

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE YEAR ENDING JUNE 30, 2022



CITY OF POMONA
CALIFORNIA

CITY OF POMONA, CALIFORNIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2022

Prepared By:
Finance Department

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December 14, 2022

Honorable Mayor and City Council
and Residents 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, 2022 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, 2022. 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.

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 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.

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 149,766 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, Pomona Unified School District (PUSD), 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 2022 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 64,900 workers with 61,900 employed. This results in an unemployment rate of 4.6%

Retail Sales and Use Tax remains an extremely significant source of revenue for the City. After 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 \$13,551,740,833 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 30.88% of the 2021-22 General Fund revenues, while sales tax and related line items were 30.28% 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 2021-22 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 Transaction Use Tax measure which significantly aided the City pre and post 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 2020. The bond was issued to pay down the City's Pension Liability. The proceeds of the bond were sent directly to PERS for investment. The first year the Pension Obligation bond and the Net Pension Liability were presented in the government wide statement of Net Position. In the fiscal year ending June 30, 2022, the deferred outflow or contribution to PERS reduced the Net Pension Liability and actually created a Net Pension Asset. As of June 30, 2022, the decision to issue a Pension Obligation Bond proved to be prudent decision. Going forward the investment market's volatility could prove to be an issue with the valuation of the Pension Liability or Asset.

OUTLOOK FOR THE FUTURE

As everyone is aware, the world was struck with a Global pandemic from COVID-19 towards the second half of fiscal year 2020-21. The City proved to be able to weather the storm of the Pandemic through FY 2021-22. Looking towards FY 2022-23 and beyond, Finance Department Staff will continue to apprise the Mayor and City Council of any significant financial impacts. Many factors such as high inflation passed along in the cost of goods and services, unstable fuel prices, supply chain and raw material interruptions, and increased interest rates have contributed to forecasting obstacles as well as a threat to economic changes that are predicted to occur. The threat of a recession is constantly looming and the need for sufficient reserves is more critical than ever. Opinions from various City Consultants all agree across the board that a recession is insight, but the magnitude and timeline is unknown.

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, 2022 are published under separate cover.

Budgetary Controls. The City follows procedures in establishing the budgetary data reflected in the fiscal statements. 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. 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. 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 make 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. 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.

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, 2021. The City of Pomona has received a Certificate of Achievement for the last twenty-nine consecutive years (1993-2021). The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. The 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, 2022. 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', written in a cursive style.

Andrew Mowbray
Finance Director/City Treasurer



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Pomona
California**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

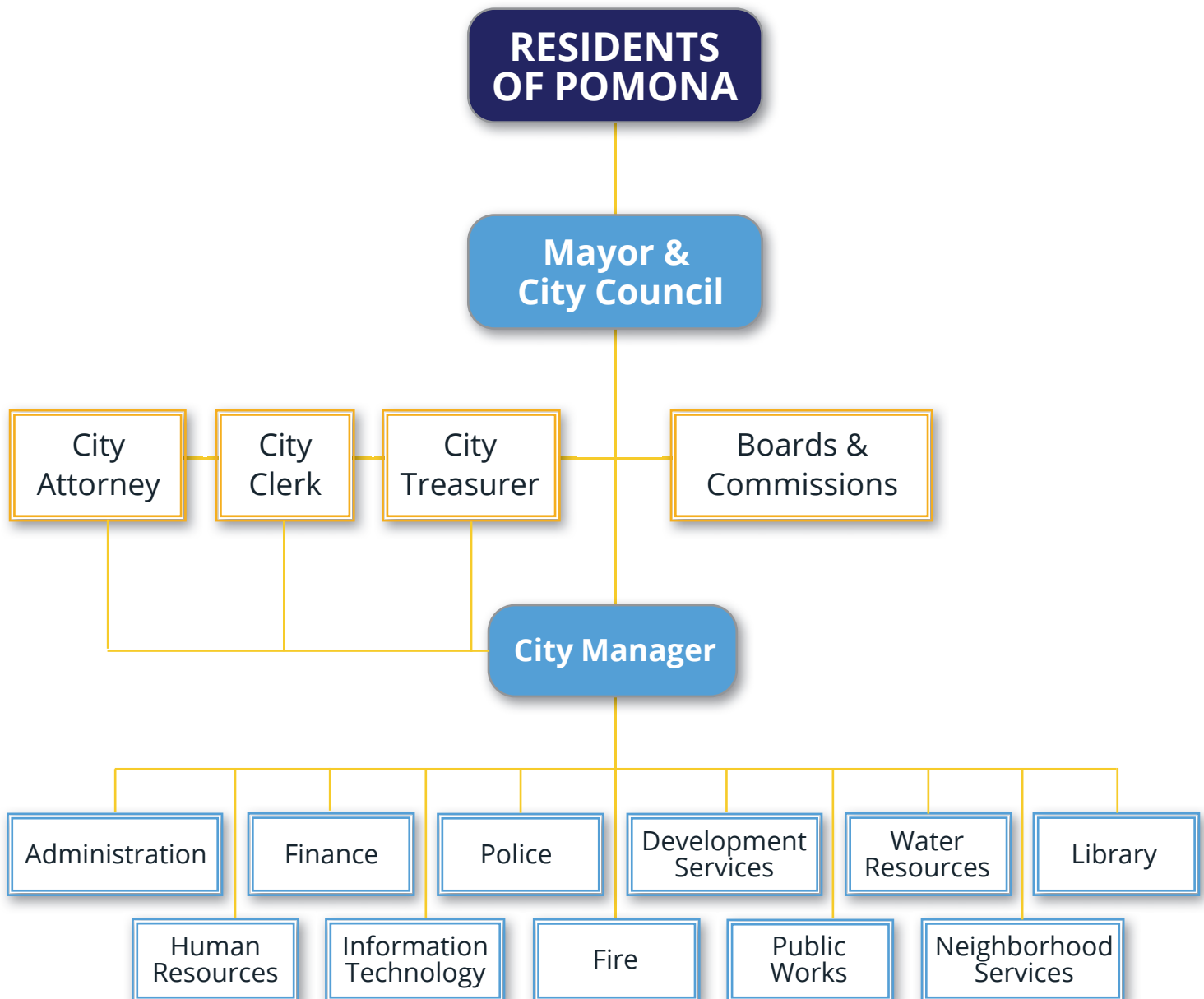
June 30, 2021

Christopher P. Morill

Executive Director/CEO



CITY OF POMONA ORGANIZATIONAL CHART





CITY OF POMONA

ANNUAL COMPREHENSIVE FINANCIAL REPORT FISCAL YEAR 2021-2022

CITY COUNCIL

MAYOR TIM SANDOVAL

JOHN NOLTE

DISTRICT 1 - COUNCIL MEMBER

VICTOR PRECIADO

DISTRICT 2 - COUNCIL MEMBER

NORA GARCIA

DISTRICT 3 - COUNCIL MEMBER

**ELIZABETH
ONTIVEROS-COLE**

DISTRICT 4 - COUNCIL MEMBER

STEVE LUSTRO

DISTRICT 5 - COUNCIL MEMBER

ROBERT S. TORRES

DISTRICT 6 - COUNCIL MEMBER



COUNCIL APPOINTED CITY OFFICIALS

JAMES MAKSHANOFF

CITY MANAGER

**SONIA CARVALHO
(BEST, BEST, & KRIEGER)**

CITY ATTORNEY

ROSALIA BUTLER

CITY CLERK

CITY OF POMONA



EXECUTIVE MANAGEMENT TEAM

ANITA GUTIERREZ	DEVELOPMENT SERVICES
ANDREW MOWBRAY	FINANCE / CITY TREASURER
JESSE J. VELA	FIRE (COUNTY)
RENE ANDERSON	HUMAN RESOURCES
BENITA DEFRANK	NEIGHBORHOOD SERVICES
SAM WONG	INFORMATION TECHNOLOGY
MIKE ELLIS	POLICE
RENE GUERRERO	PUBLIC WORKS
CHRIS DIGGS	WATER RESOURCES
MARK GLUBA	DEPUTY CITY MANAGER
KIRK PELSER	DEPUTY CITY MANAGER



MISSION STATEMENT

The City of Pomona improves the quality of life for our diverse community.



VISION STATEMENT

Pomona will be recognized as a vibrant, safe, and beautiful community that is a fun and exciting destination and the home of arts and artists, students and scholars, business and industry.



MOTTO

Pomona - Vibrant - Safe - Beautiful



CORE VALUES

The City of Pomona values...

- ◆ *Cultural Diversity*
- ◆ *Fiscal Responsibility*
- ◆ *Focusing on the Future*
- ◆ *Excellent Customer Service*
- ◆ *Leadership*
- ◆ *Quality of Life*
- ◆ *Clear & Open Communication*

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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, 2022, 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, 2022, 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 opinions.

Emphasis of Matter

Change in Accounting Principle

As described in Note 1 to the financial statements, in the fiscal year ended June 30, 2022, the City adopted new accounting guidance, GASB Statement No. 87, *Leases*. Our opinion is not modified with respect to this matter.

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 financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.



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 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 special revenue fund, miscellaneous grants special revenue fund, and America rescue plan special revenue 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 is the responsibility of management and, 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



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

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.

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 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 supplementary information is 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 December 14, 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, Solt & Lughard, LLP".

Brea, California
December 14, 2022

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MANAGEMENT'S DISCUSSION AND ANALYSIS

Fiscal Year Ended June 30, 2022

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, 2022. This narrative discussion and analysis focuses on the fiscal year 2021-22 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 \$164.8 million. The Net Position is composed of \$225.3 million Investment in Capital Assets, \$154.3 million Restricted and \$(316.5) million Unrestricted. The negative unrestricted Net Position is mainly due to Series BJ Pension Obligation Bond and GASB 75 which required the City to report the total unfunded pension and Other Post Employment Benefit liabilities in the amount of \$325 million combined.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$136.4 million.
- At the end of the current fiscal year, committed fund balance for fiscal sustainability in the General Fund was \$21.1 million, which is 17% of FY 2021-22 total general fund expenditures, including transfers out. The City was able to substantially increase fund balance in the General Fund resulting in \$28.6 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 25 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, Pomona Choice Energy Authority and

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

Fiduciary funds are used to account for resources held for the benefit of parties outside of the government. Fiduciary funds are not reflected in the government-wide financial statements because the funds are custodial in nature, and therefore, these resources are not available to fund the City of Pomona programs. The City implemented GASB 84 during the previous 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 Capital Assets. Below is a summary schedule showing the components that make up the City's net position (in millions) at June 30, 2022 and 2021.

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Current and other assets	\$ 315.9	\$ 173.8	\$ 115.4	\$ 94.9	\$ 431.3	\$ 268.7
Capital assets	294.7	291.3	158.4	155.8	453.1	447.1
Total assets	\$ 610.6	\$ 465.1	\$ 273.8	\$ 250.7	\$ 884.4	\$ 715.8
Deferred outflows of resources						
Deferred charge	\$ 0.3	\$ 0.3	\$ 0.4	\$ 0.5	\$ 0.7	\$ 0.8
Deferred pension related items	8.3	211.3	0.7	23.1	9.0	234.4
Deferred OPEB related items	9.4	11.4	2.3	2.9	11.7	14.3
Total deferred outflows of resources	\$ 18.0	\$ 223.0	\$ 3.4	\$ 26.5	\$ 21.4	\$ 249.5
Current and other liabilities	\$ 69.0	\$ 39.8	\$ 14.8	\$ 11.2	\$ 83.8	\$ 51.0
Long-term liabilities outstanding	419.2	608.4	148.0	173.8	567.2	782.2
Total liabilities	\$ 488.2	\$ 648.2	\$ 162.8	\$ 185.0	\$ 651.0	\$ 833.2
Deferred inflows of resources						
Deferred charge on refunding	\$ 0.3	\$ 0.3	\$ 2.8	\$ 2.9	\$ 3.1	\$ 3.2
Deferred inflows related to leases	0.6	-	-	-	0.6	-
Deferred pension related items	73.2	0.7	9.1	0.2	82.3	0.9
Deferred OPEB related items	3.2	1.2	0.8	0.3	4.0	1.5
Total deferred inflows of resources	\$ 77.3	\$ 2.2	\$ 12.7	\$ 3.4	\$ 90.0	\$ 5.6
Net Position:						
Net Investment in capital assets	\$ 225.3	\$ 254.4	\$ 58.9	\$ 54.5	\$ 284.2	\$ 308.9
Restricted	154.3	78.6	-	-	154.3	78.6
Unrestricted	(316.5)	(294.6)	42.8	34.3	(273.7)	(260.3)
Total net position	\$ 63.1	\$ 38.4	\$ 101.7	\$ 88.8	\$ 164.8	\$ 127.2

CITY OF POMONA

Management's Discussion and Analysis, Continued
 Year Ended June 30, 2022

For the City of Pomona, total assets and deferred outflow of resources exceeded total liabilities and deferred inflows of resources by \$164.8 million at June 30, 2022. \$284.2 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 \$154.3 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 \$(273.7 million). It is not uncommon in government entities to see an unrestricted net position deficit. The main reasons why this could occur is due to the issuance of several bonds including Series BJ Pension Obligation Bond in the amount of \$219 million and the net OPEB liability in the amount of \$106.2 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, 2022, the issuance and sending of bond proceeds to PERS resulted in an actuarial valuation of a Net Pension Asset. The results can vary based on the annual investment results. 2022 has been a historically low return for investments which has the ability to turn the City's asset into a liability for the next actuarial valuation.

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, Development Services, 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, 2022 and 2021.

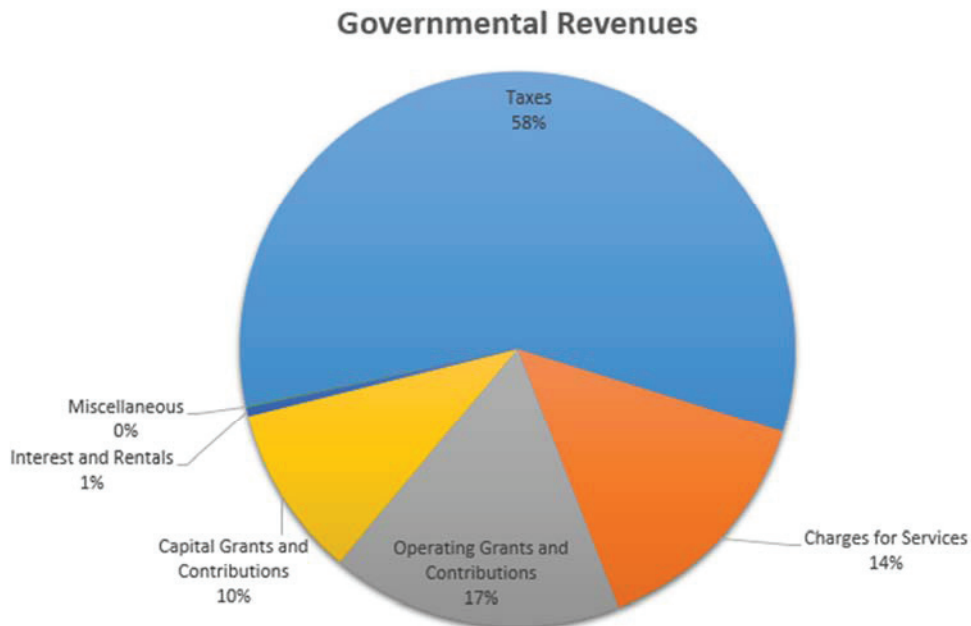
	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Revenues:						
Program Revenues:						
Charges for services	\$ 28.6	\$ 23.6			\$ 28.6	\$ 23.6
Water	-	-	\$ 41.4	\$ 37.7	41.4	37.7
Sewer	-	-	7.2	6.5	7.2	6.5
Refuse	-	-	11.5	11.1	11.5	11.1
Pomona Choice Energy Authority	-	-	34.8	10.6	34.8	10.6
Operating contributions and grants	34.1	33.9	0.9	-	35.0	33.9
Capital contributions and grants	20.1	14.9	-	-	20.1	14.9
General Revenues:						
Taxes:						
Property taxes	44.8	44.1	-	-	44.8	44.1
Sales taxes	42.2	34.3	-	-	42.2	34.3
Transient occupancy taxes	2.6	2.2	-	-	2.6	2.2
Franchises taxes	5.6	5.1	-	-	5.6	5.1
Utility users taxes	18.4	16.5	-	-	18.4	16.5
Other taxes	2.9	2.2	-	-	2.9	2.2
Use of money and properties	1.3	3.2	(0.9)	-	0.4	3.2
Miscellaneous	0.1	0.3	0.1	0.2	0.2	0.5
Total revenues	<u>\$ 200.7</u>	<u>\$ 180.3</u>	<u>\$ 95.0</u>	<u>\$ 66.1</u>	<u>\$ 295.7</u>	<u>\$ 246.4</u>

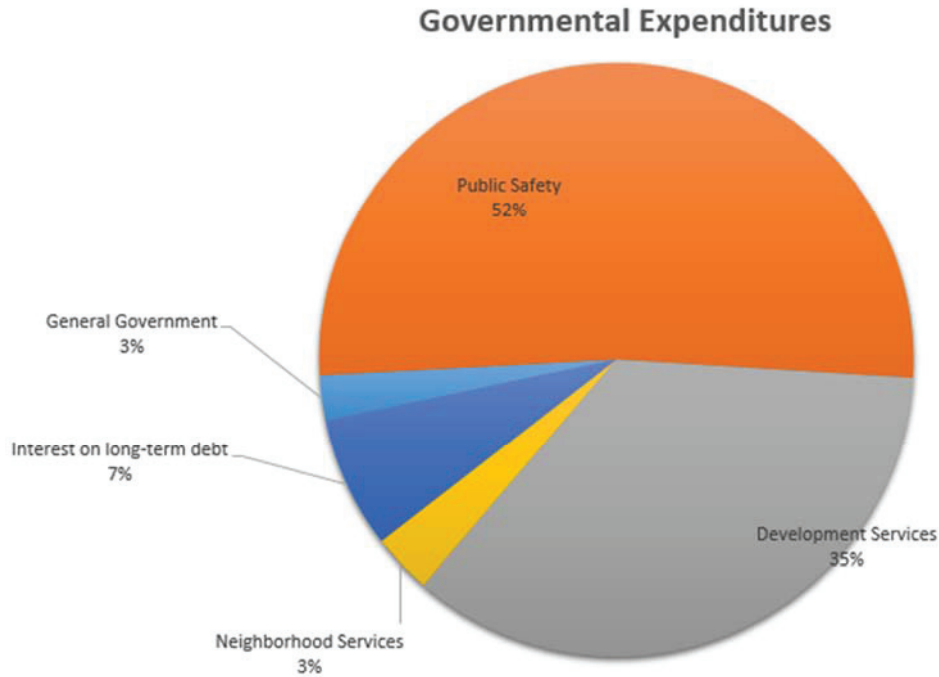
CITY OF POMONA

Management’s Discussion and Analysis, Continued
 Year Ended June 30, 2022

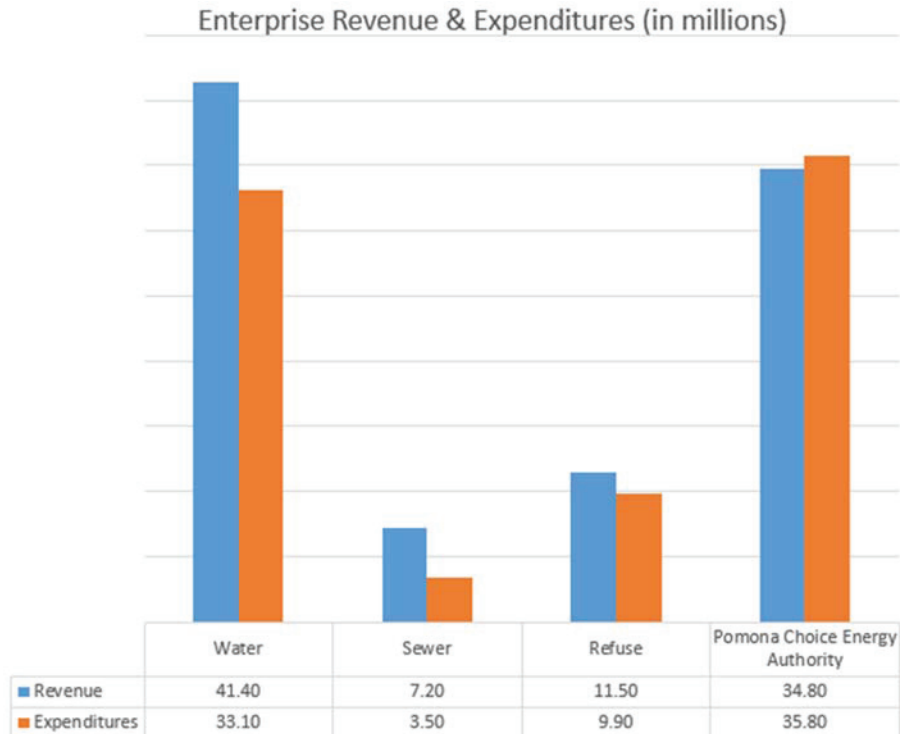
	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Expenses:						
General government	\$ 4.4	\$ 12.1	\$ -	\$ -	\$ 4.4	\$ 12.1
Public safety	91.1	105.6	-	-	91.1	105.6
Development services	61.9	61.5	-	-	61.9	61.5
Neighborhood services	5.7	6.6	-	-	5.7	6.6
Interest on long-term debt	12.6	6.3	-	-	12.6	6.3
Water	-	-	33.1	33.8	33.1	33.8
Sewer	-	-	3.6	4.1	3.6	4.1
Refuse	-	-	9.9	11.2	9.9	11.2
Pomona Choice Energy Authority	-	-	35.8	10.0	35.8	10.0
Canon Water Company	-	-	-	-	-	-
Total expenses	<u>\$ 175.7</u>	<u>\$ 192.1</u>	<u>\$ 82.4</u>	<u>\$ 59.1</u>	<u>\$ 258.1</u>	<u>\$ 251.2</u>
Increase(decrease) in net position before transfers	\$ 25.0	\$ (11.8)	\$ 12.6	\$ 7.0	\$ 37.6	\$ (4.8)
Transfers	(0.3)	3.1	0.3	(3.1)	-	-
Increase (decrease) in net position	<u>\$ 24.7</u>	<u>\$ (8.7)</u>	<u>\$ 12.9</u>	<u>\$ 3.9</u>	<u>\$ 37.6</u>	<u>\$ (4.8)</u>
Beginning Net Position as restated	38.4	47.1	88.8	84.9	127.2	132.0
Ending Net Position	<u>\$ 63.1</u>	<u>\$ 38.4</u>	<u>\$ 101.7</u>	<u>\$ 88.8</u>	<u>\$ 164.8</u>	<u>\$ 127.2</u>

Governmental Activities - The City’s program revenues totaled \$82.8 million. The City paid for the remaining “public benefit” portion of governmental activities with \$117.9 million in taxes (some of which is restricted for certain programs). The cost of all governmental activities this year was \$175.7 million. However, as shown above in the changes in net position, the amount taxpayers ultimately financed for these activities was \$116.5 million since some of the cost was paid by Charge for Services revenue \$(28.6 million), or by other governments and organizations that subsidized certain programs with operating contributions and grants \$(34.1 million), and capital contributions and grants \$(20.1 million). The City had a \$24.7 million increase in net position from governmental activities (see Financial Analysis of the City’s Funds – General Fund for explanation) in 2021-22.





Business Type Activities - The cost of all business-type activities in 2021-22 was \$82.4 million and the amount of resources received was \$95.0 million. Total business-type activities resources available at the fiscal year end is \$101.7 million. This is calculated by taking beginning Net Position of \$88.8 million adding revenues of \$95.0 million, subtracting expenditures of \$82.4 million and 0.3 million in transfers. This equates to an increased net Position by \$12.9 million.



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 \$136.2 million in revenues and \$117.4 million in expenditures resulting in revenues over expenditures in the amount of \$18.8 million before accounting for net other financing uses of \$(5.4) million, resulting in the General Fund fund balance to increase by \$13.4 million for the fiscal year. Total fund balance at June 30, 2022 is \$49.7 million, composed of \$60.2 million in assets combined with \$8.7 million in liabilities and \$1.8 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 \$21.1 million for fiscal sustainability. The City has a fiscal sustainability policy that was adopted by resolution 2011-49 for the purpose of guiding the City's financial planning to meet financial obligations while providing high quality services. The policy states that 17% of the general fund operating expenditures including transfers out is to be committed for fiscal sustainability. The committed portion of fund balance can only be used for specific purposes pursuant to constraints imposed by formal action of the City Council, and remains in-place unless removed in the same manner. The remaining portion of fund balance of \$28.6 million is considered unassigned and above the fiscal sustainability policy. General fund revenues increased \$14.8 million in the fiscal year when compared to the prior year. The largest portion of the unanticipated increase was sales tax. Sales tax increased \$7.6 million when compared to FY 2020-21. FY 2021-22 brought a new Cannabis Business Tax which amounted to \$2.1 million in new revenue to the City. The City authorized a limited amount of legal marijuana dispensaries in City limits which resulted in increased permit fees, increased sales tax and the new Cannabis Business Tax. Utility Users Tax increase \$1.8 million across the board. Plan check fees increased \$1.0 million from the PY due to increased building throughout the City.

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 \$21.7 million in revenues and \$21.1 million in expenditures and transfers, resulting in a net change in fund balance in the amount of \$0.6 million. The Housing Authority fund is made up of \$24.4 million in assets, combined with \$0.7 million in liabilities and \$1.9 million in deferred inflows and resources resulting in \$21.8 million in fund balance. The \$21.8 million in fund balance is restricted for Development Services. Housing Authority fund sold a property which resulted in a large gain on the sale of the asset.

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 \$10.7 million in revenues and \$10.6 million in expenditures resulting in revenues over expenditures of \$0.1 million. After a total other financing sources of \$0.1, the resulting net change in fund balance totals \$0.2 million. Most grants are on the reimbursement type basis therefore the revenue should equal the expenditures or close to. The fund is made up of \$26.0 million in assets combined with \$1.9 million in liabilities and \$2.9 million in deferred inflows and resources resulting in \$21.2 million in fund balance. The entire fund balance is restricted for specific grant 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 and the remaining half in FY 2021-22. 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. FY 2021-22 had expenditures totaling \$2.3 million for various ARP activities. There is a corresponding revenue of the same amount. The asset balance is \$43.0 million while being offset by a liability of the same amount.

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 \$6.5 million in revenues and \$14.7 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 \$11.8 million, the resulting net change in fund balance totals \$3.6 million. The fund is made up of \$10.1 million in assets combined with \$2.6 million in liabilities and \$0.3 million in deferred inflows and resources resulting in \$7.2 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 \$11.6 million in expenditures. The expenditures are mainly principal and interest debt service payments. Other funds transfer in monies to help pay for the debt in the amount of \$12.9 million. After total other financing sources of \$12.9 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 \$3.5 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 \$41.5 million in operating revenues and operating expenses of \$31.4 million resulting in operating income of \$10.1 million. After consideration of non-operating revenues, expenses and transfers the total change in net position is \$9.9 million with total revenues in excess of expenses. The Water Fund is made up of \$62.1 million in current assets, \$143.7 in non-current assets, \$2.2 million in deferred outflows of resources, \$11.7 million in current liabilities, \$109.4 million in non-current liabilities and \$10.3 million in deferred inflow of resources resulting in net position of \$76.6 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 \$7.2 million in operating revenues and operating expenses of \$2.6 million resulting in operating income of \$4.6 million. After consideration of non-operating revenues, non-operating expenses, and transfers, the total change in net position is \$1.4 million with total revenues in excess of expenses. The Sewer Fund is made up of \$16.2 million in current assets, \$31.5 million in non-current assets, \$0.6 million in deferred outflows of resources, \$0.8 million in current liabilities, \$25.9 in non-current liabilities and \$0.7 million in deferred inflow of resources resulting in net position of \$20.9 million.

Refuse Fund – The Refuse Fund is used to account for all activities associated with residential refuse collection, and curbside collection of recycling materials. The Refuse Fund reported \$11.6 million in operating revenues and operating expenses of \$10.6 million resulting in an operating income of \$1.0 million. After consideration of non-operating revenues, non-operating expenses and transfers the total change in net position is an increase of \$0.7 million with total revenues in excess of expenses. The Refuse Fund is made up of \$9.7 million in current assets, \$2.5 in non-current assets, \$0.6 million in deferred outflows of resources, \$1.0 million in current liabilities, \$8.3 in non-current liabilities and \$1.6 million in deferred inflow of resources resulting in net position of \$1.9 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. FY 2021-22 has proven thus far to be a more challenging year for PCEA and required a

CITY OF POMONA

Management’s Discussion and Analysis, Continued
 Year Ended June 30, 2022

loan from the Water fund to help pay for basic operating costs. PCEA recorded \$34.8 million in revenues and \$35.7 in expenditures resulting in an operating loss of \$0.9 million. The loss resulted in PCEA with a negative fund balance amount of \$0.4 million. PCEA is made up of \$12.7 million in assets, \$13.1 million in liabilities resulting in the negative fund balance of \$0.4 million.

Canon Water Company – The Canon Water Company Fund is used to account for the activities of the Canon Water Company. The Canon Water Company was elected as a major fund by the City. The fund reported minimal activity in FY 2021-22 due to it being in the process of dissolution. The Canon Water Company Fund is made up of \$0.4 million in assets and less than \$12 thousand in liabilities resulting in net position of \$0.4 million. Canon Water Company is in the process of being dissolved and the assets will be transferred over to the Water Fund when complete.

GENERAL FUND BUDGETARY INFORMATION

The originally adopted General Fund budget contained \$121.1 million in appropriations to fund operations and services. This amount increased to \$128.2 million by the end of the fiscal year through City Council approved budget amendments. This was an increase in the amount of \$7.1 million. The increase was a planned response to increased revenues. The City experienced costs savings throughout the departments:

CITY OF POMONA					
Revenue / Expenditure Report					
	2021-2022	2021-2022	%	2021-2022	%
	Original	Amended	Amended/	Actuals	Actuals/
	Budget	Budget	Original	To Date	Budget
Total Revenue	121,081,897	129,127,391	107%	139,489,551	108%
Total Expenditures	121,075,368	128,168,775	106%	126,131,205	98%
Net	6,529	958,616		13,358,346	

General Fund revenues were over budget approximately \$10.3 million. General Fund expenditures as a whole were under budget at the completion of the fiscal year by approximately \$2 million. The above chart includes transfers in and transfers out.

As adopted, the City’s FY 2021-22 General Fund Revenue Budget reflected \$121.1 million in anticipated revenues. With approved budget adjustments the total was amended to \$129.1 million. As of June 30, 2022, \$139.5 million has been received. The total revenue came in over budget due to conservative revenue projections from the City’s revenue consultants. 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 \$408.6 million.

Additional information on the City’s long-term debt may be found in Note 11 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, 2022, net capital assets of the governmental activities totaled \$294.5 million and the net capital assets of the business-type activities totaled \$158.4 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 2021-22. The largest increase in Capital Assets was in the Construction in Progress class. A total of \$14.6 million was added to Construction in Progress in FY 2021-22. The major projects were:

- Project #67918 – Major Street Rehab – 2015 Metro Call (\$8 million)
- Project #68562 – Street Preservation – Local FY 20-21 (\$0.6 million)
- Project #67855 – ADA Path of Travel - Citywide (CDBG) (FY 17-18 to FY 19-20) (\$0.5 million)

For Enterprise Activities, the largest increase in Capital Assets was in the Construction in Progress class. There was \$6.9 million added to Construction in Progress. The main project was:

- Project #93135 – Water Resources Admin & Op Facility (\$6.5 million)

Additional information on the City of Pomona's capital assets may be found in Note 9 in the Notes to the Basic Financial Statements.

ECONOMIC FACTORS

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 2021-22 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 passed the Transaction Use Tax measure which significantly aided the City pre and post 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. The first year the Pension Obligation bond and the Net Pension Liability were presented in the government wide statement of Net Position. In the fiscal year ending June 30, 2022, the deferred outflow or contribution to PERS reduced the Net Pension Liability and actually created a Net Pension Asset. As of June 30, 2022, the decision to issue a Pension Obligation Bond proved to be prudent decision. Going forward the investment market's volatility could prove to be an issue with the valuation of the Pension Liability or Asset.

As everyone is aware, the world was struck with a Global pandemic from COVID-19 towards the second half of fiscal year 2020-21. The City proved to be able to weather the storm of the Pandemic through FY 2021-22. Looking towards FY 2022-23 and beyond, Finance Department Staff will continue to apprise the Mayor and City Council of any significant financial impacts. Many factors such as high inflation passed along in the cost of goods and services, unstable fuel prices, supply chain and raw material interruptions, and increased interest rates have contributed to forecasting obstacles as well as a threat to economic changes that are predicted to occur. The threat of a recession is constantly looming and the need for sufficient reserves is more critical than ever. Opinions

from various City Consultants all agree across the board that a recession is insight, but the magnitude and timeline is unknown.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

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

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BASIC FINANCIAL STATEMENTS

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GOVERNMENT WIDE FINANCIAL STATEMENTS

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CITY OF POMONA

STATEMENT OF NET POSITION
JUNE 30, 2022

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets:			
Cash and investments	\$ 154,090,808	\$ 68,959,969	\$ 223,050,777
Receivables (net):			
Accounts	6,420,843	20,918,415	27,339,258
Notes and loans	36,150,995	-	36,150,995
Interest	365,226	225,280	590,506
Internal balances	(2,358,391)	2,358,391	-
Prepaid costs	856,859	73,754	930,613
Deposits	-	147,000	147,000
Due from other governments	17,394,042	-	17,394,042
Inventories	479,615	627,330	1,106,945
Land held for resale	4,359,738	-	4,359,738
Restricted assets:			
Cash and investments	1,285,428	2,622,338	3,907,766
Cash with fiscal agent	2,352,119	7,543,450	9,895,569
Lease Receivables	647,444	-	647,444
Other investments	-	9,000	9,000
Net pension asset	93,868,855	11,928,070	105,796,925
Capital assets not being depreciated	140,356,391	26,022,446	166,378,837
Capital assets, net of depreciation/amortization	154,343,804	132,378,322	286,722,126
Total Assets	610,613,776	273,813,765	884,427,541
Deferred Outflows of Resources:			
Deferred charges on refunding	305,597	398,915	704,512
Deferred outflows of resources related to pensions	8,289,306	701,234	8,990,540
Deferred outflows of resources related to other postemployment benefits	9,436,828	2,262,043	11,698,871
Total Deferred Outflows of Resources	18,031,731	3,362,192	21,393,923
Liabilities:			
Accounts payable	6,966,395	8,911,850	15,878,245
Accrued liabilities	737,123	299,341	1,036,464
Accrued interest	512,696	592,886	1,105,582
Unearned revenue	53,726,667	260,954	53,987,621
Retentions payable	604,663	-	604,663
Deposits payable	4,805,459	4,367,028	9,172,487
Payroll payable	1,794,263	297,710	2,091,973
Noncurrent liabilities:			
Due within one year			
Lease liability, due within one year	53,596	-	53,596
Long-term debt, due within one year	9,924,963	3,281,561	13,206,524
Compensated absences, due within one year	5,960,129	1,161,074	7,121,203
Claims and judgements, due within one year	14,592,000	-	14,592,000
Due in more than one year			
Lease liability, due in more than one year	98,795	-	98,795
Long-term debt, due in more than one year	274,402,199	122,475,322	396,877,521
Compensated absences, due in more than one year	3,248,487	596,232	3,844,719
Claims and judgements, due in more than one year	24,670,949	-	24,670,949
Total other postemployment benefits liability	85,653,700	20,531,503	106,185,203
Net pension liability	494,984	-	494,984
Total Liabilities	488,246,966	162,775,461	651,022,427
Deferred Inflows of Resources:			
Deferred charges on refunding	333,324	2,813,730	3,147,054
Deferred inflows of resources related to leases	637,280	-	637,280
Deferred inflows of resources related to pensions	73,190,977	9,095,544	82,286,521
Deferred inflows of resources related to other postemployment benefits	3,148,688	754,753	3,903,441
Total Deferred Inflows of Resources	77,310,269	12,664,027	89,974,296
Net Position:			
Net investment in capital assets	225,279,591	58,873,617	284,153,208
Restricted for:			
Community development projects	78,915,647	-	78,915,647
Capital projects	7,171,608	-	7,171,608
Debt service	68,220,071	-	68,220,071
Unrestricted	(316,498,645)	42,862,852	(273,635,793)
Total Net Position	\$ 63,088,272	\$ 101,736,469	\$ 164,824,741

CITY OF POMONA

STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2022

	Program Revenues			
	Expenses	Charges for Services	Operating Contributions and Grants	
Functions/Programs				
Primary Government:				
Governmental Activities:				
General government	\$ 4,356,429	\$ 12,960,044	\$ 291,002	\$ -
Public safety	91,066,227	2,702,698	1,128,488	-
Development services and public works	61,937,835	12,393,964	32,689,544	20,129,121
Neighborhood services and library	5,713,662	507,528	-	-
Interest on long-term debt	12,583,888	-	-	-
Total Governmental Activities	175,658,041	28,564,234	34,109,034	20,129,121
Business-Type Activities:				
Water	33,122,484	41,466,399	725,769	-
Sewer	3,548,204	7,220,461	118,007	-
Refuse	9,905,436	11,552,713	29,768	-
Canon Water Company - February 28, 2022	15,334	-	-	-
Pomona Choice Energy Authority	35,805,533	34,839,553	-	-
Total Business-Type Activities	82,396,991	95,079,126	873,544	-
Total Primary Government	\$ 258,055,032	\$ 123,643,360	\$ 34,982,578	\$ 20,129,121

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

Net Position at End of Year

Net (Expenses) Revenues and Changes in Net Position		
Primary Government		
Governmental Activities	Business-Type Activities	Total
\$ 8,894,617	\$ -	\$ 8,894,617
(87,235,041)	-	(87,235,041)
3,274,794	-	3,274,794
(5,206,134)	-	(5,206,134)
(12,583,888)	-	(12,583,888)
(92,855,652)	-	(92,855,652)
-	9,069,684	9,069,684
-	3,790,264	3,790,264
-	1,677,045	1,677,045
-	(15,334)	(15,334)
-	(965,980)	(965,980)
-	13,555,679	13,555,679
(92,855,652)	13,555,679	(79,299,973)
44,838,946	-	44,838,946
2,593,896	-	2,593,896
42,229,675	-	42,229,675
5,632,845	-	5,632,845
18,407,292	-	18,407,292
2,893,439	-	2,893,439
174,812	-	174,812
1,043,118	(1,083,110)	(39,992)
119,013	66,107	185,120
-	18,605	18,605
(349,459)	349,459	-
117,583,577	(648,939)	116,934,638
24,727,925	12,906,740	37,634,665
38,360,347	88,829,729	127,190,076
\$ 63,088,272	\$ 101,736,469	\$ 164,824,741

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FUND FINANCIAL STATEMENTS

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GOVERNMENTAL FUND FINANCIAL STATEMENTS

CITY OF POMONA

**BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2022**

	Special Revenue Funds				Capital Projects Funds
	General	Housing Authority	Miscellaneous Grants	American Rescue Plan	Capital Outlay Capital Projects Fund
Assets:					
Cash and investments	\$ 39,942,013	\$ 4,183,416	\$ 2,229,199	\$ 43,067,519	\$ 8,789,132
Receivables (net):					
Accounts	5,892,956	24,446	115,965	-	1,198
Notes and loans	-	13,831,093	20,767,203	-	-
Interest	160,508	10,023	4,011	-	593
Prepaid items	118,624	25,351	-	-	-
Due from other governments	10,816,546	990,658	2,879,705	-	734,806
Due from other funds	2,546,814	-	-	-	-
Advances to other funds	-	-	-	-	-
Lease receivables	647,444	-	-	-	-
Land held for resale	-	4,359,738	-	-	-
Restricted assets:					
Cash and investments	101,402	-	-	-	14,453
Cash with fiscal agent	-	973,935	-	-	577,819
Total Assets	\$ 60,226,307	\$ 24,398,660	\$ 25,996,083	\$ 43,067,519	\$ 10,118,001
Liabilities, Deferred inflows of Resources, and Fund Balances:					
Liabilities:					
Accounts payable	\$ 2,508,900	\$ 262,656	\$ 982,045	\$ -	\$ 1,934,535
Payroll payable	1,490,668	49,291	58,704	-	20,215
Accrued liabilities	-	248,526	-	-	-
Deposits payable	4,458,082	34,938	-	-	68,814
Retention payables	-	-	-	-	604,663
Due to other funds	-	-	-	-	-
Advances from other funds	304,435	-	-	-	-
Unearned revenues	-	48,045	852,004	43,067,519	-
Total Liabilities	8,762,085	643,456	1,892,753	43,067,519	2,628,227
Deferred inflows of resources:					
Unavailable revenues	1,129,110	1,954,081	2,965,890	-	318,166
Leases	637,280	-	-	-	-
Total Deferred inflows of Resources	1,766,390	1,954,081	2,965,890	-	318,166
Fund Balances:					
Nonspendable:					
Prepaid costs	118,624	25,351	-	-	-
Restricted					
Development services and public works	-	21,775,772	-	-	-
Public safety	-	-	-	-	-
Neighborhood service	-	-	21,137,440	-	-
Assessment district improvement	-	-	-	-	-
Capital projects	-	-	-	-	7,171,608
Debt service	-	-	-	-	-
Parks and recreation	-	-	-	-	-
Committed					
Fiscal sustainability	21,142,339	-	-	-	-
Unassigned (deficit)	28,436,869	-	-	-	-
Total Fund Balances	49,697,832	21,801,123	21,137,440	-	7,171,608
Total Liabilities, deferred inflows of resources, and Fund Balances	\$ 60,226,307	\$ 24,398,660	\$ 25,996,083	\$ 43,067,519	\$ 10,118,001

CITY OF POMONA

**BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2022**

	Debt Service Funds		Other Governmental Funds	Total Governmental Funds
	General Government	Public Financing Authority		
Assets:				
Cash and investments	\$ -	\$ 102,571	\$ 43,725,252	\$ 142,039,102
Receivables (net):				
Accounts	-	-	386,278	6,420,843
Notes and loans	-	-	1,552,699	36,150,995
Interest	-	323	120,396	295,854
Prepaid items	712,884	-	-	856,859
Due from other governments	-	-	1,972,327	17,394,042
Due from other funds	-	-	-	2,546,814
Advances to other funds	-	66,950,000	304,435	67,254,435
Lease receivables	-	-	-	647,444
Land held for resale	-	-	-	4,359,738
Restricted assets:				
Cash and investments	-	1,169,573	-	1,285,428
Cash with fiscal agent	800,365	-	-	2,352,119
Total Assets	\$ 1,513,249	\$ 68,222,467	\$ 48,061,387	\$ 281,603,673
Liabilities, Deferred inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ 7,690	\$ -	\$ 709,946	\$ 6,405,772
Payroll payable	-	2,396	105,594	1,726,868
Accrued liabilities	488,597	-	-	737,123
Deposits payable	-	-	243,625	4,805,459
Retention payables	-	-	-	604,663
Due to other funds	1,578,255	-	514,497	2,092,752
Advances from other funds	66,950,000	-	-	67,254,435
Unearned revenues	-	-	9,759,099	53,726,667
Total Liabilities	69,024,542	2,396	11,332,761	137,353,739
Deferred inflows of resources:				
Unavailable revenues	-	-	866,019	7,233,266
Leases	-	-	-	637,280
Total Deferred inflows of Resources	-	-	866,019	7,870,546
Fund Balances:				
Nonspendable:				
Prepaid costs	712,884	-	-	856,859
Restricted				
Development services and public works	-	-	33,071,326	54,847,098
Public safety	-	-	2,190,762	2,190,762
Neighborhood service	-	-	-	21,137,440
Assessment district improvement	-	-	524,107	524,107
Capital projects	-	-	-	7,171,608
Debt service	-	68,220,071	-	68,220,071
Parks and recreation	-	-	216,240	216,240
Committed				
Fiscal sustainability	-	-	-	21,142,339
Unassigned (deficit)	(68,224,177)	-	(139,828)	(39,927,136)
Total Fund Balances	(67,511,293)	68,220,071	35,862,607	136,379,388
Total Liabilities, deferred inflows of resources, and Fund Balances	\$ 1,513,249	\$ 68,222,467	\$ 48,061,387	\$ 281,603,673

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CITY OF POMONA

**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2022**

Fund balances of governmental funds		\$ 136,379,388
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.		294,450,482
Net pension liability (asset) 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	\$ 8,103,677	
Net pension asset	90,711,288	
Net pension liability	(494,984)	
Deferred inflows of resources related to pensions	<u>(70,783,228)</u>	27,536,753
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	8,918,164	
Net other postemployment benefits liability	(80,946,025)	
Deferred inflows of resources related to other postemployment benefits	<u>(2,975,631)</u>	(75,003,492)
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.		
Lease liability	(152,391)	
Financed purchases	(1,046,097)	
Notes payable	(1,904,951)	
Revenue bonds	(68,527,713)	
Pension obligation refunding bonds	(198,142,441)	
Accreted interest related to the pension obligation refunding bonds	(6,116,427)	
Collateralized borrowing	(2,965,309)	
Deferred losses on refunding	(333,324)	
Deferred gains on refunding	305,597	
Compensated absences	<u>(9,000,487)</u>	(287,883,543)
Accrued interest payable for the current portion of interest due on Bonds has not been reported in the governmental funds.		(512,696)
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.		7,233,368
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>(39,111,988)</u>
Net Position of governmental activities		<u>\$ 63,088,272</u>

CITY OF POMONA

STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2022

	Special Revenue Funds				Capital Projects Funds
	General	Housing Authority	Miscellaneous Grants	American Rescue Plan	Capital Outlay Capital Projects Fund
Revenues:					
Taxes	\$ 119,961,900	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-
Licenses, permits and fees	9,441,593	-	-	-	220,804
Intergovernmental	620,658	20,918,746	9,107,867	2,298,894	3,308,639
Charges for services	2,873,972	1,099	275,299	-	783,578
Use of money and properties	(557,019)	785,713	935,224	-	1,558
Fines and forfeitures	2,283,651	-	-	-	-
Contributions from Successor Agency	-	-	-	-	295,941
Miscellaneous	1,636,312	1,900	368,193	-	1,908,129
Total Revenues	136,261,067	21,707,458	10,686,583	2,298,894	6,518,649
Expenditures:					
Current:					
General government	5,821,962	-	-	-	-
Public safety	92,604,367	-	570,219	6,750	-
Development services	13,900,224	21,095,025	8,898,658	-	-
Neighborhood services and library	4,314,437	-	906,465	-	-
Capital outlay	576,698	-	178,616	-	14,713,268
Debt service:					
Principal retirement	174,358	-	-	-	-
Interest and fiscal charges	36,710	-	-	-	-
Total Expenditures	117,428,756	21,095,025	10,553,958	6,750	14,713,268
Excess (Deficiency) of Revenues Over (Under) Expenditures	18,832,311	612,433	132,625	2,292,144	(8,194,619)
Other Financing Sources (Uses):					
Transfers in	1,444,374	71,500	126,936	-	12,598,067
Transfers out	(6,937,945)	(755,988)	-	(2,292,144)	(819,017)
Proceeds from sale of capital assets	19,604	3,271,237	-	-	3,724
Total Other Financing Sources (Uses)	(5,473,967)	2,586,749	126,936	(2,292,144)	11,782,774
Net Change in Fund Balances	13,358,344	3,199,182	259,561	-	3,588,155
Fund Balances, Beginning of Year	36,339,488	18,601,941	20,877,879	-	3,583,453
Fund Balances, End of Year	\$ 49,697,832	\$ 21,801,123	\$ 21,137,440	\$ -	\$ 7,171,608

CITY OF POMONA

STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2022

	Debt Service Funds		Other Governmental Funds	Total Governmental Funds
	General Government	Public Financing Authority		
Revenues:				
Taxes	\$ -	\$ -	\$ 1,227,898	\$ 121,189,798
Special assessments	-	-	1,254,821	1,254,821
Licenses, permits and fees	-	-	704,446	10,366,843
Intergovernmental	291,002	-	23,147,463	59,693,269
Charges for services	-	-	253,035	4,186,983
Use of money and properties	641	126,402	(194,885)	1,097,634
Fines and forfeitures	-	-	-	2,283,651
Contributions from Successor Agency	-	-	-	295,941
Miscellaneous	-	-	54,131	3,968,665
Total Revenues	291,643	126,402	26,446,909	204,337,605
Expenditures:				
Current:				
General government	-	-	622,802	6,444,764
Public safety	-	-	744,122	93,925,458
Development services	-	-	11,600,923	55,494,830
Neighborhood services and library	-	-	-	5,220,902
Capital outlay	-	-	159,254	15,627,836
Debt service:				
Principal retirement	891,727	2,895,000	85,035	4,046,120
Interest and fiscal charges	10,759,397	117,462	214	10,913,783
Total Expenditures	11,651,124	3,012,462	13,212,350	191,673,693
Excess (Deficiency) of Revenues Over (Under) Expenditures	(11,359,481)	(2,886,060)	13,234,559	12,663,912
Other Financing Sources (Uses):				
Transfers in	12,961,567	2,250	303,320	27,508,014
Transfers out	-	-	(9,986,973)	(20,792,067)
Proceeds from sale of capital assets	-	-	-	3,294,565
Total Other Financing Sources (Uses)	12,961,567	2,250	(9,683,653)	10,010,512
Net Change in Fund Balances	1,602,086	(2,883,810)	3,550,906	22,674,424
Fund Balances, Beginning of Year	(69,113,379)	71,103,881	32,311,701	113,704,964
Fund Balances, End of Year	\$ (67,511,293)	\$ 68,220,071	\$ 35,862,607	\$ 136,379,388

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, 2022**

Net change in fund balances - total governmental funds		\$ 22,674,424
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	\$ 15,623,822	
Depreciation	(9,248,499)	
Amortization	(54,460)	
Loss on disposal of capital assets	<u>(3,215,353)</u>	3,105,510
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	4,046,226	
Accreted interest of pension obligation refunding bonds	(1,937,319)	
Amortization of bond premium and deferred charges	345,844	
Notes issued	<u>(1,539,211)</u>	915,540
Accrued interest for long-term liabilities. This is the net change in accrued interest for the current period.		9,659
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.		(795,091)
Other postemployment benefits expense adjustment, which is the net change in net other postemployment benefits liabilities and related deferred outflows and inflows of resources.		(3,275,564)
Pension obligation expenses are expenditures in the governmental funds, but reduce the Net Pension Liability in the statement of net position.		13,610,399
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.		(2,008,453)
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.		<u>(9,508,499)</u>
Change in net position of governmental activities		<u>\$ 24,727,925</u>

PROPRIETARY FUND FINANCIAL STATEMENTS

CITY OF POMONA

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 JUNE 30, 2022

	Business-Type Activities - Enterprise Funds			Canon Water Company - February 28, 2022
	Water	Sewer	Refuse	
Assets:				
Current:				
Cash and investments	\$ 48,024,752	\$ 12,457,703	\$ 7,240,524	\$ 265,983
Receivables (net):				
Accounts	7,418,478	1,312,514	2,454,931	128,442
Interest	155,679	46,637	19,192	-
Prepaid items	9,000	-	-	2,079
Deposits	-	-	-	-
Inventories	627,330	-	-	-
Restricted:				
Cash and investments	-	751,386	-	-
Cash with fiscal agent	5,868,879	1,674,571	-	-
Total Current Assets	62,104,118	16,242,811	9,714,647	396,504
Noncurrent:				
Advances to other funds	7,457,542	-	-	-
Net pension liability	9,091,375	878,910	1,957,785	-
Other investments	9,000	-	-	-
Capital assets - net of accumulated depreciation	127,162,070	30,666,061	543,051	29,586
Total Noncurrent Assets	143,719,987	31,544,971	2,500,836	29,586
Total Assets	205,824,105	47,787,782	12,215,483	426,090
Deferred Outflows of Resources:				
Deferred charges on refunding	-	398,915	-	-
Deferred outflows of resources related to pensions	534,469	51,670	115,095	-
Deferred outflows of resources related to other postemployment benefits	1,642,832	165,045	454,166	-
Total Deferred Outflows of Resources	2,177,301	615,630	569,261	-
Liabilities:				
Current:				
Accounts payable	2,839,401	37,550	401,335	10,834
Accrued liabilities	296,856	1,685	-	800
Accrued interest	523,063	69,823	-	-
Unearned revenues	-	9,051	251,903	-
Deposits payable	4,367,028	-	-	-
Due to other funds	-	-	-	-
Payroll payable	221,248	23,097	53,365	-
Advances from other funds	-	-	-	-
Compensated absences, due within one year	934,860	63,477	162,737	-
Claims and judgements, due within one year	-	-	-	-
Long-term debt, due in one year	2,488,851	652,837	139,873	-
Total Current Liabilities	11,671,307	857,520	1,009,213	11,634
Noncurrent:				
Compensated absences, due in more than one year	480,066	32,597	83,569	-
Claims and judgements, due in more than one year	-	-	-	-
Long-term debt, due in more than one year	93,975,852	24,402,703	4,096,767	-
Total other postemployment benefit liability	14,911,217	1,498,032	4,122,254	-
Total Noncurrent Liabilities	109,367,135	25,933,332	8,302,590	-
Total Liabilities	121,038,442	26,790,852	9,311,803	11,634
Deferred Inflows of Resources:				
Deferred charges on refunding	2,813,730	-	-	-
Deferred inflows of resources related to pensions	6,932,471	670,198	1,492,875	-
Deferred inflows of resources related to other postemployment benefits	548,147	55,069	151,537	-
Total Deferred Inflows of Resources	10,294,348	725,267	1,644,412	-
Net Position:				
Net investment in capital assets	48,925,601	9,375,380	543,050	29,586
Unrestricted	27,743,015	11,511,913	1,285,479	384,870
Total Net Position	\$ 76,668,616	\$ 20,887,293	\$ 1,828,529	\$ 414,456

CITY OF POMONA

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 JUNE 30, 2022

	Business-Type Activities - Enterprise Funds		Governmental Activities-
	Pomona Choice Energy Authority	Totals	Internal Service Funds
Assets:			
Current:			
Cash and investments	\$ 971,007	\$ 68,959,969	\$ 12,051,706
Receivables (net):			
Accounts	9,604,050	20,918,415	-
Interest	3,772	225,280	69,372
Prepaid items	62,675	73,754	-
Deposits	147,000	147,000	-
Inventories	-	627,330	479,615
Restricted:			
Cash and investments	1,870,952	2,622,338	-
Cash with fiscal agent	-	7,543,450	-
Total Current Assets	12,659,456	101,117,536	12,600,693
Noncurrent:			
Advances to other funds	-	7,457,542	-
Net pension liability	-	11,928,070	3,157,567
Other investments	-	9,000	-
Capital assets - net of accumulated depreciation	-	158,400,768	249,713
Total Noncurrent Assets	-	177,795,380	3,407,280
Total Assets	12,659,456	278,912,916	16,007,973
Deferred Outflows of Resources:			
Deferred charges on refunding	-	398,915	-
Deferred outflows of resources related to pensions	-	701,234	185,629
Deferred outflows of resources related to other postemployment benefits	-	2,262,043	518,664
Total Deferred Outflows of Resources	-	3,362,192	704,293
Liabilities:			
Current:			
Accounts payable	5,622,730	8,911,850	560,623
Accrued liabilities	-	299,341	-
Accrued interest	-	592,886	-
Unearned revenues	-	260,954	-
Deposits payable	-	4,367,028	-
Due to other funds	-	-	454,062
Payroll payable	-	297,710	67,395
Advances from other funds	7,457,542	7,457,542	-
Compensated absences, due within one year	-	1,161,074	208,129
Claims and judgements, due within one year	-	-	14,592,000
Long-term debt, due in one year	-	3,281,561	185,913
Total Current Liabilities	13,080,272	26,629,946	16,068,122
Noncurrent:			
Compensated absences, due in more than one year	-	596,232	-
Claims and judgements, due in more than one year	-	-	24,670,949
Long-term debt, due in more than one year	-	122,475,322	5,438,311
Total other postemployment benefit liability	-	20,531,503	4,707,675
Total Noncurrent Liabilities	-	143,603,057	34,816,935
Total Liabilities	13,080,272	170,233,003	50,885,057
Deferred Inflows of Resources:			
Deferred charges on refunding	-	2,813,730	-
Deferred inflows of resources related to pensions	-	9,095,544	2,407,749
Deferred inflows of resources related to other postemployment benefits	-	754,753	173,057
Total Deferred Inflows of Resources	-	12,664,027	2,580,806
Net Position:			
Net investment in capital assets	-	58,873,617	249,713
Unrestricted	(420,816)	40,504,461	(37,003,310)
Total Net Position	\$ (420,816)	\$ 99,378,078	\$ (36,753,597)

Reconciliation of Net Position to the Statement of Net Position

Net Position per Statement of Net Position - Proprietary Funds	\$ 99,378,078
Prior years' accumulated adjustment to reflect the consolidation of internal service funds activities related to the enterprise funds	558,950
Current years' adjustments to reflect the consolidation of internal service activities related to enterprise funds	1,799,441
Net Position per Statement of Net Position	\$ 101,736,469

CITY OF POMONA

STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2022

	Business-Type Activities - Enterprise Funds			
	Water	Sewer	Refuse	Canon Water Company - February 28, 2022
Operating Revenues:				
Charges for services	\$ 41,466,399	\$ 7,220,461	\$ 11,552,713	\$ -
Miscellaneous	-	900	65,207	-
Total Operating Revenues	41,466,399	7,221,361	11,617,920	-
Operating Expenses:				
Personnel services	8,973,719	688,020	1,435,384	-
Operations	17,576,071	1,099,094	8,485,901	9,486
Claims expense	3,360	10,040	4,296	-
Depreciation expense	3,525,708	677,171	518,359	5,848
Insurance	1,297,018	98,549	124,327	-
Total Operating Expenses	31,375,876	2,572,874	10,568,267	15,334
Operating Income (Loss)	10,090,523	4,648,487	1,049,653	(15,334)
Nonoperating Revenues (Expenses):				
Intergovernmental	725,769	118,007	29,768	-
Investment income	(791,197)	(211,018)	(92,352)	5
Interest expense	(2,966,072)	(894,020)	1,544	-
Gain on disposal of non-capital assets	115	-	-	-
Gain (loss) on disposal of capital assets	18,490	-	-	-
Total Nonoperating Revenues (Expenses)	(3,012,895)	(987,031)	(61,040)	5
Income (Loss) Before Transfers	7,077,628	3,661,456	988,613	(15,329)
Transfers in	3,535,805	27,200	99,500	-
Transfers out	(705,044)	(2,237,113)	(370,889)	-
Changes in Net Position	9,908,389	1,451,543	717,224	(15,329)
Net Position:				
Beginning of Year	66,760,227	19,435,750	1,111,305	429,785
End of Fiscal Year	\$ 76,668,616	\$ 20,887,293	\$ 1,828,529	\$ 414,456

CITY OF POMONA

STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2022

	<u>Business-Type Activities - Enterprise Funds</u>		<u>Governmental Activities - Internal Service Funds</u>
	<u>Pomona Choice Energy Authority</u>	<u>Totals</u>	
Operating Revenues:			
Charges for services	\$ 34,839,553	\$ 95,079,126	\$ 56,468,315
Miscellaneous	-	66,107	1,080,238
Total Operating Revenues	34,839,553	95,145,233	57,548,553
Operating Expenses:			
Personnel services	27	11,097,150	40,253,587
Operations	35,778,309	62,948,861	3,441,231
Claims expense	-	17,696	14,402,840
Depreciation expense	-	4,727,086	40,031
Insurance	-	1,519,894	-
Total Operating Expenses	35,778,336	80,310,687	58,137,689
Operating Income (Loss)	(938,783)	14,834,546	(589,136)
Nonoperating Revenues (Expenses):			
Intergovernmental	-	873,544	-
Investment income	11,452	(1,083,110)	(60,565)
Interest expense	(27,197)	(3,885,745)	2,049
Gain on disposal of non-capital assets	-	115	-
Gain (loss) on disposal of capital assets	-	18,490	4,000
Total Nonoperating Revenues (Expenses)	(15,745)	(4,076,706)	(54,516)
Income (Loss) Before Transfers	(954,528)	10,757,840	(643,652)
Transfers in	-	3,662,505	584,161
Transfers out	-	(3,313,046)	(7,649,567)
Changes in Net Position	(954,528)	11,107,299	(7,709,058)
Net Position:			
Beginning of Year	533,712	88,270,779	(29,044,539)
End of Fiscal Year	\$ (420,816)	\$ 99,378,078	\$ (36,753,597)

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	\$ 11,107,299
Adjustment to reflect the consolidation of current fiscal year internal service funds activities related to enterprise funds	1,799,441
Changes in Net Position of Business-Type Activities per Statement of Ac	\$ 12,906,740

CITY OF POMONA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2022

	Business-Type Activities - Enterprise Funds			
	Water	Sewer	Refuse	Canon Water Company - February 28, 2022
Cash Flows from Operating Activities:				
Cash received from customers and users	\$ 40,841,376	\$ 7,141,656	\$ 11,535,051	\$ -
Cash paid to suppliers for goods and services	(18,392,208)	(1,177,225)	(8,681,375)	(7,186)
Cash paid for general and administrative expenses	(10,770,678)	(937,649)	(2,156,637)	-
Net Cash Provided (Used) by Operating Activities	11,678,490	5,026,782	697,039	(7,186)
Cash Flows from Non-Capital Financing Activities:				
Cash transfers in	3,535,805	27,200	99,500	-
Cash transfers out	(705,044)	(2,237,113)	(370,889)	-
Repayment made to other funds	-	-	-	-
Advance from other funds	-	-	-	-
Advance to other funds	(6,721,706)	-	-	-
Grant subsidy	725,769	118,007	29,768	-
Net Cash Provided (Used) by Non-Capital Financing Activities	(3,165,176)	(2,091,906)	(241,621)	-
Cash Flows from Capital and Related Financing Activities:				
Acquisition and construction of capital assets	(7,147,205)	(57,070)	(14,964)	-
Principal paid on capital debt	(1,925,000)	(590,000)	-	-
Interest paid on capital debt	(3,204,176)	(823,946)	(33,319)	-
Proceeds from sales of non-capital assets	115	-	-	-
Proceeds from sales of capital assets	18,490	-	-	-
Net Cash Provided (Used) by Capital and Related Financing Activities	(12,257,776)	(1,471,016)	(48,283)	-
Cash Flows from Investing Activities:				
Interest received (loss)	(839,706)	(233,506)	(99,131)	5
Net Cash Provided (Used) by Investing Activities	(839,706)	(233,506)	(99,131)	5
Net Increase (Decrease) in Cash and Cash Equivalents	(4,584,168)	1,230,354	308,004	(7,181)
Cash and Cash Equivalents at Beginning of Year	58,477,799	13,653,306	6,932,521	273,164
Cash and Cash Equivalents at End of Year	\$ 53,893,631	\$ 14,883,660	\$ 7,240,525	\$ 265,983
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:				
Operating income (loss)	\$ 10,090,523	\$ 4,648,487	\$ 1,049,653	\$ (15,334)
Adjustments to reconcile operating income (loss) net cash provided (used) by operating activities:				
Depreciation	3,525,708	677,171	518,359	5,848
(Increase) decrease in accounts receivable	(625,023)	(88,756)	(334,772)	-
(Increase) decrease in prepaid expense	-	-	-	-
(Increase) decrease in inventories	(148,692)	-	-	-
(Increase) decrease in deferred outflows of resources related to pensions	16,679,182	1,678,302	4,059,215	-
(Increase) decrease in deferred outflows of resources related to other postemployment benefits	432,520	57,434	174,838	-
Increase (decrease) in accounts payable	168,304	28,773	(66,851)	1,500
Increase (decrease) in accrued liabilities	296,856	1,685	-	800
Increase (decrease) in payroll payable	(51,628)	(2,053)	(8,406)	-
Increase (decrease) in unearned revenue	-	9,051	251,903	-
Increase (decrease) in deposits payable	167,773	-	-	-
Increase (decrease) in claims and judgments	-	-	-	-
Increase (decrease) in compensated absences	58,443	16,761	21,856	-
Increase (decrease) in net other postemployment benefit liability	(802,423)	(186,479)	(640,287)	-
Increase (decrease) in net pension liability	(25,209,618)	(2,498,793)	(5,866,459)	-
Increase (decrease) in deferred outflows of resources related to pensions	6,767,769	653,645	1,452,935	-
Increase (decrease) in deferred outflows of resources related to other postemployment benefits	328,796	31,554	85,055	-
Total Adjustments	1,587,967	378,295	(352,614)	8,148
Net Cash Provided (Used) by Operating Activities	\$ 11,678,490	\$ 5,026,782	\$ 697,039	\$ (7,186)
Non-Cash Investing, Capital, and Financing Activities:				
Amortization of bond premium/(discount)	\$ (116,735)	\$ 3,848	\$ (1,545)	\$ -
Amortization of deferred charges on refunding	\$ (113,305)	\$ 67,359	\$ -	\$ -

See Notes to Financial Statements.

CITY OF POMONA

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 YEAR ENDED JUNE 30, 2022

	Business-Type Activities - Enterprise Funds		Governmental
	Pomona Choice Energy Authority	Totals	Activities- Internal Service Funds
Cash Flows from Operating Activities:			
Cash received from customers and users	\$ 28,835,377	\$ 88,353,460	\$ 57,555,281
Cash paid to suppliers for goods and services	(33,004,123)	(61,262,117)	(9,617,799)
Cash paid for general and administrative expenses	(27)	(13,864,991)	(40,954,016)
Net Cash Provided (Used) by Operating Activities	(4,168,773)	13,226,352	6,983,466
Cash Flows from Non-Capital Financing Activities:			
Cash transfers in	-	3,662,505	584,161
Cash transfers out	-	(3,313,046)	(7,649,567)
Repayment made to other funds	(183,484)	(183,484)	398,478
Advance from other funds	6,721,706	6,721,706	-
Advance to other funds	-	(6,721,706)	-
Grant subsidy	-	873,544	-
Net Cash Provided (Used) by Non-Capital Financing Activities	6,538,222	1,039,519	(6,666,928)
Cash Flows from Capital and Related Financing Activities:			
Acquisition and construction of capital assets	-	(7,219,239)	(66,911)
Principal paid on capital debt	-	(2,515,000)	-
Interest paid on capital debt	(27,197)	(4,088,638)	-
Proceeds from sales of non-capital assets	-	115	-
Proceeds from sales of capital assets	-	18,490	4,000
Net Cash Provided (Used) by Capital and Related Financing Activities	(27,197)	(13,804,272)	(62,911)
Cash Flows from Investing Activities:			
Interest received (loss)	7,680	(1,164,658)	(83,644)
Net Cash Provided (Used) by Investing Activities	7,680	(1,164,658)	(83,644)
Net Increase (Decrease) in Cash and Cash Equivalents	2,349,932	(703,059)	169,983
Cash and Cash Equivalents at Beginning of Year	492,027	79,828,817	11,881,723
Cash and Cash Equivalents at End of Year	\$ 2,841,959	\$ 79,125,758	\$ 12,051,706
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:			
Operating income (loss)	\$ (938,783)	\$ 14,834,546	\$ (589,136)
Adjustments to reconcile operating income (loss) net cash provided (used) by operating activities:			
Depreciation	-	4,727,086	40,031
(Increase) decrease in accounts receivable	(6,004,176)	(7,052,727)	6,728
(Increase) decrease in prepaid expense	(62,675)	(62,675)	1,438
(Increase) decrease in inventories	-	(148,692)	(106,323)
(Increase) decrease in deferred outflows of resources related to pensions	-	22,416,699	5,959,644
(Increase) decrease in deferred outflows of resources related to other postemployment benefits	-	664,792	146,106
Increase (decrease) in accounts payable	2,836,861	2,968,587	174,376
Increase (decrease) in accrued liabilities	-	299,341	-
Increase (decrease) in payroll payable	-	(62,087)	(20,473)
Increase (decrease) in unearned revenue	-	260,954	-
Increase (decrease) in deposits payable	-	167,773	-
Increase (decrease) in claims and judgments	-	-	8,156,781
Increase (decrease) in compensated absences	-	97,060	(6)
Increase (decrease) in net other postemployment benefit liability	-	(1,629,189)	(325,664)
Increase (decrease) in net pension liability	-	(33,574,870)	(8,911,780)
Increase (decrease) in deferred outflows of resources related to pensions	-	8,874,349	2,348,950
Increase (decrease) in deferred outflows of resources related to other postemployment benefits	-	445,405	102,794
Total Adjustments	(3,229,990)	(1,608,194)	7,572,602
Net Cash Provided (Used) by Operating Activities	\$ (4,168,773)	\$ 13,226,352	\$ 6,983,466
Non-Cash Investing, Capital, and Financing Activities:			
Amortization of bond premium/(discount)	\$ -	\$ (114,432)	\$ -
Amortization of deferred charges on refunding	\$ -	\$ (45,946)	\$ -

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FIDUCIARY FUND FINANCIAL STATEMENTS

CITY OF POMONA

STATEMENT OF FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 JUNE 30, 2022

	<u>Custodial Fund</u>	<u>Private- Purpose Trust Fund</u>
	<u>Assessment Districts</u>	<u>Successor Agency of the Former RDA</u>
Assets:		
Cash and investments	\$ 63,143	\$ 9,959,163
Receivables:		
Notes and loans	-	1,660,600
Accrued interest	-	16,126
Deposits	284	600
Due from other governments	64,655	-
Land held for resale	-	788,130
Restricted assets:		
Cash and investments	-	110,615
Cash and investments with fiscal agents	-	20,134,320
Capital assets:		
Capital assets, not being depreciated	-	125,423
Capital assets, net of accumulated depreciation	-	40,401
Total Assets	<u>128,082</u>	<u>32,835,378</u>
Deferred Outflows of Resources:		
Deferred charge on refunding	-	454,924
Total Deferred Outflows of Resources	<u>-</u>	<u>454,924</u>
Liabilities:		
Accounts payable	128,124	7,142
Payroll payable	-	7,696
Accrued interest	-	1,712,886
Deposits payable	-	169,040
Noncurrent liabilities:		
Due within one year		
Long-term debt	-	7,900,000
Compensated absences	-	92,000
Due in more than one year		
Long-term debt	-	159,053,205
Compensated absences	-	782
Total Liabilities	<u>128,124</u>	<u>168,942,751</u>
Net Position:		
Restricted for organizations and other governments	(42)	(135,652,449)
Total Net Position	<u>\$ (42)</u>	<u>\$ (135,652,449)</u>

CITY OF POMONA

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 YEAR ENDED JUNE 30, 2022

	<u>Custodial Fund</u>	<u>Private- Purpose Trust Fund</u>
	<u>Assessment Districts</u>	<u>Successor Agency of the Former RDA</u>
Additions:		
Collection of special taxes	\$ 836,841	\$ 12,545,857
Interest	(326)	111,750
Contributions from City	-	10,782
Gain on loan forgiveness	-	(5,952)
Total Additions	836,515	12,662,437
Deductions:		
Refunds of contributions	836,841	-
Administrative expenses	-	352,949
Contractual services	-	386,765
Interest expense	-	4,036,859
Depreciation expense	-	1,263
Payments to city	-	299,972
Total Deductions	836,841	5,077,808
Changes in Net Position	(326)	7,584,629
Net Position:		
Beginning of fiscal year	284	(143,237,078)
Net Position - End of the Year	\$ (42)	\$ (135,652,449)

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NOTES TO THE BASIC FINANCIAL STATEMENTS

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FOR THE YEAR ENDED JUNE 30, 2022**

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**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

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 as follows: (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

**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022**

Note 1: Summary of Significant Accounting Policies (Continued)

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.

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 as follows: (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.

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, 2022, except for Canon Water Company, which had a fiscal year ended February 28, 2022.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022**

Note 1: Summary of Significant Accounting Policies (Continued)

allocated to and accounted for in individual funds based upon the purpose of which they are to be spent and means by which spending activities are controlled.

Government – Wide Financial Statements

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

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

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

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

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.

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022

Note 1: Summary of Significant Accounting Policies (Continued)

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

Revenues are recognized as soon as they are both “measurable” and “available.” Revenues are considered to be available when it is collectible within the current period 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.

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022

Note 1: Summary of Significant Accounting Policies (Continued)

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

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

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

Proprietary Fund Financial Statements

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

Proprietary funds are accounted for using the “*economic resources*” measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or noncurrent) are included on the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Net Position presents 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 potable water to users and recycled water.

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

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

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022**

Note 1: Summary of Significant Accounting Policies (Continued)

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

Fiduciary Fund Financial Statements

Fiduciary fund financial statements include a Statement of Fiduciary Net Position and a Statement of Changes in Fiduciary Net Position. The City's fiduciary funds consist of 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, 2022**

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 or for the payment of certain bonds and have been invested only as permitted by specific State statutes, applicable City ordinance, resolution, or bond indentures.

e. Fair Value Measurement

U.S. GAAP defines fair value, establishes a framework for measuring fair value and establishes disclosures about fair value measurement. Investments, unless otherwise specified, recorded at fair value in the financial statements, are categorized based upon the level of 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 or liabilities through corroboration with market data at the measurement date.
- Level 3 – Unobservable inputs that reflect management’s best estimate of what market participants would use in pricing the assets or liabilities at the measurement date.

f. Interfund Transactions

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

g. Inventories and Prepaid Items

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

Certain payments to vendors reflect 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, 2022**

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, right-to-use assets 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
Right-to-use assets	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, 2022**

Note 1: Summary of Significant Accounting Policies (Continued)

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, 2022**

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 assets 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. Deferred inflows related to leases relates to the amount of the lease receivable plus any lease payments related to future periods, less any lease incentives paid to, or on behalf of, the lessee at or before the commencement of the lease term.

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 assets 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, 2020
Measurement Date	June 30, 2021
Measurement Period	July 1, 2020 to June 30, 2021
<u>Collateral Benefits Plan</u>	
Valuation Date	June 30, 2021
Measurement Date	June 30, 2022
Measurement Period	July 1, 2021 to June 30, 2022

**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022**

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, 2020
Measurement Date	December 31, 2021
Measurement Period	January 1, 2021 to December 31, 2021

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, 2022

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:

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

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

Committed – This includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest authority. The City Council, as 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, 2022**

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.

t. Implementation of New Accounting Standards

During the year ended June 30, 2022, the City implemented the following new accounting standard issued by the Governmental Accounting Standards Board (GASB):

GASB Statement No. 87 Leases enhances usefulness and comparability of financial statements among governments by requiring lessees and lessors to report leases using a single model. This statement requires recognition of certain lease assets and liabilities for leases that were previously classified as operating leases and recognizes inflows or outflows of resources based on the payment provisions of the lease contracts. Under GASB Statement No. 87, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and deferred inflow of resources.

	Impact to Beginning Net Position for Fiscal Year Ending June 30, 2022
Right to Use Leased Assets	\$ 204,076
Leases Payable	(204,076)
Lease Receivable	938,581
Deferred Inflow Amounts From Leases	(938,581)
	<u>\$ -</u>

CITY OF POMONA

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022

Note 2: Stewardship, Compliance and Accountability

a. Deficit Fund Balance or Net Positions

At June 30, 2022, the following funds had the deficit fund balance/net position:

Nonmajor Governmental Funds	
Measure W	\$ (139,828)
Internal Service Funds	
Self Insurance	(29,995,055)
Equipment Maintenance	(3,894,362)
Information Technology	(2,346,787)
Printing/Mail Services	(59,530)
Payroll	(457,863)
Fiduciary Funds	
Assessment Districts	(42)
Successor Agency of the Former RDA	(135,652,448)

The Self-Insurance Fund deficit is due to increasing claims. The Payroll Fund deficit is due to payroll withholdings. 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. The Measure W deficit will be eliminated by future revenues.

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, 2022:

	Governmental Activities	Business-Type Activities	Fiduciary Funds	Total
Cash and Investments	\$ 154,090,808	\$ 68,959,969	\$ 10,022,306	\$ 233,073,083
Restricted Cash and Investments	3,637,547	10,165,788	20,244,935	34,048,270
Total	\$ 157,728,355	\$ 79,125,757	\$ 30,267,241	\$ 267,121,353

Cash and Investments is comprised of the following at June 30, 2022:

Petty cash and change funds	\$ 10,051
Demand deposits	10,546,733
Restricted cash held by City	1,885,405
Cash held in trust	136,514
Total Cash	<u>12,578,703</u>
Investments	223,761,375
Investments with fiscal agent	30,781,275
Total Investments	<u>254,542,650</u>
Total Cash and Investments	<u>\$ 267,121,353</u>

**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022**

Note 3: Cash and Investments (Continued)

a. Demand Deposits

The carrying amounts of the City's cash deposits were \$12,578,703 at June 30, 2022. Bank balances at June 30, 2022, were \$14,520,272 which were fully insured or collateralized with securities held by the pledging financial institutions in the City's name as discussed below. The \$1,941,569 difference represents outstanding checks, deposits in transit, 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.

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.

CITY OF POMONA

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022

Note 3: Cash and Investments (Continued)

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

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

c. Investments Authorized by Debt Agreement

Investments of debt proceeds held by bond trustee are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the City's Investment policy. Investments authorized for funds held by bond trustee include, Federal securities, Federal Agency securities, U.S. Government Sponsored Enterprise securities, money market funds, certificate of deposit collateralized by Federal or Federal Agency securities or fully Insured by Federal Deposit Insurance Corporation, investment agreements, commercial 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.

**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022**

Note 3: Cash and Investments (Continued)

d. Fair Value Measurement Disclosure

The City categorizes its fair value measurement within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the relative inputs used to measure the fair value of the investments. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy are described as follows:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets in active markets that the City has the ability to access.

Level 2: Inputs to the valuation methodology include:

- Quoted prices for similar assets in active markets;
- Quoted prices for identical or similar assets in inactive markets;
- Inputs other than quoted prices that are observable for the asset;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement. Unobservable inputs reflect the City's own assumptions about the inputs market participants would use in pricing the asset (including assumptions about risk). Unobservable inputs are developed based on the best information available in the circumstances and may include the City's own data.

Investment Type	Measurement Input			Total
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Uncategorized	
Investments				
Local Agency Investment Fund	\$ -	\$ -	\$ 69,741,998	\$ 69,741,998
U.S. Treasury Obligations	17,885,808	95,746,163	-	113,631,971
U.S. Agency Securities	-	14,740,467	-	14,740,467
Money Market Mutual Funds	400,285	-	133,312	533,597
Supranational	-	1,148,425	-	1,148,425
Corporate	1,401,238	22,563,679	-	23,964,917
Investments with Fiscal Agent:				
Money Market Mutual Funds	29,810,974	-	-	29,810,974
U.S. Treasury Obligations	-	5,070	-	5,070
Insurance contract	-	-	965,231	965,231
Total	<u>\$ 49,498,305</u>	<u>\$ 134,203,804</u>	<u>\$ 70,840,541</u>	<u>\$ 254,542,650</u>

CITY OF POMONA

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022

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, 2022, the City had the following investment maturities:

	1 Year or Less	1 to 3 Years	3 to 5 Years	Over 5 Years	Total
Investments:					
Local Agency Investment Fund	\$ 69,741,998	\$ -	\$ -	\$ -	\$ 69,741,998
U.S. Treasury obligations	40,112,086	31,135,160	42,384,725	-	113,631,971
U.S. Agency securities	5,203,385	4,038,888	5,498,194	-	14,740,467
Municipal Bond	-	-	-	-	-
Negotiable certificates of deposit	-	-	-	-	-
Money Market Mutual Funds	533,597	-	-	-	533,597
Commercial Paper	-	-	-	-	-
Corporate notes	8,459,616	6,566,387	8,938,914	-	23,964,917
Supranational	-	1,148,425	-	-	1,148,425
Investments with Fiscal Agent:					
Money Market Mutual Funds	29,810,974	-	-	-	29,810,974
U.S. Treasury obligations	5,070	-	-	-	5,070
Insurance contract	965,231	-	-	-	965,231
Total	<u>\$ 154,831,957</u>	<u>\$ 42,888,860</u>	<u>\$ 56,821,833</u>	<u>\$ -</u>	<u>\$ 254,542,650</u>

CITY OF POMONA

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022

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 this risk be mitigated by investing in investment grade securities and by diversifying the investment portfolio. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. At June 30, 2022, 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	\$ 69,741,998	N/R	\$ -	\$ -	\$ -	\$ 69,741,998
U.S. Treasury obligations	113,631,971	N/R	113,631,971	-	-	-
U.S. Agencies securities	14,740,467	A	14,740,467	-	-	-
Municipal Bond	-	A	-	-	-	-
Corporate notes	23,964,917	A	-	-	23,964,917	-
Negotiable certificates of deposit	-	N/R	-	-	-	-
Money Market Mutual Funds	533,597	AAA	533,597	-	-	-
Commercial Paper	-	A	-	-	-	-
Supranational	1,148,425	N/R	1,148,425	-	-	-
Investments with Fiscal Agent:						
Money Market Mutual Funds	29,810,974	N/R	29,810,974	-	-	-
U.S. Treasury obligations	5,070	N/R	5,070	-	-	-
Insurance contract	965,231	N/R	-	-	-	965,231
Total	<u>\$ 254,542,650</u>		<u>\$ 159,870,504</u>	<u>\$ -</u>	<u>\$ 23,964,917</u>	<u>\$ 70,707,229</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.

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 \$136,514 was held in collateralized accounts. Of the City's investments held by trustees and fiscal agents, \$30,781,275 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, 2022.

CITY OF POMONA

**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022**

Note 3: Cash and Investments (Continued)

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, 2022, 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, 2022, the City had \$69,741,998 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.

Note 4: Loans Receivable

At June 30, 2022, the City's net loans receivable consisted of the following:

	Balance at June 30, 2021	Additions	Deletions	Balance at June 30, 2022
Section 108 Loans	\$ 130,000	\$ -	\$ (10,000)	\$ 120,000
Deferred Home Improvement Loans	6,854,223	50,412	-	6,904,635
Prototype Pomona Apartment Loans	1,402,850	28,422	-	1,431,272
Rental Rehabilitation Loans	533,400	7,042	-	540,442
CHDO Loan (Shield of Faith)	1,677,966	-	-	1,677,966
HOPE III Loans	425,243	269,587	(250,000)	444,830
Shield of Faith	4,709,983	70,280	(250,000)	4,530,263
Manufactured Housing Rehabilitation Loans	1,770,074	-	(87,705)	1,682,369
Owner Occupied Loans	2,113,628	83,718	(44,487)	2,152,859
Mortgage Assistance Programs Loans	7,622,550	226,491	(306,650)	7,542,391
Neighborhood In Progress Loans	2,374,874	609,497	(1,005,971)	1,978,400
Neighborhood Stabilization Program	231,716	-	(24,200)	207,516
Holt Avenue Housing Partners LP Loans	2,020,142	19,000	-	2,039,142
Telacu Housing Pomona	1,053,939	36,765	-	1,090,704
Tri-City Mental Health Center HOPE III Loan	58,873	-	(29,436)	29,437
West Mission Housing Partners	-	3,778,769	-	3,778,769
Total	<u>\$ 32,979,461</u>	<u>\$ 5,179,983</u>	<u>\$ (2,008,449)</u>	<u>\$ 36,150,995</u>

**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022**

Note 4: Loans Receivable (Continued)

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, 2022 was \$120,000.

b. Deferred Home Improvement Loans

The Housing Improvement loans funds for Health & Safety Repairs and Exterior Home Improvements. During the term of the loan, a portion of the loan shall be forgiven each 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, 2022 was \$6,904,635.

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, 2022 was \$1,431,272.

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, 2022 was \$540,442.

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, 2022 was in the amount of \$1,677,966 and will be forgiven upon the fulfillment of the terms of the agreement upon maturity date.

**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022**

Note 4: Loans Receivable (Continued)

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, 2022 was in the amount of \$444,830.

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 \$4,530,263 with simple annual 3% interest rate. 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, 2022, total outstanding balance was in the amount of \$1,682,369.

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, 2022 was in the amount of \$2,152,859.

**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022**

Note 4: Loans Receivable (Continued)

j. Mortgage Assistance Program (“MAP”) Loans

The City used HOME funds to provide mortgage assistance program loans up to \$100,000 to borrower. The MAP loan bears zero interest and matures in 45 years. The former Agency also provided first time home buyer program. The former Agency’s program is a second silent mortgage loan program designed to assist qualified low-income individuals with the purchase of their first home. Program assistance is limited to \$500,000 (inclusive of applicable program fees) or the lesser amount (with zero percent interest) necessary to provide the “gap” assistance required to meet the Program’s front-end ratio requirements of 25% to 35%, whichever is lower. At June 30, 2022, total outstanding balance, net allowance, was in the amount of \$7,542,391.

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, 2022 is \$1,978,400.

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, 2022, the total outstanding balance was in the amount of \$207,516.

m. 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, 2022 was \$2,039,142.

n. 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, 2022 was \$1,090,704.

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022

Note 4: Loans Receivable (Continued)

o. 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, 2022 was \$29,437.

p. West Mission Housing Partners

The loans between the City and West Mission Housing Partners were for a development project for the purchase and rehabilitation of a 57 unit affordable housing building to benefit Low and Moderate income persons and families. The principal balance of the loan is comprised of two separate loans. \$3,400,000 accounts for the purchase of the property and \$250,000 accounts for the permit fees required to purchase and develop the property with a total principal balance of \$3,650,000. Both loans have a simple annual 3% interest rate and mature 55 years from the date the Construction Financing converts to a permanent loan. The outstanding balance of principal and interest at June 30, 2022 was \$3,778,769.

Note 5: Interfund Transactions

a. Government – Wide Financial Statements

Internal Balances – At June 30, 2022, 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>
<u>Internal Payable</u>	<u>Business-Type Activities</u>
Governmental Activities	\$ 2,358,391

Transfers – For the year ended June 30, 2022, the City had the following transfers. The purpose of the transfers was for debt service payments and to reimburse a construction project.

	<u>Transfers Out</u>
<u>Transfers In</u>	<u>Governmental Activities</u>
Business-Type Activities	\$ 349,459

b. Fund Financial Statements

Due To/Due From – At June 30, 2022, the City had the following short-term interfund receivables and payables to cover negative cash at the end of the fiscal year.

	Due to Other Funds		
	Governmental Funds		Proprietary Funds
	General Debt Service Fund	Nonmajor Governmental Fund	Internal Service Funds
<u>Due from Other Funds</u>			
Governmental Fund:			
General Fund	\$ 1,578,255	\$ 514,497	\$ 454,062

CITY OF POMONA

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022

Note 5: Interfund Transactions (Continued)

Advances To/Advances From – At June 30, 2022, 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	\$ -	\$ 66,950,000	\$ -	\$ 66,950,000
Nonmajor Governmental Funds	304,435	-	-	304,435
Proprietary Fund:				
Water Enterprise Fund	-	-	7,457,542	7,457,542
Total	\$ 304,435	\$ 66,950,000	\$ 7,457,542	\$ 74,711,977

Advances in the amount of \$66,950,000 from the Public Financing Authority Debt Service Fund to General Debt Service Fund are loan proceeds advanced (2017 Taxable Lease Revenue Bonds, Series BC, and BG).

Advance between the Nonmajor Government Funds and the General Fund was a loan from Vehicle Parking District Special Revenue Fund made on December 3, 2001. The Vehicle Parking District provided a \$600,000 loan to the City to be used by the General Fund as a loan to the former Redevelopment Agency for the acquisition of the Fox Theater at zero interest. The principal is due when rent income is generated or when the property is sold. There is no fixed payment schedule. At June 30, 2022, the outstanding balance of the advances was in the amount of \$304,435.

Advance in the amount of \$7,457,542 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, 2022

Note 5: Interfund Transactions (Continued)

Transfers – For the year ended June 30, 2022, the City had the following transfers:

Transfers Out	Transfer In						
	Governmental Funds						
	General Fund	Housing Authority Special Revenue Fund	Miscellaneous Grant Special Revenue Fund	Capital Outlay Capital Projects Fund	General Governmental Debt Service Fund	PFA	Nonmajor Governmental Funds
Governmental Funds:							
General Fund	\$ -	\$ -	\$ 93,486	\$ 1,927,048	\$ 4,295,000	\$ -	\$ 131,750
Housing Authority Special Revenue Fund	-	-	-	755,988	-	-	-
Capital Outlay Capital Project Fund	-	-	-	-	-	-	-
ARPA Special Revenue Fur	1,444,374	71,500	33,450	5,000	-	2,250	171,570
Nonmajor Governmental	-	-	-	9,433,800	-	-	-
Proprietary Funds:							
Water Enterprise Fund	-	-	-	105,044	600,000	-	-
Sewer Enterprise Fund	-	-	-	298	417,000	-	-
Refuse Enterprise Fund	-	-	-	370,889	-	-	-
Internal Enterprise Fund	-	-	-	-	7,649,567	-	-
Total	\$ 1,444,374	\$ 71,500	\$ 126,936	\$ 12,598,067	\$ 12,961,567	\$ 2,250	\$ 303,320

	Proprietary Funds				Total
	Water Fund	Sewer Fund	Refuse Fund	Internal Service Funds	
Governmental Funds:					
General Fund	\$ -	\$ -	\$ -	\$ 490,661	\$ 6,937,945
Housing Authority Special Revenue Fund	-	-	-	-	755,988
Capital Outlay Capital Project Fund	819,017	-	-	-	819,017
ARPA Special Revenue Fur	343,800	27,200	99,500	93,500	2,292,144
Nonmajor Governmental	553,173	-	-	-	9,986,973
Proprietary Funds:					
Water Enterprise Fund	-	-	-	-	705,044
Sewer Enterprise Fund	1,819,815	-	-	-	2,237,113
Refuse Enterprise Fund	-	-	-	-	370,889
Internal Enterprise Fund	-	-	-	-	7,649,567
Total	\$ 3,535,805	\$ 27,200	\$ 99,500	\$ 584,161	\$ 31,754,680

The transfer of \$4,295,000 between the General Fund and the General Debt Service Fund was for Series AR, BC, and BG debt service payments.

Transfers in the amount of \$12,598,067 to Capital Outlay Capital Projects Fund were to provide funding for capital projects.

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

The transfer of \$7,649,567 between the Internal Enterprise Fund and the General Debt Service Fund was for Series BJ debt service payments.

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

CITY OF POMONA

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022

Note 6: Due from Other Governments

At June 30, 2022, the City's due from other governments consisted of the following:

	Governmental Activities					Total
	General Fund	Housing Authority Special Revenue Fund	Miscellaneous Grant Special Revenue Fund	Capital Outlay Capital project Fund	Nonmajor Governmental Funds	
Federal government	\$ -	\$ -	\$ 2,879,705	\$ 734,806	\$ 1,090,514	\$ 4,705,025
State of California	-	-	-	-	881,813	881,813
County of Los Angeles	10,816,546	990,658	-	-	-	11,807,204
Total	\$ 10,816,546	\$ 990,658	\$ 2,879,705	\$ 734,806	\$ 1,972,327	\$ 17,394,042

Note 7: Leases

The City implemented GASB Statement No. 87 in the fiscal year ended June 30, 2022. The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. For additional information, refer to the disclosures below.

a. Leases Receivable and Deferred Inflows of Resources

On July 1, 2021, the City entered into a 58-month lease as Lessor for the use of J. C. Park. An initial lease receivable was recorded in the amount of \$190,371. As of June 30, 2022, the value of the lease receivable is \$154,560. The lessee is required to make monthly fixed payments of \$3,116. The lease has an interest rate of 1.0586%. The value of the deferred inflow of resources as of June 30, 2022 was \$151,498, and City of Pomona recognized lease revenue of \$38,873 during the fiscal year. The lessee has 2 extension option(s), each for 60 months.

On July 1, 2021, the City entered into a 33-month lease as Lessor for the use of Ted Greene Park. An initial lease receivable was recorded in the amount of \$134,876. As of June 30, 2022, the value of the lease receivable is \$89,206. The lessee is required to make monthly fixed payments of \$3,842. The lease has an interest rate of 0.7268%. The value of the deferred inflow of resources as of June 30, 2022 was \$86,753 and City of Pomona recognized lease revenue of \$48,122 during the fiscal year. The lessee has 3 extension option(s), each for 60 months.

**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022**

Note 7: Leases

On July 1, 2021, the City entered into a 17-month lease as Lessor for the use of Philadelphia Park. An initial lease receivable was recorded in the amount of \$61,371. As of June 30, 2022, the value of the lease receivable is \$20,757. The lessee is required to make monthly fixed payments of \$3,330. The lease has an interest rate of 0.3871%. The value of the deferred inflow of resources as of June 30, 2022 was \$19,527, and City of Pomona recognized lease revenue of \$41,844 during the fiscal year. The lessee has 3 extension option(s), each for 60 months.

On July 1, 2021, the City entered into a 17-month lease as Lessor for the use of Ralph Welch Park. An initial lease receivable was recorded in the amount of \$61,371. As of June 30, 2022, the value of the lease receivable is \$20,757. The lessee is required to make monthly fixed payments of \$3,330. The lease has an interest rate of 0.3871%. The value of the deferred inflow of resources as of June 30, 2022 was \$19,527, and City of Pomona recognized lease revenue of \$41,844 during the fiscal year. The lessee has 3 extension option(s), each for 60 months.

On July 1, 2021, the City entered into a 57-month lease as Lessor for the use of Site No #IE05427A. An initial lease receivable was recorded in the amount of \$187,420. As of June 30, 2022, the value of the lease receivable is \$151,487. The lessee is required to make monthly fixed payments of \$3,116. The lease has an interest rate of 1.0586%. The value of the deferred inflow of resources as of June 30, 2022 was \$148,329, and City of Pomona recognized lease revenue of \$39,091 during the fiscal year. The lessee has 2 extension option(s), each for 60 months.

On July 1, 2021, the City entered into a 7-month lease as Lessor for the use of Phillips Ranch Relo. An initial lease receivable was recorded in the amount of \$18,103. As of June 30, 2022, the value of the lease receivable is \$0. The lessee is required to make monthly fixed payments of \$2,589. The lease has an interest rate of 0.3160%. The value of the deferred inflow of resources as of June 30, 2022 was \$0.00, and City of Pomona recognized lease revenue of \$18,103 during the fiscal year. The lessee has 5 extension option(s), each for 60 months.

On July 1, 2021, the City entered into a 52-month lease as Lessor for the use of 25 1/2 Canyon Rim Road. An initial lease receivable was recorded in the amount of \$173,258. As of June 30, 2022, the value of the lease receivable is \$136,480. The lessee is required to make monthly fixed payments of \$3,116. The lease has an interest rate of 0.8927%. The value of the deferred inflow of resources as of June 30, 2022 was \$133,806, and City of Pomona recognized lease revenue of \$39,451 during the fiscal year. The lessee has 2 extension option(s), each for 60 months.

CITY OF POMONA

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022

Note 7: Leases (Continued)

On July 1, 2021, the City entered into a 28-month lease as Lessor for the use of Site No #CA-7137-E. An initial lease receivable was recorded in the amount of \$41,196. As of June 30, 2022, the value of the lease receivable is \$24,533. The lessee is required to make monthly fixed payments of \$1,377. The lease has an interest rate of 0.5135%. The value of the deferred inflow of resources as of June 30, 2022 was \$23,871, and City of Pomona recognized lease revenue of \$17,325 during the fiscal year.

On July 1, 2021, the City entered into a 71-month lease as Lessor for the use of Site No #IE04871A. An initial lease receivable was recorded in the amount of \$47,849. As of June 30, 2022, the value of the lease receivable is \$39,067. The lessee is required to make annual fixed payments of \$9,348. The lease has an interest rate of 1.2170%. The value of the deferred inflow of resources as of June 30, 2022 was \$39,837, and City of Pomona recognized lease revenue of \$8,012 during the fiscal year. The lessee has 3 extension option(s), each for 60 months.

On July 1, 2021, the City entered into a 51-month lease as Lessor for the use of 1400 East Mission Boulevard. An initial lease receivable was recorded in the amount of \$13,726.10. As of June 30, 2022, the value of the lease receivable is \$10,598. The lessee is required to make monthly variable principal and interest payments of \$269 based on a CPI index of 0.00%. The lease has an interest rate of 0.8927%. The value of the deferred inflow of resources as of June 30, 2022 was \$10,515, and City of Pomona recognized lease revenue of \$3,211 during the fiscal year.

On July 1, 2021, the City entered into a 20-month lease as Lessor for the use of Site No #IE24046B. An initial lease receivable was recorded in the amount of \$9,041. As of June 30, 2022, the value of the lease receivable is \$0. The lessee is required to make annual fixed payments of \$9,076. The lease has an interest rate of 0.5135%. The value of the deferred inflow of resources as of June 30, 2022 was \$3,616, and City of Pomona recognized lease revenue of \$5,424 during the fiscal year. The lessee has 3 extension option(s), each for 60 months.

Total Leases Receivable at June 30, 2022 are as follows:

Fiscal Year	Governmental Activities		
	Principal Payments	Interest Payments	Total Payments
2023	\$ 231,389	\$ 5,125	\$ 236,514
2024	178,648	3,360	182,008
2025	135,168	1,871	137,039
2026	102,239	540	102,779

CITY OF POMONA

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022

Note 7: Leases (Continued)

b. Lease Payable and Right to Use Lease Assets

On July 1, 2021, the City entered into a 44-month lease as Lessee for the use of Site No #4052928. An initial lease liability was recorded in the amount of \$204,076. As of June 30, 2022, the value of the lease liability is \$152,391. City of Pomona is required to make monthly fixed payments of \$4,396. The lease has an interest rate of 0.8927%. The value of the right to use asset as of June 30, 2022 of \$204,076 with accumulated amortization of \$54,460 is included with Land on the Lease Class activities table found below.

Right-to-use leased assets include the following at June 30, 2022:

Lease Type	Major Class of Underlying Asset	Amount of Leased Capital Assets	Accumulated Amortization
Land Lease	Right-to-Use Lease - Land	\$ 204,076	\$ 54,460
Total		\$ 204,076	\$ 54,460

Future principal and interest requirements to maturity for each lease liability are as follows:

Fiscal Year	Governmental Activities		
	Principal Payments	Interest Payments	Total Payments
2023	\$ 53,596	\$ 1,143	\$ 54,739
2024	55,725	656	56,381
2025	43,070	160	43,230
Total	\$ 152,391	\$ 1,959	\$ 154,350

Note 8: Land Held for Resale

At June 30, 2022, land held for resale in the amount of \$4,359,738 is reported at the acquisition cost in the Housing Authority Special Revenue Fund.

CITY OF POMONA

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022

Note 9: Capital Assets

a. Government – Wide Financial Statements

At June 30, 2022, the City's capital assets consisted of the following:

	Governmental Activities	Business-Type Activities	Total
Nondepreciable assets:			
Land	\$ 81,087,590	\$ 9,089,782	\$ 90,177,372
Construction in Progress	59,268,801	16,932,664	76,201,465
Total nondepreciable assets	<u>140,356,391</u>	<u>26,022,446</u>	<u>166,378,837</u>
Depreciable assets:			
Building and building improvements	16,139,151	3,482,783	19,621,934
Improvements other than buildings	69,007,233	849,759	69,856,992
Machinery and Equipment	22,298,940	231,431,253	253,730,193
Furniture and fixtures	1,171,616	5,105	1,176,721
Autos and trucks	12,737,044	6,893,839	19,630,883
Equipment under leases	3,363,689	4,257,381	7,621,070
Right-to-use - Land	204,076	-	204,076
Infrastructure	387,564,012	-	387,564,012
Total capital assets, at cost	<u>512,485,761</u>	<u>246,920,120</u>	<u>759,405,881</u>
Less accumulated depreciation:			
Building and building improvements	(13,575,107)	(3,359,531)	(16,934,638)
Improvements other than buildings	(35,117,755)	(284,520)	(35,402,275)
Machinery and equipment	(19,324,630)	(102,006,031)	(121,330,661)
Furniture and fixtures	(1,029,298)	(5,105)	(1,034,403)
Autos and trucks	(10,044,928)	(5,054,969)	(15,099,897)
Equipment under capitalized leases	(1,720,251)	(3,831,642)	(5,551,893)
Right-to-use - Land	(54,460)	-	(54,460)
Infrastructure	(277,275,528)	-	(277,275,528)
Total accumulated depreciation/amortization	<u>(358,141,957)</u>	<u>(114,541,798)</u>	<u>(472,683,755)</u>
Total depreciable assets, net	<u>154,343,804</u>	<u>132,378,322</u>	<u>286,722,126</u>
Total capital assets, net	<u>\$ 294,700,195</u>	<u>\$ 158,400,768</u>	<u>\$ 453,100,963</u>

CITY OF POMONA

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022

Note 9: 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, 2022:

	Balance July 1, 2021	Additions	Deletions	Transfers	Balance June 30, 2022
Nondepreciable assets:					
Land	\$ 80,887,590	\$ -	\$ -	\$ 200,000	\$ 81,087,590
Construction in Progress	73,937,100	14,583,602	(1,644,500)	(27,607,401)	59,268,801
Total nondepreciable assets	<u>154,824,690</u>	<u>14,583,602</u>	<u>(1,644,500)</u>	<u>(27,407,401)</u>	<u>140,356,391</u>
Depreciable assets:					
Building and building improvements	15,081,452	-	-	1,057,699	16,139,151
Improvements other than buildings	65,560,366	-	-	3,446,867	69,007,233
Machinery and Equipment	21,887,459	374,995	(184,730)	221,216	22,298,940
Furniture and fixtures	1,149,397	22,219	-	-	1,171,616
Autos and trucks	12,763,719	709,918	(736,593)	-	12,737,044
Equipment under leases	3,656,570	-	(292,881)	-	3,363,689
Right-to-Use - Land	-	204,076	-	-	204,076
Infrastructure	388,508,753	-	(23,626,360)	22,681,619	387,564,012
Total capital assets, at cost	<u>508,607,716</u>	<u>1,311,208</u>	<u>(24,840,564)</u>	<u>27,407,401</u>	<u>512,485,761</u>
Less accumulated depreciation/amortization:					
Building and building improvements	(13,390,847)	(184,260)	-	-	(13,575,107)
Improvements other than buildings	(33,651,625)	(1,466,130)	-	-	(35,117,755)
Machinery and equipment	(18,928,501)	(580,859)	184,730	-	(19,324,630)
Furniture and fixtures	(993,856)	(35,442)	-	-	(1,029,298)
Autos and trucks	(10,109,547)	(665,423)	730,042	-	(10,044,928)
Equipment under leases	(1,680,089)	(306,981)	266,819	-	(1,720,251)
Right-to-Use - Land	-	(54,460)	-	-	(54,460)
Infrastructure	(293,314,213)	(6,049,435)	22,088,120	-	(277,275,528)
Total accumulated depreciation/amortization	<u>(372,068,678)</u>	<u>(9,342,990)</u>	<u>23,269,711</u>	<u>-</u>	<u>(358,141,957)</u>
Total depreciable assets, net	<u>136,539,038</u>	<u>(8,031,782)</u>	<u>(1,570,853)</u>	<u>27,407,401</u>	<u>154,343,804</u>
Total capital assets, net	<u>\$ 291,363,728</u>	<u>\$ 6,551,820</u>	<u>\$ (3,215,353)</u>	<u>\$ -</u>	<u>\$ 294,700,195</u>

Depreciation and amortization expense for capital assets of the governmental activities for the year ended June 30, 2022, is as follows:

General government	\$ 510,495
Public safety	1,264,371
Development services	6,516,252
Neighborhood services	1,011,841
Internal service funds	40,031
Total	<u>\$ 9,342,990</u>

CITY OF POMONA

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022

Note 9: 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, 2022:

	Balance July 1, 2021	Additions	Deletions	Transfers	Balance June 30, 2022
Nondepreciable assets:					
Land	\$ 9,089,782	\$ -	\$ -	\$ -	\$ 9,089,782
Construction in Progress	12,929,518	6,963,629	-	(2,960,483)	16,932,664
Total nondepreciable assets	<u>22,019,300</u>	<u>6,963,629</u>	<u>-</u>	<u>(2,960,483)</u>	<u>26,022,446</u>
Depreciable assets:					
Building and building improvements	3,482,783	-	-	-	3,482,783
Improvements other than buildings	871,529	-	-	(21,770)	849,759
Machinery and Equipment	228,193,390	255,610	-	2,982,253	231,431,253
Furniture and fixtures	5,105	-	-	-	5,105
Autos and trucks	7,064,002	-	(170,163)	-	6,893,839
Equipment under leases	4,257,381	-	-	-	4,257,381
Total capital assets, at cost	<u>243,874,190</u>	<u>255,610</u>	<u>(170,163)</u>	<u>2,960,483</u>	<u>246,920,120</u>
Less accumulated depreciation/amortization:					
Building and building improvements	(3,349,882)	(9,649)	-	-	(3,359,531)
Improvements other than buildings	(251,285)	(33,235)	-	-	(284,520)
Machinery and equipment	(98,289,841)	(3,716,190)	-	-	(102,006,031)
Furniture and fixtures	(5,105)	-	-	-	(5,105)
Autos and trucks	(4,682,858)	(542,274)	170,163	-	(5,054,969)
Equipment under leases	(3,405,904)	(425,738)	-	-	(3,831,642)
Total accumulated depreciation/amortization	<u>(109,984,875)</u>	<u>(4,727,086)</u>	<u>170,163</u>	<u>-</u>	<u>(114,541,798)</u>
Total depreciable assets, net	<u>133,889,315</u>	<u>(4,471,476)</u>	<u>-</u>	<u>2,960,483</u>	<u>132,378,322</u>
Total capital assets, net	<u>\$155,908,615</u>	<u>\$ 2,492,153</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 158,400,768</u>

Depreciation and amortization expense for capital assets of the business-type activities for the year ended June 30, 2022, is as follows:

Water	\$ 3,525,708
Sewer	677,171
Refuse	518,359
Canon Water Company	5,848
Total	<u>\$ 4,727,086</u>

Note 10: 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, 2022

Note 11: Long-Term Liabilities

The following is a summary of changes of long-term liabilities for the year ended June 30, 2022:

	Balance July 1, 2021	Additions	Deletions	Balance June 30, 2022	Due Within One Year	Due in more than One Year
Governmental Activities:						
Pollution remediation obligations	\$ 51,786	\$ -	\$ (51,786)	\$ -	\$ -	\$ -
Financed purchases	1,220,449	-	(174,352)	1,046,097	174,350	871,747
Collateralized borrowing	3,022,746	-	(57,437)	2,965,309	59,712	2,905,597
Notes Payable	450,888	1,539,211	(85,148)	1,904,951	283,135	1,621,816
Revenue Bonds	72,128,082	-	(3,600,369)	68,527,713	2,220,000	66,307,713
Pension obligation refunding bonds	204,139,568	-	(372,903)	203,766,665	7,187,766	196,578,899
Accreted interest	4,179,108	1,937,319	-	6,116,427	-	6,116,427
Total governmental activities	<u>\$ 285,192,627</u>	<u>\$ 3,476,530</u>	<u>\$ (4,341,995)</u>	<u>\$ 284,327,162</u>	<u>\$ 9,924,963</u>	<u>\$ 274,402,199</u>

	Balance July 1, 2021	Additions	Deletions	Balance June 30, 2022	Due Within One Year	Due in more than One Year
Business-Type Activities:						
Revenue Bonds	\$ 107,277,527	\$ -	\$ (2,621,742)	\$ 104,655,785	\$ 2,565,000	\$ 102,090,785
Pension Obligation bonds	21,108,787	-	(7,689)	21,101,098	716,561	20,384,537
Total business-type activities	<u>\$ 128,386,314</u>	<u>\$ -</u>	<u>\$ (2,629,431)</u>	<u>\$ 125,756,883</u>	<u>\$ 3,281,561</u>	<u>\$ 122,475,322</u>

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 \$0 at June 30, 2022.

Financed Purchases

At June 30, 2022, obligations under the lease consisted of the following:

	Balance July 1, 2021	Additions	Deletions	Balance June 30, 2022	Due Within One Year
BBVA	\$ 1,220,449	\$ -	\$ (174,352)	\$ 1,046,097	\$ 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, 2022:

Equipment under capitalized leases, at cost	\$ 7,621,070
Accumulated depreciation	<u>(5,551,893)</u>
Equipment under capitalized leases, net	<u>\$ 2,069,177</u>

The depreciation expense for equipment under capitalized leases was \$732,719 for the year ended June 30, 2022.

CITY OF POMONA

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022

Note 11: 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 lease at June 30, 2022 is as follows:

Year Ending June 30,		
2023	\$	205,628
2024		200,189
2025		194,749
2026		189,309
2027		183,869
2028		181,430
Subtotal		<u>1,155,174</u>
Less amount representing interest		<u>(109,077)</u>
Present value of future minimum lease payments	\$	<u>1,046,097</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, 2022, is as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	69,747	104,253	174,000
2028-2032	392,415	477,585	870,000
2033-2037	476,514	393,486	870,000
2038-2042	578,636	291,364	870,000
2042-2047	702,644	167,356	870,000
2048-2050	491,941	30,058	521,999
Total	<u>\$ 2,965,309</u>	<u>\$ 1,906,690</u>	<u>\$ 4,871,999</u>

Notes Payable

At June 30, 2022, notes payable consisted of the following:

	Balance July 1, 2021	Additions	Deletions	Balance June 30, 2022	Due Within One Year
HUD Section 108 Loan	\$ 60,000	\$ -	\$ (20,000)	\$ 40,000	\$ 20,000
SoCalREN Revolving Loan Fund	-	1,539,211	-	1,539,211	197,987
Southern California Edison On Bill Financing	390,888	-	(65,148)	325,740	65,148
	<u>\$ 450,888</u>	<u>\$ 1,539,211</u>	<u>\$ (85,148)</u>	<u>\$ 1,904,951</u>	<u>\$ 283,135</u>

**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022**
Note 11: 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, 2022 is as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 20,000	\$ -	\$ 20,000
2024	20,000	-	20,000
Total	<u>\$ 40,000</u>	<u>\$ -</u>	<u>\$ 40,000</u>

Southern California Edison On Bill Financing

On September 26, 2017, the City entered into the on-bill financing agreement with Southern California Edison 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, 2022 as follow:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 65,148	\$ -	\$ 65,148
2024	65,148	-	65,148
2025	65,148	-	65,148
2026	65,148	-	65,148
2027	65,148	-	65,148
Total	<u>\$ 325,740</u>	<u>\$ -</u>	<u>\$ 325,740</u>

CITY OF POMONA

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022

Note 11: Long-Term Liabilities (Continued)

SoCalREN Revolving Loan Fund

On August 12, 2021, the City entered into a loan agreement for the purpose of providing financing to fund mechanical and lighting upgrades at the City's Palomares Park, Community Center and Public Library. The agreement provides zero-interest financing up to \$1,539,211.

The annual debt service requirement at June 30, 2022 as follow:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 197,987	\$ -	\$ 197,987
2024	197,987	-	197,987
2025	197,987	-	197,987
2026	197,987	-	197,987
2027	747,263	-	747,263
Total	<u>\$ 1,539,211</u>	<u>\$ -</u>	<u>\$ 1,539,211</u>

Revenue Bonds – Governmental Activities

At June 30, 2022, revenue bonds consisted of the following:

	<u>Balance July 1, 2021</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2022</u>	<u>Due Within One Year</u>
2005 Subordinate Revenue Bonds Series AL	\$ 645,000	\$ -	\$ (645,000)	\$ -	\$ -
2005 Reassessment and Refunding Bonds, Series AM	592,000	-	(592,000)	-	-
2016 Lease Revenue Refunding Bonds Series BC	22,170,000	-	(1,195,000)	20,975,000	1,230,000
Unamortized Bond Premium	1,691,082	-	(113,369)	1,577,713	-
2017 Taxable Lease Revenue Refunding Bonds, Series BG	47,030,000	-	(1,055,000)	45,975,000	990,000
Total	<u>\$ 72,128,082</u>	<u>\$ -</u>	<u>\$ (3,600,369)</u>	<u>\$ 68,527,713</u>	<u>\$ 2,220,000</u>

Unamortized Deferred Loss on Refunding

	<u>Balance July 1, 2021</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2022</u>
2017 Taxable Lease Revenue Refunding Bonds, Series BG	\$ (329,109)	\$ -	\$ 23,512	\$ (305,597)

Unamortized Deferred Gain on Refunding

2016 Lease Revenue Refunding Bond, Series BC	\$ 357,275	\$ -	\$ (23,951)	\$ 333,324
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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.

**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022**

Note 11: Long-Term Liabilities (Continued)

The remaining balance of these bonds were paid during fiscal year ending June 30, 2022.

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 remaining balance of these bonds were paid during fiscal year ending June 30, 2022.

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

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

The current refunding resulted in a difference between the acquisition price (Series BC) and the net carrying amount of the relinquished bonds (Series AG and AN) in the amount of \$437,040. This amount is reported as deferred gain on refunding. This deferred amount is amortized through June 1, 2034, the maturity date of the refunded debt (Series AG). The refunding also resulted in the net present value savings in the amount of \$6,224,352 and savings in debt service 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, 2022, is as follows:

Year Ending June 30,	Principal	Interest	Total
2023	\$ 1,230,000	\$ 741,113	\$ 1,971,113
2024	1,265,000	704,213	1,969,213
2025	1,320,000	653,613	1,973,613
2026	1,370,000	600,813	1,970,813
2027	1,425,000	546,013	1,971,013
2028-2032	7,965,000	1,895,219	9,860,219
2033-2037	6,400,000	535,800	6,935,800
Total	\$ 20,975,000	\$ 5,676,784	\$ 26,651,784

**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022**

Note 11: 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, 2022, is as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 990,000	\$ 1,817,728	\$ 2,807,728
2024	940,000	1,789,701	2,729,701
2025	875,000	1,761,680	2,636,680
2026	810,000	1,734,503	2,544,503
2027	735,000	1,708,534	2,443,534
2028-2032	5,765,000	8,138,619	13,903,619
2033-2037	11,645,000	6,403,446	18,048,446
2038-2042	14,215,000	3,837,682	18,052,682
2043-2045	10,000,000	829,448	10,829,448
Total	<u>\$ 45,975,000</u>	<u>\$ 28,021,341</u>	<u>\$ 73,996,341</u>

CITY OF POMONA

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022

Note 11: Long-Term Liabilities (Continued)

Revenue Bonds – Business-Type Activities

	Balance July 1, 2021	Additions	Deletions	Balance June 30, 2022	Due Within One Year
2016 Revenue Refunding Bonds, (Sewer Project), Series BB	\$ 8,425,000	\$ -	\$ -	\$ 8,425,000	\$ -
Unamortized Bond Discount	(16,630)	-	777	(15,853)	-
2016 Taxable Revenue Refunding Bonds (Sewer Project), Series BD	2,830,000	-	(365,000)	2,465,000	370,000
Unamortized Bond Discount	(28,667)	-	3,687	(24,980)	-
2017 Refunding Revenue Bonds (Water Facilities), Series BE	32,355,000	-	-	32,355,000	-
Unamortized Bond Premium	2,872,824	-	(111,206)	2,761,618	-
2017 Taxable Refunding Revenue Bonds (Water Facilities), Series BF	48,100,000	-	(1,925,000)	46,175,000	1,970,000
2018 Taxable Refunding Revenue (Sewer Project), Series BH	12,740,000	-	(225,000)	12,515,000	235,000
Total	<u>\$ 107,277,527</u>	<u>\$ -</u>	<u>\$ (2,621,742)</u>	<u>\$ 104,655,785</u>	<u>\$ 2,575,000</u>
Unamortized Deferred Loss on Refunding:					
2016 Revenue Refunding Bonds, (Sewer Project), Series BB	\$ (347,230)	\$ -	\$ 35,613	\$ (311,617)	
2016 Taxable Revenue Refunding Bonds (Sewer Project), Series BD	(119,044)	-	31,746	(87,298)	
Total	<u>\$ (466,274)</u>	<u>\$ -</u>	<u>\$ 67,359</u>	<u>\$ (398,915)</u>	
Unamortized Deferred Gain on Refunding:					
2017 Refunding Revenue Bonds (Water Facilities), Series BE	\$ 1,205,672	\$ -	\$ (46,671)	\$ 1,159,001	
2017 Taxable Refunding Revenue Bonds (Water Facilities), Series BF	1,721,363	-	(66,634)	1,654,729	
Total	<u>\$ 2,927,035</u>	<u>\$ -</u>	<u>\$ (113,305)</u>	<u>\$ 2,813,730</u>	

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

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022**

Note 11: 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, 2022 is as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ -	\$ 292,019	\$ 292,019
2024	-	292,019	292,019
2025	-	292,019	292,019
2026	-	292,019	292,019
2027	-	292,019	292,019
2028-2032	1,775,000	1,326,193	3,101,193
2033-2037	2,735,000	888,886	3,623,886
2038-2042	3,205,000	397,323	3,602,323
2043	710,000	11,981	721,981
Total	<u>\$ 8,425,000</u>	<u>\$ 4,084,478</u>	<u>\$ 12,509,478</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, 2022**

Note 11: Long-Term Liabilities (Continued)

The annual debt service requirement for the 2016 Taxable Revenue Refunding Bonds (Sewer Projects), Series BD outstanding at June 30, 2022, is as follows:

Year Ending June 30,	Principal	Interest	Total
2023	\$ 370,000	\$ 61,069	\$ 431,069
2024	380,000	52,156	432,156
2025	390,000	42,288	432,288
2026	405,000	31,600	436,600
2027	415,000	20,325	435,325
2028	505,000	9,709	514,709
Total	<u>\$ 2,465,000</u>	<u>\$ 217,147</u>	<u>\$ 2,682,147</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, 2022, is as follows:

Year Ending June 30,	Principal	Interest	Total
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	-	1,452,150	1,452,150
2028-2032	4,500,000	6,967,500	11,467,500
2033-2037	7,475,000	5,561,150	13,036,150
2038-2042	9,085,000	3,942,550	13,027,550
2043-2047	11,295,000	1,749,250	13,044,250
Total	<u>\$ 32,355,000</u>	<u>\$ 25,481,200</u>	<u>\$ 57,836,200</u>

CITY OF POMONA

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022

Note 11: 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, 2022, is as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 1,970,000	\$ 1,703,379	\$ 3,673,379
2024	2,025,000	1,649,953	3,674,953
2025	2,080,000	1,591,998	3,671,998
2026	2,145,000	1,529,598	3,674,598
2027	2,210,000	1,463,102	3,673,102
2028-2032	7,815,000	6,345,952	14,160,952
2033-2037	7,570,000	5,019,180	12,589,180
2038-2042	9,180,000	3,408,683	12,588,683
2043-2047	11,180,000	1,394,820	12,574,820
Total	<u>\$ 46,175,000</u>	<u>\$ 24,106,665</u>	<u>\$ 70,281,665</u>

CITY OF POMONA

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022

Note 11: 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, 2022, is as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	260,000	459,245	719,245
2028-2032	1,470,000	2,141,045	3,611,045
2033-2037	1,775,000	1,825,100	3,600,100
2038-2042	2,180,000	1,430,070	3,610,070
2043-2047	5,855,000	681,113	6,536,113
Total	<u>\$ 12,515,000</u>	<u>\$ 8,455,320</u>	<u>\$ 20,970,320</u>

CITY OF POMONA

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022

Note 11: Long-Term Liabilities (Continued)

Pension Obligation Bonds

	Balance July 1, 2021	Additions	Deletions	Balance June 30, 2022	Due Within One Year
Governmental Activities					
2006 Pension Obligation Bonds,					
Series AR	\$ 3,208,299	\$ -	\$ (299,726)	\$ 2,908,573	\$ 319,328
Accreted Interest	4,179,108	1,937,319	-	6,116,427	-
2020 Pension Obligation Bonds,					
Series BJ	198,985,613	-	-	198,985,613	6,868,438
Bond Premium	1,945,656	-	(73,177)	1,872,479	-
Business-Type Activities					
2020 Pension Obligation Bonds,					
Series BJ	20,904,387	-	-	20,904,387	721,562
Bond Premium	204,400	-	(7,689)	196,711	-
Total	<u>\$ 229,447,463</u>	<u>\$ 1,937,319</u>	<u>\$ (380,592)</u>	<u>\$ 230,984,190</u>	<u>\$ 7,909,328</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, 2022**

Note 11: 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, 2022, is as follows:

Year Ending June 30,	Principal	Interest	Accreted Interest	Total
2023	\$ 319,328	\$ 123,736	\$ -	\$ 443,064
2024	332,130	176,634	-	508,764
2025	346,154	229,532	-	575,686
2026	359,352	298,392	-	657,744
2027	371,682	370,006	-	741,688
2028-2029	1,179,927	1,074,047	6,116,427	8,370,401
Total	<u>\$ 2,908,573</u>	<u>\$ 2,272,347</u>	<u>\$ 6,116,427</u>	<u>\$ 11,297,347</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 be 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 an bankruptcy case.

CITY OF POMONA

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022

Note 11: Long-Term Liabilities (Continued)

The annual debt service requirement for 2020 Taxable Pension Obligations Bonds, Series BJ outstanding at June 30, 2022, is as follows:

Year Ending June 30,	Principal	Interest	Total
2023	\$ 7,590,000	\$ 7,497,768	\$ 15,087,768
2024	7,900,000	7,187,968	15,087,968
2025	8,220,000	6,865,567	15,085,567
2026	8,555,000	6,530,068	15,085,068
2027	8,840,000	6,249,617	15,089,617
2028-2032	48,080,000	27,363,848	75,443,848
2033-2037	56,395,000	19,044,665	75,439,665
2038-2042	55,455,000	8,439,896	63,894,896
2043-2047	18,855,000	912,883	19,767,883
Total	<u>\$ 219,890,000</u>	<u>\$ 90,092,280</u>	<u>\$ 309,982,280</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, 2022, the Water and Sewer Enterprise Funds have net available revenues of \$27,258,135 and total debt service paid was \$8,771,178. 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, 2022, on the Bonds is as follows:

Debt Issue	Remaining Balance
2016 Revenue Refunding Bonds, Series BB	\$ 12,509,478
2016 Taxable Revenue Refunding Bonds, Series BD	2,682,147
2017 Refunding Revenue Bonds, Series BE	57,836,200
2017 Taxable Refunding Revenue Bonds, Series BF	70,281,665
2018 Revenue Bonds (Sewer Project), Series BH	20,970,320
Total	<u>\$ 164,279,810</u>
Revenue	2021-2022
Net available revenues, excluding debt service	<u>\$ 27,258,135</u>

**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022**

Note 11: Long-Term Liabilities (Continued)

Outstanding Principal on Capital-Related Debt

The City has acquired capital assets through the issuance of bonds and lease obligations. The following is the outstanding balance at June 30, 2022, of capital assets and related debt:

	<u>Outstanding Capital Related Debt, net</u>
Governmental Activities	
2016 Refunding Revenue Bond, Series BC	\$ 22,552,713
2017 Taxable Lease Revenue Refunding Bonds, Series BG (24.4%)	45,669,403
Financed Purchase and lease obligation	1,198,488
Total	<u>\$ 69,420,604</u>
Business-Type Activities	
Water Enterprise Fund:	
2017 Refunding Revenue Bonds, Series BE	\$ 36,275,619
2017 Taxable Refunding Revenue Bonds, Series BF	47,829,729
Subtotal	<u>84,105,348</u>
Sewer Enterprise Fund:	
2016 Revenue Refunding Bonds, Series BB	8,097,530
2016 Taxable Revenue Refunding Bonds, Series BD	2,352,722
2018 Taxable Revenue Refunding Bonds, Series BH	12,515,000
Subtotal	<u>22,965,252</u>
Total	<u>\$ 107,070,600</u>

Note 12: 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 July 1, 2021	Additions	Deletions	Balance June 30, 2022	Due Within One Year
Governmental Activities	\$ 8,413,531	\$ 5,751,021	\$ (4,955,936)	\$ 9,208,616	\$ 5,960,129
Business-Type Activities	1,660,246	1,149,655	(1,052,593)	1,757,308	1,161,074
	<u>\$ 10,073,777</u>	<u>\$ 6,900,676</u>	<u>\$ (6,008,529)</u>	<u>\$ 10,965,924</u>	<u>\$ 7,121,203</u>

**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022**

Note 13: 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, 2022, is as follows:

<u>Mortgage Revenue Bonds</u>	<u>Balance as of June 30, 2022</u>
Single Family Mortgage Refunding Bonds 90A	\$ 4,685,000
Single Family Mortgage Refunding Bonds 90B	2,865,000
Total	<u>\$ 7,550,000</u>

CITY OF POMONA

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022

Note 14: Defined Benefit Pension Plan

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Deferred Outflows of Resources:			
Pension contributions made after measurement date:			
Miscellaneous	\$ 1,933,690	\$ 667,126	\$ 2,600,816
Safety	4,512,251	-	4,512,251
Difference between expected and actual experience:			
Miscellaneous	98,932	34,108	133,040
Safety	1,662,256	-	1,662,256
Collateral Plan	57,098	-	57,098
Net difference in projected and actual earnings on pension plan investments:			
Collateral Plan	25,079	-	25,079
Total deferred outflows of resources	<u>\$ 8,289,306</u>	<u>\$ 701,234</u>	<u>\$ 8,990,540</u>
Net Pension Liabilities:			
Collateral Plan	\$ 494,984	\$ -	\$ 494,984
Total net pension liabilities:	<u>\$ 494,984</u>	<u>\$ -</u>	<u>\$ 494,984</u>
Net Pension Liability/(Assets):			
Miscellaneous	\$ (34,575,128)	\$ (11,928,070)	\$ (46,503,198)
Safety	(59,293,727)	-	(59,293,727)
Total net pension liabilities/(asset):	<u>\$ (93,868,855)</u>	<u>\$ (11,928,070)</u>	<u>\$ (105,796,925)</u>
Deferred Inflows of Resources:			
Net difference in projected and actual earnings on pension plan investments:			
Miscellaneous	\$ (26,364,665)	\$ (9,095,544)	\$ (35,460,209)
Safety	(46,826,312)	-	(46,826,312)
Total deferred inflows of resources	<u>\$ (73,190,977)</u>	<u>\$ (9,095,544)</u>	<u>\$ (82,286,521)</u>
Pension Expense (Credit):			
Miscellaneous	\$ (4,636,694)	\$ (1,599,612)	\$ (6,236,306)
Safety	(6,995,047)	-	(6,995,047)
Collateral Plan	(379,046)	-	(379,046)
Total pension expense	<u>\$ (12,010,787)</u>	<u>\$ (1,599,612)</u>	<u>\$ (13,610,399)</u>

**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022**

Note 14: 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, 2021 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	6.920%	6.920%	6.250%
Required employer contribution rates	8.920%	8.920%	8.226%

*Plan is closed to new entrants

**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022**

Note 14: 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 9.880%	9.880%	12.000%
Required employer contribution rates	24.270%	24.270%	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, 2022**

Note 14: Defined Benefit Pension Plan (Continued)

Employees Covered by Benefit Terms

At June 30, 2021, 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	1,818	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.

**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022**

Note 14: Defined Benefit Pension Plan (Continued)

Net Pension Liability/(Asset)

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

For the measurement period ended June 30, 2021, the total pension liability was determined by rolling forward the June 30, 2020 total pension liability. The June 30, 2021 total pension liabilities were based on the following actuarial methods and assumptions:

Valuation Date	June 30, 2020
Measurement Date	June 30, 2021
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.

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.

**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022**

Note 14: Defined Benefit Pension Plan (Continued)

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.

Discount Rate

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

CITY OF POMONA

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022

Note 14: Defined Benefit Pension Plan (Continued)

Changes in the Net Position Liability/(Asset)

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

Miscellaneous Plan	Increase (Decrease)		Net Pension Liability/(Asset) (c) = (a) - (b)
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	
Balance at June 30, 2021 (Valuation Date)	\$ 309,686,563	\$ 229,095,350	\$ 80,591,213
Changes Recognized from the Measurement Period			
Service Cost	3,917,757	-	3,917,757
Interest on the Total Pension Liability	21,667,103	-	21,667,103
Difference between Expected and Actual Experience	253,986	-	253,986
Contribution from the Employer	-	84,587,763	(84,587,763)
Contribution from Employees	-	1,946,908	(1,946,908)
Net Investment Income	-	66,627,438	(66,627,438)
Benefit Payments including Refunds of Employee Contributions	(17,726,053)	(17,726,053)	-
Administrative Expense	-	(228,852)	228,852
Net Change during July 1, 202 to June 30, 2021	8,112,793	135,207,204	(127,094,411)
Balance at June 30, 2021 (Measurement Date)	\$ 317,799,356	\$ 364,302,554	\$ (46,503,198)

Safety Plan	Increase (Decrease)		Net Pension Liability/(Asset) (c) = (a) - (b)
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	
Balance at June 30, 2021 (Valuation Date)	\$ 402,024,655	\$ 265,323,218	\$ 136,701,437
Changes Recognized from the Measurement Period			
Service Cost	5,666,577	-	5,666,577
Interest on the Total Pension Liability	28,253,540	-	28,253,540
Difference between Expected and Actual Experience	2,054,460	-	2,054,460
Contribution from the Employer	-	144,351,077	(144,351,077)
Contribution from Employees	-	1,854,431	(1,854,431)
Net Investment Income	-	86,029,275	(86,029,275)
Benefit Payments including Refunds of Employee Contributions	(23,515,991)	(23,515,991)	-
Administrative Expense	-	(265,042)	265,042
Net Change during July 1, 2020 to June 30, 2021	12,458,586	208,453,750	(195,995,164)
Balance at June 30, 2021 (Measurement Date)	\$ 414,483,241	\$ 473,776,968	\$ (59,293,727)

**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022**

Note 14: Defined Benefit Pension Plan (Continued)*Changes in the Net Pension Liability/(Asset)*Sensitivity of the Net Pension Liability/(Asset) to Changes in the Discount Rate

The following presents the net pension liability(asset) 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:

	<u>Plan's Net Pension Liability (Asset)</u>		
	Current		
	Discount Rate -1% (6.15%)	Discount Rate (7.15%)	Discount Rate +1% (8.15%)
Miscellaneous Plan	<u>\$ (6,919,862)</u>	<u>\$ (46,503,198)</u>	<u>\$ (79,331,168)</u>
Safety Plan	<u>\$ (6,395,021)</u>	<u>\$ (59,293,727)</u>	<u>\$ (102,921,924)</u>

Pension Plan Fiduciary Net Position

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

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

For the measurement period ending June 30, 2021, the City incurred a pension expense of \$6,552,498 and \$2,482,796 for Miscellaneous and Safety plans, respectively.

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

	<u>Miscellaneous Plan</u>		<u>Safety Plan</u>	
	Deferred outflows of resources	Deferred inflows of Resources	Deferred outflows of resources	Deferred inflows of Resources
Pension contribution after measurement date	\$ 2,600,816	\$ -	\$ 4,512,251	\$ -
Differences between expected and actual experiences	133,040	-	1,662,256	-
Net difference between projected and actual earnings on pension plan investments	-	(35,460,209)	-	(46,826,312)
Total	<u>\$ 2,733,856</u>	<u>\$ (35,460,209)</u>	<u>\$ 6,174,507</u>	<u>\$ (46,826,312)</u>

The amounts above are net of outflows recognized in the 2020-21 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 2020-21 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.

**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022**

Note 14: Defined Benefit Pension Plan (Continued)

The \$4,512,251 and \$2,600,816 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, 2022 will be recognized as a reduction of the net pension liability in the year ending June 30, 2023. 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
2023	\$ (8,804,674)	\$ (10,678,436)
2024	(8,357,270)	(10,541,529)
2025	(8,597,757)	(11,404,781)
2026	(9,567,468)	(12,539,310)
Total	<u>\$ (35,327,169)</u>	<u>\$ (45,164,056)</u>

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022**

Note 14: Defined Benefit Pension Plan (Continued)**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, 2022, the valuation date, the following employees were covered by the benefit terms:

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

Contributions

There was no contribution to the Plan during the fiscal year ended June 30, 2022.

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

The June 30, 2022 valuation was used to determine the June 30, 2022 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.

**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022**

Note 14: Defined Benefit Pension Plan (Continued)Discount Rate

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

Long-Term Expected Rate of Return

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

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

<u>Asset Class</u>	<u>Index</u>	<u>Target Allocation</u>	<u>Long-Term Expected Arithmetic Real Rate of Return</u>	<u>Long-Term Expected Geometric Real Rate of Return</u>
US Cash	BAML 3-Mon Tbill	2.92%	-0.32%	-0.32%
US Core Fixed Income	Barclays Aggregate	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%

CITY OF POMONA

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022

Note 14: Defined Benefit Pension Plan (Continued)

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, 2021 (Measurement Date)	\$ 886,001	\$ 148,009	\$ 737,992
Changes Recognized from the Measurement Period			
Service Cost	8,023	-	8,023
Interest on the Total Pension Liability	54,678	-	54,678
Contribution from the Employer	-	333,578	(333,578)
Net investment Income	-	(27,669)	27,669
Benefit Payments including Refunds of Employee Contributions	(107,360)	(107,360)	-
Administrative Expense	-	(200)	200
Net Change during July 1, 2021 to June 30, 2022	(44,659)	198,349	(243,008)
Balance at June 30, 2022 (Measurement Date)	<u>\$ 841,342</u>	<u>\$ 346,358</u>	<u>\$ 494,984</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	Current Discount Rate	Discount Rate
-1% (5.50%)	Rate (6.50%)	+1% (7.50%)
<u>\$ 545,058</u>	<u>\$ 494,984</u>	<u>\$ 448,812</u>

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, 2022, the City incurred a pension expense of \$6,995,047.

CITY OF POMONA

NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022

Note 14: Defined Benefit Pension Plan (Continued)

As of measurement date of June 30, 2022, the City has deferred outflows and deferred inflows of resources related to pensions as follows:

	Collateral Benefits Plan	
	Deferred outflows of Resources	Deferred inflows of Resources
Differences between expected and actual experience	\$ 57,098	\$ -
Net difference between projected and actual earnings	25,079	-
Total	\$ 82,177	\$ -

The amounts above are net of outflows and inflows recognized in the 2021-2022 measurement period expense.

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

Year Ending June 30,	Deferred Outflows/(Inflows) of Resources
2023	\$ 15,861
2024	15,294
2025	14,552
2026	18,748
Thereafter	17,722
Total	\$ 82,177

Note 15: Other Post-Employment Benefits (OPEB)

At June 30, 2022, Total OPEB liabilities, related deferred outflows of resources and OPEB expense are as follow:

	Governmental Activities	Business-Type Activities	Total
Deferred Outflows of Resources:			
OPEB contribution made after measurement date	\$ 1,662,976	\$ 398,622	\$ 2,061,598
Changes in assumption	7,773,852	1,863,421	9,637,273
Total deferred outflows of resources	<u>\$ 9,436,828</u>	<u>\$ 2,262,043</u>	<u>\$ 11,698,871</u>
Total OPEB Liabilities:	<u>\$ 85,653,700</u>	<u>\$ 20,531,503</u>	<u>\$ 106,185,203</u>
Deferred Inflows of Resources:			
Difference between expected and actual experience	\$ 3,148,688	\$ 754,753	\$ 3,903,441
Total deferred inflows of resources	<u>\$ 3,148,688</u>	<u>\$ 754,753</u>	<u>\$ 3,903,441</u>
OPEB Expense(Revenue)	<u>\$ 4,847,138</u>	<u>\$ 326,714</u>	<u>\$ 5,173,852</u>

**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022**

Note 15: Other Post-Employment Benefits (OPEB) (Continued)

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:

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

Police Management retirees with at least 22 years of service as a Police Officer, receive up to 90% contribution towards 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, 2020, the date of the latest actuarial valuation:

Active employees	586
Inactive plan members entitled to but not yet received benefits	0
Inactive plan members or beneficiaries currently receiving benefits	523
	<u>1,109</u>

Contributions

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022**

Note 15: Other Post-Employment Benefits (OPEB) (Continued)

b. Total OPEB Liability

Total OPEB Liability

The City's net OPEB liability was measured as of December 31, 2021 and total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2020. The total OPEB liability at December 31, 2021, measurement date was \$106,185,203.

Actuarial Assumptions

The total OPEB liability in the December 31, 2020 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	2.06% as of December 31, 2020
Inflation	2.5% per annum
Salary Increases	2.75% 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 2022, the interest assumption changed from 2.12% to 2.06% from the measurement date December 31, 2020 to the measurement date December 31, 2021.

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 Buyer 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, 2022

Note 15: Other Post-Employment Benefits (OPEB) (Continued)

c. Change in the Total 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, 2021	\$ 108,528,732	\$ -	\$ 108,528,732
Changes Recognized from the Measurement Period			
Service Cost	2,859,647	-	2,859,647
Interest on the Total Pension Liability	2,280,032	-	2,280,032
Changes of Assumptions	726,306	-	726,306
Experience (Gains)/Losses	(3,389,740)	4,819,774	(8,209,514)
Benefit Payments including Refunds of Employee	(4,819,774)	(4,819,774)	-
Net Change during January 1, 2021 to December 31, 2021	(2,343,529)	-	(2,343,529)
Balance at December 31, 2021 (Measurement Date)	\$ 106,185,203	\$ -	\$ 106,185,203

Sensitivity of the Total 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 Total OPEB Liability/ (Asset)		
Discount Rate	Current Discount	Discount Rate
-1% (1.50%)	Rate (2.50%)	+1% (3.50%)
\$ 119,581,470	\$ 106,185,203	\$ 95,055,977

**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022**

Note 15: Other Post-Employment Benefits (OPEB) (Continued)

Sensitivity of the Total 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:

<u>Plan's Net OPEB Liability/ (Asset)</u>		
	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>\$ 99,797,101</u>	<u>\$ 106,185,203</u>	<u>\$ 113,367,319</u>

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

For the fiscal year ended June 30, 2022, the City recognized OPEB expenses in the amount of \$4,741,407. At June 30, 2022, 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	\$ 2,061,598	\$ -
Differences between expected and actual experience	-	(3,903,441)
Changes of assumptions	9,637,273	-
Total	<u>\$ 11,698,871</u>	<u>\$ (3,903,441)</u>

The amounts above are net of outflows recognized in the 2021 measurement period expense.

**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022**

Note 15: Other Post-Employment Benefits (OPEB) (Continued)

The \$2,061,598 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, 2022 will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2023. 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 of Resources
2023	2,319,115
2024	2,319,115
2025	1,473,781
2026	102,110
2027	(436,629)
Thereafter	(43,660)
Total	<u>\$ 5,733,832</u>

Note 16: 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, 2022.

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 16.

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, 2022.

**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022**

Note 16: Joint Powers Agreements (Continued)**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, 2022.

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	(131,700,517)
Non-Operating Revenue (expenses)	100,196,493
Net Income	(31,504,024)
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, 2022. Assets are divided based on the proportionate equity share at the time the joint venture dissolves, which is currently not significant to the City.

**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022**

Note 16: Joint Powers Agreements (Continued)

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, 2022.

g. Los Angeles County Disaster Management Area D

The City has participated in the Disaster Management Area D joint powers agreement (Area D JPA) since 1958. The Area D JPA is intended to promote the coordination of disaster management, training, and preparedness of the Area D member cities under the direction of the Disaster Management Area Board, the governing board includes one representative from each of the 23 member cities. Annual dues at the rate of \$0.05 per capita are paid and totaled \$7,765 for the fiscal year ending June 30, 2022.

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, 2022.

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.

**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022**
Note 16: Joint Powers Agreements (Continued)

The following are the most currently available condensed audited financial statements of the PVTA as of June 30, 2022. Separate financial statements of the PVTA are available from its offices located in La Verne, California.

Assets	\$ 5,067,797
Deferred outflows	122,294
Total assets	<u>\$ 5,190,091</u>
Liabilities	\$ 1,083,572
Deferred inflows	263,070
Net position	3,843,449
Total liabilities and fund equity	<u>\$ 5,190,091</u>
Operating revenues	\$ 124,191
Operating expenses	4,088,086
Operating (Income)	(3,963,895)
Non-Operating Revenue	3,716,917
Net Income	(246,978)
Net Position - July 1, 2021	4,090,427
Net Position - June 30, 2022	<u>\$ 3,843,449</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 \$5,114,699 during the year ended June 30, 2022. 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, 2022, was \$624,786.

As of June 30, 2022, the three participants had the following approximate ownership equity interest.

Member	Percentages	Agreement Balances
City of Pomona	20%	\$ 624,786
Walnut Valley Water District	35%	1,093,375
Rowland Water District	23%	718,504
Unallocated	22%	687,265
Total	<u>100%</u>	<u>\$ 3,123,930</u>

**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022**

Note 16: Joint Powers Agreements (Continued)

The Commission’s condensed financial statements for the fiscal year ended June 30, 2022 is as follows:

Total Assets	\$ 6,515,509
Total Liabilities	<u>3,391,579</u>
Net Position	<u>\$ 3,123,930</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 \$30,493 in annual dues for the fiscal year ending June 30, 2022.

I. 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, 2022.

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, 2022

Note 16: Joint Powers Agreements (Continued)

Below are the most currently available condensed audited financial statements of the Center as of June 30, 2022. Separate financial statements of the Center are available from its offices located in Pomona, California.

Assets	\$ 57,742,688
Deferred outflows of resources	2,857,667
Liabilities	27,139,522
Deferred inflows of resources	2,010,157
Net position	<u>\$ 31,450,676</u>
Revenues	\$ 8,175,654
Expenses	23,348,242
Operating Income	(15,172,588)
Non-Operating Revenue (expenses)	16,967,147
Net Income	1,794,559
Net Position - July 1, 2021	29,656,117
Net Position - June 30, 2022	<u>\$ 31,450,676</u>

Note 17: 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, 2022, estimated claims payable amounted to \$39,262,949.

The estimated claims payable is reported at June 30, 2022 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, 2022

Note 17: 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, 2022. The following is a summary of changes in claims liabilities over the past three fiscal years:

	Claims Payable			
	Beginning Balance	Expenses and Changes in Estimates	Claims Payments	Ending Balance
June 30, 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
June 30, 2022	31,106,168	14,591,208	(6,434,427)	39,262,949

Note 18: Commitments and Contingencies

a. Agency Participation Agreement

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

b. Contractual Commitments

The following schedule summarizes the major capital project contractual commitments of the City as of June 30, 2022:

Vendors	Remaining Commitments
Kemp Brothers Construction	\$ 23,109,461
Gentry Brothers, Inc.	2,464,706
Towo Enterprise, Inc.	645,104
NV5	387,378
HR Green Pacific	304,782
Miracle Recreation Equipment	295,105
Cumming Construction Management	266,155
All Other Commitments	2,512,142
Total	<u>\$ 29,984,833</u>

**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022**

Note 18: Commitments and Contingencies (Continued)

c. Lawsuits

The City is a defendant in certain other legal actions arising in normal course of operations. As of June 30, 2022, 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.

Note 19: 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 or another unit of local government would agree to serve as the "successor agency" to hold the assets until the assets were distributed to other units of state and local government. On January 9, 2012, the City Council adopted resolution number 2012-8 electing to assume the responsibility of Successor Agency for the former Pomona Redevelopment Agency.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022**

Note 19: Successor Agency Trust for Assets of Former Redevelopment Agency (Continued)

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

Management believes, in consultation with legal counsel, that the obligations of the former Redevelopment Agency due to the City are valid enforceable obligations payable by the Successor Agency trust under the requirements of the bill. The City's position on 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, 2022:

Cash and investments	\$ 9,959,163
Restricted cash	<u>20,244,935</u>
Total	<u>\$ 30,204,098</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, 2022, the Successor Agency's net loans receivable consisted of the following:

	Balance July 1, 2021	Additions	Deletions	Balance June 30, 2022
Business Assistance Loans	\$ 1,660,600	\$ -	\$ -	\$ 1,660,600

**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022**

Note 19: Successor Agency Trust for Assets of Former Redevelopment Agency (Continued)

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, 2022 was \$1,660,600.

c. Land Held for Resale

At June 30, 2022, 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, 2022:

	Balance July 1, 2021	Additions	Deletions	Balance June 30, 2022
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	(21,463)	(1,262)	-	(22,725)
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>(627,511)</u>	<u>(1,262)</u>	<u>-</u>	<u>(628,773)</u>
Total depreciable assets, net	<u>41,663</u>	<u>(1,262)</u>	<u>-</u>	<u>40,401</u>
Total capital assets, net	<u>\$ 167,086</u>	<u>\$ (1,262)</u>	<u>\$ -</u>	<u>\$ 165,824</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, 2022:

	Balance July 1, 2021	Additions	Deletions	Balance June 30, 2022	Due Within One Year
County deferred tax loans	\$ 63,219,182	\$ 4,108,294	\$ (4,529,271)	\$ 62,798,205	\$ -
Tax allocation bonds	111,985,000	-	(7,830,000)	104,155,000	7,900,000
Total	<u>\$ 175,204,182</u>	<u>\$ 4,108,294</u>	<u>\$ (12,359,271)</u>	<u>\$ 166,953,205</u>	<u>\$ 7,900,000</u>

**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022**

Note 19: Successor Agency Trust for Assets of Former Redevelopment Agency (Continued)

County Deferred Tax Loans

At June 30, 2022, the County deferred tax loans consisted of the follow:

	Balance July 1, 2021	Additions	Deletions	Balance June 30, 2022
Southwest Pomona Project Area	\$ 58,503,367	\$ 3,960,348	\$ (1,926,965)	\$ 60,536,750
South Garey/Freeway Corridor Project Area	4,715,815	147,946	(2,602,306)	2,261,455
Total	<u>\$ 63,219,182</u>	<u>\$ 4,108,294</u>	<u>\$ (4,529,271)</u>	<u>\$ 62,798,205</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, 2021	Additions	Deletions	Balance June 30, 2022	Due Within One Year
1998 Tax Allocation Bonds, Series X	\$ 260,000	\$ -	\$ (60,000)	\$ 200,000	\$ 65,000
1998 Tax Allocation Bonds, Series Y	4,700,000	-	(320,000)	4,380,000	340,000
2018 Tax Allocation Bonds, Series BI	107,025,000	-	(7,450,000)	99,575,000	7,495,000
Total	<u>\$ 111,985,000</u>	<u>\$ -</u>	<u>\$ (7,830,000)</u>	<u>\$ 104,155,000</u>	<u>\$ 7,900,000</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, 2022**

Note 19: Successor Agency Trust for Assets of Former Redevelopment Agency (Continued)

The annual debt service requirements outstanding at June 30, 2022, is as follows:

Year Ending June 30,	Principal	Interest	Total
2023	\$ 65,000	\$ 9,045	\$ 74,045
2024	65,000	5,535	70,535
2025	70,000	1,890	71,890
Total	<u>\$ 200,000</u>	<u>\$ 16,470</u>	<u>\$ 216,470</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, 2022, is as follows:

Year Ending June 30,	Principal	Interest	Total
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	420,000	147,950	567,950
2028-2032	2,480,000	355,300	2,835,300
Total	<u>\$ 4,380,000</u>	<u>\$ 1,309,550</u>	<u>\$ 5,689,550</u>

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

On October 11, 2018, the Successor Agency to the Redevelopment Agency of the City of Pomona, issued 2018 Tax Allocation Refunding Bonds, Series BI in the amount of \$128,885,000 to repay the advances from the Public Financing Authority for 1998 Series W, 2001 Series AD, 2003 Series AH, 2005 Series AQ, 2006 Series AS/AT/AX and 2007 Series AW and created annual debt service savings of approximately \$1.6 million.

**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022**

Note 19: Successor Agency Trust for Assets of Former Redevelopment Agency (Continued)

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, 2022, is as follows:

Year Ending June 30,	Principal	Interest	Total
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	8,345,000	3,163,190	11,508,190
2027	8,655,000	2,835,231	11,490,231
2028-2032	45,390,000	8,689,024	54,079,024
2033-2037	9,975,000	1,850,853	11,825,853
2038-2042	3,940,000	421,536	4,361,536
Total	<u>\$ 99,575,000</u>	<u>\$ 28,228,667</u>	<u>\$ 127,803,667</u>

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 \$12,545,857 and the debt service payments on the bonds was \$12,359,272.

Remaining balance on the debt at June 30, 2022, is as follows:

<u>Debt Issues</u>	
County of LA Agreement	\$ 62,798,205
1998 Series X Bonds	216,470
1998 Series Y Bonds	5,689,550
2018 Series BI Bonds	127,803,667
Total	<u>\$ 196,507,892</u>

**NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022**

Note 19: Successor Agency Trust for Assets of Former Redevelopment Agency (Continued)

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, 2021	Additions	Deletions	Balance June 30, 2022	Due Within One Year
Compensated absences	\$ 79,628	\$ 37,868	\$ 24,714	\$ 92,782	\$ 92,000

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 17.

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, 2022.

Note 20: Subsequent Event

On January 6, 2020, an agreement was awarded to R3 Consulting Group, Inc. for a Solid Waste Rate and Cost of Service Study. On November 1, 2021, the City Council approved a Request for Proposals (RFP) process for a franchise agreement for exclusive collection, processing, recycling, and disposal of residential and commercial solid waste, recyclable material, and organic waste collection and adopted Resolution No. 2021-155 establishing process integrity standards. On December 6, 2021, the City Council reaffirmed their approval of the RFP process. On January 10, 2022, the City Council approved an amendment to the agreement between the City and R3 Consulting Group, Inc. to allow for additional work associated with preparing and administering the City’s RFP process. On October 17, 2022, City Council moved to approve the adoption of Resolution No. 2022-194 declaring its intent to award an exclusive franchise agreement to Arakelian Enterprises, Inc. dba Athens Services for the residential and commercial solid waste, recyclable materials, and organic waste collection services. Ordinance No. 4323 was first introduced at the November 21, 2022 City Council meeting. On December 5, 2022, Adoption of Ordinance No. 4323 awarded an exclusive franchise agreement to Athens Services for residential and commercial solid waste, recyclable materials, and organic waste collection services for an initial 10-year term beginning July 1, 2023, with two optional 5-year renewals.

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

CITY OF POMONA

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED JUNE 30, 2022**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 36,339,488	\$ 36,339,488	\$ 36,339,488	\$ -
Resources (Inflows):				
Taxes	104,284,316	104,284,316	119,961,900	15,677,584
Licenses, permits and fees	7,160,003	7,289,598	9,441,593	2,151,995
Intergovernmental	402,211	402,211	620,658	218,447
Charges for services	3,103,432	3,103,432	2,873,972	(229,460)
Use of money and properties	1,442,742	1,442,742	(557,019)	(1,999,761)
Fines and forfeitures	1,719,245	1,719,245	2,283,651	564,406
Miscellaneous	740,000	740,000	1,636,312	896,312
Transfers in	10,145,847	10,145,847	1,444,374	(8,701,473)
Proceeds from sale of capital asset	-	-	19,604	19,604
Amounts Available for Appropriations	165,337,284	165,466,879	174,064,533	8,597,654
Charges to Appropriation (Outflow):				
General government	9,530,624	9,507,524	5,821,962	3,685,562
Public safety	91,663,726	91,662,525	92,604,367	(941,842)
Urban development	14,358,909	14,404,363	13,900,224	504,139
Neighborhood services and library	5,685,372	5,319,782	4,314,437	1,005,345
Capital outlay	750,217	760,857	576,698	184,159
Debt service:				
Principal retirement	211,069	211,069	174,358	36,711
Transfers out	5,976,417	6,344,767	6,937,945	(593,178)
Total Charges to Appropriations	128,176,334	128,210,887	124,366,701	3,844,186
Budgetary Fund Balance, June 30	\$ 37,160,950	\$ 37,255,992	\$ 49,697,832	\$ 12,441,840

CITY OF POMONA

**BUDGETARY COMPARISON SCHEDULE
HOUSING AUTHORITY
YEAR ENDED JUNE 30, 2022**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 18,601,941	\$ 18,601,941	\$ 18,601,941	\$ -
Resources (Inflows):				
Intergovernmental	26,323,338	26,323,338	20,918,746	(5,404,592)
Charges for services	1,000	1,000	1,099	99
Use of money and properties	422,890	422,890	785,713	362,823
Contributions from Successor Agency	182,000	182,000	-	(182,000)
Miscellaneous	-	-	1,900	1,900
Transfers in	71,500	71,500	71,500	-
Proceeds from sale of capital asset	-	-	3,271,237	3,271,237
Amounts Available for Appropriations	45,602,669	45,602,669	43,652,136	(1,950,533)
Charges to Appropriation (Outflow):				
Development services	27,198,848	27,197,173	21,095,025	6,102,148
Transfers out	-	-	755,988	(755,988)
Total Charges to Appropriations	27,198,848	27,197,173	21,851,013	5,346,160
Budgetary Fund Balance, June 30	\$ 18,403,821	\$ 18,405,496	\$ 21,801,123	\$ 3,395,627

CITY OF POMONA

**BUDGETARY COMPARISON SCHEDULE
MISCELLANEOUS GRANTS
YEAR ENDED JUNE 30, 2022**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 20,877,879	\$ 20,877,879	\$ 20,877,879	\$ -
Resources (Inflows):				
Intergovernmental	31,411,369	30,690,741	9,107,867	(21,582,874)
Charges for services	134,015	134,015	275,299	141,284
Use of money and properties	19,565	19,565	935,224	915,659
Miscellaneous	659,958	659,958	368,193	(291,765)
Transfers in	152,328	152,328	126,936	(25,392)
Amounts Available for Appropriations	53,255,114	52,534,486	31,691,398	(20,843,088)
Charges to Appropriation (Outflow):				
Public safety	1,330,823	1,330,823	570,219	760,604
Development services	28,846,721	28,735,321	8,898,658	19,836,663
Neighborhood services and library	1,299,548	1,344,548	906,465	438,083
Capital outlay	473,800	473,800	178,616	295,184
Total Charges to Appropriations	31,950,892	31,884,492	10,553,958	21,330,534
Budgetary Fund Balance, June 30	\$ 21,304,222	\$ 20,649,994	\$ 21,137,440	\$ 487,446

CITY OF POMONA

**BUDGETARY COMPARISON SCHEDULE
AMERICAN RESCUE PLAN
YEAR ENDED JUNE 30, 2022**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (Inflows):				
Intergovernmental	17,071,367	17,177,367	2,298,894	(14,878,473)
Amounts Available for Appropriation	17,071,367	17,177,367	2,298,894	(14,878,473)
Charges to Appropriation (Outflow):				
Public safety	-	106,000	6,750	99,250
Transfers out	17,071,367	17,071,367	2,292,144	14,779,223
Total Charges to Appropriations	17,071,367	17,177,367	2,298,894	14,878,473
Budgetary Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -

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CITY OF POMONA

**NOTES TO THE BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2022**

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, 2022, there were no adopted operating budgets for the Fairplex Mitigation Special Revenue Fund or Cannabis Community Benefit 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/(ASSET) 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)
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 eight 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.

<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
\$ 3,684,403	\$ 3,678,697	\$ 3,689,145	\$ 3,917,757
19,890,698	20,653,574	21,100,019	21,667,103
165,010	2,804,401	(1,647,018)	253,986
<u>(15,247,444)</u>	<u>(16,166,651)</u>	<u>(16,726,361)</u>	<u>(17,726,053)</u>
7,124,021	10,970,021	6,415,785	8,112,793
285,176,736	292,300,757	303,270,778	309,686,563
<u>\$ 292,300,757</u>	<u>\$ 303,270,778</u>	<u>\$ 309,686,563</u>	<u>\$ 317,799,356</u>
\$ 5,562,823	\$ 6,340,816	\$ 7,644,926	\$ 84,587,763
1,718,844	1,746,619	1,868,202	1,946,908
17,509,262	14,226,888	10,972,762	66,627,438
<u>(15,247,444)</u>	<u>(16,166,651)</u>	<u>(16,726,361)</u>	<u>(17,726,053)</u>
(328,910)	(156,756)	(318,117)	(228,852)
(510)	-	-	-
<u>(624,606)</u>	<u>510</u>	<u>-</u>	<u>-</u>
8,589,459	5,991,426	3,441,412	135,207,204
211,073,053	219,662,512	225,653,938	229,095,350
<u>\$ 219,662,512</u>	<u>\$ 225,653,938</u>	<u>\$ 229,095,350</u>	<u>\$ 364,302,554</u>
<u>\$ 72,638,245</u>	<u>\$ 77,616,840</u>	<u>\$ 80,591,213</u>	<u>\$ (46,503,198)</u>
75.15%	74.41%	73.98%	114.63%
\$ 23,628,194	\$ 23,219,075	\$ 25,342,873	\$ 26,144,350
307.42%	334.28%	318.00%	-177.87%

CITY OF POMONA

**SAFETY PLAN - AGENT MULTIPLE-EMPLOYER
SCHEDULE OF CHANGES IN NET PENSION LIABILITY/(ASSET) 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 eight 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	2022
\$ 5,447,465	\$ 5,283,890	\$ 5,538,692	\$ 5,666,577
25,520,009	26,641,545	27,404,181	28,253,540
1,433,848	6,506,181	1,100,494	2,054,460
(1,916,304)	-	-	-
(21,286,165)	(22,125,918)	(22,848,264)	(23,515,991)
9,198,853	16,305,698	11,195,103	12,458,586
365,325,001	374,523,854	390,829,552	402,024,655
\$ 374,523,854	\$ 390,829,552	\$ 402,024,655	\$ 414,483,241
\$ 8,917,280	\$ 10,065,972	\$ 12,010,910	\$ 144,351,077
1,611,014	1,577,765	1,935,321	1,854,431
20,385,914	16,534,386	12,709,328	86,029,275
(21,286,165)	(22,125,918)	(22,848,264)	(23,515,991)
(385,682)	(182,698)	(369,194)	(265,042)
(596)	-	-	-
(732,417)	596	-	-
8,509,348	5,870,103	3,438,101	208,453,750
247,505,666	256,015,014	261,885,117	265,323,218
\$ 256,015,014	\$ 261,885,117	\$ 265,323,218	\$ 473,776,968
\$ 118,508,840	\$ 128,944,435	\$ 136,701,437	\$ (59,293,727)
68.36%	67.01%	66.00%	114.31%
\$ 17,199,482	\$ 16,421,383	\$ 17,338,673	\$ 18,391,390
689.03%	785.22%	788.42%	-322.40%

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)**

	2018	2019	2020	2021	2022
TOTAL PENSION LIABILITY					
Service Cost	\$ 8,761	\$ 8,761	\$ 9,330	\$ 8,023	\$ 8,023
Interest	61,845	59,294	56,133	52,950	54,678
Difference between Expected and Actual Experience	-	-	-	76,786	-
Refunds of Employee Contributions	(114,500)	(122,900)	(111,400)	(114,900)	(107,360)
Net Change in Total Pension Liability	(43,894)	(54,845)	(45,937)	22,859	(44,659)
Total Pension Liability - Beginning	1,007,818	963,924	909,079	863,142	886,001
Total Pension Liability - Ending (a)	\$ 963,924	\$ 909,079	\$ 863,142	\$ 886,001	\$ 841,342
PLAN FIDUCIARY NET POSITION					
Contributions - Employer	\$ -	\$ 102,949	\$ 167,769	\$ -	\$ 333,578
Net Investment Income	13,113	8,427	3,889	32,324	(27,669)
Benefit Payments, Including					
Refunds of Employee Contributions	(114,500)	(122,900)	(111,400)	(114,900)	(107,360)
Administrative Expense	(126)	(124)	-	(1,181)	(200)
Net Change in Fiduciary Net Position	(101,513)	(11,648)	60,258	(83,757)	198,349
Plan Fiduciary Net Position - Beginning	284,669	183,156	171,508	231,766	148,009
Plan Fiduciary Net Position - Ending (b)	\$ 183,156	\$ 171,508	\$ 231,766	\$ 148,009	\$ 346,358
Plan Net Pension Liability/(Assets) - Ending (a) - (b)	\$ 780,768	\$ 737,571	\$ 631,376	\$ 737,992	\$ 494,984
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	19.00%	18.87%	26.85%	16.71%	41.17%
Covered Payroll	N/A	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	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.

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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 eight years are shown.

Note to Schedule:

Valuation Date: June 30, 2020

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	7.00% (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	2022
\$ 5,562,823	\$ 7,759,016	\$ 84,202,532	\$ 2,600,816
(5,562,823)	(7,759,016)	(84,202,532)	(2,600,816)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 23,219,075	25,342,873	26,144,350	28,750,624
23.96%	30.62%	322.07%	9.05%

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 eight years are shown.

Note to Schedule:

Valuation Date: June 30, 2020

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	7.00% (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	2022
\$ 8,917,280	\$ 11,896,017	\$ 143,493,881	\$ 4,512,251
(8,917,280)	(11,896,017)	(143,493,881)	(4,512,251)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 16,421,383	\$ 17,338,673	\$ 18,391,390	\$ 19,483,535
54.30%	68.61%	780.22%	23.16%

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 eight years are shown.

Note to Schedule:

Valuation Date: June 30, 2021

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Entry Age Normal Cost Method
Amortization method	Level dollar 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	2022
\$ 102,949	\$ 167,769	\$ -	\$ 166,789
(102,949)	(167,769)	(166,789)	(333,578)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ (166,789)</u>	<u>\$ (166,789)</u>
N/A	N/A	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)**

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Total OPEB Liability					
Service cost	\$ 2,019,938	\$ 2,322,129	\$ 2,391,793	\$ 2,438,598	\$ 2,859,647
Interest on the total OPEB liability	3,382,262	3,193,265	3,459,741	2,693,897	2,280,032
Actual and expected experience difference	-	-	(2,406,146)	-	(3,389,740)
Changes in benefit terms	-	-	-	-	-
Benefit payments	(4,149,518)	(4,419,147)	(4,532,965)	(4,862,846)	(4,819,774)
Net change in total OPEB liability	6,404,555	(4,593,542)	8,926,581	7,542,653	(2,343,529)
Total OPEB liability - beginning	90,248,485	96,653,040	92,059,498	100,986,079	108,528,732
Total OPEB liability - ending (a)	96,653,040	92,059,498	100,986,079	108,528,732	106,185,203
Plan Fiduciary Net Position					
Contribution - employer	4,149,518	4,419,147	4,532,965	4,862,846	4,819,774
Benefit payments	(4,149,518)	(4,419,147)	(4,532,965)	(4,862,846)	(4,819,774)
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	\$ 106,185,203
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%	0.00%	0.00%
Covered-employee payroll	\$ 40,827,676	\$ 40,570,643	\$ 42,681,546	\$ 44,535,741	\$ 47,515,353
Total OPEB liability as a percentage of covered-employee payroll	236.73%	226.91%	236.60%	243.69%	223.48%

(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 the 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.

The **Cannabis Community Benefit Fund** accounts for City revenue for permitted commercial cannabis businesses within City limits.

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, 2022**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 3,583,453	\$ 3,583,453	\$ 3,583,453	\$ -
Resources (Inflows):				
Licenses, permits and fees	13,000	13,000	220,804	207,804
Intergovernmental	6,290,402	6,562,696	3,308,639	(3,254,057)
Charges for services	-	-	783,578	783,578
Use of money and properties	1,873	1,873	1,558	(315)
Contributions from Successor Agency	382,835	382,835	295,941	(86,894)
Miscellaneous	1,975,950	1,975,950	1,908,129	(67,821)
Transfers in	23,932,182	24,580,532	12,598,067	(11,982,465)
Proceeds from sale of capital asset	-	-	3,724	3,724
Amounts Available for Appropriations	36,179,695	37,100,339	22,703,893	(14,396,446)
Charges to Appropriation (Outflow):				
Capital outlay	30,476,852	31,397,496	14,713,268	16,684,228
Transfers out	1,118,825	1,097,125	819,017	278,108
Total Charges to Appropriations	31,595,677	32,494,621	15,532,285	16,962,336
Budgetary Fund Balance, June 30	\$ 4,584,018	\$ 4,605,718	\$ 7,171,608	\$ 2,565,890

CITY OF POMONA

**BUDGETARY COMPARISON SCHEDULE
ASSESSMENT DISTRICT IMPROVEMENT
YEAR ENDED JUNE 30, 2022**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 44,233	\$ 44,233	\$ 44,233	\$ -
Resources (Inflows):				
Use of money and property	557	557	7,557	7,000
Amounts Available for Appropriations	44,790	44,790	51,790	7,000
Charges to Appropriation (Outflow):				
Transfers out	-	-	37,929	(37,929)
Total Charges to Appropriations	-	-	37,929	(37,929)
Budgetary Fund Balance, June 30	\$ 44,790	\$ 44,790	\$ 13,861	\$ (30,929)

CITY OF POMONA

**BUDGETARY COMPARISON SCHEDULE
GENERAL GOVERNMENT
YEAR ENDED JUNE 30, 2022**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ (69,113,379)	\$ (69,113,379)	\$ (69,113,379)	\$ -
Resources (Inflows):				
Taxes	613,760	613,760	-	(613,760)
Intergovernmental	315,397	315,397	291,002	(24,395)
Use of money and properties	3,562	3,562	641	(2,921)
Transfers in	5,312,000	5,312,000	12,961,567	7,649,567
Amounts Available for Appropriations	(62,868,660)	(62,868,660)	(55,860,169)	7,008,491
Charges to Appropriation (Outflow):				
Debt service:				
Principal retirement	891,726	891,726	891,727	(1)
Interest and fiscal charges	3,116,491	3,116,491	10,759,397	(7,642,906)
Transfers out	2,250,000	2,250,000	-	2,250,000
Total Charges to Appropriations	6,258,217	6,258,217	11,651,124	(5,392,907)
Budgetary Fund Balance, June 30	\$ (69,126,877)	\$ (69,126,877)	\$ (67,511,293)	\$ 1,615,584

CITY OF POMONA

**BUDGETARY COMPARISON SCHEDULE
PUBLIC FINANCING AUTHORITY
YEAR ENDED JUNE 30, 2022**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 71,103,881	\$ 71,103,881	\$ 71,103,881	\$ -
Resources (Inflows):				
Use of money and properties	72,283	72,283	126,402	54,119
Transfers in	2,250	2,250	2,250	-
Amounts Available for Appropriations	71,178,414	71,178,414	71,232,533	54,119
Charges to Appropriation (Outflow):				
Debt service:				
Principal retirement	2,895,000	2,895,000	2,895,000	-
Interest and fiscal charges	118,264	118,264	117,462	802
Total Charges to Appropriations	3,013,264	3,013,264	3,012,462	802
Budgetary Fund Balance, June 30	\$ 68,165,150	\$ 68,165,150	\$ 68,220,071	\$ 54,921

CITY OF POMONA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2022

	Special Revenue Funds			
	Community Development Block Grant	State Gas Tax	Proposition A	Proposition C
Assets:				
Cash and investments	\$ -	\$ 4,073,545	\$ 4,995,667	\$ 8,283,703
Receivables (net):				
Accounts	-	-	3,000	-
Notes and loans	1,552,699	-	-	-
Interest	-	15,252	16,050	25,987
Due from other governments	933,493	811,384	18,754	-
Advances to other funds	-	-	-	-
Total Assets	\$ 2,486,192	\$ 4,900,181	\$ 5,033,471	\$ 8,309,690
Liabilities, Deferred inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ 78,391	\$ 198,746	\$ 61,597	\$ 555
Payroll payable	20,338	24,711	2,554	1,844
Deposits payable	-	-	-	-
Unearned revenues	-	-	-	-
Total Liabilities	613,226	223,457	64,151	2,399
Deferred inflows of resources:				
Unavailable revenues	866,019	-	-	-
Total Deferred inflows of Resources	866,019	-	-	-
Fund Balances:				
Restricted for:				
Development and public works	1,006,947	4,676,724	4,969,320	8,307,291
Public safety	-	-	-	-
Parks and recreation	-	-	-	-
Assessment district improvement	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	1,006,947	4,676,724	4,969,320	8,307,291
Total Liabilities, deferred inflows of resources, and Fund Balances	\$ 2,486,192	\$ 4,900,181	\$ 5,033,471	\$ 8,309,690

CITY OF POMONA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2022

(CONTINUED)

	Special Revenue Funds			
	Vehicle Parking District	Air Quality Improvement	Landscape Maintenance District	Asset Forfeiture
Assets:				
Cash and investments	\$ 1,791,777	\$ 482,923	\$ 585,453	\$ 1,592,533
Receivables (net):				
Accounts	1,840	-	-	-
Notes and loans	-	-	-	-
Interest	5,975	1,726	2,253	5,342
Due from other governments	1,907	49,768	42,805	-
Advances to other funds	304,435	-	-	-
Total Assets	\$ 2,105,934	\$ 534,417	\$ 630,511	\$ 1,597,875
Liabilities, Deferred inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ 39,477	\$ -	\$ 114,826	\$ 25,586
Payroll payable	4,943	129	5,439	-
Deposits payable	17,334	-	-	-
Unearned revenues	-	-	-	-
Total Liabilities	61,754	129	120,265	25,586
Deferred inflows of resources:				
Unavailable revenues	-	-	-	-
Total Deferred inflows of Resources	-	-	-	-
Fund Balances:				
Restricted for:				
Development and public works	2,044,180	534,288	-	-
Public safety	-	-	-	1,572,289
Parks and recreation	-	-	-	-
Assessment district improvement	-	-	510,246	-
Unassigned	-	-	-	-
Total Fund Balances	2,044,180	534,288	510,246	1,572,289
Total Liabilities, deferred inflows of resources, and Fund Balances	\$ 2,105,934	\$ 534,417	\$ 630,511	\$ 1,597,875

CITY OF POMONA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2022

	Special Revenue Funds			
	Traffic Offender	Measure R	Measure M	Special Fees
Assets:				
Cash and investments	\$ 618,336	\$ 3,924,368	\$ 3,423,453	\$ 3,025,860
Receivables (net):				
Accounts	-	-	-	-
Notes and loans	-	-	-	-
Interest	1,999	13,576	11,007	-
Due from other governments	-	-	-	-
Advances to other funds	-	-	-	-
Total Assets	\$ 620,335	\$ 3,937,944	\$ 3,434,460	\$ 3,025,860
Liabilities, Deferred inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ 777	\$ 21,175	\$ 28,604	\$ 3
Payroll payable	1,085	19,142	13,291	-
Deposits payable	-	-	-	-
Unearned revenues	-	-	-	-
Total Liabilities	1,862	40,317	41,895	3
Deferred inflows of resources:				
Unavailable revenues	-	-	-	-
Total Deferred inflows of Resources	-	-	-	-
Fund Balances:				
Restricted for:				
Development and public works	-	3,897,627	3,392,565	3,025,857
Public safety	618,473	-	-	-
Parks and recreation	-	-	-	-
Assessment district improvement	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	618,473	3,897,627	3,392,565	3,025,857
Total Liabilities, deferred inflows of resources, and Fund Balances	\$ 620,335	\$ 3,937,944	\$ 3,434,460	\$ 3,025,860

CITY OF POMONA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2022

(CONTINUED)

	Special Revenue Funds			
	PEG Fee	OATH Initiative	Fairplex Mitigation Fund	Measure W
Assets:				
Cash and investments	\$ 463,475	\$ 3,880,047	\$ 473,638	\$ 5,870,322
Receivables (net):				
Accounts	34,242	-	130,956	-
Notes and loans	-	-	-	-
Interest	-	-	-	21,229
Due from other governments	-	-	114,216	-
Advances to other funds	-	-	-	-
Total Assets	\$ 497,717	\$ 3,880,047	\$ 718,810	\$ 5,891,551
Liabilities, Deferred inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ -	\$ 89,039	\$ -	\$ 51,170
Payroll payable	-	9,745	-	2,373
Deposits payable	-	-	-	-
Unearned revenues	-	3,781,263	-	5,977,836
Total Liabilities	-	3,880,047	-	6,031,379
Deferred inflows of resources:				
Unavailable revenues	-	-	-	-
Total Deferred inflows of Resources	-	-	-	-
Fund Balances:				
Restricted for:				
Development and public works	497,717	-	718,810	-
Public safety	-	-	-	-
Parks and recreation	-	-	-	-
Assessment district improvement	-	-	-	-
Unassigned	-	-	-	(139,828)
Total Fund Balances	497,717	-	718,810	(139,828)
Total Liabilities, deferred inflows of resources, and Fund Balances	\$ 497,717	\$ 3,880,047	\$ 718,810	\$ 5,891,551

CITY OF POMONA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2022

	Special Revenue Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
	Cannabis Community Benefit Fund	Assessment District Improvement	
Assets:			
Cash and investments	\$ -	\$ 240,152	\$ 43,725,252
Receivables (net):			
Accounts	216,240	-	386,278
Notes and loans	-	-	1,552,699
Interest	-	-	120,396
Due from other governments	-	-	1,972,327
Advances to other funds	-	-	304,435
Total Assets	\$ 216,240	\$ 240,152	\$ 48,061,387
Liabilities, Deferred inflows of Resources, and Fund Balances:			
Liabilities:			
Accounts payable	\$ -	\$ -	\$ 709,946
Payroll payable	-	-	105,594
Deposits payable	-	226,291	243,625
Unearned revenues	-	-	9,759,099
Total Liabilities	-	226,291	11,332,761
Deferred inflows of resources:			
Unavailable revenues	-	-	866,019
Total Deferred inflows of Resources	-	-	866,019
Fund Balances:			
Restricted for:			
Development and public works	-	-	33,071,326
Public safety	-	-	2,190,762
Parks and recreation	216,240	-	216,240
Assessment district improvement	-	13,861	524,107
Unassigned	-	-	(139,828)
Total Fund Balances	216,240	13,861	35,862,607
Total Liabilities, deferred inflows of resources, and Fund Balances	\$ 216,240	\$ 240,152	\$ 48,061,387

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CITY OF POMONA

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2022

	Special Revenue Funds			
	Community Development Block Grant	State Gas Tax	Proposition A	Proposition C
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-
Licenses, permits and fees	-	-	-	-
Intergovernmental	2,547,581	6,831,047	3,917,096	3,242,929
Charges for services	-	-	-	-
Use of money and properties	29,245	(80,287)	(89,487)	(165,985)
Miscellaneous	-	32,189	-	-
Total Revenues	2,576,826	6,782,949	3,827,609	3,076,944
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Development services	1,310,020	3,707,806	2,036,886	101,077
Capital outlay	-	17,143	-	-
Debt service:				
Principal retirement	20,000	65,035	-	-
Interest and fiscal charges	214	-	-	-
Total Expenditures	1,330,234	3,789,984	2,036,886	101,077
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,246,592	2,992,965	1,790,723	2,975,867
Other Financing Sources (Uses):				
Transfers in	31,220	173,250	3,250	2,750
Transfers out	(1,292,361)	(1,357,630)	(133,492)	(5,809,473)
Total Other Financing Sources (Uses)	(1,261,141)	(1,184,380)	(130,242)	(5,806,723)
Net Change in Fund Balances	(14,549)	1,808,585	1,660,481	(2,830,856)
Fund Balances, Beginning of Year	1,021,496	2,868,139	3,308,839	11,138,147
Fund Balances, End of Year	\$ 1,006,947	\$ 4,676,724	\$ 4,969,320	\$ 8,307,291

CITY OF POMONA

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2022

(CONTINUED)

	Special Revenue Funds			
	Vehicle Parking District	Air Quality Improvement	Landscape Maintenance District	Asset Forfeiture
Revenues:				
Taxes	\$ 18,254	\$ -	\$ -	\$ -
Special assessments	-	-	1,254,821	-
Licenses, permits and fees	-	-	-	-
Intergovernmental	-	195,556	-	690,948
Charges for services	78,210	-	-	-
Use of money and properties	425,610	(8,419)	4,104	15,376
Miscellaneous	-	-	1,600	12,237
Total Revenues	522,074	187,137	1,260,525	718,561
Expenditures:				
Current:				
General government	622,802	-	-	-
Public safety	-	-	-	443,212
Development services	-	58,559	1,445,358	-
Capital outlay	-	-	-	97,512
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	622,802	58,559	1,445,358	540,724
Excess (Deficiency) of Revenues Over (Under) Expenditures	(100,728)	128,578	(184,833)	177,837
Other Financing Sources (Uses):				
Transfers in	4,250	500	8,750	-
Transfers out	-	(73,939)	-	-
Total Other Financing Sources (Uses)	4,250	(73,439)	8,750	-
Net Change in Fund Balances	(96,478)	55,139	(176,083)	177,837
Fund Balances, Beginning of Year	2,140,658	479,149	686,329	1,394,452
Fund Balances, End of Year	\$ 2,044,180	\$ 534,288	\$ 510,246	\$ 1,572,289

CITY OF POMONA

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2022

	Special Revenue Funds			
	Traffic Offender	Measure R	Measure M	Special Fees
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-
Licenses, permits and fees	-	-	-	569,399
Intergovernmental	-	2,431,805	2,751,867	-
Charges for services	174,825	-	-	-
Use of money and properties	4,309	(69,630)	(61,185)	(76,301)
Miscellaneous	8,105	-	-	-
Total Revenues	187,239	2,362,175	2,690,682	493,098
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	61,665	-	-	-
Development services	-	1,441,951	1,239,957	12,376
Capital outlay	13,852	-	18,528	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	75,517	1,441,951	1,258,485	12,376
Excess (Deficiency) of Revenues Over (Under) Expenditures	111,722	920,224	1,432,197	480,722
Other Financing Sources (Uses):				
Transfers in	-	39,250	39,500	-
Transfers out	-	(307,286)	(205,203)	-
Total Other Financing Sources (Uses)	-	(268,036)	(165,703)	-
Net Change in Fund Balances	111,722	652,188	1,266,494	480,722
Fund Balances, Beginning of Year	506,751	3,245,439	2,126,071	2,545,135
Fund Balances, End of Year	\$ 618,473	\$ 3,897,627	\$ 3,392,565	\$ 3,025,857

CITY OF POMONA

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2022

(CONTINUED)

	Special Revenue Funds			
	PEG Fee	OATH Initiative	Fairplex Mitigation Fund	Measure W
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ 993,404
Special assessments	-	-	-	-
Licenses, permits and fees	135,047	-	-	-
Intergovernmental	-	238,645	299,989	-
Charges for services	-	-	-	-
Use of money and properties	(11,660)	-	(1,493)	(116,639)
Miscellaneous	-	-	-	-
Total Revenues	123,387	238,645	298,496	876,765
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	239,245	-	-
Development services	-	-	-	246,933
Capital outlay	12,219	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	12,219	239,245	-	246,933
Excess (Deficiency) of Revenues Over (Under) Expenditures	111,168	(600)	298,496	629,832
Other Financing Sources (Uses):				
Transfers in	-	600	-	-
Transfers out	-	-	-	(769,660)
Total Other Financing Sources (Uses)	-	600	-	(769,660)
Net Change in Fund Balances	111,168	-	298,496	(139,828)
Fund Balances, Beginning of Year	386,549	-	420,314	-
Fund Balances, End of Year	\$ 497,717	\$ -	\$ 718,810	\$ (139,828)

CITY OF POMONA

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2022

	Special Revenue Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
	Cannabis Community Benefit Fund	Assessment District Improvement	
Revenues:			
Taxes	\$ 216,240	\$ -	\$ 1,227,898
Special assessments	-	-	1,254,821
Licenses, permits and fees	-	-	704,446
Intergovernmental	-	-	23,147,463
Charges for services	-	-	253,035
Use of money and properties	-	7,557	(194,885)
Miscellaneous	-	-	54,131
Total Revenues	216,240	7,557	26,446,909
Expenditures:			
Current:			
General government	-	-	622,802
Public safety	-	-	744,122
Development services	-	-	11,600,923
Capital outlay	-	-	159,254
Debt service:			
Principal retirement	-	-	85,035
Interest and fiscal charges	-	-	214
Total Expenditures	-	-	13,212,350
Excess (Deficiency) of Revenues Over (Under) Expenditures	216,240	7,557	13,234,559
Other Financing Sources (Uses):			
Transfers in	-	-	303,320
Transfers out	-	(37,929)	(9,986,973)
Total Other Financing Sources (Uses)	-	(37,929)	(9,683,653)
Net Change in Fund Balances	216,240	(30,372)	3,550,906
Fund Balances, Beginning of Year	-	44,233	32,311,701
Fund Balances, End of Year	\$ 216,240	\$ 13,861	\$ 35,862,607

CITY OF POMONA

**BUDGETARY COMPARISON SCHEDULE
COMMUNITY DEVELOPMENT BLOCK GRANT
YEAR ENDED JUNE 30, 2022**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 1,021,496	\$ 1,021,496	\$ 1,021,496	\$ -
Resources (Inflows):				
Intergovernmental	4,637,539	4,517,539	2,547,581	(1,969,958)
Charges for services	15,472	15,472	-	(15,472)
Use of money and properties	875	875	29,245	28,370
Transfers in	31,220	31,220	31,220	-
Amounts Available for Appropriations	5,706,602	5,586,602	3,629,542	(1,957,060)
Charges to Appropriation (Outflow):				
Development services	3,477,018	3,407,795	1,310,020	2,097,775
Debt service:				
Principal retirement	10,000	10,000	20,000	(10,000)
Interest and fiscal charges	3,000	3,000	214	2,786
Transfers out	1,146,763	1,146,763	1,292,361	(145,598)
Total Charges to Appropriations	4,636,781	4,567,558	2,622,595	1,944,963
Budgetary Fund Balance, June 30	\$ 1,069,821	\$ 1,019,044	\$ 1,006,947	\$ (12,097)

CITY OF POMONA

**BUDGETARY COMPARISON SCHEDULE
STATE GAS TAX
YEAR ENDED JUNE 30, 2022**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 2,868,139	\$ 2,868,139	\$ 2,868,139	\$ -
Resources (Inflows):				
Intergovernmental	6,661,621	6,661,621	6,831,047	169,426
Use of money and properties	31,779	31,779	(80,287)	(112,066)
Miscellaneous	36,600	36,600	32,189	(4,411)
Transfers in	222,960	222,960	173,250	(49,710)
Amounts Available for Appropriations	9,821,099	9,821,099	9,824,338	3,239
Charges to Appropriation (Outflow):				
Development services	4,076,282	4,076,282	3,707,806	368,476
Capital outlay	20,000	20,000	17,143	2,857
Debt service:				
Principal retirement	68,400	68,400	65,035	3,365
Transfers out	3,317,239	3,317,239	1,357,630	1,959,609
Total Charges to Appropriations	7,481,921	7,481,921	5,147,614	2,334,307
Budgetary Fund Balance, June 30	\$ 2,339,178	\$ 2,339,178	\$ 4,676,724	\$ 2,337,546

CITY OF POMONA

**BUDGETARY COMPARISON SCHEDULE
PROPOSITION A
YEAR ENDED JUNE 30, 2022**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 3,308,839	\$ 3,308,839	\$ 3,308,839	\$ -
Resources (Inflows):				
Intergovernmental	3,010,000	3,010,000	3,917,096	907,096
Use of money and properties	26,083	26,083	(89,487)	(115,570)
Transfers in	3,250	3,250	3,250	-
Amounts Available for Appropriations	6,348,172	6,348,172	7,139,698	791,526
Charges to Appropriation (Outflow):				
Development services	3,285,300	3,285,300	2,036,886	1,248,414
Transfers out	-	-	133,492	(133,492)
Total Charges to Appropriations	3,285,300	3,285,300	2,170,378	1,114,922
Budgetary Fund Balance, June 30	\$ 3,062,872	\$ 3,062,872	\$ 4,969,320	\$ 1,906,448

CITY OF POMONA

BUDGETARY COMPARISON SCHEDULE
 PROPOSITION C
 YEAR ENDED JUNE 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 11,138,147	\$ 11,138,147	\$ 11,138,147	\$ -
Resources (Inflows):				
Intergovernmental	2,400,000	2,400,000	3,242,929	842,929
Use of money and properties	92,179	92,179	(165,985)	(258,164)
Transfers in	2,750	2,750	2,750	-
Amounts Available for Appropriations	13,633,076	13,633,076	14,217,841	584,765
Charges to Appropriation (Outflow):				
Development services	122,789	122,789	101,077	21,712
Transfers out	2,610,667	2,610,667	5,809,473	(3,198,806)
Total Charges to Appropriations	2,733,456	2,733,456	5,910,550	(3,177,094)
Budgetary Fund Balance, June 30	\$ 10,899,620	\$ 10,899,620	\$ 8,307,291	\$ (2,592,329)

CITY OF POMONA

**BUDGETARY COMPARISON SCHEDULE
VEHICLE PARKING DISTRICT
YEAR ENDED JUNE 30, 2022**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 2,140,658	\$ 2,140,658	\$ 2,140,658	\$ -
Resources (Inflows):				
Taxes	15,105	15,105	18,254	3,149
Charges for services	117,000	117,000	78,210	(38,790)
Use of money and properties	405,599	405,599	425,610	20,011
Transfers in	4,250	4,250	4,250	-
Amounts Available for Appropriations	2,682,612	2,682,612	2,666,982	(15,630)
Charges to Appropriation (Outflow):				
General government	236,894	221,894	622,802	(400,908)
Transfers out	571,195	571,195	-	571,195
Total Charges to Appropriations	808,089	793,089	622,802	170,287
Budgetary Fund Balance, June 30	\$ 1,874,523	\$ 1,889,523	\$ 2,044,180	\$ 154,657

CITY OF POMONA

**BUDGETARY COMPARISON SCHEDULE
AIR QUALITY IMPROVEMENT
YEAR ENDED JUNE 30, 2022**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 479,149	\$ 479,149	\$ 479,149	\$ -
Resources (Inflows):				
Intergovernmental	199,000	199,000	195,556	(3,444)
Use of money and properties	2,251	2,251	(8,419)	(10,670)
Transfers in	50,500	50,500	500	(50,000)
Amounts Available for Appropriations	730,900	730,900	666,786	(64,114)
Charges to Appropriation (Outflow):				
Development services	113,284	113,284	58,559	54,725
Capital outlay	131,763	131,763	-	131,763
Transfers out	-	-	73,939	(73,939)
Total Charges to Appropriations	245,047	245,047	132,498	112,549
Budgetary Fund Balance, June 30	\$ 485,853	\$ 485,853	\$ 534,288	\$ 48,435

CITY OF POMONA

**BUDGETARY COMPARISON SCHEDULE
LANDSCAPE MAINTENANCE DISTRICT
YEAR ENDED JUNE 30, 2022**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 686,329	\$ 686,329	\$ 686,329	\$ -
Resources (Inflows):				
Special assessments	1,216,250	1,216,250	1,254,821	38,571
Use of money and properties	6,908	6,908	4,104	(2,804)
Miscellaneous	-	-	1,600	1,600
Transfers in	8,750	8,750	8,750	-
Amounts Available for Appropriations	1,918,237	1,918,237	1,955,604	37,367
Charges to Appropriation (Outflow):				
Development services	1,533,179	1,533,179	1,445,358	87,821
Total Charges to Appropriations	1,533,179	1,533,179	1,445,358	87,821
Budgetary Fund Balance, June 30	\$ 385,058	\$ 385,058	\$ 510,246	\$ 125,188

CITY OF POMONA

**BUDGETARY COMPARISON SCHEDULE
ASSET FORFEITURE
YEAR ENDED JUNE 30, 2022**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 1,394,452	\$ 1,394,452	\$ 1,394,452	\$ -
Resources (Inflows):				
Intergovernmental	652,000	652,000	690,948	38,948
Charges for services	6,000	6,000	-	(6,000)
Use of money and properties	16,065	16,065	15,376	(689)
Miscellaneous	-	-	12,237	12,237
Amounts Available for Appropriations	2,068,517	2,068,517	2,113,013	44,496
Charges to Appropriation (Outflow):				
Public safety	719,863	712,863	443,212	269,651
Capital outlay	101,053	108,053	97,512	10,541
Total Charges to Appropriations	820,916	820,916	540,724	280,192
Budgetary Fund Balance, June 30	\$ 1,247,601	\$ 1,247,601	\$ 1,572,289	\$ 324,688

CITY OF POMONA

**BUDGETARY COMPARISON SCHEDULE
TRAFFIC OFFENDER
YEAR ENDED JUNE 30, 2022**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 506,751	\$ 506,751	\$ 506,751	\$ -
Resources (Inflows):				
Charges for services	265,777	265,777	174,825	(90,952)
Use of money and properties	3,527	3,527	4,309	782
Miscellaneous	-	-	8,105	8,105
Amounts Available for Appropriations	776,055	776,055	693,990	(82,065)
Charges to Appropriation (Outflow):				
Public safety	179,550	179,550	61,665	117,885
Capital outlay	85,000	85,000	13,852	71,148
Total Charges to Appropriations	264,550	264,550	75,517	189,033
Budgetary Fund Balance, June 30	\$ 511,505	\$ 511,505	\$ 618,473	\$ 106,968

CITY OF POMONA

**BUDGETARY COMPARISON SCHEDULE
MEASURE R
YEAR ENDED JUNE 30, 2022**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 3,245,439	\$ 3,245,439	\$ 3,245,439	\$ -
Resources (Inflows):				
Intergovernmental	1,900,000	1,900,000	2,431,805	531,805
Use of money and properties	27,770	27,770	(69,630)	(97,400)
Transfers in	39,250	39,250	39,250	-
Amounts Available for Appropriations	5,212,459	5,212,459	5,646,864	434,405
Charges to Appropriation (Outflow):				
Development services	1,616,374	1,616,374	1,441,951	174,423
Transfers out	1,152,093	1,152,093	307,286	844,807
Total Charges to Appropriations	2,768,467	2,768,467	1,749,237	1,019,230
Budgetary Fund Balance, June 30	\$ 2,443,992	\$ 2,443,992	\$ 3,897,627	\$ 1,453,635

CITY OF POMONA

**BUDGETARY COMPARISON SCHEDULE
MEASURE M
YEAR ENDED JUNE 30, 2022**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 2,126,071	\$ 2,126,071	\$ 2,126,071	\$ -
Resources (Inflows):				
Intergovernmental	2,200,000	2,200,000	2,751,867	551,867
Use of money and properties	12,684	12,684	(61,185)	(73,869)
Transfers in	39,500	39,500	39,500	-
Amounts Available for Appropriations	4,378,255	4,378,255	4,856,253	477,998
Charges to Appropriation (Outflow):				
Development services	1,543,226	1,542,855	1,239,957	302,898
Capital outlay	224,458	224,458	18,528	205,930
Transfers out	1,707,620	1,707,620	205,203	1,502,417
Total Charges to Appropriations	3,475,304	3,474,933	1,463,688	2,011,245
Budgetary Fund Balance, June 30	\$ 902,951	\$ 903,322	\$ 3,392,565	\$ 2,489,243

CITY OF POMONA

**BUDGETARY COMPARISON SCHEDULE
SPECIAL FEES
YEAR ENDED JUNE 30, 2022**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 2,545,135	\$ 2,545,135	\$ 2,545,135	\$ -
Resources (Inflows):				
Special assessments	301,200	301,200	569,399	268,199
Use of money and properties	-	-	(76,301)	(76,301)
Amounts Available for Appropriations	2,846,335	2,846,335	3,038,233	191,898
Charges to Appropriation (Outflow):				
Development services	700,000	700,000	12,376	687,624
Total Charges to Appropriations	700,000	700,000	12,376	687,624
Budgetary Fund Balance, June 30	\$ 2,146,335	\$ 2,146,335	\$ 3,025,857	\$ 879,522

CITY OF POMONA

**BUDGETARY COMPARISON SCHEDULE
PEG FEE
YEAR ENDED JUNE 30, 2022**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 386,549	\$ 386,549	\$ 386,549	\$ -
Resources (Inflows):				
Licenses, permits and fees	100,000	100,000	135,047	35,047
Use of money and properties	-	-	(11,660)	(11,660)
Amounts Available for Appropriations	486,549	486,549	509,936	23,387
Charges to Appropriation (Outflow):				
Capital outlay	48,600	48,600	12,219	36,381
Total Charges to Appropriations	48,600	48,600	12,219	36,381
Budgetary Fund Balance, June 30	\$ 437,949	\$ 437,949	\$ 497,717	\$ 59,768

CITY OF POMONA

**BUDGETARY COMPARISON SCHEDULE
OATH INITIATIVE
YEAR ENDED JUNE 30, 2022**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (Inflows):				
Intergovernmental	1,008,600	1,008,600	238,645	(769,955)
Transfers in	600	600	600	-
Amounts Available for Appropriations	1,009,200	1,009,200	239,245	(769,955)
Charges to Appropriation (Outflow):				
Public safety	1,009,200	1,009,200	239,245	769,955
Total Charges to Appropriations	1,009,200	1,009,200	239,245	769,955
Budgetary Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -

CITY OF POMONA

**BUDGETARY COMPARISON SCHEDULE
MEASURE W
YEAR ENDED JUNE 30, 2022**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (Inflows):				
Taxes	5,274,745	5,274,745	993,404	(4,281,341)
Use of money and property	-	-	(116,639)	(116,639)
Amounts Available for Appropriation	5,274,745	5,274,745	876,765	(4,397,980)
Charges to Appropriation (Outflow):				
Community development	318,261	318,261	246,933	71,328
Transfers out	4,281,355	4,561,355	769,660	3,791,695
Total Charges to Appropriations	4,599,616	4,879,616	1,016,593	3,863,023
Budgetary Fund Balance, June 30	\$ 675,129	\$ 395,129	\$ (139,828)	\$ (534,957)

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INTERNAL SERVICE FUNDS

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

CITY OF POMONA

COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2022

	<u>Governmental Activities - Internal Service Funds</u>			
	<u>Self- Insurance</u>	<u>Equipment Maintenance</u>	<u>Information Technology</u>	<u>Printing/Mail Services</u>
Assets:				
Current:				
Cash and investments	\$ 10,603,335	\$ 924,062	\$ 524,309	\$ -
Receivables:				
Interest	69,372	-	-	-
Inventories	-	479,615	-	-
Total Current Assets	10,672,707	1,403,677	524,309	-
Noncurrent:				
Net pension asset	599,891	1,478,802	1,078,874	-
Capital assets - net of accumulated depreciation	6,094	110,087	133,532	-
Total Noncurrent Assets	605,985	1,588,889	1,212,406	-
Total Assets	11,278,692	2,992,566	1,736,715	-
Deferred Outflows of Resources:				
Deferred outflows of resources related to pensions	35,267	86,937	63,425	-
Deferred outflows of resources related to other postemployment benefits	70,153	290,971	157,540	-
Total Deferred Outflows of Resources	105,420	377,908	220,965	-
Liabilities:				
Current:				
Accounts payable	89,850	327,022	80,420	1,503
Due to other funds	-	-	-	58,027
Payroll payable	13,824	31,320	22,251	-
Compensated absences, due within one year	-	208,129	-	-
Claims and judgements, due within one year	14,592,000	-	-	-
Long-term debt, due in one year	29,583	93,635	62,695	-
Total Current Liabilities	14,725,257	660,106	165,366	59,530
Noncurrent:				
Claims and judgements, due in more than one year	24,670,949	-	-	-
Long-term debt, due in more than one year	865,367	2,739,003	1,833,941	-
Total other postemployment benefit liability	636,750	2,641,007	1,429,918	-
Total Noncurrent Liabilities	26,173,066	5,380,010	3,263,859	-
Total Liabilities	40,898,323	6,040,116	3,429,225	59,530
Deferred Inflows of Resources:				
Deferred inflows of resources related to pensions	457,437	1,127,635	822,677	-
Deferred inflows of resources related to other postemployment benefits	23,407	97,085	52,565	-
Total Deferred Inflows of Resources	480,844	1,224,720	875,242	-
Net Position:				
Investment in capital assets	6,094	110,087	133,532	-
Unrestricted	(30,001,149)	(4,004,449)	(2,480,319)	(59,530)
Total Net Position	\$ (29,995,055)	\$ (3,894,362)	\$ (2,346,787)	\$ (59,530)

CITY OF POMONA

COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2022

	<u>Governmental Activities - Internal Service Funds</u>		
	<u>Payroll</u>	<u>Pension Obligation</u>	<u>Totals</u>
Assets:			
Current:			
Cash and investments	\$ -	\$ -	\$ 12,051,706
Receivables:			
Interest	-	-	69,372
Inventories	-	-	479,615
Total Current Assets	-	-	12,600,693
Noncurrent:			
Net pension asset	-	-	3,157,567
Capital assets - net of accumulated depreciation	-	-	249,713
Total Noncurrent Assets	-	-	3,407,280
Total Assets	-	-	16,007,973
Deferred Outflows of Resources:			
Deferred outflows of resources related to pensions	-	-	185,629
Deferred outflows of resources related to other postemployment benefits	-	-	518,664
Total Deferred Outflows of Resources	-	-	704,293
Liabilities:			
Current:			
Accounts payable	61,828	-	560,623
Due to other funds	396,035	-	454,062
Payroll payable	-	-	67,395
Compensated absences, due within one year	-	-	208,129
Claims and judgements, due within one year	-	-	14,592,000
Long-term debt, due in one year	-	-	185,913
Total Current Liabilities	457,863	-	16,068,122
Noncurrent:			
Claims and judgements, due in more than one year	-	-	24,670,949
Long-term debt, due in more than one year	-	-	5,438,311
Total other postemployment benefit liability	-	-	4,707,675
Total Noncurrent Liabilities	-	-	34,816,935
Total Liabilities	457,863	-	50,885,057
Deferred Inflows of Resources:			
Deferred inflows of resources related to pensions	-	-	2,407,749
Deferred inflows of resources related to other postemployment benefits	-	-	173,057
Total Deferred Inflows of Resources	-	-	2,580,806
Net Position:			
Investment in capital assets	-	-	249,713
Unrestricted	(457,863)	-	(37,003,310)
Total Net Position	\$ (457,863)	\$ -	\$ (36,753,597)

CITY OF POMONA

COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2022

	Governmental Activities - Internal Service Funds			
	Self-Insurance	Equipment Maintenance	Information Technology	Printing/Mail Services
Operating Revenues:				
Interdepartmental charges	\$ 5,234,057	\$ 4,356,128	\$ 1,877,302	\$ 33,807
Miscellaneous	1,080,238	-	-	-
Total Operating Revenues	6,314,295	4,356,128	1,877,302	33,807
Operating Expenses:				
Personnel services	262	1,199,793	885,793	131
Operations	(6,094)	2,612,198	801,451	33,676
Claims expense	14,402,840	-	-	-
Depreciation expense	-	16,242	23,789	-
Total Operating Expenses	14,397,008	3,828,233	1,711,033	33,807
Operating Income (Loss)	(8,082,713)	527,895	166,269	-
Nonoperating Revenues:				
Investment income	(60,565)	-	-	-
Interest expense	326	1,032	691	-
Gain (loss) on disposal of capital assets	-	4,000	-	-
Total Nonoperating Revenues	(60,239)	5,032	691	-
Income (Loss) Before Transfers	(8,142,952)	532,927	166,960	-
Transfers in	8,250	349,279	226,632	-
Transfers out	-	-	-	-
Changes in Net Position	(8,134,702)	882,206	393,592	-
Net Position:				
Beginning of Year	(21,860,353)	(4,776,568)	(2,740,379)	(59,530)
End of Fiscal Year	\$ (29,995,055)	\$ (3,894,362)	\$ (2,346,787)	\$ (59,530)

CITY OF POMONA

COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2022

	<u>Governmental Activities - Internal Service Funds</u>		
	<u>Payroll</u>	<u>Pension Obligation</u>	<u>Totals</u>
Operating Revenues:			
Interdepartmental charges	\$ 37,317,454	\$ 7,649,567	\$ 56,468,315
Miscellaneous	-	-	1,080,238
Total Operating Revenues	37,317,454	7,649,567	57,548,553
Operating Expenses:			
Personnel services	38,167,608	-	40,253,587
Operations	-	-	3,441,231
Claims expense	-	-	14,402,840
Depreciation expense	-	-	40,031
Total Operating Expenses	38,167,608	-	58,137,689
Operating Income (Loss)	(850,154)	7,649,567	(589,136)
Nonoperating Revenues:			
Investment income	-	-	(60,565)
Interest expense	-	-	2,049
Gain (loss) on disposal of capital assets	-	-	4,000
Total Nonoperating Revenues	-	-	(54,516)
Income (Loss) Before Transfers	(850,154)	7,649,567	(643,652)
Transfers in	-	-	584,161
Transfers out	-	(7,649,567)	(7,649,567)
Changes in Net Position	(850,154)	-	(7,709,058)
Net Position:			
Beginning of Year	392,291	-	(29,044,539)
End of Fiscal Year	\$ (457,863)	\$ -	\$ (36,753,597)

CITY OF POMONA

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2022

	<u>Governmental Activities - Internal Service Funds</u>			
	<u>Self- Insurance</u>	<u>Equipment Maintenance</u>	<u>Information Technology</u>	<u>Printing/Mail Services</u>
Cash Flows from Operating Activities:				
Cash received from customers and users	\$ 6,314,886	\$ 4,356,128	\$ 1,883,439	\$ 33,807
Cash paid to suppliers for goods and services	(6,196,649)	(2,675,319)	(761,586)	(36,119)
Cash paid for general and administrative expenses	(78,382)	(1,598,309)	(1,109,586)	(131)
Net Cash Provided (Used) by Operating Activities	39,855	82,500	12,267	(2,443)
Cash Flows from Non-Capital Financing Activities:				
Cash transfers out	-	-	-	-
Cash transfers in	8,250	349,279	226,632	-
Repayment made to other funds	-	-	-	2,443
Net Cash Provided (Used) by Non-Capital Financing Activities	8,250	349,279	226,632	2,443
Cash Flows from Capital and Related Financing Activities:				
Acquisition and construction of capital assets	(6,094)	-	(60,817)	-
Proceeds from sales of capital assets	-	4,000	-	-
Net Cash Provided (Used) by Capital and Related Financing Activities	(6,094)	4,000	(60,817)	-
Cash Flows from Investing Activities:				
Interest received	(83,644)	-	-	-
Net Cash Provided (Used) by Investing Activities	(83,644)	-	-	-
Net Increase (Decrease) in Cash and Cash Equivalents	(41,633)	435,779	178,082	-
Cash and Cash Equivalents at Beginning of Year	10,644,968	488,283	346,227	-
Cash and Cash Equivalents at End of Year	\$ 10,603,335	\$ 924,062	\$ 524,309	\$ -
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:				
Operating income (loss)	\$ (8,082,713)	\$ 527,895	\$ 166,269	\$ -
Adjustments to reconcile operating income (loss) net cash provided (used) by operating activities:				
Depreciation	-	16,242	23,789	-
(Increase) decrease in accounts receivable	591	-	6,137	-
(Increase) decrease in prepaid items	-	-	-	1,438
(Increase) decrease in inventories	-	(106,323)	-	-
(Increase) decrease in deferred outflows of resources related to pensions	1,040,586	2,934,059	1,984,999	-
(Increase) decrease in deferred outflows of resources related to other postemployment benefits	11,560	92,732	41,814	-
Increase (decrease) in accounts payable	43,316	43,202	39,865	(3,881)
Increase (decrease) in payroll payable	(2,951)	(8,788)	(8,734)	-
Increase (decrease) in claims and judgments	8,156,781	-	-	-
Increase (decrease) in compensated absences	-	(6)	-	-
Increase (decrease) in net other postemployment benefit liability	18,053	(264,218)	(79,499)	-
Increase (decrease) in net pension liability	(1,607,281)	(4,307,554)	(2,996,945)	-
Increase (decrease) in deferred inflows of resources related to pensions	447,143	1,098,730	803,077	-
Increase (decrease) in deferred inflows of resources related to other postemployment benefits	14,770	56,529	31,495	-
Total Adjustments	8,122,568	(445,395)	(154,002)	(2,443)
Net Cash Provided (Used) by Operating Activities	\$ 39,855	\$ 82,500	\$ 12,267	\$ (2,443)

CITY OF POMONA

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2022

	<u>Governmental Activities - Internal Service Funds</u>		
	<u>Payroll</u>	<u>Pension Obligation</u>	<u>Totals</u>
Cash Flows from Operating Activities:			
Cash received from customers and users	\$ 37,317,454	\$ 7,649,567	\$ 57,555,281
Cash paid to suppliers for goods and services	51,874	-	(9,617,799)
Cash paid for general and administrative expenses	(38,167,608)	-	(40,954,016)
Net Cash Provided (Used) by Operating Activities	(798,280)	7,649,567	6,983,466
Cash Flows from Non-Capital Financing Activities:			
Cash transfers out	-	(7,649,567)	(7,649,567)
Cash transfers in	-	-	584,161
Repayment made to other funds	396,035	-	398,478
Net Cash Provided (Used) by Non-Capital Financing Activities	396,035	(7,649,567)	(6,666,928)
Cash Flows from Capital and Related Financing Activities:			
Acquisition and construction of capital assets	-	-	(66,911)
Proceeds from sales of capital assets	-	-	4,000
Net Cash Provided (Used) by Capital and Related Financing Activities	-	-	(62,911)
Cash Flows from Investing Activities:			
Interest received	-	-	(83,644)
Net Cash Provided (Used) by Investing Activities	-	-	(83,644)
Net Increase (Decrease) in Cash and Cash Equivalents	(402,245)	-	169,983
Cash and Cash Equivalents at Beginning of Year	402,245	-	11,881,723
Cash and Cash Equivalents at End of Year	\$ -	\$ -	\$ 12,051,706
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:			
Operating income (loss)	\$ (850,154)	\$ 7,649,567	\$ (589,136)
Adjustments to reconcile operating income (loss) net cash provided (used) by operating activities:			
Depreciation	-	-	40,031
(Increase) decrease in accounts receivable	-	-	6,728
(Increase) decrease in prepaid items	-	-	1,438
(Increase) decrease in inventories	-	-	(106,323)
(Increase) decrease in deferred outflows of resources related to pensions	-	-	5,959,644
(Increase) decrease in deferred outflows of resources related to other postemployment benefits	-	-	146,106
Increase (decrease) in accounts payable	51,874	-	174,376
Increase (decrease) in payroll payable	-	-	(20,473)
Increase (decrease) in claims and judgments	-	-	8,156,781
Increase (decrease) in compensated absences	-	-	(6)
Increase (decrease) in net other postemployment benefit liability	-	-	(325,664)
Increase (decrease) in net pension liability	-	-	(8,911,780)
Increase (decrease) in deferred inflows of resources related to pensions	-	-	2,348,950
Increase (decrease) in deferred inflows of resources related to other postemployment benefits	-	-	102,794
Total Adjustments	51,874	-	7,572,602
Net Cash Provided (Used) by Operating Activities	\$ (798,280)	\$ 7,649,567	\$ 6,983,466

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STATISTICAL SECTION

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STATISTICAL SECTION (UNAUDITED)

This part of the City of Pomona’s comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City’s overall financial health.

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City of Pomona
 Net Position by Component
 Last Ten Fiscal Years

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Governmental activities:										
Net investment in capital assets	\$ 266,340,326	\$ 239,862,742	\$ 232,263,791	\$ 224,471,223	\$ 234,174,328	\$ 239,698,525	\$ 246,211,473	\$ 249,865,379	\$ 266,039,124	\$ 225,279,591
Restricted	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	154,307,326
Unrestricted	(88,955,872)	(66,485,308)	(255,237,644)	(227,001,243)	(241,201,601)	(257,496,100)	(263,613,107)	(276,437,035)	(306,914,581)	(316,498,645)
Total governmental activities net position	\$ 272,182,264	\$ 264,487,631	\$ 115,466,854	\$ 114,064,530	\$ 66,801,168	\$ 58,695,020	\$ 61,062,371	\$ 47,072,799	\$ 37,693,425	\$ 63,088,272
Business-type activities:										
Net investment in capital assets	\$ 40,774,712	\$ 43,825,224	\$ 42,086,156	\$ 42,988,769	\$ 47,223,963	\$ 49,968,356	\$ 50,227,346	\$ 52,662,674	\$ 59,159,108	\$ 58,873,617
Restricted	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	42,671,686	23,144,683	15,566,032	25,022,337	22,446,812	15,446,370	18,984,171	24,753,618	29,670,621	42,862,852
Total business-type activities net position	\$ 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	\$ 101,736,469
Primary government:										
Net investment in capital assets	\$ 307,115,038	\$ 283,687,966	\$ 274,349,947	\$ 267,459,992	\$ 281,398,291	\$ 289,666,881	\$ 296,438,819	\$ 302,528,053	\$ 325,198,232	\$ 284,153,208
Restricted	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	154,307,326
Unrestricted	(46,284,186)	(43,340,625)	(239,671,612)	(201,978,906)	(218,754,789)	(242,049,730)	(244,628,936)	(251,683,417)	(277,243,960)	(276,635,793)
Total primary government net position	\$ 370,434,355	\$ 364,182,691	\$ 202,019,280	\$ 206,060,614	\$ 138,357,792	\$ 131,461,917	\$ 137,748,719	\$ 132,015,832	\$ 126,523,154	\$ 161,824,741

City of Pomona
Changes in Net Position
Last Ten Fiscal Years

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Expenses										
Governmental activities:										
General government	\$ 7,499,578	\$ 5,583,709	\$ 5,559,844	\$ 7,562,244	\$ 6,469,953	\$ 17,361,635	\$ 18,396,137	\$ 9,102,528	\$ 55,348,138	\$ 4,356,429
Public safety	62,632,820	66,570,974	67,614,853	68,882,651	80,253,767	90,198,911	88,946,880	105,018,750	84,002,230	91,066,227
Urban development	36,407,420	47,913,493	42,134,924	43,544,386	42,113,740	39,353,774	46,536,121	58,913,340	44,459,455	61,937,835
Neighborhood services	14,858,140	6,181,264	6,151,817	7,853,695	7,410,753	7,624,657	7,399,533	5,800,930	2,052,663	5,713,662
Interest on long-term debt	7,997,227	5,364,960	5,252,517	5,027,126	5,225,017	4,011,254	2,941,398	3,197,362	6,985,609	12,583,888
Total governmental activities	129,395,185	131,614,400	126,713,955	132,870,102	141,473,230	158,550,231	164,220,069	182,032,910	192,848,095	175,658,041
Business-type activities:										
Water	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	33,122,484
Sewer	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	3,548,204
Refuse	8,403,397	8,562,818	8,467,884	8,028,531	9,443,548	10,197,844	9,994,035	9,955,161	11,274,763	9,905,436
Canon Water Company	25,163	18,154	26,747	21,080	19,718	29,972	26,695	28,741	12,213	15,334
Pomona Choice Energy Authority	-	-	-	-	-	-	-	833,607	9,999,345	35,805,533
Total business-type activities	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	82,396,991
Total primary government expenses	\$ 174,610,649	\$ 173,945,853	\$ 166,296,305	\$ 170,708,910	\$ 183,169,063	\$ 203,765,794	\$ 206,473,022	\$ 223,605,798	\$ 252,027,621	\$ 258,055,032
Program Revenues										
Governmental activities:										
Charges for services:										
Police revenues	\$ 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	\$ 2,510,365
Plan check fees	1,017,684	816,046	778,349	1,219,738	988,963	866,034	1,110,162	1,282,955	1,339,362	2,367,716
Building permits	937,070	1,107,049	1,093,143	2,353,704	1,790,114	1,925,425	2,108,774	2,058,052	1,541,953	2,116,063
Graffiti abatement	552,417	567,499	566,547	568,757	566,597	556,879	18,721	-	-	-
Street sweeping fees	462,461	475,665	474,722	476,646	474,051	465,927	15,030	-	-	-
Maintenance assessment fees	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	1,254,821
All other	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	20,313,269
Operating contributions and grants	20,548,119	19,501,511	17,564,805	16,994,223	29,965,692	35,876,846	45,323,992	30,066,570	33,900,809	34,109,034
Capital contributions and grants	15,442,436	12,758,089	12,627,464	11,413,949	8,071,888	8,191,910	6,477,530	14,964,309	14,909,220	20,129,121
Total governmental activities program revenues	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	82,802,389
Business-type activities:										
Charges for services:										
Water	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	41,466,399
Sewer	4,461,575	4,684,934	4,733,661	4,425,247	4,291,847	4,312,373	4,795,076	5,557,690	6,575,382	7,220,461
Refuse	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	11,552,713
Canon Water Company	64,221	64,221	64,221	64,221	64,221	64,221	-	-	-	-
Pomona Choice Energy Authority	-	-	-	-	-	-	-	-	-	-
Operating contributions and grants	46,588	42,833	42,052	45,841	396,147	4,137,026	83,280	41,458	10,578,321	34,839,553
Capital contributions and grants	-	-	-	-	-	-	-	-	17,006	873,544
Total business-type activities program revenues	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	95,952,670
Total primary government program revenues	\$ 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	\$ 178,755,059

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Net (Expense)/Revenue										
Governmental activities	\$ (77,073,142)	\$ (85,864,464)	\$ (82,198,798)	\$ (87,190,342)	\$ (89,309,811)	\$ (100,339,417)	\$ (98,514,946)	\$ (103,406,347)	\$ (120,424,660)	\$ (92,855,652)
Business-type activities	(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	13,555,679
Total primary government net expense	\$ (77,975,414)	\$ (82,231,106)	\$ (77,529,837)	\$ (82,611,359)	\$ (86,942,768)	\$ (97,223,373)	\$ (94,751,634)	\$ (96,023,127)	\$ (113,631,122)	\$ (79,299,973)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes:										
Property taxes	\$ 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	\$ 44,838,946
Sales taxes	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	42,229,675
Motor vehicle licenses	69,443	57,079	61,498	61,498	69,708	81,751	74,731	122,129	113,548	174,812
Transient occupancy taxes	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	2,593,896
Property transfer taxes	1,475,856	1,430,195	1,581,039	1,859,615	1,924,198	1,874,513	1,790,878	-	-	-
Franchise taxes	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	5,632,845
Utility users taxes	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	18,407,292
Business licenses	3,123,120	3,171,919	3,346,851	3,408,813	3,830,673	3,762,860	4,207,458	-	-	-
Other taxes	20,966	12,963	59,221	139,498	2,546	2,546	2,049	-	-	-
Investment earnings/(expenses)	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	1,043,118
Miscellaneous	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	3,012,452
Gain on sale of property	-	-	-	-	-	-	2,576,121	-	-	-
Extraordinary gain/(loss) on dissolution of Redevelopment Agency	804,048	(144,397)	808,340	-	-	-	-	-	-	-
Transfers	954,698	538,371	1,011,800	(482,001)	2,710,344	3,082,886	3,047,606	3,613,692	3,092,248	(349,459)
Total governmental activities	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	117,583,577
Business-type activities:										
Investment earnings/(expenses)	41,890	125,696	92,349	313,933	134,138	454,394	1,672,232	1,625,955	(20,541)	(1,083,110)
Miscellaneous	31,677	117,000	121,408	817,020	1,709,825	692,721	1,531,513	308,401	191,297	66,107
Income (loss) on sale of capital assets	79,312	9,205	1,965	-	-	-	-	-	14,650	18,605
Transfers	(954,698)	(538,371)	(1,011,800)	482,001	(2,710,344)	(3,082,886)	(3,047,606)	(3,613,692)	(3,092,248)	349,459
Total business-type activities	(801,819)	(286,470)	(796,078)	1,612,954	(866,381)	(1,915,771)	156,139	(1,679,336)	(2,906,842)	(648,939)
Total primary government	\$ 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	\$ 116,934,638
Changes in Net Position										
Governmental activities	\$ 4,671,215	\$ (5,077,483)	\$ 5,797,746	\$ (2,320,806)	\$ (1,938,595)	\$ (8,191,215)	\$ 2,452,418	\$ (1,183,360)	\$ (9,382,732)	\$ 24,727,925
Business-type activities	(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	12,906,740
Total primary government	\$ 2,967,124	\$ (1,730,595)	\$ 9,670,629	\$ 3,871,131	\$ (437,933)	\$ (6,990,942)	\$ 6,371,869	\$ 4,520,524	\$ (5,496,036)	\$ 37,634,665

City of Pomona
Fund Balances - Governmental Funds
Last Ten Years

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Fund:										
Non-spendable	109,949	112,436	102,280	106,876	65,843	11,795	11,795	11,795	11,795	118,624
Restricted	-	-	-	-	8,791	17,170	6,200	6,200	-	-
Committed	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	21,142,339
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	2,717,909	1,067,804	938,380	1,309,638	3,825,896	2,102,732	17,854,788	28,436,869
Total General Fund	\$ 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	\$ 49,697,832
All Other Governmental Funds:										
Non-spendable	13,880,356	11,996,916	84,397,170	9,081	900,707	864,959	829,211	792,822	748,633	738,235
Restricted	88,633,395	86,119,256	54,043,637	116,479,028	144,882,213	148,814,041	145,131,994	144,365,622	146,478,855	154,307,326
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	(41,655,762)	(41,134,968)	(69,893,036)	(39,170,313)	(76,496,881)	(75,548,438)	(73,096,233)	(71,511,748)	(69,862,012)	(68,364,005)
Total All Other Governmental Funds	\$ 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	\$ 86,681,556

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

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Revenues:										
Taxes	\$ 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	121,189,798
Special assessments	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	1,254,821
Licenses and permits	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	10,366,843
Intergovernmental	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	59,693,269
Charges for services	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	4,186,983
Interest and rentals	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	1,097,634
Fines and forfeitures	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	2,283,651
Loans repaid	-	-	-	-	-	-	-	-	-	-
Contributions and donations	-	-	51,581	602,278	7,691,802	4,821,406	4,812,827	10,051,756	3,838,477	295,941
Miscellaneous	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	3,968,665
Total Revenues	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	204,337,605
Expenditures:										
General government	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	6,444,764
Public safety	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	93,925,458
Urban development	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	55,494,830
Neighborhood services	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	5,220,902
Capital outlay	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	15,627,836
Debt service:										
Principal retirement	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	4,046,120
Interest and fiscal charges	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	10,913,783
Debt issuance costs	-	-	-	-	-	-	-	-	1,141,091	-
Total Expenditures	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	191,673,693
Excess (Deficiency) of Revenues Over (Under) Expenditures	974,970	(997,335)	(969,851)	(2,838,571)	(89,538,488)	(1,294,176)	(4,331,213)	(3,641,711)	(183,417,831)	12,663,912
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	-	-	-	-	-
Payments to escrow agent	-	-	-	-	-	-	-	-	-	-
Proceeds from capital leases	695,000	-	-	400,408	-	2,349,563	3,152,697	-	-	-
Proceeds from sale of capital assets	4,529,370	1,047,249	35,530	-	1,640	148,124	-	-	7,563	3,294,565
Gain/Loss - sale of land held for resale	-	-	-	-	-	-	-	-	-	-
Transfers in	16,654,519	8,628,509	9,379,865	9,899,873	21,108,888	12,822,718	20,711,781	20,641,477	18,417,488	27,508,014
Transfers out	(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)	(20,792,067)
Total Other Financing Sources (Uses)	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	10,010,512
Extraordinary gain/(loss) on dissolution of Redevelopment Agency	(195,359)	-	-	-	-	-	-	-	-	-
Net Change in Fund Balances	\$ 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	\$ 22,674,424
Debt service as a percentage of noncapital expenditures	7.58%	6.15%	5.99%	6.46%	37.84%	3.57%	4.65%	4.29%	3.33%	7.80%

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

Fiscal Year Ended June 30	Property	Sales	Motor	Transient	Property	Franchise	Utility	Business	Total	
	Tax	Tax	Vehicle License	Occupancy	Transfer Tax	Tax	Users Tax	Licenses		
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
2022	44,839	42,230	(39)	2,594	174	5,632	18,407	4,591	5	118,433

Source: Numbers from the Statement of Activities

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

Fiscal Year Ended June 30	Residential Property	Commercial Property	Industrial Property	Other	Unitary Values	Unsecured Property	Less: Tax Exempt Property (1)	Total Taxable Assessed Value	Total Direct Tax Rate (2)	Estimated Actual Taxable Value (3)	Factor of Taxable Assessed Value (3)
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	1,566,649	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
2022	9,212,402	1,461,128	1,960,984	414,006	-	503,221	1,026,249	13,551,741	0.22614	14,577,990	1.390120

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
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	0.184882	0.164074	0.165993	0.297990	0.284510	0.335000	0.337670	0.372320	0.304690	0.292220
Community College	0.028957	0.020231	0.021294	0.037950	0.048060	0.046000	0.046730	0.069530	0.066160	0.094400
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	0.003500	0.003500	0.003500	0.003500	0.003500	0.003500	0.003500	0.003500	0.003500	0.003500
Total	0.217339	0.187805	0.190787	0.339440	0.336070	0.384500	0.387900	0.445350	0.374350	0.390120
Total Tax Rate	1.217339	1.187805	1.190787	1.339440	1.336070	1.384500	1.387900	1.445350	1.374350	1.390120

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

Schedule 8

**City of Pomona
Principal Property Taxpayers
Current Fiscal Year and Nine Years Ago**

Taxpayer	2022			2013		
	Taxable Assessed Valuation	Rank	Percent of Total City Taxable Assessed Value	Taxable Assessed Valuation	Rank	Percent of Total City Taxable Assessed Value
CSCDA Community Improvement	\$ 108,753,448	1	0.80%			
Crest Financial	93,135,595	2	0.69%	\$ 80,157,130	1	0.95%
Rexford Industrial 1601 Mission LLC	88,689,400	3	0.65%			
Los Angeles County Fair Associates	70,614,619	4	0.52%	42,460,640	2	0.50%
Olive Ridge Gardens	47,401,980	5	0.35%			
Rexford Industrial Realty LP	45,240,109	6	0.33%			
Sybron Dental Specialties Inc.	36,578,940	7	0.27%			
BPP Pacific Industrial California REIT	34,818,687	8	0.26%			
DCT PSA Pomona LLC	34,225,132	9	0.25%			
Altagas Pomona Energy Storage Inc	33,980,100	10	0.25%			
Realty Associates Fund VII LP				38,711,951	3	0.46%
KTR Pomona LLC				37,500,000	4	0.44%
LBA Realty Fund III				29,319,352	5	0.35%
Ripon Cogeneration LLC				29,115,176	6	0.35%
Realty Associates Iowa Corp				27,613,095	7	0.33%
F D S Mfg Co				23,594,110	8	0.28%
Pine Club Apts LLC				23,569,700	9	0.28%
CMC Dragon LP				22,000,000	10	0.26%

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

	2022	2013
76	Arco AM PM	A C S Distributors
	Arco AM PM	Allstar KIA
	Chevron Extra Mile	Cornucopia Foods
	dd's Discounts	CVS Pharmacy
	Ferguson Enterprises	Dawson Company
	Food 4 Less	Envirokinetics
	Global Rental Co	Fairplex Chevron
	Grannys Alliance Holdings	Ferguson Enterprises
	Home Depot	Food 4 Less
	Huntington Hardware	Garys Chevron
	Jb Wholesale Roofing & Building Supplies	Global Rental Co
	Marco Equipment	Gte Supply
	Ovations Fanfare	HD Supply Home Improvement Solutions
	Phenix Enterprises	Home Depot
	Pomona Kia	Marco Equipment
	Rohr Steel	Mega RV
	Ryder Vehicle Sales	Mike Thompsons RVs
	Shell	Phenix Enterprises
	STIZY Pomona	Rohr Steel
	Superior Duct Fabrication	Superior Duct Fabrication
	Target	Tesoro Refining & Marketing
	Tesla Motors	Towne Arco
	Towne Arco	United Oil
	Walmart Supercenter	USA Gas
		Walmart Supercenter

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
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%
2022	19,078,334	18,752,358	98.3%	822,395	19,574,753	102.6%

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				Business-type Activities
2013	-	42,446,378	44,400,752	12,012,435	1,864,337	100,723,902	135,674,210	4,112,175	139,786,385	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	137,480,115	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	135,091,034	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	132,618,842	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	119,983,657	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	116,071,358	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	112,980,006	198,541,968	n/a	1,287
2020	-	75,670,451	3,492,601	-	2,132,854	81,295,906	109,839,270	-	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	-	107,277,528	404,175,244	n/a	2,671
2022	-	68,527,713	188,142,441	-	2,951,048	269,621,202	104,655,785	-	104,655,785	374,276,987	n/a	2,499

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.

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

Fiscal Year Ended June 30	General Bonded Debt Outstanding										Percentage of Actual Value of Property (1)	Per Capita (2)
	Revenue Bonds	Tax Allocation Bonds	Pension Obligation Ref Bonds	Certificates of Participation	Total	Restricted for Debt Service *	Net Bonded Debt					
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	
2022	68,528	-	198,142	-	266,670	68,220	198,450			2.0%	1,781	

* 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

	Total Debt 6/30/2022	% Applicable (1)	City's Share of Debt 06/30/2022
OVERLAPPING DEBT 06/30/2022:			
Metropolitan Water District	9,835,780	0.820%	80,653
Citrus Community College District	144,011,454	1.163%	1,674,460
Mount San Antonio Community College District	930,361,452	12.624%	117,444,432
Bonita Unified School District	116,674,790	0.190%	222,152
Claremont Unified School District	68,415,000	5.848%	4,000,950
Pomona Unified School District	411,249,505	77.388%	318,258,016
Total Overlapping Debt	1,680,547,981		441,680,663
Obligations Under Capital Leases	1,046,097	100.000%	1,046,097
Notes Payable	1,904,951	100.000%	1,904,951
Revenue Bonds	68,527,713	100.000%	68,527,713
Pension Obligation Refunding Bonds	198,142,441	100.000%	198,142,441
Accreted Interest	6,116,427	100.000%	6,116,427
Total Direct Debt	275,737,629		275,737,629
TOTAL DIRECT AND OVERLAPPING DEBT	\$ 1,956,285,610		\$ 717,418,292
OVERLAPPING DEBT 06/30/2013:			
Los Angeles County Flood Control District	\$ 19,770,000	0.819%	\$ 161,916
Metropolitan Water District	165,085,000	0.402%	663,642
Citrus Community College District	77,195,302	1.260%	972,661
Mount San Antonio Community College District	212,076,742	11.912%	25,262,582
Bonita Unified School District	103,877,395	0.133%	138,157
Claremont Unified School District	33,365,000	6.222%	2,075,970
Pomona Unified School District	212,631,870	75.116%	159,720,555
City of Pomona 1915 Act Bonds	4,087,000	100.000%	4,087,000
Los Angeles County Regional Park and Open Space Assessment District	142,870,000	0.775%	1,107,243
Total Overlapping Debt	970,958,309		194,189,726
TOTAL OVERLAPPING DEBT	\$ 970,958,309		\$ 194,189,726

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)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Assessed valuation	\$ 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	\$ 13,551,741
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	\$ 1,265,322	\$ 1,323,274	\$ 1,399,439	\$ 1,476,016	\$ 1,578,046	\$ 1,652,868	\$ 1,748,411	\$ 1,852,392	\$ 1,957,028	\$ 2,032,761
Amount of debt applicable to debt limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	\$ 1,265,322	\$ 1,323,274	\$ 1,399,439	\$ 1,476,016	\$ 1,578,046	\$ 1,652,868	\$ 1,748,411	\$ 1,852,392	\$ 1,957,028	\$ 2,032,761
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							Net Revenue Coverage
	Water Revenue (1)	Less Operating Expenses (2)	Net Available Revenue	Stabilization Fund (3)	Principal	Debt Service Interest	Total	
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
2022	42,192,195	27,850,168	14,342,027	5,294,798	1,925,000	3,204,174	5,129,174	2.80

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

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

(1) Water Revenue consists of Charges for services, Interest Revenue, Intergovernmental, and Sale of Surplus Water

(2) Operating expenses does not include depreciation or amortization.

(3) During FY2018, the City established a Rate Stabilization Fund (RSF) equal to annual debt service payments.

Transfers from the RSF may be made to meet annual debt service expenses or to comply with debt service coverage.

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

Schedule 16

Fiscal Year Ended June 30	Sewer Revenue Bonds							Net Revenue Coverage
	Sewer Revenue (1)	Less Operating Expenses (2)	Net Available Revenue	Stabilization Fund (3)	Debt Service		Total	
					Principal	Interest		
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
2022	7,221,361	1,895,703	5,325,658	1,499,673	590,000	858,751	1,448,751	3.68

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

Fiscal Year	Population (1)	Personal Income (2) (in thousands)	Per Capita Personal Income (2)	Median Age	Public School Enrollment (3)	Unemployment Rate (4)
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%
2022	149,766	3,330,808	22,240	33.3	22,607	10.0%

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 sci

(4) Unemployment rates are provided by the Employment Development Department, Bureau of Labor and Statistics Dep:

Schedule 18

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

Employer	2022			2013		
	Number of Employees	Rank	Percentage of Total City Employment	Number of Employees	Rank	Percentage of Total City Employment
Pomona Valley Hospital	3,976	1	6.5%	3,089	2	4.7%
Pomona Unified School District	3,879	2	6.3%	3,406	1	5.1%
California State Polytechnic University	2,659	3	4.3%	2,154	3	3.7%
City of Pomona	598	4	1.0%	711	5	1.2%
Lereta, LLC	395	5	0.6%			
Inland Valley Care & Rehab	350	6	0.6%	282	10	0.5%
Mount San Antonio Gardens	348	7	0.6%			
Park Ave Healthcare & Wellness Center LLC	335	8	0.5%			
Fairplex - LA County Fair	200	9	0.3%			
Tri City Mental Health Center	186	10	0.3%			
Home Depot	169	11	0.3%			
Ferguson Enterprises, LLC	160	12	0.3%			
B2Sign, Inc.	150	13	0.2%			
Dow Hydraulic Systems	110	14	0.2%			
Parktree Community Health Center	106	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	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Government	19	19	20	20	20	20	20	20	18	18
Support Services	32	32	31	32	33	41	46	46	49	49
Police	269	270	268	270	271	271	280	280	282	284
Public Works	170	169	170	106	106	93	96	96	96	103
Water/Wastewater	0	0	0	68	68	74	75	75	75	80
Community Development	38	40	0	0	0	0	0	0	0	0
Dev & Neighborhood Svcs	0	0	47	47	48	48	53	53	54	61
Utility Services	0	0	0	0	0	0	0	0	0	0
Community Services and Library	11	9	2	2	2	2	1.6	1.6	1.6	3
Total	539	539	538	545	548	549	571.6	571.6	575.6	598

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Police:										
Felony Arrests	3,145	3,105	2,726	2,441	2,142	2,049	2,270	1,903	1,123	1,041
Misdemeanor Arrests	5,821	5,876	6,424	7,446	6,825	6,067	6,228	4,463	2,907	3,098
Parking Citations	36,718	30,145	30,788	31,807	32,107	27,959	26,214	21,237	14,510	22,781
Moving Citations	9,179	9,791	9,153	8,898	7,157	6,714	6,884	6,282	38,505	5,462
Fire:										
Incidents	12,447	13,675	15,289	16,381	16,901	16,367	16,340	16,544	17,025	17,538
Urban development:										
Residential building permits issued	622	722	925	294	969	3,476	660	788	1,765	4,263
Inspections	4,054	6,050	5,536	6,236	7,947	11,764	11,723	10,642	7,028	15,759
Asphalt repaired (square feet)	19,400	36,068	84,879	84,649	95,104	78,765	84,516	79,420	79,005	106,721
Sidewalk repaired (square feet)	7,285	1,500	1,750	2,279	2,997	7,001	99,111	12,568	18,743	13,330
Community services:*										
Community Center participants	520,157	501,727	-	-	-	-	-	-	-	-
Senior Program participants	108,086	100,703	44,768	44,228	59,967	59,065	48,229	51,836	98,517	96,189
Youth program participants	362,217	337,180	56,728	52,075	33,579	40,917	37,696	24,769	2,451	6,722
Other program participants	49,854	66,743	32,480	26,126	18,901	16,919	30,768	21,858	3,408	16,189
Sports participants	309,795	366,978	168,034	182,529	154,670	144,680	120,002	66,685	339	38,991
Facility rentals	635	687	2,090	1,815	2,183	1,644	1,679	1,430	1	753
Library:										
Program attendance (all programs)	1,770	2,578	2,940	3,077	3,069	3,058	2,623	2,010	147	2,773
Literacy instruction (hours)	-	-	-	-	-	-	-	-	-	-
Water:										
New connections	17	9	12	21	12	13	12	19	3	249
Average daily consumption (thousands of gallons)	18,670	19,615	17,905	14,450	15,084	20,243	18,471	13,502	16,740	16,064
Refuse:										
Curbside Collection (in tons)	37,246	36,593	35,474	36,682	37,934	37,257	40,793	47,251	52,206	50,875
Recycle Collection (in tons)	6,896	6,907	7,218	6,544	6,759	7,083	4,722	4,799	7,216	9,296
Greenwaste Collection (in tons)	12,510	11,934	11,904	13,480	13,699	13,143	12,618	11,824	11,844	11,338

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	58	51	51	46	44	45	44	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	7,701	7,721	7,725	7,725	7,725	7,725	7,725	7,725	7,725	7,725
Traffic signals	162	164	164	169	169	169	169	169	169	169
Community services:										
Parks	26	26	26	26	26	27	27	27	28	28
Park Acreage	221	221	221	221	221	221	221	221	222	222
Baseball fields	14	14	14	14	14	14	14	14	14	14
Soccer fields	17	17	17	17	17	17	17	17	11	11
Basketball courts	22	22	22	22	22	22	22	22	22	24
Tennis courts	9	9	9	9	9	9	9	9	9	9
Community centers	14	14	14	14	14	14	14	14	14	13
Libraries	1	1	1	1	1	1	1	1	1	1
Water:										
Water mains (miles)	457	457	457	457	457	457	457	488	428	428
Sewer:										
Sanitary sewers (miles)	305	305	305	305	305	305	305	305	300	300
Storm drains (miles)	120	120	120	120	120	120	120	120	70	33

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, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 14, 2022.

Report on 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 or significant deficiencies may exist that were not identified.

Report on 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, Soll & Lingham, LLP

Brea, California
December 14, 2022