steel
Shell	Superior Duct Fabrication
Superior Duct Fabrication	Tesoro Refining & Marketing
Target	Towne Arco
USA Gas	United Oil
Walmart Supercenter	Walmart Supercenter
Winco Foods 57	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
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%
2021	19,095,038	18,730,179	98.1%	747,742	19,477,921	102.0%

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

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

Fiscal Year Ended June 30	Governmental Activities				Business-type Activities				Total Primary Government	Percentage of Personal Income (1)	Debt per Capita (1)
	Tax Allocation Bonds	Revenue Bonds	Pension Obligation Ref Bonds	Certificates of Participation	Other	Governmental Activities	Revenue Bonds	Other			
2012	\$ -	\$ 43,836,347	\$ 44,299,214	\$ 12,333,057	\$ 2,379,277	\$ 102,847,895	\$ 136,030,252	\$ 174,904	\$ 239,053,051	n/a	1,468
2013	-	42,446,378	44,400,752	12,012,435	1,864,337	100,723,902	135,674,210	4,112,175	240,510,287	n/a	1,593
2014	-	41,110,000	44,414,040	11,681,813	1,754,285	98,960,138	133,915,426	3,564,689	236,440,253	n/a	1,558
2015	-	39,564,000	44,333,953	11,336,191	1,241,295	96,475,439	132,086,642	3,004,392	231,566,473	n/a	1,519
2016	-	37,938,000	44,152,153	10,970,569	1,137,985	94,198,707	130,187,858	2,430,984	226,817,549	n/a	1,458
2017	-	84,782,557	7,594,276	-	564,977	92,941,810	118,139,497	1,844,160	212,925,467	n/a	1,371
2018	-	82,605,188	4,013,547	-	3,217,149	89,835,884	114,827,755	1,243,603	205,907,242	n/a	1,323
2019	-	79,159,819	3,761,134	-	2,641,009	85,561,962	112,351,013	628,993	198,541,968	n/a	1,287
2020	-	75,670,451	3,492,601	-	2,132,854	81,295,906	109,839,270	-	191,135,176	n/a	1,235
2021	-	72,128,082	223,098,299	-	1,671,335	296,897,716	107,277,528	-	404,175,244	n/a	2,671

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

(1) These ratios are calculated using personal income and population for the prior year.

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

Schedule 12

Fiscal Year Ended June 30	General Bonded Debt Outstanding					Restricted for Debt Service *	Net Bonded Debt	Percentage of Actual Value of Property (1)	Per Capita (2)
	Revenue Bonds	Tax Allocation Bonds	Pension Obligation Ref Bonds	Certificates of Participation	Total				
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
2021	72,128	-	223,098	-	295,226	36,596	258,630	2.3%	1,951

* 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 06/30/2021:	Total Debt 6/30/2021	% Applicable (1)	City's Share of Debt 06/30/2021
Metropolitan Water District	\$ 13,101,783	0.819%	\$ 107,326
Citrus Community College District	95,504,555	1.173%	1,120,298
Mount San Antonio Community College District	696,106,006	12.410%	87,447,844
Bonita Unified School District	120,793,390	0.204%	243,648
Claremont Unified School District	71,665,000	5.989%	4,266,359
Pomona Unified School District	368,429,533	76.955%	284,531,162
Total Overlapping Debt	<u>1,365,600,267</u>		<u>377,716,637</u>
Obligations Under Capital Leases	1,220,447	100.000%	1,220,447
Notes Payable	450,888	100.000%	450,888
Revenue Bonds	72,128,082	100.000%	72,128,082
Pension Obligation Refunding Bonds	223,098,299	100.000%	223,098,299
Accreted Interest	4,846,029	100.000%	4,846,029
Total Direct Debt	<u>301,743,745</u>		<u>301,743,745</u>
TOTAL DIRECT AND OVERLAPPING DEBT	<u>\$ 1,667,344,012</u>		<u>\$ 679,460,382</u>

OVERLAPPING DEBT 06/30/2012:	Total Debt 6/30/2012	% Applicable (1)	City's Share of Debt 06/30/2012
Metropolitan Water District	\$ 94,031,705	0.641%	\$ 603,052
Citrus Community College District	79,935,302	1.279%	1,022,105
Mount San Antonio Community College District	157,840,946	12.045%	19,012,011
Bonita Unified School District	105,222,395	0.073%	77,199
Claremont Unified School District	33,800,000	6.303%	2,130,279
Pomona Unified School District	206,818,334	75.345%	155,827,408
Total Overlapping Debt	<u>677,648,682</u>		<u>178,672,054</u>
TOTAL OVERLAPPING DEBT	<u>\$ 677,648,682</u>		<u>\$ 178,672,054</u>

Source: HdL, and prior year ACFR

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)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Assessed valuation	\$ 8,410,502	\$ 8,435,483	\$ 8,821,827	\$ 9,329,596	\$ 9,840,106	\$ 10,520,304	\$ 11,019,121	\$ 11,656,073	\$ 12,349,280	\$ 13,046,852
Debt limit percentage	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%
Debt limit	1,261,575	1,265,322	1,323,274	1,399,439	1,476,016	1,578,046	1,652,868	1,748,411	1,852,392	1,957,028
Legal debt margin	\$ 1,261,575	\$ 1,265,322	\$ 1,323,274	\$ 1,399,439	\$ 1,476,016	\$ 1,578,046	\$ 1,652,868	\$ 1,748,411	\$ 1,852,392	\$ 1,957,028

Total debt applicable to the limit as a percentage of debt limit

	0.00%	0.00%	0.00%	0.00%	0.00%	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							
	Water Revenue (1)	Less Operating Expenses (2)	Net Available Revenue	Rate Stabilization Fund (3)	Debt Service			Net Revenue Coverage
					Principal	Interest	Total	
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
2021	37,725,544	11,401,857	26,323,687	5,291,593	1,875,000	3,248,743	5,123,743	5.14

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							
	Sewer Revenue (1)	Less Operating Expenses (2)	Net Available Revenue	Rate Stabilization Fund (3)	Debt Service			Net Revenue Coverage
					Principal	Interest	Total	
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
2021	6,645,052	262,044	6,383,008	1,498,768	580,000	872,254	1,452,254	4.40

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>
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%
2021	151,319	3,235,579	21,382	32.2	21,810	13.4%

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 ACFR reports.

Source: 2015-16, 2016-17, 2017-18, 2018-19, 2019-20, 2020-21 : 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	2021			2012		
	Number of Employees	Rank	Percentage of Total City Employment	Number of Employees	Rank	Percentage of Total City Employment
Pomona Valley Hospital	3,731	1	5.5%	2,980	1	5.1%
Pomona Unified School District	3,310	2	4.8%	2,961	2	5.1%
California State Polytechnic University	2,675	3	4.3%	2,154	3	3.7%
City of Pomona	576	4	0.9%	711	5	1.2%
Laretta LLC	400	5	0.7%			
Inland Valley Care & Rehab	320	6	0.5%	282	10	0.5%
Tri City Mental Health Center	204	7	0.3%			
Home Depot	188	8	0.3%			
Lyttles Fleet Maintenance, Inc	154	9	0.3%			
Circle Wood Services Inc.	138	10	0.2%			
Dow Hydraulic Systems	120	11	0.2%			
Parktree Community Health Center	116	12	0.2%			
Railpros, Inc.	115	13	0.2%			
Stiizy Pomona	108	14	0.2%			
Anthem Blue Cross	100	15	0.2%			
McDonald's				976	4	1.7%
Casa Colina Rehabilitation Center				710	6	1.2%
Lanterman Developmental Center				596	7	1.0%
Verizon				376	8	0.6%
County of Los Angeles Dept. of Social Services				320	9	0.5%
First Transit				250	11	0.4%
Lloyd's Material Supply				236	12	0.4%
Walmart Stores Inc				235	13	0.4%
Hayward Industries Inc.				199	14	0.3%
Hamilton Sundstrand				175	15	0.3%
Consolidated Foundries						

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

Schedule 19

Function	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Government	20	19	19	20	20	20	20	20	20	18
Support Services	32	32	32	31	32	33	41	46	46	49
Police	270	269	270	268	270	271	271	280	280	282
Public Works	184	170	169	170	106	106	93	96	96	96
Water/Wastewater	-	-	-	-	68	68	74	75	75	75
Community Development	40	38	40	-	-	-	-	-	-	-
Dev & Neighborhood Svcs	-	-	-	47	47	48	48	53	53	54
Utility Services	-	-	-	-	-	-	-	-	-	-
Community Services and Library	21	11	9	2	2	2	2	1.6	1.6	1.6
Total	567	539	539	538	545	548	549	571.6	571.6	575.6

Various departments were consolidated in 2009-2010

Source: City of Pomona Finance Department

City of Pomona
Operating Indicators by Function
Last Ten Fiscal Years

Schedule 20

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Police:										
Felony Arrests	2,713	3,145	3,105	2,726	2,441	2,142	2,049	2,270	1,903	1,123
Misdemeanor Arrests	5,780	5,821	5,876	6,424	7,446	6,825	6,067	6,228	4,463	2,907
Parking Citations	21,462	36,718	30,145	30,788	31,807	32,107	27,959	26,214	21,237	14,510
Moving Citations	10,452	9,179	9,791	9,153	8,898	7,157	6,714	6,884	6,282	38,505
Fire:										
Incidents	11,807	12,447	13,675	15,289	16,381	16,901	16,367	16,340	16,544	17,025
Urban development:										
Residential building permits issued	720	622	722	925	294	969	3,476	660	788	1,765
Inspections	5,645	4,054	6,050	5,536	6,236	7,947	11,764	11,723	10,642	7,028
Asphalt repaired (square feet)	9,222	19,400	36,068	84,879	84,649	95,104	78,765	84,516	79,420	79,005
Sidewalk repaired (square feet)	12,415	7,285	1,500	1,750	2,279	2,997	7,001	99,111	12,568	18,743
Community services:*										
Community Center participants	572,270	520,157	501,727	-	-	-	-	-	-	-
Senior Program participants	121,165	108,086	100,703	44,768	44,228	59,967	59,065	48,229	51,836	98,517
Youth program participants	403,617	362,217	337,180	56,728	52,075	33,579	40,917	37,696	24,769	2,451
Other program participants	42,343	49,854	66,743	32,480	26,126	18,901	16,919	30,768	21,858	3,408
Sports participants	311,201	309,795	366,978	168,034	182,529	154,670	144,680	120,002	66,685	339
Facility rentals	547	635	687	2,090	1,815	2,183	1,644	1,679	1,430	1
Library:										
Program attendance (all programs)	8,568	1,770	2,578	2,940	3,077	3,069	3,058	2,623	2,010	147
Literacy instruction (hours)	749	-	-	-	-	-	-	-	-	-
Water:										
New connections	7	17	9	12	21	12	13	12	19	3
Average daily consumption (thousands of gallons)	17,865	18,670	19,615	17,905	14,450	15,084	20,243	18,471	13,502	16,740
Refuse:										
Curbside Collection (in tons)	36,472	37,246	36,593	35,474	36,682	37,934	37,257	40,793	47,251	52,206
Recycle Collection (in tons)	6,801	6,896	6,907	7,218	6,544	6,759	7,083	4,722	4,799	7,216
Greenwaste Collection (in tons)	13,234	12,510	11,934	11,904	13,480	13,699	13,143	12,618	11,824	11,844

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	42	58	51	51	46	44	45	44	44	44
Fire:										
Fire stations	8	8	8	8	8	8	8	8	8	8
Public works:										
Streets (miles)	388	388	388	388	388	388	388	388	388	388
Streetlights	7,645	7,701	7,721	7,725	7,725	7,725	7,725	7,725	7,725	7,725
Traffic signals	161	162	164	164	169	169	169	169	169	169
Community services:										
Parks	26	26	26	26	26	26	27	27	27	28
Park Acreage	221	221	221	221	221	221	221	221	221	222
Baseball fields	14	14	14	14	14	14	14	14	14	14
Soccer fields	17	17	17	17	17	17	17	17	17	11
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
Water:										
Water mains (miles)	457	457	457	457	457	457	457	457	488	428
Sewer:										
Sanitary sewers (miles)	305	305	305	305	305	305	305	305	305	300
Storm drains (miles)	120	120	120	120	120	120	120	120	120	70

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, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated January 6, 2022.

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.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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

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, Solt & Lughard, LLP

Brea, California
January 6, 2022