

# COMPREHENSIVE ANNUAL FINANCIAL REPORT



**City of Pomona  
California**



**FOR THE YEAR ENDED  
JUNE 30, 2010**





CITY OF POMONA, CALIFORNIA

# COMPREHENSIVE ANNUAL FINANCIAL REPORT

**Year Ended June 30, 2010**

Elliott Rothman

Mayor

Danielle Soto

Councilmember, District 1

Freddie Rodriguez

Councilmember, District 2

Cristina Carrizosa

Councilmember, District 3

Paula Lantz

Councilmember, District 4

Tim Saunders

Councilmember, District 5

Stephen Atchley

Councilmember, District 6

Prepared by the City of Pomona Finance Department  
Paula Chamberlain, Finance Director



**City of Pomona**  
**Comprehensive Annual Financial Report**  
**For the year ended June 30, 2010**

**Table of Contents**

---

	<u>Page</u>
<b><u>INTRODUCTORY SECTION</u></b>	
Letter of Transmittal .....	i
Certificate of Achievement for Excellence in Financial Reporting – GFOA.....	vii
Organization Chart .....	viii
Directory of City Officials .....	ix
<b><u>FINANCIAL SECTION</u></b>	
<b>Independent Auditors’ Report .....</b>	<b>1</b>
<b>Management’s Discussion and Analysis (Required Supplementary Information) (Unaudited) .....</b>	<b>3</b>
<b>Basic Financial Statements:</b>	
<b>Government-Wide Financial Statements:</b>	
Statement of Net Assets .....	15
Statement of Activities and Changes in Net Assets .....	16
<b>Fund Financial Statements:</b>	
<b>Governmental Fund Financial Statements:</b>	
Balance Sheet.....	22
Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Assets .....	25
Statement of Revenues, Expenditures and Changes in Fund Balances.....	26
Reconciliation of the Governmental Statement of Revenues, Expenditures, and Changes in Fund Balances to the Government-Wide Statement of Activities and Changes in Net Assets .....	28
<b>Proprietary Fund Financial Statements:</b>	
Statement of Net Assets .....	30
Statement of Revenues, Expenses and Changes in Net Assets .....	32
Statement of Cash Flows.....	34
<b>Fiduciary Fund Financial Statements:</b>	
Statement of Fiduciary Net Assets .....	38
Index to Notes to Basic Financial Statements.....	39
<b>Notes to Basic Financial Statements .....</b>	<b>41</b>
<b>Required Supplementary Information (Unaudited) .....</b>	<b>113</b>
Budgetary Information.....	114
Defined Pension Plan .....	117
Other Post Employment Benefits.....	118

**City of Pomona**  
**Comprehensive Annual Financial Report**  
**For the year ended June 30, 2010**

**Table of Contents, Continued**

---

	<u>Page</u>
<b><u>FINANCIAL SECTION, Continued</u></b>	
<b>Supplementary Information:</b>	
Non-Major Governmental Funds:	
Combining Balance Sheet .....	122
Combining Statement of Revenues, Expenditures and Changes in Fund Balances.....	126
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual:	
General Debt Service.....	129
Public Financing Authority Debt Service.....	130
Redevelopment Agency Debt Service.....	131
Redevelopment Agency Capital Project.....	132
Housing Assistance Program.....	133
Community Development Block Grant.....	134
Housing Authority .....	135
Miscellaneous Grants .....	136
State Gas Tax .....	137
Proposition A .....	138
Proposition C.....	139
Vehicle Parking District .....	140
Air Quality Improvement.....	141
Traffic Congestion Relief .....	142
Landscape Maintenance District .....	143
Narcotics Forfeiture.....	144
Traffic Offender .....	145
Prop 1B.....	146
Measure R.....	147
General Sanitation Fees Operations .....	148
Capital Outlay Fund.....	149
Assessment District Improvement .....	150
Internal Service Funds:	
Combining Statement of Net Assets .....	152
Combining Statement of Activities and Changes in Net Assets .....	153
Combining Statement of Cash Flows .....	154
Fiduciary Funds:	
Combining Statement of Fiduciary Net Assets.....	156
Combining Statement of Changes in Assets and Liabilities .....	157
<b>Report on Internal Control over Financial Reporting and on Compliance and Other Matters. ....</b>	<b>159</b>

**City of Pomona**  
**Comprehensive Annual Financial Report**  
**For the year ended June 30, 2010**

**Table of Contents, Continued**

---

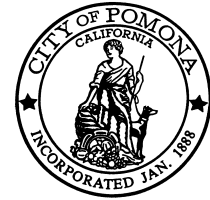
---

	<u>Page</u>
<b><u>STATISTICAL SECTION (Unaudited)</u></b>	
Net Assets by Component .....	165
Changes in Net Assets .....	166
Fund Balances of Governmental Funds .....	168
Changes in Fund Balances of Governmental Funds .....	169
Governmental Activities Tax Revenue by Source .....	170
Assessed Value and Estimated Actual Value of Taxable Property .....	171
Property Tax Rates - Direct and Overlapping Governments .....	172
Principal Property Taxpayers .....	173
Top 25 Sales Tax Generators .....	174
Property Tax Levies and Collections .....	175
Ratios of Outstanding Debt by Type .....	176
Ratios of General Bonded Debt Outstanding .....	178
Direct and Overlapping Debt .....	179
Legal Debt Margin Information .....	180
Pledged-Revenue Coverage .....	181
Demographic and Economic Statistics .....	182
Principal Employers .....	183
Authorized Full-Time City Employees by Function .....	184
Taxable Sales by Category .....	186
Operating Indicators by Function .....	188
Capital Asset Statistics by Function .....	189





January 26, 2011



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

The audited Comprehensive Annual Financial Report (CAFR) of the City of Pomona, California (City) for the fiscal year ended June 30, 2010 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. Caporicci & Larson, Certified Public Accountants, have issued an unqualified opinion of the City of Pomona's financial statements for the year ended June 30, 2010. 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 compliment 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.

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 U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments and Non-Profit Organizations. Information related to this single audit, including a schedule of federal financial assistance, findings and recommendations and auditor's report on the internal control structure and compliance with applicable laws and regulations, is provided in a separate single audit report.

## **REPORTING ENTITY**

The primary unit of the government is the City and its component units are described as follows:

### **The Primary Government**

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

The accompanying Comprehensive Annual Financial Report includes the activities of the City, the primary government, and its component units, which are the Redevelopment Agency of the City of Pomona, the Pomona Public Financing Authority, the City of Pomona Housing Authority, and the Canon Water Company. Financial information for the City and these component units is accounted for in the accompanying financial statements in accordance with principles defining the reporting entity adopted by the Governmental Accounting Standards Board. The City Council serves as the governing board of the Redevelopment Agency and the Housing Authority. The City Manager, City Attorney, Finance Director, City Treasurer, and the Deputy Executive Director (Redevelopment Director) serve as the governing board for the Pomona Financing Authority. City employees serve as the governing board of the Canon Water Company. All of these component units are presented on a blended basis.

**The Redevelopment Agency of the City of Pomona** (the Agency) was established August 27, 1966 pursuant to the State of California Health and Safety Code, Section 3300, entitled "Community Redevelopment Law". The Agency was formed for the purpose of preparing and carrying out plans for improvement, rehabilitation and redevelopment of blighted areas within the territorial limits of the City of Pomona. City staff provides management assistance to the Agency. The funds of the Agency have been included in the governmental activities in the financial statements. Separate audited statements are also issued for the Agency and are available for review in the Pomona Public Library.

**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 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 and are available for review in the Pomona Public Library.

**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 Authority exists pursuant to adopted resolution No. 93-114 adopted June 7, 1993. Its purpose is to prepare and carry out plans for improvement to the unsanitary and unsafe inhabited dwelling accommodations that exist in the City of Pomona available to persons of low income at rentals they can afford. The City provides management assistance to the Authority, and the members of the City Council also act as the governing body of the Authority. The Authority's financial data and transactions are blended with the nonmajor governmental funds.

This report includes all funds of the City of Pomona, California, and each of its component units.

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

## **THE CITY OF POMONA**

The City is located at the southeast end of Los Angeles County and borders San Bernardino County's western boundary and is just five miles north of Orange County. The City has a population of 162,817 and covers an area of approximately 23 square miles. The City is a charter city and is governed by a mayor and six council members. Council members are elected by Council 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 enjoys a diverse and broadly based economy, although one that is sometimes not readily quantifiable, given a tilt towards various levels of government and service oriented (healthcare) industries. Among the City's principal employers are the local school district (Pomona U.S.D.), the City of Pomona itself, and the Department of Social Services. Major employers in the private sector include Verizon, First Transit, Hayward Industries, Lloyd's Material Supply, and Walmart. Pomona is also a regional healthcare hub, boasting a premier facility in the Pomona Valley Hospital Medical Center, along with the Lanterman Developmental Center, and the non-profit Casa Colina Centers for Rehabilitation.

According to estimates published by the California Employment Development Department in the Labor Market Information Division, Pomona's employed civilian labor force was approximately 66,600 as of 2010, representing an increase of more than 3,500 jobs compared to 2000 census data.

Retail sales tax is a principal revenue source for the City. Following a period of sustained growth early in the decade, Pomona has clearly felt the effects of a nationwide recession, with annual taxable retail sales of approximately \$1.0 billion dollars in FY 2009-10. Pomona is a regional center for the building and construction industry, with business-to-business sales also representing a significant portion of total sales tax receipts.

Taxable assessed valuation on property within the City of Pomona has decreased \$554 million compared to the prior year. Similar to other governmental entities nationwide, Pomona finds itself significantly challenged by the current economic environment. Overall, property taxes (secured, unsecured, property transfer tax, in-lieu, etc.) constituted 31.2% of General Fund revenues during Fiscal Year 2009-10, while sales taxes (sales tax, one-half cent sales tax and in-lieu) represented 15.4% of the total.

## **LONG-TERM FINANCIAL PLANNING**

The City's continued control over expenditure growth has been, and will continue to be, a key factor in maintaining the City's financial position. The dramatic reversal in global economic fortunes has not bypassed the City. As with virtually all governmental entities throughout the region and the State, an extensive array of expenditures throughout all areas of City operations will be subject to re-examination and reductions in the coming fiscal year, and for some time to come.

## **OUTLOOK FOR THE FUTURE**

Although the so-called "great recession" officially ended in the latter half of calendar year 2009, there is still little indication of a broad, sustainable recovery on either the State or local levels. Faced with these uncertainties, the City reduced Fiscal Year 2010-2011 expenses significantly by downsizing the workforce (including sworn personnel), the outsourcing of various operations, and negotiating employee wage and salary concessions. It is anticipated the budget for the coming Fiscal Year 2011-2012 will also be balanced. As budget discussions begin, it is additionally anticipated that various operations will be re-examined and continued discussions with employee groups for possible ongoing concessions and furloughs are expected.

The Redevelopment Agency continues its efforts to promote economic development activities to attract, retain, and expand a broad spectrum of business throughout the City.

## **FINANCIAL INFORMATION**

Management of the City is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with 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 conformity with the provisions of the Single Audit Act as amended in 1996 and the United States Office of Management and Budget Circular A-133. The results of the City's single audit for the fiscal year ended June 30, 2010 are published under separate cover.

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

appropriated amount) is at the department level in the General Fund and by fund total for all other funds. For budgeting purposes, the General Fund is composed of several departments while all other budgeted funds are each considered to be a single department. The City maintains an encumbrance accounting system as one technique of accomplishing budgetary control, however all operating encumbrances lapse at year-end unless specifically approved by City Council resolution per the City Charter.

## **OTHER INFORMATION**

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

**Independent Audit.** The accounting firm of Caporicci and Larson 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 related OMB Circular A-133. The auditors' report on the basic financial statements is included in the financial section of this report. The auditors' report related specifically to the single audit is included in a separate Single Audit Report.

**Certificate of Achievement.** The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Pomona for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2009. The City of Pomona has received a Certificate of Achievement for the last seventeen consecutive years (1993-2009). The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

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

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

**Additional Information.** For additional information, please refer to the Management's Discussion and Analysis in the Introductory Section of this report. This discussion and analysis of the City's financial performance provides an overview of the City's financial activities for the fiscal year ended June 30, 2010. 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 on a timely basis could not have been accomplished without the efficient and dedicated services of the entire Finance Department staff. Special recognition is given to all the Accounting division staff, and our City auditors 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 that reads "Paula Chamberlain". The signature is written in a cursive, flowing style.

Paula Chamberlain  
Finance Director

# Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Pomona for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2009. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of a state and local government financial reports.

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

A Certificate of Achievement is valid for a period of one year only. The City of Pomona has received a Certificate of Achievement for the last seventeen consecutive years (fiscal years ended 1993-2009). We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA for consideration.

## Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Pomona  
California

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2009

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



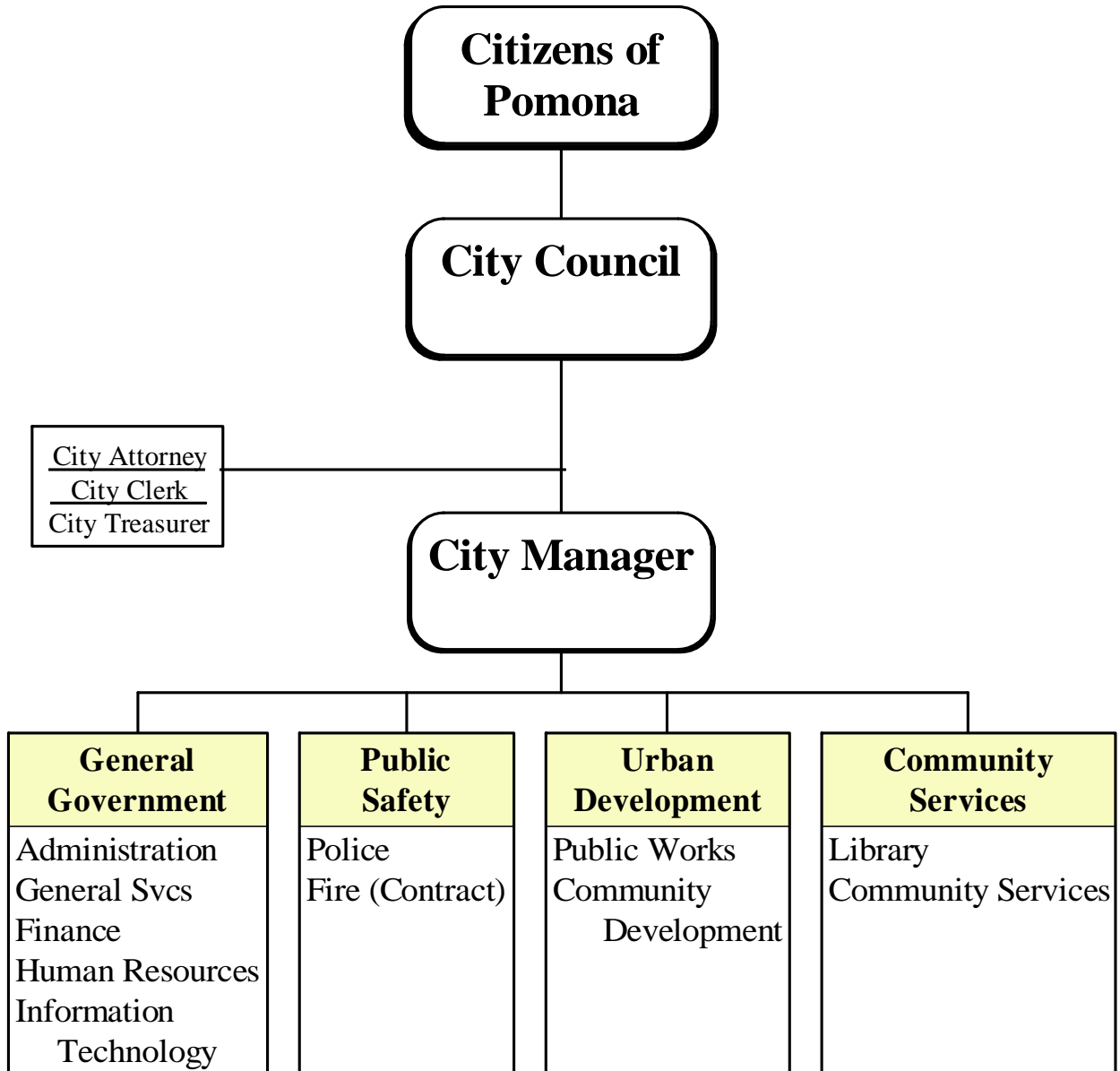
A stylized handwritten signature in black ink.

President

A handwritten signature in black ink, appearing to read "Jeffrey R. Enos".

Executive Director

# Organizational Chart





CITY OF POMONA  
**DIRECTORY OF CITY OFFICIALS**

at June 30, 2010

**CITY COUNCIL**

**Elliott Rothman**

Mayor

**Danielle Soto**  
Councilmember  
District 1

**Freddie Rodriguez**  
Councilmember  
District 2

**Cristina Carrizosa**  
Councilmember  
District 3

**Paula Lantz**  
Councilmember  
District 4

**Tim Saunders**  
Councilmember  
District 5

**Stephen Atchley**  
Councilmember  
District 6

**APPOINTED ADMINISTRATIVE OFFICIALS**

City Manager..... Linda Lowry  
City Attorney..... Arnold Alvarez-Glasman  
City Clerk..... Marie Macias  
City Treasurer ..... Douglas Peterson

**DEPARTMENT DIRECTORS**

Finance ..... Paula Chamberlain  
Fire Chief (Los Angeles County)..... Van Mack Madrigal  
Human Resources (Interim)..... Jane Fleenor  
Information Technology ..... John Depolis  
Library/Community Services..... Greg Shapton  
Community Development ..... Mark Lazzaretto  
Police Chief..... Dave Keetle  
Public Works..... Daryl Grigsby  
Redevelopment..... Raymond Fong

*This page intentionally left blank.*

## INDEPENDENT AUDITORS' REPORT

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

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 the City of Pomona, California (City), as of and for the year ended June 30, 2010, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the financial statements as of February 28, 2010 of the Canon Water Company of Pomona, California, Inc. (Company), a component unit of the City, which represents \$215,942 of assets, \$39,846 of liabilities, \$255,788 of net assets, and \$9,633 of net income of the business-type activities in the government-wide financial statements and proprietary fund financial statements. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion on the basic financial statements of the City, insofar as it relates to those amounts included for the Company in the accompanying basic financial statements of the City, is based solely on the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2010, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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

As discussed in Note 15 to the basic financial statements, the City has continued to suffer significant reductions in net assets from operations, which raises uncertainties regarding future operations. Management's plans regarding those matters are also described in Note 15. The basic financial statements do not include any adjustments that might result from the outcome of these uncertainties.

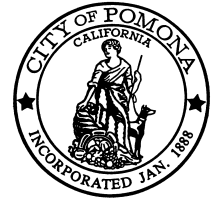
In accordance with Government Auditing Standards, we have also issued our report dated January 26, 2011 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

The accompanying Required Supplementary Information, such as Management's Discussion and Analysis and other information as listed in the table of contents, is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the Required Supplementary Information. However, we did not audit the information and express no opinion on the Required Supplementary Information.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the City's basic financial statements. The accompanying supplementary information is presented for purpose of additional analysis and is not a required part of the basic financial statements. The supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole. The Introductory and Statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

*Caporicci & Larson, Inc.*

Caporicci & Larson, Inc.  
A Subsidiary of Marcum LLP  
Certified Public Accountants  
Irvine, California  
January 26, 2011



## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

### **Fiscal Year Ended June 30, 2010**

This discussion and analysis of the City of Pomona's financial performance provides an overview of the City's financial activities for the fiscal year ended June 30, 2010. Please read it in conjunction with the accompanying transmittal letter, the basic financial statements and the accompanying notes to those financial statements.

### **FINANCIAL HIGHLIGHTS**

- The assets of the City exceeded its liabilities at the close of the fiscal year by \$265.7 million.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$152.6 million.
- At the end of the current fiscal year, unreserved fund balance for the general fund was \$2.3 million, or approximately 2.7% of total general fund expenditures.

### **THE FINANCIAL STATEMENTS**

The financial statements presented herein include all of the activities of the City of Pomona (City) and its component units using the integrated approach as prescribed by GASB Statement No. 34.

The government-wide financial statements present the financial picture of the City from the economic resources measurement focus using the accrual basis of accounting. Governmental activities and business-type activities are presented separately. These statements include all assets including the City's infrastructure capital assets. All liabilities of the City (including long-term debt) are also included in these statements. Additionally, certain eliminations have occurred as prescribed by the statement in regards to interfund activity, payables and receivables.

The fund financial statements include statements for governmental funds, proprietary funds, and fiduciary funds. The governmental funds are prepared using the current financial resources measurement focus and modified accrual basis of accounting. The proprietary funds are prepared using the economic resources measurement focus and the accrual basis of accounting. Reconciliation of the fund financial statements to the government-wide financial statements is provided to explain the differences created by the integrated approach. The fiduciary funds are prepared using the economic resources measurement focus and the accrual basis of accounting.

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

#### **Government-Wide Financial Statements**

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to private-sector business.

## The Statement of Net Assets and the Statement of Activities

The Statement of Net Assets and the Statement of Activities report information about the City as a whole and about its activities. These statements include *all* assets and liabilities of the City using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. All of the current year's revenue and expenses are taken into account regardless of when cash is received or paid.

These two statements report the City's *net assets* and changes in them. Net assets are the difference between assets and liabilities, which is one way to measure the City's financial health, or *financial position*. Over time, *increases or decreases* in the City's net assets are one indicator of whether its *financial health* is improving or deteriorating. Other factors to consider are changes in the City's property tax base and the condition of the City's roads.

In the Statement of Net Assets and the Statement of Activities, City activities are separated as follows:

**Governmental activities** – The majority of the City's basic services are reported in this category, including General Services, Police, Fire, Public Works, Community, Redevelopment, Community Services, and the Library. Revenues such as property taxes, sales taxes, utility taxes, franchise fees, interest income and other state and federal funds finance these activities.

**Business-type activities** – The City charges a fee to customers to cover the services it provides within this category. The City's water system, sewer system, and refuse operations are reported in this category.

## FUND FINANCIAL STATEMENTS

The fund financial statements provide detailed information about the most significant funds – not the City as a whole. Some funds are required to be established by State law and by bond covenants. However, management establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for certain grants and other money.

**Governmental funds** – Most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other *financial* assets that can readily be converted to cash. The governmental fund statements provide a detailed *short-term view* of the City's general government operations and the basic services it provides. Governmental fund information helps to determine whether there are more or fewer resources that can be spent in the near future to finance the City's programs. The variances of results in the governmental funds statements to those in the government-wide financial statements are explained in a reconciliation schedule following each governmental funds financial statements.

**Proprietary funds** – The City maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses three funds to account for its water, refuse and sewer entities for the City's enterprises. The City uses internal service funds (the other component of proprietary funds) to report activities that provide services to the City's other programs and activities – such as the City's equipment maintenance fund and self-insurance funds. Internal service funds are reported with governmental activities in the government-wide financial statements.

**Fiduciary funds** – The City is the trustee, or *fiduciary*, for certain funds held for construction deposits and to account for the payment of various employee benefits and deductions including, but not limited to, health and dental insurance premiums, federal and state withholding taxes and various other items that are withheld from regular compensation. The City's fiduciary activities are reported in separate Statements of Fiduciary Net Assets and Changes in Fiduciary Net Assets. These activities are excluded from the City's other financial statements since the City cannot use these assets to finance its operations. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

### Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide financial statements.

### Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* including budgetary comparison schedules for the general fund and each major special revenue fund.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, the net assets for the City as a whole are \$265.7 million at June 30, 2010. Program expenses by function, general revenues by major source, excess and/or deficiency of revenues over expenses before contributions to fund principal, special, and extraordinary items, changes in and total net assets are presented in the Statement of Activities.

The City's combined net assets (in millions) for fiscal years ended June 30, 2009 and June 30, 2010 are as follows:

	Governmental Activities		Business-Type Activities		Total	
	2010	2009	2010	2009	2010	2009
Current and other assets	\$ 234.8	\$ 240.6	\$ 117.9	\$ 127.4	\$ 352.7	\$ 368.0
Capital assets	323.7	321.9	135.8	127.2	459.5	449.1
Total assets	<u>\$ 558.5</u>	<u>\$ 562.5</u>	<u>\$ 253.7</u>	<u>\$ 254.6</u>	<u>\$ 812.2</u>	<u>\$ 817.1</u>
Other liabilities	\$ 43.8	\$ 35.2	\$ 12.9	\$ 6.3	\$ 56.7	\$ 41.5
Long-term liabilities outstanding	347.9	343.3	141.9	143.5	489.8	486.8
Total liabilities	<u>\$ 391.7</u>	<u>\$ 378.5</u>	<u>\$ 154.8</u>	<u>\$ 149.8</u>	<u>\$ 546.5</u>	<u>\$ 528.3</u>
Net assets:						
Invested in capital assets, net of related debt	\$ 259.5	\$ 266.7	\$ 62.3	\$ 68.9	\$ 321.8	\$ 335.6
Restricted	134.7	130.7	2.2	2.9	136.9	133.6
Unrestricted	(227.4)	(213.4)	34.4	33.0	(193.0)	(180.4)
Total net assets	<u>\$ 166.8</u>	<u>\$ 184.0</u>	<u>\$ 98.9</u>	<u>\$ 104.8</u>	<u>\$ 265.7</u>	<u>\$ 288.8</u>

The City's net assets, including both the governmental activities and business-type activities, decreased \$23.1 million over the prior fiscal year. Total revenues increased by 1.4% and total expenses increased 6.8%. General revenues reflect an overall decrease of \$16.8 million, while program revenues increased by \$19.8 million. Revenue from grants and contributions increased 55.7% over the prior year for a total of \$16.6 million. Tax revenue decreased by 5.0% or \$5.7 million over prior year and charges for services increased by 5.2% or \$3.2 million.

**GOVERNMENTAL ACTIVITIES**

The City's net assets from governmental activities decreased \$18.3 million. The cost of all governmental activities this year was \$203.1 million. However, as shown in the Statement of Activities, the amount that the taxpayers ultimately financed for these activities was only \$138.4 million because some of the cost was paid by those who directly benefited from the programs (\$20.7 million), or by other governments and organizations that subsidized certain programs with operating grants and contributions (\$30.0 million), and capital grants and contributions (\$16.4 million). Overall, the City's governmental revenues were \$67.1 million. The City paid for the remaining "public benefit" portion of governmental activities with \$117.7 million in taxes (some of which is restricted for certain programs) and with other revenues such as interest.

The City's programs for governmental activities include General Government, Police, Fire, Public Works, Urban Development, Community Services, and the Library. The programs for the business-type activities include water utilities, sewer, and refuse operations. A comparison of each program's revenues and expenses (in millions) for the current year is presented herein.

	Governmental Activities		Business-Type Activities		Total	
	2010	2009	2010	2009	2010	2009
<b>Revenues:</b>						
Program Revenues:						
Charges for services	\$ 20.7	\$ 17.9			\$ 20.7	\$ 17.9
Water	-	-	\$ 27.1	\$ 27.9	27.1	27.9
Sewer	-	-	4.3	4.2	4.3	4.2
Refuse	-	-	9.8	8.7	9.8	8.7
Operating grants and contributions	30.0	17.8	-	-	30.0	17.8
Capital grants and contributions	16.4	12.0	-	-	16.4	12.0
General Revenues:						
Taxes:						
Property taxes	60.8	65.3	-	-	60.8	65.3
Sales and use taxes	11.2	10.6	-	-	11.2	10.6
Utility user tax	17.2	17.7	-	-	17.2	17.7
Transient occupancy	1.3	1.5	-	-	1.3	1.5
Property transfer tax	1.1	1.0	-	-	1.1	1.0
Franchises	6.1	6.9	-	-	6.1	6.9
Motor vehicle in-lieu	0.5	0.6	-	-	0.5	0.6
Business license	2.9	3.1	-	-	2.9	3.1
Other taxes	-	0.1	-	-	-	0.1
Income from property and investment	14.5	17.2	(6.2)	(0.6)	8.3	16.6
Miscellaneous	2.1	3.0	-	1.9	2.1	4.9
Total revenues	<u>\$ 184.8</u>	<u>\$ 174.7</u>	<u>\$ 35.0</u>	<u>\$ 42.1</u>	<u>\$ 219.8</u>	<u>\$ 216.8</u>
<b>Expenses:</b>						
General government	\$ 6.5	\$ 11.3	\$ -	\$ -	\$ 6.5	\$ 11.3
Public safety	71.2	76.9	-	-	71.2	76.9
Urban development	87.7	68.4	-	-	87.7	68.4
Community services	8.2	10.4	-	-	8.2	10.4
Interest on long-term debt	29.5	27.7	-	-	29.5	27.7
Water	-	-	27.4	18.9	27.4	18.9
Sewer	-	-	3.8	2.9	3.8	2.9
Refuse	-	-	8.6	9.8	8.6	9.8
Canon Water Company	-	-	-	-	-	-
Total expenses	<u>\$ 203.1</u>	<u>\$ 194.7</u>	<u>\$ 39.8</u>	<u>\$ 31.6</u>	<u>\$ 242.9</u>	<u>\$ 226.3</u>
Increase in net assets before transfers	\$ (18.3)	\$ (20.0)	\$ (4.8)	\$ 10.5	\$ (23.1)	\$ (9.5)
Transfers	1.1	-	(1.1)	-	-	-
Increase (decrease) in net assets	\$ (17.2)	\$ (20.0)	\$ (5.9)	\$ 10.5	\$ (23.1)	\$ (9.5)
Net assets at beginning of year	184.0	204.0	104.8	94.3	288.8	298.3
Net assets at 06/30/10	<u>\$ 166.8</u>	<u>\$ 184.0</u>	<u>\$ 98.9</u>	<u>\$ 104.8</u>	<u>\$ 265.7</u>	<u>\$ 288.8</u>



**BUSINESS-TYPE ACTIVITIES**

The cost of all business-type activities this year was \$46.0 million. As shown in the Statement of Activities and Changes in Net Assets, the amounts paid by users of the systems was \$41.2 million. Investment expense was \$6.2 million.

Total resources available during the year to finance business-type activities were \$146 million consisting of Net Assets at July 1, 2009 of \$104.8 million and program revenues of \$41.2 million. Total revenue of business-type activities during the year was \$41.2 million; thus net assets were decreased by \$5.9 million to \$98.9 million.

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

The fund balance at year-end for the City's General Fund of \$6.5 million is an overall decrease of \$2.3 million, primarily due to decreases in sales tax, utility tax and property transfer tax.

The Low and Moderate Income Housing Fund reflects an increase of \$0.2 million due to reduced expenditures in various rehab programs.

The Public Financing Authority Funds show a decrease of \$2.4 million primarily due to a reduction in reserve requirements based on principal payments during the year.

The Redevelopment Agency Debt Service Funds show a decrease of \$6.0 million primarily due to SERAF payment to Los Angeles County Auditor-Controller.

The Redevelopment Agency Capital Project Funds show a decrease of \$0.4 million primarily due to no land sales.

The Other Governmental Funds show a decrease of \$3.8 million primarily due to use of Prop C funds for Mission/71 Interchange and Prop 1B funds for various capital improvement projects.

**DEBT ADMINISTRATION**

At the end of the current fiscal year, the City and its component units (Redevelopment Agency of the City of Pomona, City of Pomona Public Financing Authority, and Pomona Housing Authority) had total long-term debt outstanding of \$475.6 million.

	Governmental Activities	Business-Type Activities	Total
LA County deferred tax loan	\$ 32,757,882	\$ -	\$ 32,757,882
Obligations under capital lease	2,775,431	844,741	3,620,172
Notes payable	1,695,000	-	1,695,000
Bonds	276,696,849	139,070,435	415,767,284
Certificates of participation	12,944,301	-	12,944,301
Compensated absences	7,604,985	1,192,890	8,797,875
Claims payable	17,179,847	-	17,179,847
OPEB obligations	8,575,624	-	8,575,624
Total	<u>\$ 360,229,919</u>	<u>\$ 141,108,066</u>	<u>\$ 501,337,985</u>

Additional information on the City's long-term debt can be found in Note 8 of this report.

**CASH MANAGEMENT**

To obtain flexibility in cash management, the City employs a pooled cash system (Reference Note 2 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, 2010, net capital assets of the governmental activities totaled \$323.7 million and the net capital assets of the business-type activities totaled \$135.8 million. Depreciation on capital assets is recognized in the government-wide financial statements.

Description	Original Cost	Accumulated Depreciation	Book Value
<b>Capital Assets - Governmental Activities</b>			
Land	\$ 82,231,312	\$ -	\$ 82,231,312
Construction in progress	29,562,654	-	29,562,654
Buildings and improvements	14,887,815	9,573,804	5,314,011
Improvements other than buildings	57,665,078	16,386,384	41,278,694
Machinery and equipment	17,819,536	10,246,882	7,572,654
Furniture and fixtures	776,382	618,769	157,613
Autos and trucks	9,005,806	7,208,478	1,797,328
Equipment under capital leases	3,450,385	852,180	2,598,205
Infrastructure	378,362,831	225,207,579	153,155,252
<b>Total</b>	<b>\$ 593,761,799</b>	<b>\$ 270,094,076</b>	<b>\$ 323,667,723</b>
<b>Capital Assets - Business -Type Activities</b>			
Land and water rights	\$ 9,075,136	\$ -	\$ 9,075,136
Construction in progress	31,451,543	-	31,451,543
Buildings and improvements	3,418,603	2,650,248	768,355
Improvements other than buildings	286,638	65,903	220,735
Machinery and equipment	158,669,123	65,366,539	93,302,584
Furniture and fixtures	5,105	5,105	-
Autos and trucks	6,870,169	5,911,024	959,145
Equipment under capital leases	-	-	-
<b>Total</b>	<b>\$ 209,776,317</b>	<b>\$ 73,998,819</b>	<b>\$ 135,777,498</b>

Additional information on the City of Pomona's capital assets can be found in Note 7 of this report.

## **GENERAL FUND BUDGETARY HIGHLIGHTS**

Comparing the fiscal year 2009-10 original adopted budget of the General Fund of \$92.0 million to the final budget of \$89.5 million shows a net decrease of \$2.5 million. The decrease in the budget was primarily due to the transfer of graffiti abatement, storm water compliance, street sweeping, landscape maintenance, and right-of-way programs to new General Sanitation Fees Operation Fund.

## **ECONOMIC FACTORS**

The City of Pomona's total FY 2009-10 revenues were down by more than \$4.4 million from prior year actuals, led by combined Property Tax receipts which fell by more than \$2,000,000 across virtually all subcategories (secured, unsecured, redemptions, transfer tax, etc.). When combined with additional anticipated "decline in value" reassessments, this trend is one several serious fiscal concerns in the coming fiscal year. Moreover, the increased and ongoing dependency upon property tax related revenue (VLF in-lieu and "triple-flipped" sales taxes) has adversely impacted the City's cashflow, and will amplify the impact of an extended weakness in this area. Of equal concern – and with possibly a longer-term effect – is a substantial decline in Sales and Use Tax revenue, which fell by more than 11% (excluding triple-flipped moneys and other aberrations), versus prior fiscal year levels. This further erosion compounds the 22.6% decline experienced last year due to the virtual shuttering of Pomona's auto center, and an unprecedented drop in receipts generated by the building/construction sector – the largest remaining source of local Sales and Use Tax revenue. And while local government was held harmless of any significant new State revenue shifts, the impact of early 1990s ERAF reallocations has now grown to approach \$6.0 million per year.

## **CONTACTING THE CITY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, 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. If you have questions about this report, separate reports of the City's component units or need any additional financial information, contact the City of Pomona Finance Department at P.O. Box 660, Pomona, California, 91769.

*This page intentionally left blank.*

---

# **BASIC FINANCIAL STATEMENTS**

---

*This page intentionally left blank.*

---

# GOVERNMENT-WIDE FINANCIAL STATEMENTS

---

*This page intentionally left blank.*



**City of Pomona**  
**Statement of Net Assets**  
**June 30, 2010**

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
<b>ASSETS</b>			
Current assets:			
Cash and investments	\$ 36,999,292	\$ 24,511,097	\$ 61,510,389
Receivables:			
Accounts, net	7,944,129	9,880,138	17,824,267
Interest	47,064	33,534	80,598
Due from other governments	13,288,319	-	13,288,319
Inventories	475,704	215,398	691,102
Prepaid items and deposits	2,989,662	9,600	2,999,262
Internal balances	(5,296,661)	5,296,661	-
Total current assets	<u>56,447,509</u>	<u>39,946,428</u>	<u>96,393,937</u>
Noncurrent assets:			
Restricted cash and investments	85,252,420	75,039,900	160,292,320
Loans receivable, net	30,931,673	-	30,931,673
Deferred charges	5,605,032	2,924,506	8,529,538
Pension asset, net	26,085,704	-	26,085,704
Land held for resale	30,465,994	-	30,465,994
Capital assets:			
Nondepreciable assets	111,793,966	40,526,679	152,320,645
Depreciable assets, net	<u>211,873,757</u>	<u>95,250,323</u>	<u>307,124,080</u>
Total noncurrent assets	<u>502,008,546</u>	<u>213,741,408</u>	<u>715,749,954</u>
<b>Total assets</b>	<u>558,456,055</u>	<u>253,687,836</u>	<u>812,143,891</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	12,957,937	9,029,103	21,987,040
Accrued liabilities	3,730,652	613,851	4,344,503
Interest payable	5,528,468	981,487	6,509,955
Notes payable	6,181,927	-	6,181,927
Unearned revenue	2,659,219	-	2,659,219
Compensated absences	4,500,000	500,000	5,000,000
Claims payable	4,200,000	-	4,200,000
Long term debt - due within one year	<u>4,042,999</u>	<u>1,819,159</u>	<u>5,862,158</u>
Total current liabilities	<u>43,801,202</u>	<u>12,943,600</u>	<u>56,744,802</u>
Noncurrent liabilities:			
Deposits payable	399,313	3,022,069	3,421,382
OPEB Obligations	8,575,624	-	8,575,624
Compensated absences	3,104,985	692,890	3,797,875
Claims payable	12,979,847	-	12,979,847
Long-term debt - due in more than one year	<u>322,826,464</u>	<u>138,096,017</u>	<u>460,922,481</u>
Total noncurrent liabilities	<u>347,886,233</u>	<u>141,810,976</u>	<u>489,697,209</u>
<b>Total liabilities</b>	<u>391,687,435</u>	<u>154,754,576</u>	<u>546,442,011</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	<u>259,501,244</u>	<u>62,252,632</u>	<u>321,753,876</u>
Restricted for:			
Special projects	37,421,639	-	37,421,639
Debt services	17,589,241	2,225,388	19,814,629
Capital projects	<u>79,736,634</u>	<u>-</u>	<u>79,736,634</u>
Total restricted	<u>134,747,514</u>	<u>2,225,388</u>	<u>136,972,902</u>
Unrestricted	<u>(227,480,138)</u>	<u>34,455,240</u>	<u>(193,024,898)</u>
<b>Total net assets</b>	<u>\$ 166,768,620</u>	<u>\$ 98,933,260</u>	<u>\$ 265,701,880</u>

See accompanying Notes to Basic Financial Statements.

**City of Pomona**  
**Statement of Activities and Changes in Net Assets**  
**For the year ended June 30, 2010**

Functions/Programs	Expenses	Program Revenues			Total Program Revenues
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Primary government:</b>					
<b>Governmental activities:</b>					
General government	\$ 6,492,505	\$ 630,417	\$ 593,576	\$ -	\$ 1,223,993
Public safety	71,238,620	6,303,290	1,930,276	-	8,233,566
Urban development	87,717,680	13,072,829	27,303,522	16,368,968	56,745,319
Community services	8,228,099	642,539	206,963	-	849,502
Interest and fiscal charges	29,442,106	-	-	-	-
Total governmental activities	203,119,010	20,649,075	30,034,337	16,368,968	67,052,380
<b>Business-type activities:</b>					
Water	27,457,755	27,084,809	-	-	27,084,809
Sewer	3,838,426	4,271,176	-	-	4,271,176
Refuse	8,598,275	9,883,142	44,314	-	9,927,456
Canon Water Company, February 28, 2010	11,787	-	21,407	-	21,407
Total business-type activities	39,906,243	41,239,127	65,721	-	41,304,848
<b>Total primary government</b>	<b>\$ 243,025,253</b>	<b>\$ 61,888,202</b>	<b>\$ 30,100,058</b>	<b>\$ 16,368,968</b>	<b>\$ 108,357,228</b>

Functions/Programs	Net (Expense) Revenue and Changes in Net Assets		
	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>Primary government:</b>			
<b>Governmental activities:</b>			
General government	\$ (5,268,512)	\$ -	\$ (5,268,512)
Public safety	(63,005,054)	-	(63,005,054)
Urban development	(30,972,361)	-	(30,972,361)
Community services	(7,378,597)	-	(7,378,597)
Interest and fiscal charges	(29,442,106)	-	(29,442,106)
Total governmental activities	(136,066,630)	-	(136,066,630)
<b>Business-type activities:</b>			
Water	-	(372,946)	(372,946)
Sewer	-	432,750	432,750
Refuse	-	1,329,181	1,329,181
Canon Water Company, February 28, 2010	-	9,620	9,620
Total business-type activities	-	1,398,605	1,398,605
<b>Total primary government</b>	<b>(136,066,630)</b>	<b>1,398,605</b>	<b>(134,668,025)</b>
<b>General revenues:</b>			
Taxes:			
Property taxes	60,772,676	-	60,772,676
Sales taxes	11,224,835	-	11,224,835
Motor vehicle license	479,477	-	479,477
Transient occupancy taxes	1,300,209	-	1,300,209
Property transfer taxes	1,114,825	-	1,114,825
Franchise	6,094,548	-	6,094,548
Utility users taxes	17,165,968	-	17,165,968
Business licenses (nonregulatory)	2,890,920	-	2,890,920
Other	10,356	-	10,356
Total taxes	101,053,814	-	101,053,814
Investment earnings/(expenses)	14,542,222	(6,192,697)	8,349,525
Miscellaneous	2,193,630	12,517	2,206,147
<b>Transfers</b>	<b>1,044,610</b>	<b>(1,044,610)</b>	<b>-</b>
<b>Total general revenues and transfers</b>	<b>118,834,276</b>	<b>(7,224,790)</b>	<b>111,609,486</b>
<b>Change in net assets</b>	<b>(17,232,354)</b>	<b>(5,826,185)</b>	<b>(23,058,539)</b>
<b>Net assets - beginning of year</b>	<b>184,000,974</b>	<b>104,759,445</b>	<b>288,760,419</b>
<b>Net assets - end of year</b>	<b>\$ 166,768,620</b>	<b>\$ 98,933,260</b>	<b>\$ 265,701,880</b>

See accompanying Notes to Basic Financial Statements.

*This page intentionally left blank.*

---

# FUND FINANCIAL STATEMENTS

---

*Governmental Fund Financial Statements*  
*Proprietary Fund Financial Statements*  
*Fiduciary Fund Financial Statements*

*This page intentionally left blank.*

---

# GOVERNMENTAL FUND FINANCIAL STATEMENTS

---

The City has determined the following funds to be major 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 *Low and Moderate Income Housing Fund* is a special revenue fund that accounts for monies received and expended to assist low and moderate income households.

The *General 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, notes payable and other debt of the Public Financing Authority.

The *Redevelopment Agency Debt Service Fund* accounts for tax increment and investment revenue and for the payment of interest and principal on the tax allocation bonds, loans payable, participation agreements and other debt of the Redevelopment Agency.

The *Redevelopment Agency Capital Project Fund* accounts for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

**City of Pomona**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2010**

	Major Funds			
	General	Low & Moderate Income Housing Fund	General Debt Service	Public Financing Authority Debt Service
<b>ASSETS</b>				
Cash and investments	\$ 86,599	\$ 417,504	\$ 828,957	\$ 69,357
Receivables:				
Accounts, net	4,050,514	214,103	-	-
Interest	3,716	5,776	988	105
Due from other funds	1,425,237	154,571	-	-
Due from other governments	3,916,988	-	3,230	-
Inventories	119,772	-	-	-
Prepaid items and deposits	27,750	600,000	-	-
Restricted cash and investments	-	6,176,199	4,096,530	6,288,952
Loans receivable, net	206,290	12,296,512	-	-
Advances to other funds	4,123,091	5,000,000	-	226,045,000
Land held for resale	-	10,036,563	-	-
<b>Total assets</b>	<b>\$ 13,959,957</b>	<b>\$ 34,901,228</b>	<b>\$ 4,929,705</b>	<b>\$ 232,403,414</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 1,039,563	\$ 140,665	\$ 5,183	\$ 1,736
Accrued liabilities	2,904,771	71,221	-	5,903
Interest payable	-	-	1,083,300	-
Due to other funds	296,661	-	1,214,620	-
Deferred revenue	2,583,321	8,111,513	-	-
Deposits payable	-	136,380	-	-
Notes payable	600,000	1,038,235	-	-
Advances from other funds	-	9,320,000	47,835,000	-
<b>Total liabilities</b>	<b>7,424,316</b>	<b>18,818,014</b>	<b>50,138,103</b>	<b>7,639</b>
<b>Fund Balances:</b>				
Reserved for:				
Inventories	119,772	-	-	-
Prepaid items and deposits	27,750	600,000	-	-
Loans receivable	-	4,184,999	-	-
Advances to other funds	4,123,091	-	-	226,045,000
Land held for resale	-	10,036,563	-	-
Low and moderate income housing	-	1,261,652	-	-
Capital and special projects	-	-	-	-
Debt service and capital lease obligations	-	-	-	6,350,775
Unreserved, undesignated for:				
General fund	2,265,028	-	-	-
Special revenue funds	-	-	-	-
Debt service funds	-	-	(45,208,398)	-
Capital projects funds	-	-	-	-
<b>Total fund balances</b>	<b>6,535,641</b>	<b>16,083,214</b>	<b>(45,208,398)</b>	<b>232,395,775</b>
<b>Total liabilities and fund balances</b>	<b>\$ 13,959,957</b>	<b>\$ 34,901,228</b>	<b>\$ 4,929,705</b>	<b>\$ 232,403,414</b>

See accompanying Notes to Basic Financial Statements.



	Major Funds			
	Redevelopment	Redevelopment	Non-Major Governmental Funds	Total Governmental Funds
	Agency Debt Service	Agency Capital Project		
<b>ASSETS</b>				
Cash and investments	\$ 2,281,398	\$ 6,917,093	\$ 21,346,151	\$ 31,947,059
Receivables:			-	
Accounts, net	1,086	1,230,301	2,446,422	7,942,426
Interest	7,297	4,879	24,303	47,064
Due from other funds	-	457,641	46,179	2,083,628
Due from other governments	5,054,845	-	4,313,256	13,288,319
Inventories	-	-	-	119,772
Prepaid items and deposits	-	1,151,575	1,210,337	2,989,662
Restricted cash and investments	13,705,442	39,867,738	15,117,559	85,252,420
Loans receivable, net	1,342,171	1,513,134	15,573,566	30,931,673
Advances to other funds	-	-	-	235,168,091
Land held for resale	-	20,429,431	-	30,465,994
<b>Total assets</b>	<b>\$ 22,392,239</b>	<b>\$ 71,571,792</b>	<b>\$ 60,077,773</b>	<b>\$ 440,236,108</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 24,452	\$ 158,411	\$ 7,733,018	\$ 9,103,028
Accrued liabilities	-	50,184	574,192	3,606,271
Interest payable	-	-	-	1,083,300
Due to other funds	612,212	-	256,796	2,380,289
Deferred revenue	3,761,219	974,647	14,325,293	29,755,993
Deposits payable	-	262,933	-	399,313
Notes payable	-	2,413,692	2,130,000	6,181,927
Advances from other funds	174,920,244	3,092,847	-	235,168,091
<b>Total liabilities</b>	<b>179,318,127</b>	<b>6,952,714</b>	<b>25,019,299</b>	<b>287,678,212</b>
<b>Fund Balances:</b>				
Reserved for:				
Inventories	-	-	-	119,772
Prepaid items and deposits	-	1,151,575	1,210,337	2,989,662
Loans receivable	-	1,302,534	1,475,000	6,962,533
Advances to other funds	-	-	-	230,168,091
Land held for resale	-	20,429,431	-	30,465,994
Low and moderate income housing	-	-	-	1,261,652
Capital and special projects	-	-	15,117,559	15,117,559
Debt service and capital lease obligations	-	-	-	6,350,775
Unreserved, undesignated for:				
General fund	-	-	-	2,265,028
Special revenue funds	-	-	18,753,085	18,753,085
Debt service funds	(156,925,888)	41,735,538	-	(160,398,748)
Capital projects funds	-	-	(1,497,507)	(1,497,507)
<b>Total fund balances</b>	<b>(156,925,888)</b>	<b>64,619,078</b>	<b>35,058,474</b>	<b>152,557,896</b>
<b>Total liabilities and fund balances</b>	<b>\$ 22,392,239</b>	<b>\$ 71,571,792</b>	<b>\$ 60,077,773</b>	<b>\$ 440,236,108</b>

See accompanying Notes to Basic Financial Statements.

*This page intentionally left blank.*

**City of Pomona**  
**Reconciliation of the Governmental Funds Balance Sheet**  
**to the Government-Wide Statement of Net Assets**  
**June 30, 2010**

**Total Fund Balances - Total Governmental Funds** **\$ 152,557,896**

Amounts reported for governmental activities in the Statement of Net Assets were different because:

	Government-Wide Statement of Net Assets	Less Internal Service Funds	
Capital assets used in governmental activities were not current financial resources. Therefore, they were not reported in the governmental funds.			
Nondepreciable	\$ 111,793,966	\$ -	111,793,966
Depreciable, net of accumulated depreciation	211,873,757	203,590	211,670,167
Total capital assets	\$ 323,667,723	\$ 203,590	323,464,133

Bond issuance costs from issuing debt were expenditures in the fund financial statements. However, they were deferred and subject to capitalization and amortization in the Government-Wide Financial Statements.

Deferred charges, net of accumulated amortization 5,605,032

Pension asset was contribution deferred and subject to capitalization and amortization on the Government-Wide Statement of Net Assets. Pension contribution was an expenditure in the fund financial statements in the year of contribution.

Pension asset, net of accumulated amortization 26,085,704

	Government-Wide Statement of Net Assets	Governmental Funds and Internal Service Funds	
Interest payable on long-term debt did not require current financial resources. Therefore, interest payable was not reported as a liability in the governmental funds.			
	\$ (5,528,468)	\$ 1,083,300	(4,445,168)

	Government-Wide Statement of Net Assets	Internal Service Funds	
Long-term liabilities were not due and payable in the current period. Therefore, they were not reported in the governmental funds.			
Compensated absences - current	\$ (4,500,000)	\$ 100,000	(4,400,000)
Compensated absences - noncurrent	(3,104,985)	25,612	(3,079,373)
OPEB obligations	(8,575,624)	-	(8,575,624)
Claims liability - current	(4,200,000)	-	(4,200,000)
Claims liability - noncurrent	(12,979,847)	-	(12,979,847)
Long-term debt - due within one year	(4,042,999)	-	(4,042,999)
Long-term debt - due in more than one year	(322,826,464)	-	(322,826,464)
	\$ (360,229,919)	\$ 125,612	(360,104,307)

Long-term receivables were not current available resources. Therefore, they were offset by a deferred revenue amount equal to the net receivable in the governmental funds. 27,096,774

Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Government-Wide Statement of Net Assets.

Equipment Maintenance Fund Net Assets 663,291  
Self-Insurance Funds (4,154,735)

**Net Assets of Governmental Activities** **\$ 166,768,620**

See accompanying Notes to Basic Financial Statements.

**City of Pomona**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the year ended June 30, 2010**

	Major Funds			
	General	Low & Moderate Income Housing Fund	General Debt Service	Public Financing Authority Debt Service
<b>REVENUES:</b>				
Taxes	\$ 67,700,223	\$ -	\$ 734,842	\$ -
Special assessments	-	-	-	-
Intergovernmental	2,752,065	-	-	-
Charges for services	2,043,533	3,849,327	-	-
Fines and forfeitures	1,990,681	-	-	-
Licenses and permits	2,828,907	-	-	-
Use of money and property	871,155	168,783	10,069	11,739,273
Loan repaid	-	46,814	-	-
Miscellaneous	386,330	40,000	-	84
<b>Total revenues</b>	<b>78,572,894</b>	<b>4,104,924</b>	<b>744,911</b>	<b>11,739,357</b>
<b>EXPENDITURES:</b>				
Current:				
General government	3,322,198	-	34,027	-
Public safety	65,384,741	-	-	-
Urban development	8,849,534	5,878,001	-	-
Community services	5,601,922	-	-	-
Capital outlay	4,283	-	-	-
Debt service:				
Principal	999,122	-	326,302	2,480,000
Interest and fiscal charges	154,131	620,778	4,933,646	11,618,680
<b>Total expenditures</b>	<b>84,315,931</b>	<b>6,498,779</b>	<b>5,293,975</b>	<b>14,098,680</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(5,743,037)</b>	<b>(2,393,855)</b>	<b>(4,549,064)</b>	<b>(2,359,323)</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Issuance of bonds, loans, and notes payable	-	-	-	-
Sale of capital assets	5,365,158	-	-	-
Transfers in	2,355,467	5,222,028	5,484,225	-
Transfers out	(4,238,561)	(2,601,763)	-	-
<b>Total other financing sources (uses)</b>	<b>3,482,064</b>	<b>2,620,265</b>	<b>5,484,225</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>(2,260,973)</b>	<b>226,410</b>	<b>935,161</b>	<b>(2,359,323)</b>
<b>FUND BALANCES:</b>				
Beginning of year	8,796,614	15,856,804	(46,143,559)	234,755,098
End of year	\$ 6,535,641	\$ 16,083,214	\$ (45,208,398)	\$ 232,395,775

See accompanying Notes to Basic Financial Statements.

	Major Funds			
	Redevelopment	Redevelopment	Non-Major Governmental Funds	Total Governmental Funds
	Agency Debt Service	Agency Capital Project		
<b>REVENUES:</b>				
Taxes	\$ 30,041,909	\$ -	\$ 33,922	\$ 98,510,896
Special assessments	-	-	1,214,569	1,214,569
Intergovernmental	1,989,636	3,500	43,944,216	48,689,417
Charges for services	860	95,871	2,866,198	8,855,789
Fines and forfeitures	-	-	74,360	2,065,041
Licenses and permits	-	-	1,468,209	4,297,116
Use of money and property	371,241	968,646	413,055	14,542,222
Loan repaid	-	-	-	46,814
Miscellaneous	56,244	305,599	2,613,545	3,401,802
<b>Total revenues</b>	<b>32,459,890</b>	<b>1,373,616</b>	<b>52,628,074</b>	<b>181,623,666</b>
<b>EXPENDITURES:</b>				
Current:				
General government	-	-	690,049	4,046,274
Public safety	-	-	2,504,097	67,888,838
Urban development	23,554,956	3,937,603	46,679,122	88,899,216
Community services	-	-	1,519,558	7,121,480
Capital outlay	-	-	2,965,190	2,969,473
Debt service:				
Principal	230,000	-	303,093	4,338,517
Interest and fiscal charges	9,306,109	600,000	78,589	27,311,933
<b>Total expenditures</b>	<b>33,091,065</b>	<b>4,537,603</b>	<b>54,739,698</b>	<b>202,575,731</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(631,175)</b>	<b>(3,163,987)</b>	<b>(2,111,624)</b>	<b>(20,952,065)</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Issuance of bonds, loans, and notes payable	533,765	-	-	533,765
Sale of capital assets	-	-	275,000	5,640,158
Transfers in	2,601,763	3,289,043	2,242,169	21,194,695
Transfers out	(8,511,071)	(559,500)	(4,239,190)	(20,150,085)
<b>Total other financing sources (uses)</b>	<b>(5,375,543)</b>	<b>2,729,543</b>	<b>(1,722,021)</b>	<b>7,218,533</b>
<b>Net change in fund balances</b>	<b>(6,006,718)</b>	<b>(434,444)</b>	<b>(3,833,645)</b>	<b>(13,733,532)</b>
<b>FUND BALANCES:</b>				
Beginning of year	(150,919,170)	65,053,522	38,892,119	166,291,428
End of year	\$ (156,925,888)	\$ 64,619,078	\$ 35,058,474	\$ 152,557,896

See accompanying Notes to Basic Financial Statements.

# City of Pomona

## Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Government-Wide Statement of Activities and Changes in Net Assets For the year ended June 30, 2010

**Net Change in Fund Balances - Total Governmental Funds** \$ (13,733,532)

Amounts reported for governmental activities in the Statement of Activities were different because:

Acquisition of capital assets was reported as expenditures in the governmental funds. However, in the Government-Wide Statement of Activities and Changes in Net Assets, the cost of those assets was allocated over the estimated useful lives as depreciation expense. The following was the amount of capital assets additions net of deletions recorded in the current period:

Capital outlay	2,969,473
Urban development	14,723,615

Depreciation expense on capital assets was reported in the Government-Wide Statement of Activities and Changes in Net Assets, but it did not require the use of current financial resources. Therefore, depreciation expense was not reported as an expenditure in the governmental funds. The adjustment is the difference between the depreciation expense of the governmental activities in the amount of \$15,495,400 and the depreciation expense of the internal service funds in the amount of \$23,481. (15,471,919)

Amortization expense was reported in the Government-Wide Statement of Activities and Changes in Net Assets, but it did not require the use of current financial resources. Therefore, amortization expense was not reported as an expenditure in the governmental funds:

Amortization of deferred charges	(244,691)
Amortization of premium/discount	180,549
Amortization of deferred loss on refunding	(167,025)
Amortization of pension asset	331,604

Loss on disposal of capital assets was reported on the Government-wide Statement of Activities and Changes in Net Assets, but it did not require the use of current financial resources. (467,347)

Certain revenues were recorded as deferred revenue in the governmental funds because they did not meet the revenue recognition criteria of availability. However, they were included as revenue in the Government-Wide Statement of Activities and Changes in Net Assets under the full accrual basis. 3,218,380

Long-term compensated absences activity for the current year was reported in the Government-Wide Statement of Activities and Changes in Net Assets, but it did not require the use of current financial resources. Therefore, the current year activity for long-term compensated absences was not reported as an expenditure in the governmental funds. 479,731

Proceeds from long-term debt provided current financial resources to governmental funds, but issuing debt increased long-term liabilities in the Government-Wide Statement of Net Assets. Repayment of bond principal was an expenditure in the governmental funds, but the repayment reduced long-term liabilities in the Government-Wide Statement of Net Assets.

Long-term debt proceeds	(533,765)
Principal payment	4,338,517

Accrued interest expense on the County of Los Angeles deferred tax loan did not require the use of current financial resources in the governmental funds, but it increased long-term liabilities in Government-Wide Statement of Net Assets. (2,143,039)

OPEB obligation costs did not require current resources, so it was not reported in the governmental funds. (2,489,174)

Interest expense on long-term debt was reported in the Government-Wide Statement of Activities and Changes in Net Assets, but it did not require the use of current financial resources. Therefore, interest expense was not reported as an expenditure in the governmental funds. The reconciling amount is the change in accrued interest from the prior year. 244,102

Long-term claims payable are reported in the Government-Wide Statement of Activities and Changes in Net Assets, but they do not require the use of current financial resources. Therefore, long-term claims payable are not reported as expenditures in Governmental Funds. (4,075,689)

Internal service funds were used by management to charge the costs of certain activities, such as insurance and fleet management, to individual funds. The net revenue of the internal service funds was reported with governmental activities. (4,392,144)

**Change in Net Assets of Governmental Activities** \$ (17,232,354)

See accompanying Notes to Basic Financial Statements.

---

# PROPRIETARY FUND FINANCIAL STATEMENTS

---

The City has determined the following funds to be major funds:

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

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 refuse collection, and curbside collection of recycling materials.

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

**City of Pomona**  
**Statement of Net Assets**  
**Proprietary Funds**  
**June 30, 2010**

	Major Funds			
	Water Utility	Sewer	Refuse	Canon Water Company February 28, 2010
<b>ASSETS</b>				
Current assets:				
Cash and investments	\$ 16,655,643	\$ 6,966,907	\$ 694,612	\$ 193,935
Receivables:				
Accounts, net	6,479,894	1,061,057	2,317,780	21,407
Interest	25,037	7,689	808	-
Due from other funds	296,661	-	-	-
Inventories	215,398	-	-	-
Prepaid items and deposits	9,000	-	-	600
<b>Total current assets</b>	<b>23,681,633</b>	<b>8,035,653</b>	<b>3,013,200</b>	<b>215,942</b>
Noncurrent assets:				
Restricted cash and investments	56,428,648	18,611,252	-	-
Advance to other funds	5,000,000	-	-	-
Deferred charges	1,640,855	1,283,651	-	-
Capital assets:				
Nondepreciable assets	38,346,957	2,179,722	-	-
Depreciable assets, net	71,473,474	23,293,146	443,857	39,846
<b>Total net capital assets</b>	<b>109,820,431</b>	<b>25,472,868</b>	<b>443,857</b>	<b>39,846</b>
<b>Total noncurrent assets</b>	<b>172,889,934</b>	<b>45,367,771</b>	<b>443,857</b>	<b>39,846</b>
<b>Total assets</b>	<b>196,571,567</b>	<b>53,403,424</b>	<b>3,457,057</b>	<b>255,788</b>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	8,392,355	307,678	329,070	-
Accrued liabilities	465,472	45,868	102,511	-
Interest payable	874,256	107,231	-	-
Compensated absences	350,000	50,000	100,000	-
Obligations under capital leases	329,067	-	-	-
Long-term debt - due within one year	1,165,092	325,000	-	-
<b>Total current liabilities</b>	<b>11,576,242</b>	<b>835,777</b>	<b>531,581</b>	<b>-</b>
Noncurrent liabilities:				
Deposits payable	3,022,069	-	-	-
Advance from other funds	-	-	-	-
Compensated absences	518,745	63,843	110,302	-
Obligations under capital leases	515,674	-	-	-
Long-term debt - due in more than one year	108,870,343	28,710,000	-	-
<b>Total noncurrent liabilities</b>	<b>112,926,831</b>	<b>28,773,843</b>	<b>110,302</b>	<b>-</b>
<b>Total liabilities</b>	<b>124,503,073</b>	<b>29,609,620</b>	<b>641,883</b>	<b>-</b>
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt	49,292,721	12,516,054	443,857	-
Restricted for debt service	-	2,225,388	-	-
Unrestricted	22,775,773	9,052,362	2,371,317	255,788
<b>Total net assets</b>	<b>\$ 72,068,494</b>	<b>\$ 23,793,804</b>	<b>\$ 2,815,174</b>	<b>\$ 255,788</b>

See accompanying Notes to Basic Financial Statements.



	Total	Governmental Activities Internal Service Funds
<b>ASSETS</b>		
Current assets:		
Cash and investments	\$ 24,511,097	\$ 5,052,233
Receivables:		
Accounts, net	9,880,138	1,703
Interest	33,534	-
Due from other funds	296,661	-
Inventories	215,398	355,932
Prepaid items and deposits	9,600	-
Total current assets	<u>34,946,428</u>	<u>5,409,868</u>
Noncurrent assets:		
Restricted cash and investments	75,039,900	-
Advance to other funds	5,000,000	-
Deferred charges	2,924,506	-
Capital assets:		
Nondepreciable assets	40,526,679	-
Depreciable assets, net	95,250,323	203,590
Total net capital assets	<u>135,777,002</u>	<u>203,590</u>
Total noncurrent assets	<u>218,741,408</u>	<u>203,590</u>
<b>Total assets</b>	<u>253,687,836</u>	<u>5,613,458</u>
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable	9,029,103	3,854,909
Accrued liabilities	613,851	124,381
Interest payable	981,487	-
Compensated absences	500,000	100,000
Obligations under capital leases	329,067	-
Long-term debt - due within one year	1,490,092	-
Total current liabilities	<u>12,943,600</u>	<u>4,079,290</u>
Noncurrent liabilities:		
Deposits payable	3,022,069	-
Advance from other funds	-	5,000,000
Compensated absences	692,890	25,612
Obligations under capital leases	515,674	-
Long-term debt - due in more than one year	137,580,343	-
Total noncurrent liabilities	<u>141,810,976</u>	<u>5,025,612</u>
<b>Total liabilities</b>	<u>154,754,576</u>	<u>9,104,902</u>
<b>NET ASSETS</b>		
Invested in capital assets, net of related debt	62,252,632	203,590
Restricted for debt service	2,225,388	-
Unrestricted	34,455,240	(3,695,034)
<b>Total net assets</b>	<u>\$ 98,933,260</u>	<u>\$ (3,491,444)</u>

See accompanying Notes to Basic Financial Statements.

**City of Pomona**  
**Statement of Revenues, Expenses and Changes in Net Assets**  
**Proprietary Funds**  
**For the year ended June 30, 2010**

	Major Funds			
	Water Utility	Sewer	Refuse	Canon Water Company February 28, 2009
<b>OPERATING REVENUES:</b>				
Charges for services	\$ 26,015,388	\$ 4,271,176	\$ 9,883,142	\$ -
Miscellaneous	-	11,923	594	-
<b>Total operating revenues</b>	<b>26,015,388</b>	<b>4,283,099</b>	<b>9,883,736</b>	<b>-</b>
<b>OPERATING EXPENSES:</b>				
Personnel services	7,225,880	809,052	1,838,128	-
Operations	17,267,926	1,973,170	6,040,673	11,787
Claims expense	124,952	203,676	571,784	-
Depreciation	2,648,276	759,440	99,076	-
Amortization of issuance costs	-	72,158	-	-
Insurance	190,721	20,930	48,614	-
<b>Total operating expenses</b>	<b>27,457,755</b>	<b>3,838,426</b>	<b>8,598,275</b>	<b>11,787</b>
<b>OPERATING INCOME (LOSS)</b>	<b>(1,442,367)</b>	<b>444,673</b>	<b>1,285,461</b>	<b>(11,787)</b>
<b>NONOPERATING REVENUES (EXPENSES):</b>				
Interest expense and fees	(5,099,665)	(1,310,465)	(2,803)	-
Investment earnings	95,559	121,674	2,990	13
Intergovernmental	-	-	44,314	21,407
Sale of reclaimed water	1,069,421	-	-	-
<b>Total nonoperating revenues (expenses)</b>	<b>(3,934,685)</b>	<b>(1,188,791)</b>	<b>44,501</b>	<b>21,420</b>
<b>INCOME (LOSS) BEFORE TRANSFERS</b>	<b>(5,377,052)</b>	<b>(744,118)</b>	<b>1,329,962</b>	<b>9,633</b>
Transfers in	188,707	-	-	-
Transfers out	(710,243)	(523,074)	-	-
<b>Total transfers</b>	<b>(521,536)</b>	<b>(523,074)</b>	<b>-</b>	<b>-</b>
<b>Change in net assets</b>	<b>(5,898,588)</b>	<b>(1,267,192)</b>	<b>1,329,962</b>	<b>9,633</b>
<b>NET ASSETS:</b>				
Beginning of year	77,967,082	25,060,996	1,485,212	246,155
End of year	\$ 72,068,494	\$ 23,793,804	\$ 2,815,174	\$ 255,788

See accompanying Notes to Basic Financial Statements.

	Total	Governmental Activities Internal Service Funds
<b>OPERATING REVENUES:</b>		
Charges for services	\$ 40,169,706	\$ 7,539,003
Miscellaneous	12,517	-
<b>Total operating revenues</b>	<b>40,182,223</b>	<b>7,539,003</b>
<b>OPERATING EXPENSES:</b>		
Personnel services	9,873,060	1,404,921
Operations	25,293,556	2,241,020
Claims expense	900,412	8,222,469
Depreciation	3,506,792	23,481
Amortization of issuance costs	72,158	-
Insurance	260,265	39,187
<b>Total operating expenses</b>	<b>39,906,243</b>	<b>11,931,078</b>
<b>OPERATING INCOME (LOSS)</b>	<b>275,980</b>	<b>(4,392,075)</b>
<b>NONOPERATING REVENUES (EXPENSES):</b>		
Interest expense and fees	(6,412,933)	(69)
Investment earnings	220,236	-
Intergovernmental	65,721	-
Sale of reclaimed water	1,069,421	-
<b>Total nonoperating revenues (expenses)</b>	<b>(5,057,555)</b>	<b>(69)</b>
<b>INCOME (LOSS) BEFORE TRANSFERS</b>	<b>(4,781,575)</b>	<b>(4,392,144)</b>
Transfers in	188,707	-
Transfers out	(1,233,317)	-
<b>Total transfers</b>	<b>(1,044,610)</b>	<b>-</b>
<b>Change in net assets</b>	<b>(5,826,185)</b>	<b>(4,392,144)</b>
<b>NET ASSETS:</b>		
Beginning of year	104,759,445	900,700
End of year	<b>\$ 98,933,260</b>	<b>\$ (3,491,444)</b>

See accompanying Notes to Basic Financial Statements.

**City of Pomona**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the year ended June 30, 2010**

	Major Funds			
	Water Utility	Sewer	Refuse	Canon Water Company February 28, 2010
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Cash received from customers/other funds	\$ 28,373,139	\$ 4,284,570	\$ 9,840,613	\$ 85,630
Cash payments to suppliers for goods and services	(11,462,768)	(2,231,698)	(6,681,839)	(16,311)
Cash payments for general and administrative expenses	(7,327,537)	(808,822)	(1,847,219)	-
Cash received from (paid for) other	-	11,923	594	-
<b>Net cash provided (used) by operating activities</b>	<b>9,582,834</b>	<b>1,255,973</b>	<b>1,312,149</b>	<b>69,319</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>				
Cash received from other governments	-	-	44,314	21,407
Transfers in	188,707	-	-	-
Transfers out	(710,243)	(523,074)	-	-
Due from other funds	(296,661)	-	-	-
Due to other funds	-	-	(536,153)	-
Advances to other funds	(5,000,000)	-	-	-
Advances from other funds	-	-	-	-
<b>Net cash provided (used) by noncapital financing activities</b>	<b>(5,818,197)</b>	<b>(523,074)</b>	<b>(491,839)</b>	<b>21,407</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>				
Purchase, acquisition and construction of capital assets	(11,716,365)	(373,280)	-	(39,846)
Repayment of bonds payable and capital leases	(542,902)	(295,002)	(123,855)	-
Interest paid on capital-related debt	(5,108,065)	(1,312,840)	(4,180)	-
<b>Net cash provided (used) by capital and related financing activities</b>	<b>(17,367,332)</b>	<b>(1,981,122)</b>	<b>(128,035)</b>	<b>(39,846)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Interest income received	144,823	135,939	2,182	13
<b>Net cash provided (used) by investing activities</b>	<b>144,823</b>	<b>135,939</b>	<b>2,182</b>	<b>13</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(13,457,872)</b>	<b>(1,112,284)</b>	<b>694,457</b>	<b>50,893</b>
<b>CASH AND CASH EQUIVALENTS:</b>				
Beginning of year	86,542,163	26,690,443	155	143,042
End of year	<u>\$ 73,084,291</u>	<u>\$ 25,578,159</u>	<u>\$ 694,612</u>	<u>\$ 193,935</u>
<b>FINANCIAL STATEMENT PRESENTATION:</b>				
Cash and investments	\$ 16,655,643	\$ 6,966,907	\$ 694,612	\$ 193,935
Restricted cash and investments	56,428,648	18,611,252	-	-
<b>Total cash and investments</b>	<u>\$ 73,084,291</u>	<u>\$ 25,578,159</u>	<u>\$ 694,612</u>	<u>\$ 193,935</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b>				
Operating income (loss)	\$ (1,442,367)	\$ 444,673	\$ 1,285,461	\$ (11,787)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	2,648,276	759,440	99,076	-
Amortization	-	72,158	-	-
Changes in operating assets and liabilities:				
Accounts receivable	1,288,330	13,394	(42,529)	85,630
Inventories	(1,315)	-	-	-
Prepaid items	-	-	-	800
Accounts payable	5,797,887	(54,852)	(69,382)	(5,324)
Accrued liabilities	110,475	6,363	12,210	-
Deposit payable	133,538	-	-	-
Compensated absences	(21,411)	14,797	27,313	-
Total adjustments	7,307,504	(20,298)	(72,388)	81,106
<b>Net cash provided (used) by operating activities</b>	<u>\$ 9,582,834</u>	<u>\$ 1,255,973</u>	<u>\$ 1,312,149</u>	<u>\$ 69,319</u>

See accompanying Notes to Basic Financial Statements.

	Total	Governmental Activities Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Cash received from customers/ other funds	\$ 42,583,952	\$ 7,537,300
Cash payments to suppliers for goods and services	(20,392,616)	(6,782,283)
Cash payments for general and administrative expenses	(9,983,578)	(1,396,492)
Cash received from (paid for) other	12,517	-
<b>Net cash provided (used) by operating activities</b>	<b>12,220,275</b>	<b>(641,475)</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>		
Cash received from other governments	65,721	-
Transfers in	188,707	-
Transfers out	(1,233,317)	-
Due from other funds	(296,661)	-
Due to other funds	(536,153)	-
Advances to other funds	(5,000,000)	-
Advances from other funds	-	5,000,000
<b>Net cash provided (used) by noncapital financing activities</b>	<b>(6,811,703)</b>	<b>5,000,000</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
Purchase, acquisition and construction of capital assets	(12,129,491)	-
Repayment of bonds payable and capital leases	(961,759)	(6,961)
Interest paid on capital-related debt	(6,425,085)	(111)
<b>Net cash provided (used) by capital and related financing activities</b>	<b>(19,516,335)</b>	<b>(7,072)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Interest income received	282,957	-
<b>Net cash provided (used) by investing activities</b>	<b>282,957</b>	<b>-</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(13,824,806)</b>	<b>4,351,453</b>
<b>CASH AND CASH EQUIVALENTS:</b>		
Beginning of year	113,375,803	700,780
End of year	<u>\$ 99,550,997</u>	<u>\$ 5,052,233</u>
<b>FINANCIAL STATEMENT PRESENTATION:</b>		
Cash and investments	\$ 24,511,097	\$ 5,052,233
Restricted cash and investments	75,039,900	-
<b>Total cash and investments</b>	<u>\$ 99,550,997</u>	<u>\$ 5,052,233</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b>		
Operating income (loss)	\$ 275,980	\$ (4,392,075)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation	3,506,792	23,481
Amortization	72,158	-
Changes in operating assets and liabilities:		
Accounts receivable	1,344,825	(1,703)
Inventories	(1,315)	13,518
Prepaid items	800	-
Accounts payable	5,668,329	3,706,875
Accrued liabilities	129,048	52,162
Deposit payable	133,538	-
Compensated absences	20,699	(43,733)
Total adjustments	7,295,924	3,727,119
<b>Net cash provided (used) by operating activities</b>	<u>\$ 12,220,275</u>	<u>\$ (641,475)</u>

See accompanying Notes to Basic Financial Statements.

*This page intentionally left blank.*

---

# FIDUCIARY FUND FINANCIAL STATEMENTS

---

The City's fiduciary fund types are agency funds which are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

**City of Pomona**  
**Statement of Fiduciary Net Assets**  
**Fiduciary Funds**  
**June 30, 2010**

---



---

	Agency Funds
	<u>                    </u>
<b>ASSETS</b>	
Cash and investments	\$ 4,508,485
Interest receivable	830
Due from other governments	<u>15,049</u>
<b>Total assets</b>	<b><u>\$ 4,524,364</u></b>
<b>LIABILITIES</b>	
Accounts payable	\$ 2,154,611
Deposits payable	2,000,273
Due to bondholders	<u>369,480</u>
<b>Total liabilities</b>	<b><u>\$ 4,524,364</u></b>

See accompanying Notes to Basic Financial Statements.



**City of Pomona**  
**Index to Notes to Basic Financial Statements**  
**For the year ended June 30, 2010**

---

	<u>Page</u>
<b>Note 1 - Summary of Significant Accounting Policies</b> .....	42
A. Financial Reporting Entity .....	42
B. Basis of Accounting and Measurement Focus.....	44
C. Cash, Cash Equivalents and Investments .....	47
D. Interfund Transactions .....	48
E. Inventories and Prepaid Items .....	48
F. Capital Assets.....	49
G. Land Held for Resale .....	50
H. Pension Assets, Net.....	50
I. Long-Term Debt .....	50
J. Compensated Absences.....	50
K. Claims Payable.....	51
L. Unearned and Deferred Revenue .....	51
M. Property Taxes .....	51
N. Net Assets and Fund Balances.....	52
O. Use of Restricted and Unrestricted Net Assets .....	52
P. Use of Estimates.....	52
 <b>Note 2 - Cash and Investments</b> .....	 53
A. Summary of Cash and Investments .....	53
B. Cash Deposits.....	53
C. Investments .....	54
D. Investment in Local Agency Investment Funds.....	54
E. Risk Disclosures.....	55
F. Investment in Bonds .....	56
 <b>Note 3 - Due from Other Governments</b> .....	 57
 <b>Note 4 - Loans Receivable</b> .....	 57
 <b>Note 5 - Interfund Transactions</b> .....	 58
A. Government-Wide Financial Statements .....	58
B. Fund Financial Statements .....	58
 <b>Note 6 - Land Held for Resale</b> .....	 60
 <b>Note 7 - Capital Assets</b> .....	 61
A. Government-Wide Financial Statements .....	61

**City of Pomona**  
**Index to Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2010**

---

	<u>Page</u>
<b>Note 8 - Long-Term Debt</b> .....	64
A. Governmental Activities Long-Term Debt .....	64
B. Business-Type Activities Long-Term Debt .....	89
C. Pledged Revenue .....	94
<b>Note 9 - Non-City Obligations</b> .....	95
<b>Note 10 - Retirement Plans</b> .....	96
<b>Note 11 - Joint Powers Agreements</b> .....	98
A. Pomona-Walnut-Rowland (PWR) Joint Water Line Commission.....	98
B. Gold Line Phase II Construction Authority.....	99
C. Pomona Valley Transportation Authority .....	100
D. Tri City Mental Health Center.....	100
<b>Note 12 - Risk Management</b> .....	102
<b>Note 13 - Post Employment Benefits</b> .....	103
<b>Note 14 - Commitments and Contingencies</b> .....	105
A. Agreement for Allocation of Tax Increment Funds.....	105
B. Agency Participation Agreement.....	105
C. Ground Lease and Option to Purchase Agreement .....	106
D. Contractual Commitments.....	106
E. Lawsuits.....	107
<b>Note 15 - City's Financial Condition</b> .....	107
A. City .....	107
B. Redevelopment Agency .....	108
<b>Note 16 - Net Assets and Fund Balance</b> .....	109
A. Government-Wide Financial Statements .....	109
B. Fund Financial Statements .....	110
<b>Note 17 - Proposition 1A Borrowing by the State of California</b> .....	112
<b>Note 18 - Subsequent Events</b> .....	112

---

# NOTES TO BASIC FINANCIAL STATEMENTS

---

**City of Pomona**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2010**

---

---

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The basic financial statements of the City of Pomona, California (City), have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental agencies. The Governmental Accounting Standards Board (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 as a "Charter Law" City 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, street, highway and bridge repairs and maintenance, and water and sanitation services.

As required by GAAP, the accompanying basic financial statements present the City and its component units. Component units are entities for which the City is considered to be financially accountable. The City defines component units as legally separate entities that meet any one of the following tests:

- ◆ The City appoints the voting majority of the board of the entity and:
  - is able to impose its will on the entity and/or
  - is in a relationship of financial benefit or burden with the entity.
- ◆ The entity is fiscally dependent upon the City.
- ◆ The financial statements of the City would be misleading if data from the entity were omitted.

Management determined that the following component units should be blended based on the criteria above:

- ◆ Redevelopment Agency of the City of Pomona
- ◆ Housing Authority of the City of Pomona
- ◆ City of Pomona Public Financing Authority
- ◆ Canon Water Company

These component units are included in the primary government because of the significance of their financial or operational relationship and the same City governing body.

Each of the blended component units in the accompanying basic financial statements of the City are described below:

**City of Pomona**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2010**

---

---

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

**A. Financial Reporting Entity, Continued**

Redevelopment Agency of the City of Pomona

The Redevelopment Agency of the City of Pomona (Agency) was established pursuant to the State of California Health and Safety Code, Section 33000 entitled "Community Redevelopment Law." Its purpose is to prepare and carry out plans for improvement, rehabilitation, and redevelopment of blighted areas within the territorial limits of the City. The Agency was included within the scope of the reporting entity of the City because its governing body is composed in its entirety of council members of the City.

Housing Authority of the City of Pomona

The Housing Authority of the City of Pomona (Housing Authority) was organized under the California Health and Safety Code. The objectives of the Housing Authority are 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 council members of the City.

City of Pomona Public Financing Authority

The City of Pomona Public Financing Authority (Authority) is a joint exercise of powers authority created by a joint powers agreement between the City, the Redevelopment Agency of the City of Pomona (Agency) and the 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.

Canon Water Company

The Canon Water Company of Pomona (Company) was incorporated on August 6, 1897. The Company owns and maintains a pipeline which transports water to the City. The Company was included within the scope of the reporting entity of the City because the Company provides services almost entirely to the City.

All component units had a fiscal year ended June 30, 2010 except for Canon Water Company, which had a fiscal year ended February 28, 2010.

Since the governing boards for these entities were composed of either the City's employees or City Council members, they are considered blended component units. Blended component units, although legally separate entities, are in substance, part of the City's operations and so data from these units are reported with the interfund data of the primary government. Only the Authority, the Agency and the Company issue separate component unit financial statements. Financial statements of these component units can be obtained at City Hall.

**City of Pomona**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2010**

---

---

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

**B. Basis of Accounting and Measurement Focus**

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

Government – Wide and Fund Financial Statements

The City's government-wide financial statements include a Statement of Net Assets and a Statement of Activities and Changes in Net Assets. 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. 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 Assets. The Statement of Activities presents changes in net assets. 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.

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 regards to interfund activities. All internal balances in the Statement of Net Assets 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

The City applies all applicable GASB pronouncements (including all NCGA Statements and Interpretations currently in effect) as well as the following pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements: Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board (APB) Opinions, and Accounting Research Bulletins (ARB) of the Committee on Accounting Procedure.

**City of Pomona**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2010**

---

---

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

**B. Basis of Accounting and Measurement Focus, Continued**

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 non-major funds aggregated. An accompanying schedule is presented to reconcile and explain the differences in net assets as presented in these statements to the net assets presented in the government-wide financial statements. The City has presented all major funds that met the applicable criteria. In addition, the City has presented the Low & Moderate Income Housing Special Revenue Fund as a major fund because the City believes the financial position and activities of the fund are significant to the City as a whole.

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 **Low & Moderate Income Housing Fund** is a special revenue fund that accounts for monies received and expended to assist low- and moderate- income households.

The **General 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, notes payable and other debt of the Authority.

The **Redevelopment Agency Debt Service Fund** accounts for tax increment and investment revenue and for the payment of interest and principal on the tax allocation bonds, loans payable, participation agreements and other debt of the Agency.

The **Redevelopment Agency Capital Project Fund** accounts for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

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.

**City of Pomona**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2010**

---

---

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

**B. Basis of Accounting and Measurement Focus, Continued**

Governmental Fund Financial Statements, Continued

Revenues are recorded when received in cash, except that revenues subject to accrual (generally 60 days after year-end) are recognized when due. 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, motor vehicle license fees, 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.

Deferred revenue arises when potential revenues do not meet both the “measurable” and “available” criteria for recognition in the current period. Deferred revenues also arise when the government receives resources before it has a legal claim to them, as when grant monies are received prior to incurring qualifying expenditures. In subsequent periods when both revenue recognition criteria are met or when the government has a legal claim to the resources, the deferred revenue is 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 created by the integrated approach of GASB Statement No. 34.

Proprietary Fund Financial Statements

Proprietary fund financial statements include a Statement of Net Assets, a Statement of Revenues, Expenses and Changes in Net Assets, and a Statement of Cash Flows for all proprietary funds. The City reports the following major proprietary funds:

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

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 refuse collection and curbside collection of recycling materials.

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

The Internal Service Fund accounts for the maintenance and repair of City vehicles and equipment, risk management, general liability and workers’ compensation provided to other departments or agencies of the City. Internal service balances and activities have been combined with the governmental activities in the government-wide financial statements.



**City of Pomona**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2010**

---

---

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

**B. Basis of Accounting and Measurement Focus, Continued**

Proprietary Fund Financial Statements, Continued

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 Assets. The Statement of Revenues, Expenses and Changes in Net Assets presents increases (revenues) and decreases (expenses) in total net assets. 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.

Fiduciary Fund Financial Statements

Fiduciary fund financial statements include a Statement of Net Assets. The City’s fiduciary funds represent agency funds. Fiduciary fund types are accounted for according to the nature of the fund. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Agency funds are accounted for using accrual basis accounting.

The Agency Funds account for assets held by the City for other funds, governments or individuals. These funds include receipts and disbursements of funds for the debt service activity of the 1911 Act assessment districts, cash deposits collected for street and sidewalk encroachment permits, debt services activity related to debt without government commitment for various assessment district improvements, cash guarantees (deposits) collected by the City for various construction improvement projects, deposits of miscellaneous, self-supporting City projects, payment of various employee benefits and deductions, including, but not limited to, health and dental insurance premiums, federal and state withholding taxes, life insurance and other withholdings from regular compensation.

**C. Cash, Cash Equivalents and Investments**

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

Highly liquid market investments with maturities of one year or less at time of purchase are stated at amortized cost. All other investments are stated at fair value. Market value is used as fair value for those securities which approximated fair value for which market quotations are readily available.

**City of Pomona**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2010**

---

---

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

**C. Cash, Cash Equivalents and Investments, Continued**

The City participates in an investment pool managed by the State of California titled *Local Agency Investment Fund* (LAIF) which has invested a portion of the pool funds in structured notes and asset-backed securities. LAIF's investments are subject to credit risk with the full faith and credit of the State of California collateralizing these investments. In addition, these structured notes and asset-backed securities are subject to market risk as to changes in interest rates.

In accordance with GASB Statement No. 40, *Deposit and Investment Risk Disclosures (an amendment of GASB No. 3)*, 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

For purposes of the statement of cash flows of the proprietary fund types, cash and cash equivalents include all investments, as the City operates an internal cash management pool which maintains the general characteristics of a demand deposit account.

**D. 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 from/to 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."

**E. 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. Reported expenditures reflecting the purchase of supplies have been restated to reflect the consumption method of recognizing inventory-related expenditures. A reservation of fund balance has been reported in the governmental funds to show that inventories do not constitute "available spendable resources", even though they are a component of net current assets.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

**City of Pomona**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2010**

---

---

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

***F. Capital Assets***

**Government-Wide Financial Statements**

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

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

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

Buildings and improvements	10-50 years
Improvements other than buildings	10-50 years
Machinery and equipment	5-50 years
Autos and trucks	5-10 years
Equipment under capitalized lease	5-10 years
Infrastructure	25-75 years

For infrastructure systems, the City elected to use the "Basic Approach" as defined by GASB Statement No. 34 for infrastructure reporting.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest on construction-related debt incurred during the period of construction is capitalized as a cost of the constructed assets.

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

**Fund Financial Statements**

The fund financial statements do not present capital assets. As such, capital assets are shown as a reconciling item in the Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Assets.

**City of Pomona**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2010**

---

---

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

**G. Land Held for Resale**

Land held for resale is carried at cost. An amount equal to the carrying value of land is reserved in fund balance because such assets are not available to finance the City's current operations.

**H. Pension Asset, Net**

A pension asset is created when an employer pays into a retirement plan amounts in excess of its annual required contribution (ARC). The ARC is an actuarially calculated amount that is sufficient to fund future costs and extinguish any existing unfunded actuarial accrued liability (UAAL). On June 29, 2004, the City made a payment of \$27,722,510 to CALPERS from the proceeds of the issuance of pension obligation bonds to reduce the City's UAAL as calculated at that time.

The net pension asset is being amortized using the same amortization methodology used by PERS to calculate the Annual Required Contribution (ARC) each year. Interest on the Net Pension Asset (NPA) is calculated as a percentage of the NPA's balance at the beginning of each year based on the investment rate of return stated above and is added to the balance of the NPA for that year.

**I. Long-Term Debt**

**Government-Wide Financial Statements**

Long-term debt and other financed obligations are reported as liabilities in the proprietary fund financial statements and government-wide financial statements.

Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable premium or discount. Issuance costs are reported as deferred charges.

**Fund Financial Statements**

The fund financial statements do not present long-term debt. As such, long-term debt is shown as a reconciling item in the Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Assets.

**J. Compensated Absences**

**Government-Wide Financial Statements**

For governmental and business-type activities, compensated absences are recorded as incurred and the related expenses and liabilities are reported. Compensated absences are primarily liquidated by the General Fund.

**City of Pomona**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2010**

---

---

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

*J. Compensated Absences, Continued*

**Fund Financial Statements**

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. The compensated absences liability will generally be liquidated through the General Fund. In proprietary funds, compensated absences are expensed to the various funds in the period they are earned, and such fund's share of the unpaid liability is recorded as a long-term liability of the fund. Vested or accumulated compensated absences in proprietary funds are recorded as an expense and liability of those funds as the benefits accrue to employees. The compensated absences liability will generally be liquidated through individual funds.

*K. 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.

*L. Unearned and Deferred Revenue*

**Government-Wide Financial Statements** - Unearned revenue is recognized for transactions for which revenue has not yet been earned. Unearned revenue includes monies received in advance from the fiscal agents on the amounts deposited in the reserve funds for various bonds and prepaid charges for services.

**Fund Financial Statements** - Deferred revenue represents money received during the current or previous years that has not been earned or is not considered available to finance expenditures of the current period.

*M. Property Taxes*

Property taxes attach a legal enforceable lien on property as of January 1. Taxes are levied on July 1 and are payable in two installments on December 10 and April 10. The County of Los Angeles (County) bills and collects the property taxes and remits them 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 rate not more than 2% per year. The City receives a share of this basic levy proportionate to the amount received in the 1976 to 1978 period.

**City of Pomona**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2010**

---

---

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

**N. Net Assets and Fund Balances**

**Government-Wide Financial Statements** - In the government-wide financial statements, net assets are classified in the following:

Invested in Capital Assets, Net of Related Debt - This amount consists of capital assets net of accumulated depreciation and reduced by outstanding debt that is attributed to the acquisition, construction, or improvement of the assets.

Restricted Net Assets - This amount is restricted by external creditors, grantors, contributors, or laws or regulations of other governments.

Unrestricted Net Assets - This amount is all net assets that do not meet the definition of "invested in capital assets, net of related debt" or "restricted net assets."

**Fund Financial Statements** - Reservations represent the fund balance which are not appropriable for expenditure or which are legally segregated for specific future use. Designated fund balance represents tentative plans for future use of financial resources. Undesignated fund balance represents the fund balance which is available for appropriation in future periods.

**O. Use of Restricted and Unrestricted Net Assets**

When an expense is incurred for purposes for which both restricted and unrestricted net assets are available, the City's policy is to apply restricted net assets first.

**P. Use of Estimates**

The preparation of the basic financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of certain assets and liabilities and the disclosure of contingent assets and liabilities at the date of the basic financial statements and the related reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Management believes that the estimates are reasonable.

**City of Pomona**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2010**

**2. 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 month-end cash balances of the various funds.

**A. Summary of Cash and Investments**

The following is a summary of cash and investments at June 30, 2010:

	Government-Wide Statement of Net Assets			Fiduciary Funds	
	Governmental	Business-Type	Total	Statement of	
	Activities	Activities		Net Assets	
				Total	
<b>Cash and Investments</b>	\$ 36,999,292	\$ 24,511,097	\$ 61,510,389	\$ 4,508,485	\$ 66,018,874
<b>Restricted Cash and Investments:</b>					
Held by trustees	\$ 1,914,661	\$ 14,175	\$ 1,928,836	\$ -	1,928,836
Held by fiscal agents	81,739,828	75,025,725	156,765,553	-	156,765,553
Held by local banks	1,597,931	-	1,597,931	-	1,597,931
<b>Total restricted cash and investments</b>	\$ 85,252,420	\$ 75,039,900	\$ 160,292,320	\$ -	\$ 160,292,320
				<b>Total</b>	<b>\$ 226,311,194</b>

Cash and investments were comprised of the following at June 30, 2010:

<b>Cash and cash equivalents:</b>	
Petty Cash	\$ 11,728
Demand Deposit	2,727,612
Total Cash and cash equivalents	2,739,340
<b>Investments:</b>	
Local Agency Investment Fund	63,279,534
<b>Total Cash and Investments</b>	<b>\$ 66,018,874</b>

**B. Cash Deposits**

The carrying amounts of the City's cash deposits were \$2,727,612 at June 30, 2010. Bank balances at June 30, 2010, were \$4,319,054 which were fully insured or collateralized with securities held by the pledging financial institutions in the City's name as discussed below.

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.

**City of Pomona**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2010**

---

---

**2. CASH AND INVESTMENTS, Continued**

**B. Cash Deposits, Continued**

The market value of pledged securities must equal at least 110% of the City's cash deposits. California law also allows institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the City's total cash deposits. The City may waive collateral requirements for cash deposits, which are fully insured up to \$250,000 by the Federal Deposit Insurance Corporation (FDIC). The City, however, has not waived the collateralization requirements.

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

**C. Investments**

Under the provisions of the City's investment policy, and in accordance with California Government Code Section 53601, the City is authorized to invest or deposit in the following:

- Securities issued or guaranteed by the federal government or its agencies
- Bankers' acceptances that are eligible for purchase by the Federal Reserve System
- Commercial paper, rated A-1/P-1, secured by an irrevocable line of credit or government securities
- Medium-term corporate notes, rated AAA or AA
- Money market funds

Investments are stated at fair value at the year end.

**D. 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, 2010, included a portion of the pool funds invested in Structured Notes and Asset-Backed Securities:

Structured Notes: 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: 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.



**City of Pomona**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2010**

**2. CASH AND INVESTMENTS, Continued**

**D. Investment in Local Agency Investment Funds, Continued**

As of June 30, 2010, the City had \$63,279,534 invested in LAIF, which had invested 5.42% of the pool investment funds in Structured Notes and Asset-Backed Securities. The LAIF fair value factor of 1.001643776 was used to calculate the fair value of the investments in LAIF.

LAIF is overseen by the Local Agency Investment Advisory Board, which consists of five members, in accordance with State statute.

**E. Risk Disclosures**

**Interest Rate Risk**

As a means of limiting its exposure to fair value losses arising from rising interest rates, the City's investment policy (Policy) limits investments to a maximum maturity of five years. The weighted average days to maturity of the total portfolio shall not exceed the City's anticipated liquidity needs for the next six (6) months. The City is in compliance with this provision of the Policy. At June 30, 2010, the City had the following investment maturities:

Investment Type	Fair Value	Investment Maturities (In Years)				
		Less than 1	1 to 2	2 to 3	3 to 4	4 to 5
Local Agency Investment Fund	\$ 63,279,354	\$ 63,279,534	\$ -	\$ -	\$ -	\$ -

**Credit Risk**

The City's Policy limits investments in commercial paper to the highest grade of stand alone or enhanced (prime) commercial paper as rated by Moody's Investor Service, Standard & Poor's Corporation, or Fitch Financial Services and requires that the management company of mutual funds must have attained the highest ranking or the highest letter and numerical rating provided by not less than two nationally recognized statistical rating organizations.

The City's investments are rated by the nationally recognized statistical rating organizations as follows:

Investment Pool	Moody's	Standard & Poor's
Local Agency Investment Fund	Not Rated	Not Rated

**City of Pomona**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2010**

---

**2. CASH AND INVESTMENTS, Continued**

*E. Risk Disclosures, Continued*

**Concentration of Credit Risk**

The City's Policy states that not more than 20% of the portfolio shall be invested in any one entity or any one instrument to protect the City from concentration of credit risk, with the following exceptions: U.S. Treasury Obligations, governmental agencies (i.e. GNMA, FFCB, FHLB, FHLMC, FNMA, etc.), and investment pools (LAIF). In addition, purchases of commercial paper from U.S. corporations must not exceed 15% of the value of the portfolio at any time and single issuer holdings to no more than 10 percent per issuer. The City is in compliance with these provisions of the Policy.

The following is a chart of the City's investment portfolio:

<u>Investments</u>	<u>Amount Invested</u>	<u>Percentage of Investments</u>
Local Agency Investment Fund	\$ 63,279,534	100.00%

**Custodial Credit Risk**

For deposits, custodial credit risk is the risk that, in the event of the failure of a deposit financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City's investment policy does not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the provision for deposits stated in Note 2B. Bank balances of \$4,069,054, net of FDIC insurance, which was in excess of federal depository insurance limits was held in collateralized accounts. Of the City's investments held by trustees and fiscal agents, \$158,694,389 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, 2010.

*F. Investment in Bonds*

On February 1, 2005, the Authority issued \$11,370,000 2005 Revenue Bonds, Series AL, to purchase the City's 2005 Reassessment and Refunding Revenue Bonds, Series AM (Series AM Bonds). The Authority holds the Series AM Bonds in the amount of \$4,971,000 as an investment at June 30, 2010. The investment is held by the fiscal agent.

**City of Pomona**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2010**

**3. DUE FROM OTHER GOVERNMENTS**

At June 30, 2010, the City's due from other governments consisted of the following:

<u>Government</u>	
Federal government	\$ 2,040,876
State of California	4,275,059
County of Los Angeles	6,972,384
Total	<u>\$ 13,288,319</u>

**4. LOANS RECEIVABLE**

At June 30, 2010, the City's net loans receivable consisted of the following:

	<u>Balance</u> <u>July 1, 2009</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2010</u>
Casa Herrera	\$ 1,000,000	\$ -	\$ (125,000)	\$ 875,000
Deferred Home Improvement Loans	6,707,142	1,119,565	(27,427)	7,799,280
Prototype Loans	660,000	-	-	660,000
ADDI Loans	50,479	2,423	-	52,902
Rental Rehabilitation Loans	448,567	7,218	-	455,785
Greater Pomona Housing Loans	779,000	-	(779,000)	-
CHDO	253,046	619,633	(253,046)	619,633
HOPE 3 Loans	452,755	17,412	(21,402)	448,765
Shield of Faith	3,967,716	111,450	(30,314)	4,048,852
Manufactured Housing Rehabilitation Loans	1,816,284	625,645	(192,122)	2,249,807
Occupied Rehabilitation Loans	63,678	449	(15,985)	48,142
MAP Loans, net	2,247,122	1,007,500	(16,500)	3,238,122
NIP Loans	3,144,717	204,194	(21,121)	3,327,790
Olsen Covenants	2,451,000	340,000	-	2,791,000
Southern California Resources & Development	85,000	-	-	85,000
Business Assistance Loans	956,000	146,000	-	1,102,000
Postal Extra (El Centro)	2,534	-	-	2,534
Guadalajara Market	210,600	-	-	210,600
Community Builder Group	708,000	-	(708,000)	-
Pomona Fox Theater	1,300,000	-	-	1,300,000
Vehicle Parking District	600,000	-	-	600,000
Humane Society	-	206,290	-	206,290
Allstate KIA	-	240,171	-	240,171
Multi-Family	-	570,000	-	570,000
Total	<u>\$ 27,903,640</u>	<u>\$ 5,217,950</u>	<u>\$ (2,189,917)</u>	<u>\$ 30,931,673</u>

**City of Pomona**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2010**

**5. INTERFUND TRANSACTIONS**

**A. Government-Wide Financial Statements**

**Internal Balances** - At June 30, 2010, the City had the following internal receivable and payable. The purpose of the internal balance was to cover cash deficits.

<b>Internal Payable</b>	<b>Internal Receivable</b>	
	Business-Type Activities	
Governmental Activities	\$	5,296,661

**Transfers** - At June 30, 2010, the City had the following transfers. The purpose of the transfers was for the in lieu franchise fee and debt service payments.

<b>Transfers In</b>	<b>Transfers Out</b>	
	Business-Type Activities	
Governmental Activities	\$	1,044,610

**B. Fund Financial Statements**

**Due To/Due From** - At June 30, 2010, the City had the following short-term interfund receivables and payables.

		<b>Due From Other Funds</b>					
		Governmental Funds				Proprietary Funds	
		General	Low/ Moderate Income Housing	RDA Capital Projects	Non-Major Governmental Funds	Water Utility	Total
		<b>Due To Other Funds</b>	Governmental Funds:				
	General	\$ -	\$ -	\$ -	\$ -	\$ 296,661	\$ 296,661
	General Debt Service	1,214,620	-	-	-	-	1,214,620
	Redevelopment Agency Debt Service	-	154,571	457,641	-	-	612,212
	Non-Major Governmental Funds	210,617	-	-	46,179	-	256,796
	<b>Total</b>	<u>\$ 1,425,237</u>	<u>\$ 154,571</u>	<u>\$ 457,641</u>	<u>\$ 46,179</u>	<u>\$ 296,661</u>	<u>\$ 2,380,289</u>

The General Fund and Water Utility Fund amounts were made to cover negative cash situations. The Low/Moderate Income Housing and RDA Capital Projects Funds amounts were made for tax increments.

**City of Pomona**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2010**

**5. INTERFUND TRANSACTIONS, Continued**

**B. Fund Financial Statements, Continued**

**Long-Term Advances** - At June 30, 2010, the City had the following interfund long-term advances:

		Advances To Other Funds				
		Governmental Funds			Proprietary Funds	
		General	Public Financing	Low/	Water	Total
			Authority	Moderate		
		Debt Service	Income Housing	Utility		
Advances From Other Funds	Governmental Funds:					
	Low & Moderate Income Housing	\$ -	\$ 9,320,000	\$ -	\$ -	\$ 9,320,000
	General Debt Service	-	47,835,000	-	-	47,835,000
	Redevelopment Agency Debt Service	1,030,244	168,890,000	5,000,000	-	174,920,244
	Redevelopment Agency Capital Project	3,092,847	-	-	-	3,092,847
	Proprietary Funds:					
	Internal Service Funds	-	-	-	5,000,000	5,000,000
	<b>Total</b>	<b>\$ 4,123,091</b>	<b>\$ 226,045,000</b>	<b>\$ 5,000,000</b>	<b>\$ 5,000,000</b>	<b>\$ 240,168,091</b>

Long-term advances are used to fund various capital projects, low and moderate housing activities, and for related financing or assessments.

**Transfers** - At June 30, 2010, the City had the following transfers:

		Governmental Funds					Proprietary Funds		
		General	Low &	Redevelopment	Redevelopment	Non-Major	Water	Total	
			Moderate	General	Agency Debt	Agency Capital			Governmental
		Fund	Income Housing	Debt Service	Service	Project	Funds	Utility	
Transfers In	Governmental Funds:								
	General Fund	\$ -	\$ -	\$ 3,924,600	\$ -	\$ -	\$ 313,961	\$ -	\$ 4,238,561
	Low & Moderate								
	Income Housing	-	-	-	2,601,763	-	-	-	2,601,763
	Redevelopment Agency								
	Debt Service	-	5,222,028	-	-	3,289,043	-	-	8,511,071
	Redevelopment Agency								
	Capital Project	-	-	304,156	-	-	255,344	-	559,500
	Non-Major								
	Governmental Funds	2,355,467	-	238,469	-	-	1,456,547	188,707	4,239,190
<b>Total Governmental Funds</b>	<b>2,355,467</b>	<b>5,222,028</b>	<b>4,467,225</b>	<b>2,601,763</b>	<b>3,289,043</b>	<b>2,025,852</b>	<b>188,707</b>	<b>20,150,085</b>	
Proprietary Funds:									
Water Utility Enterprise Fund	-	-	600,000	-	-	110,243	-	710,243	
Sewer Enterprise Fund	-	-	417,000	-	-	106,074	-	523,074	
<b>Total Proprietary Funds</b>	<b>-</b>	<b>-</b>	<b>1,017,000</b>	<b>-</b>	<b>-</b>	<b>216,317</b>	<b>-</b>	<b>1,233,317</b>	
<b>Total</b>	<b>\$ 2,355,467</b>	<b>\$ 5,222,028</b>	<b>\$ 5,484,225</b>	<b>\$ 2,601,763</b>	<b>\$ 3,289,043</b>	<b>\$ 2,242,169</b>	<b>\$ 188,707</b>	<b>\$ 21,383,402</b>	

**City of Pomona**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2010**

---

**5. INTERFUND TRANSACTIONS, Continued**

**B. Fund Financial Statements, Continued**

The transfer of \$3,924,600 between the General Fund and the General Debt Service Fund was for Series AG and AN debt service.

The transfer of \$5,222,028 from the Low and Moderate Income Housing to the Redevelopment Agency Debt Service was to cover Low and Moderate Income Housing's share of principal and interest debt service payments and 20% of Redevelopment Agency Debt Service expenses.

The transfer of \$2,601,763 from the Redevelopment Agency Debt Service to the Low & Moderate Income Housing Fund represents the 20% set aside tax increment revenue for low and moderate income housing

The transfer of \$3,289,043 from the Redevelopment Agency Debt Service to the Redevelopment Agency Capital Project Fund represents excess debt service fund revenues available for use in the capital project fund.

The transfers of \$2,355,467 from the Non-Major Governmental Funds (State Gas Tax Fund) to the General Fund were for various street related programs.

Of the transfers in the amount of \$1,456,547 between the Non-Major Governmental Funds included a transfer of \$403,479 from the State Gas Tax Fund to the General Sanitation Fees Operations Fund for various street related programs.

All other transfers were in the normal course of the City's business.

**6. LAND HELD FOR RESALE**

Land held for resale is comprised of the following at June 30, 2010:

Low & Moderate Income Housing Fund	\$ 10,036,563
Redevelopment Agency Capital Project Fund	20,429,431
<b>Total</b>	<u><u>\$ 30,465,994</u></u>

Land held for resale is recorded at cost. The available fund balance is reserved in an amount equal to the carrying value of land held for resale because such assets are not available to finance current operations.

**City of Pomona**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2010**

**7. CAPITAL ASSETS**

**A. Government-Wide Financial Statements**

At June 30, 2010, the City's capital assets consisted of the following:

	Governmental Activities	Business-Type Activities	Total
<b>Non-depreciable Assets:</b>			
Land	\$ 82,231,312	\$ 9,075,136	\$ 91,306,448
Construction in process	29,562,654	31,451,543	61,014,197
<b>Total non-depreciable assets</b>	<b>111,793,966</b>	<b>40,526,679</b>	<b>152,320,645</b>
<b>Depreciable Assets:</b>			
Buildings and improvements	14,887,815	3,418,603	18,306,418
Improvements other than building	57,665,078	286,638	57,951,716
Machinery and equipment	17,819,536	158,669,123	176,488,659
Furniture and fixtures	776,382	5,105	781,487
Autos and trucks	9,005,806	6,870,169	15,875,975
Equipment under capitalized leases	3,450,385	-	3,450,385
Infrastructure	378,362,831	-	378,362,831
<b>Total depreciable assets, at cost</b>	<b>481,967,833</b>	<b>169,249,638</b>	<b>651,217,471</b>
Less accumulated depreciation:			
Buildings and improvements	(9,573,804)	(2,650,248)	(12,224,052)
Improvements other than building	(16,386,384)	(65,903)	(16,452,287)
Machinery and equipment	(10,246,882)	(65,366,539)	(75,613,421)
Furniture and fixtures	(618,769)	(5,105)	(623,874)
Autos and trucks	(7,208,478)	(5,911,024)	(13,119,502)
Equipment under capitalized leases	(852,180)	-	(852,180)
Infrastructure	(225,207,579)	-	(225,207,579)
<b>Total accumulated depreciation</b>	<b>(270,094,076)</b>	<b>(73,998,819)</b>	<b>(344,092,895)</b>
<b>Total depreciable assets, net</b>	<b>211,873,757</b>	<b>95,250,819</b>	<b>307,124,576</b>
<b>Total capital assets</b>	<b>\$ 323,667,723</b>	<b>\$ 135,777,498</b>	<b>\$ 459,445,221</b>

**City of Pomona**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2010**

**7. CAPITAL ASSETS, Continued**

**A. Government-Wide Financial Statements, Continued**

The following is a summary of capital assets for governmental activities:

	Balance				Balance
	July 1, 2009	Additions	Deletions	Reclassifications	June 30, 2010
<b>Non-depreciable Assets:</b>					
Land	\$ 79,949,602	\$ 2,381,501	\$ (99,791)	\$ -	\$ 82,231,312
Construction in process	25,967,641	14,198,843	(360,694)	(10,243,136)	29,562,654
<b>Total non-depreciable assets</b>	<b>105,917,243</b>	<b>16,580,344</b>	<b>(460,485)</b>	<b>(10,243,136)</b>	<b>111,793,966</b>
<b>Depreciable Assets:</b>					
Buildings and improvements	14,887,815	-	-	-	14,887,815
Improvements other than building	50,827,656	-	-	6,837,422	57,665,078
Machinery and equipment	17,340,163	282,694	-	196,679	17,819,536
Furniture and fixtures	776,382	-	-	-	776,382
Autos and trucks	8,218,728	291,975	(82,905)	578,008	9,005,806
Equipment under capitalized lease	4,169,669	55,405	-	(774,689)	3,450,385
Infrastructure	374,475,533	482,670	(1,088)	3,405,716	378,362,831
<b>Total depreciable assets, at cost</b>	<b>470,695,946</b>	<b>1,112,744</b>	<b>(83,993)</b>	<b>10,243,136</b>	<b>481,967,833</b>
<b>Less accumulated depreciation:</b>					
Buildings and improvements	(9,136,745)	(437,059)	-	-	(9,573,804)
Improvements other than building	(15,028,361)	(1,358,023)	-	-	(16,386,384)
Machinery and equipment	(8,612,820)	(1,567,600)	-	(66,462)	(10,246,882)
Furniture and fixtures	(577,705)	(41,064)	-	-	(618,769)
Autos and trucks	(6,533,388)	(594,576)	77,131	(157,645)	(7,208,478)
Equipment under capitalized lease	(793,239)	(283,048)	-	224,107	(852,180)
Infrastructure	(213,993,549)	(11,214,030)	-	-	(225,207,579)
<b>Total accumulated depreciation</b>	<b>(254,675,807)</b>	<b>(15,495,400)</b>	<b>77,131</b>	<b>-</b>	<b>(270,094,076)</b>
<b>Total depreciable assets, net</b>	<b>216,020,139</b>	<b>(14,382,656)</b>	<b>(6,862)</b>	<b>10,243,136</b>	<b>211,873,757</b>
<b>Total capital assets</b>	<b>\$ 321,937,382</b>	<b>\$ 2,197,688</b>	<b>\$ (467,347)</b>	<b>\$ -</b>	<b>\$ 323,667,723</b>

Depreciation expense for capital assets of the governmental activities for the year ended June 30, 2010 was as follows:

General government	\$ 506,524
Public safety	1,958,442
Urban development	11,931,766
Community services	1,075,187
Internal service funds	23,481
<b>Total depreciation expense</b>	<b>\$ 15,495,400</b>



**City of Pomona**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2010**

**7. CAPITAL ASSETS, Continued**

**A. Government-Wide Financial Statements, Continued**

The following is a summary of capital assets for business-type activities:

	Balance July 1, 2009	Additions	Deletions	Reclassifications	Balance June 30, 2010
<b>Non-depreciable Assets:</b>					
Land	\$ 4,298,097	\$ 4,770,000	\$ 7,039	\$ -	\$ 9,075,136
Construction in process	24,269,497	11,750,800	(4,568,754)	-	31,451,543
<b>Total non-depreciable assets</b>	<b>28,567,594</b>	<b>16,520,800</b>	<b>(4,561,715)</b>	<b>-</b>	<b>40,526,679</b>
<b>Depreciable Assets:</b>					
Buildings and improvements	3,418,603	-	-	-	3,418,603
Improvements other than building	286,638	-	-	-	286,638
Machinery and equipment	158,498,221	170,902	-	-	158,669,123
Furniture and fixtures	5,105	-	-	-	5,105
Autos and trucks	6,179,445	-	-	690,724	6,870,169
Equipment under capitalized lease	690,724	-	-	(690,724)	-
<b>Total depreciable assets, at cost</b>	<b>169,078,736</b>	<b>170,902</b>	<b>-</b>	<b>-</b>	<b>169,249,638</b>
<b>Less accumulated depreciation:</b>					
Buildings and improvements	(2,342,119)	(308,129)	-	-	(2,650,248)
Improvements other than building	(55,194)	(10,709)	-	-	(65,903)
Machinery and equipment	(62,426,654)	(2,939,885)	-	-	(65,366,539)
Furniture and fixtures	(5,105)	-	-	-	(5,105)
Autos and trucks	(5,386,666)	(248,069)	-	(276,289)	(5,911,024)
Equipment under capitalized lease	(276,289)	-	-	276,289	-
<b>Total accumulated depreciation</b>	<b>(70,492,027)</b>	<b>(3,506,792)</b>	<b>-</b>	<b>-</b>	<b>(73,998,819)</b>
<b>Total depreciable assets, net</b>	<b>98,586,709</b>	<b>(3,335,890)</b>	<b>-</b>	<b>-</b>	<b>95,250,819</b>
<b>Total capital assets</b>	<b>\$ 127,154,303</b>	<b>\$ 13,184,910</b>	<b>\$ (4,561,715)</b>	<b>\$ -</b>	<b>\$ 135,777,498</b>

Depreciation expense for capital assets of the business-type activities for the year ended June 30, 2010 was as follows:

Water utility	\$ 2,648,276
Sewer	759,440
Refuse	99,076
<b>Total depreciation expense</b>	<b>\$ 3,506,792</b>

**City of Pomona**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2010**

**8. LONG-TERM DEBT**

The following is a summary of long-term debt for the year ended June 30, 2010:

	Balance		Accrued		Balance	Classification	
	July 1, 2009	Additions	Interest	Deletions		June 30, 2010	Due within One Year
<b>Governmental Activities:</b>							
County deferred tax loans	\$ 30,081,078	\$ 533,765	\$ 2,143,039	\$ -	\$ 32,757,882	\$ -	\$ 32,757,882
Obligation under capital lease	3,959,606	-	-	(1,184,175)	2,775,431	652,776	2,122,655
Notes payable	1,960,000	-	-	(265,000)	1,695,000	275,000	1,420,000
Revenue bonds	227,390,370	-	-	(2,457,903)	224,932,467	2,618,903	222,313,564
Tax allocation bonds	9,645,000	-	-	(90,000)	9,555,000	95,000	9,460,000
Pension obligation refunding bonds	42,280,684	-	-	(71,302)	42,209,382	131,320	42,078,062
Certificates of participation	13,234,923	-	-	(290,622)	12,944,301	270,000	12,674,301
Subtotal	328,551,661	533,765	2,143,039	(4,359,002)	326,869,463	4,042,999	322,826,464
Compensated absences	8,128,449	7,369,848	-	(7,893,312)	7,604,985	4,500,000	3,104,985
Claims payable	13,104,158	7,793,148	-	(3,717,459)	17,179,847	4,200,000	12,979,847
OPEB obligations	6,086,450	5,217,000	-	(2,727,826)	8,575,624	-	8,575,624
<b>Total governmental activities</b>	<b>\$ 355,870,718</b>	<b>\$ 20,913,761</b>	<b>\$ 2,143,039</b>	<b>\$ (18,697,599)</b>	<b>\$ 360,229,919</b>	<b>\$ 12,742,999</b>	<b>\$ 347,486,920</b>
<b>Business-Type Activities:</b>							
Obligations under capital lease	\$ 1,286,361	\$ -	\$ -	\$ (441,620)	\$ 844,741	\$ 329,067	\$ 515,674
Revenue bonds	139,635,527	-	-	(565,092)	139,070,435	1,490,092	137,580,343
Subtotal	140,921,888	-	-	(1,006,712)	139,915,176	1,819,159	138,096,017
Compensated absences	1,172,191	1,192,890	-	(1,172,191)	1,192,890	500,000	692,890
<b>Total business-type activities</b>	<b>\$ 142,094,079</b>	<b>\$ 1,192,890</b>	<b>\$ -</b>	<b>\$ (2,178,903)</b>	<b>\$ 141,108,066</b>	<b>\$ 2,319,159</b>	<b>\$ 138,788,907</b>

**A. Governmental Activities Long-Term Debt**

**County Deferred Tax Loan**

At June 30, 2010, the County deferred tax loans consisted of the following:

	Balance		Accrued		Balance	Due within one year	Due in more than one year
	June 30, 2009	Additions	Interest	Deletions			
Southwest Pomona Project Area	\$ 27,386,757	\$ -	\$ 1,917,073	\$ -	\$ 29,303,830	\$ -	\$ 29,303,830
South Garey / Freeway Corridor Project Area	2,694,321	533,765	225,966	-	3,454,052	-	3,454,052
<b>Total</b>	<b>\$ 30,081,078</b>	<b>\$ 533,765</b>	<b>\$ 2,143,039</b>	<b>\$ -</b>	<b>\$ 32,757,882</b>	<b>\$ -</b>	<b>\$ 32,757,882</b>

The 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 Agency. Interest on both loans will accrue at 7% per year, compounded annually. The Agency will commence repayment of the loans when excess funds become available.

**City of Pomona**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2010**

**8. LONG-TERM DEBT, Continued**

**A. Governmental Activities Long-Term Debt, Continued**

**Obligations under Capital Lease**

At June 30, 2010, obligations under capital lease consisted of the following:

	Balance July 1, 2009	Additions	Deletions	Balance June 30, 2010	Due within one year	Due in more than one year
SunTrust Lease #1	\$ 649,797	\$ -	\$ (177,619)	\$ 472,178	\$ 183,936	\$ 288,242
SunTrust Lease #9	24,426	-	(24,426)	-	-	-
SunTrust Lease #10	245,679	-	(215,962)	29,717	29,717	-
SunTrust Lease #12	423,385	-	(77,701)	345,684	81,042	264,642
BofA #1	415,972	-	(133,620)	282,352	138,596	143,756
BofA #2	344,716	-	(344,716)	-	-	-
BofA #3	1,625,571	-	(132,287)	1,493,284	138,240	1,355,044
LaSalle #1	93,949	-	(45,972)	47,977	47,977	-
LaSalle #2	136,111	-	(31,872)	104,239	33,268	70,971
<b>Total</b>	<b>\$ 3,959,606</b>	<b>\$ -</b>	<b>\$ (1,184,175)</b>	<b>\$ 2,775,431</b>	<b>\$ 652,776</b>	<b>\$ 2,122,655</b>

The City entered into numerous equipment lease-purchase agreements with a leasing company whereby the lessor acquired certain equipment and leased it to the City with an option to purchase. The related assets have been capitalized in the capital assets account. The total leased assets by major asset class consisted of the following:

	June 30, 2010
Machinery and equipment	\$ 812,739
Autos and trucks	2,637,646
Equipment under capitalized lease, at cost	3,450,385
Accumulated depreciation	(852,180)
Equipment under capitalized lease, net	<b>\$ 2,598,205</b>

The depreciation expense for equipment under capitalized leases was \$224,107 for the year ended June 30, 2010.

**City of Pomona**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2010**

**8. LONG-TERM DEBT, Continued**

**A. Governmental Activities Long-Term Debt, Continued**

**Obligations under Capital Lease, Continued**

The rates of interest range from 4.00% to 4.50% per annum. The annual debt service requirements outstanding at June 30, 2010 were as follows:

For the Years Ending June 30,	Principal	Interest	Total
2011	\$ 652,776	\$ 115,341	\$ 768,117
2012	597,948	89,316	687,264
2013	373,134	65,532	438,666
2014	249,708	51,637	301,345
2015	164,854	40,584	205,438
2016-2019	737,011	84,738	821,749
<b>Total</b>	<b>\$ 2,775,431</b>	<b>\$ 447,148</b>	<b>\$ 3,222,579</b>

**Notes Payable**

At June 30, 2010, notes payable consisted of the following:

	Balance June 30, 2009	Additions	Deletions	Balance June 30, 2010	Due within one year	Due in more than one year
HUD Section 108 loan	\$ 1,000,000	\$ -	\$ (125,000)	\$ 875,000	\$ 125,000	\$ 750,000
ERAF Loan	960,000	-	(140,000)	820,000	150,000	670,000
<b>Total</b>	<b>\$ 1,960,000</b>	<b>\$ -</b>	<b>\$ (265,000)</b>	<b>\$ 1,695,000</b>	<b>\$ 275,000</b>	<b>\$ 1,420,000</b>

HUD Section 108 Loan

The City received \$2,375,000 for notes with Chase Manhattan Bank. The notes are guaranteed by the U.S. 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. Principal payments are due annually in the amount of \$125,000, commencing August 1, 1998. The loan bears an interest rate from 5.87% to 7.08% and is payable semi-annually on August 1 and February 1.

The annual debt service requirements at June 30, 2010 were as follows:

For the Years Ending June 30,	Principal	Interest	Total
2011	\$ 125,000	\$ 56,400	\$ 181,400
2012	125,000	47,894	172,894
2013	125,000	39,326	164,326
2014	125,000	30,694	155,694
2015	125,000	22,000	147,000
2016-2017	250,000	17,669	267,669
<b>Total</b>	<b>\$ 875,000</b>	<b>\$ 213,983</b>	<b>\$ 1,088,983</b>

**City of Pomona**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2010**

---

**8. LONG-TERM DEBT, Continued**

**A. Governmental Activities Long-Term Debt, Continued**

**Notes Payable, Continued**

ERAF Loan

In April 2005, the Agency financed its portion of the state ERAF payment through a bond offering with other redevelopment agencies. The Agency's portion of the bonds was \$1,455,000. Interest is payable semiannually on February 1 and August 1 at rates varying from 3.87% to 5.01% per annum. Principal is payable in annual installments ranging from \$105,000 to \$180,000 through August 1, 2015. However, the payments of both principal and interest are due to the fiscal agent on November 1 and March 1 annually. Therefore, the outstanding balance of the loan will be paid in full to the fiscal agent before June 30, 2015.

The annual debt service requirements at June 30, 2010 were as follows:

For the Years Ending June 30,	Principal	Interest	Total
2011	\$ 150,000	\$ 39,948	\$ 189,948
2012	155,000	32,912	187,912
2013	165,000	25,518	190,518
2014	170,000	17,450	187,450
2015	180,000	9,018	189,018
<b>Total</b>	<b>\$ 820,000</b>	<b>\$ 124,846</b>	<b>\$ 944,846</b>

**City of Pomona**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2010**

**8. LONG-TERM DEBT, Continued**

**A. Governmental Activities Long-Term Debt, Continued**

**Revenue Bonds**

At June 30, 2010, revenue bonds consisted of the following:

	Balance			Balance	Due within	Due in more
	July 1, 2009	Additions	Deletions	June 30, 2010	one year	than one year
1998 Revenue Refunding						
Bonds, Series W	\$ 37,805,000	\$ -	\$ (90,000)	\$ 37,715,000	\$ 350,000	\$ 37,365,000
2001 Revenue Refunding Bonds, Series AD	38,080,000	-	-	38,080,000	-	38,080,000
2003 Revenue Refunding Bonds, Series AH	25,125,000	-	(930,000)	24,195,000	760,000	23,435,000
2005 Subordinate Revenue Bonds, Series AN	6,425,000	-	(380,000)	6,045,000	395,000	5,650,000
2005 Reassessment and						
Refunding Bonds, Series AM	5,226,000	-	(255,000)	4,971,000	276,000	4,695,000
2005 Lease Revenue Bonds, Series AN	19,765,000	-	(55,000)	19,710,000	55,000	19,655,000
2005 Taxable Lease						
Revenue Bonds, Series AP	3,245,000	-	(410,000)	2,835,000	425,000	2,410,000
2005 Taxable Housing Tax						
Revenue Bonds, Series AQ	9,545,000	-	(225,000)	9,320,000	240,000	9,080,000
2006 Lease Revenue Bonds, Series AU	2,485,000	-	(30,000)	2,455,000	30,000	2,425,000
Unamortized Deferred Loss on Refunding	(168,746)	-	7,031	(161,715)	(7,031)	(154,684)
2006 Taxable Lease Revenue Bonds,						
Series AV	10,695,000	-	(100,000)	10,595,000	105,000	10,490,000
2006 Revenue Bonds, Series AS	26,305,000	-	-	26,305,000	-	26,305,000
Unamortized Deferred Loss on Refunding	(2,879,864)	-	159,994	(2,719,870)	(159,994)	(2,559,876)
2006 Taxable Revenue Bonds, Series AT	8,355,000	-	-	8,355,000	-	8,355,000
2007 Revenue Bonds, Series AW	8,375,000	-	-	8,375,000	-	8,375,000
2006 Subordinate Revenue Bonds, Series AX	25,865,000	-	-	25,865,000	-	25,865,000
Unamortized Bond Premiums and Discounts	3,142,980	-	(149,928)	2,993,052	149,928	2,843,124
<b>Total</b>	<b>\$ 227,390,370</b>	<b>\$ -</b>	<b>\$ (2,457,903)</b>	<b>\$ 224,932,467</b>	<b>\$ 2,618,903</b>	<b>\$ 222,313,564</b>

**City of Pomona**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2010**

**8. LONG-TERM DEBT, Continued**

**A. Governmental Activities Long-Term Debt, Continued**

**Revenue Bonds, Continued**

1998 Revenue Refunding Bonds, Series W – Original Issuance \$52,335,000

On March 1, 1998, the Authority issued \$52,335,000 1998 Revenue Refunding Bonds, Series W for the purpose of making an advance to the Agency for refinancing the 1983 Refunding Southwest Pomona RDA Tax Allocation Bonds, refinancing in whole 1994 variable Rate Demand Refunding Revenue Bonds, Series M Bonds, and refinancing a portion of the 1993 Local Agency Revenue Bonds, Series L. The prior bonds, now retired, were issued to finance or refinance certain improvements in the Southwest Pomona Redevelopment Area.

Interest on the bonds is payable semiannually on each August 1 and February 1. The rates of interest range from 3.8% to 5% per annum. Principal is payable in annual installments ranging from \$30,000 to \$4,105,000. Term bonds of \$3,005,000, \$16,690,000 and \$29,285,000 mature on February 1, 2018, February 1, 2024 and February 1, 2030, respectively, and are subject to mandatory redemption from a sinking fund account in amounts ranging from \$545,000 to \$5,495,000, as outlined in the bond's official statement. MBIA has issued a municipal bond insurance policy that insures the payment of the principal and interest on the bonds when due. During 2007, the bonds in the amount of \$13,305,000 were refunded by the 2006 Revenue Bonds, Series AS, 2006 Taxable Revenue Bonds, Series AT, and 2006 Subordinate Revenue Bonds, Series AX.

The annual debt service requirements for the 1998 Revenue Bonds, Refunding Series W outstanding at June 30, 2010, were as follows:

Year Ending June 30,	Principal	Interest	Total
2011	\$ 350,000	\$ 1,884,120	\$ 2,234,120
2012	370,000	1,867,495	2,237,495
2013	385,000	1,849,365	2,234,365
2014	405,000	1,830,500	2,235,500
2015	425,000	1,810,250	2,235,250
2016-2020	2,480,000	8,709,000	11,189,000
2021-2025	14,630,000	6,933,750	21,563,750
2026-2030	18,670,000	2,891,500	21,561,500
<b>Total</b>	<b>\$ 37,715,000</b>	<b>\$ 27,775,980</b>	<b>\$ 65,490,980</b>

**City of Pomona**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2010**

**8. LONG-TERM DEBT, Continued**

**A. Governmental Activities Long-Term Debt, Continued**

**Revenue Bonds, Continued**

2001 Revenue Refunding Bonds, Series AD – Original Issuance \$39,165,000

On April 1, 2001, the Authority issued \$39,165,000 2001 Revenue Bonds, Series AD for the purpose of making an advance to the Agency to refinance certain prior bonds and to make an additional advance to the Agency to provide financing for certain improvements in the merged project area. Tax Allocation Bonds defeased include the 1997 Refunding RDA Series S, 1997 Refunding Series T, 1998 Refunding Series U, 1998 Refunding Subordinate Series V and 1998 Refunding Series Z; 1993 Refunding Series L Revenue Bonds were partially defeased.

Interest on the bonds is payable semiannually on each August 1 and February 1. The rates of interest range from 3.50% to 5.39% per annum. Principal is payable in annual installments ranging from \$95,000 to \$2,470,000. Term bonds of \$10,550,000, \$10,115,000 and \$7,525,000 mature on February 1, 2021, February 1, 2027 and February 1, 2033, respectively, and are subject to mandatory redemption from a sinking fund account in amounts ranging from \$445,000 to \$2,470,000, as outlined in the bond’s official statement.

The annual debt service requirements for the 2001 Revenue Bonds, Series AD outstanding at June 30, 2010, were as follows:

Year Ending June 30,	Principal	Interest	Total
2011	\$ -	\$ 1,888,506	\$ 1,888,506
2012	1,875,000	1,888,506	\$ 3,763,506
2013	1,960,000	1,801,788	3,761,788
2014	1,925,000	1,708,688	3,633,688
2015	2,020,000	1,617,250	3,637,250
2016-2020	11,225,000	6,477,750	17,702,750
2021-2025	7,900,000	4,016,500	11,916,500
2026-2030	8,715,000	1,888,500	10,603,500
2031-2033	2,460,000	212,750	2,672,750
<b>Total</b>	<b>\$ 38,080,000</b>	<b>\$ 21,500,238</b>	<b>\$ 59,580,238</b>



**City of Pomona**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2010**

**8. LONG-TERM DEBT, Continued**

**A. Governmental Activities Long-Term Debt, Continued**

**Revenue Bonds, Continued**

2003 Revenue Refunding Bonds, Series AH – Original Issuance \$46,650,000

On November 1, 2003, the Authority issued \$46,650,000 2003 Revenue Bonds, Series AH, to provide funds for a loan to the Agency for certain improvements and to refinance certain Agency obligations to the Authority, including defeasance of 1993 Series L.

Interest on the bonds is payable semiannually on each August 1 and February 1. The rates of interest range from 3.70% to 5.25% per annum. Principal is payable in annual installments ranging from \$370,000 to \$4,870,000. Term bonds of \$2,410,000 and \$10,145,000 mature on February 28, 2028 and 2034, respectively.

During 2007, the bonds in the amount of \$17,110,000 were refunded by the 2006 Revenue Bonds, Series AS, 2006 Taxable Revenue Bonds, Series AT, and 2006 Subordinate Revenue Bonds, Series AX.

The annual debt service requirements for the 2003 Revenue Bonds, Series AH outstanding at June 30, 2010, were as follows:

Year Ending June 30,	Principal	Interest	Total
2011	\$ 760,000	\$ 1,136,890	\$ 1,896,890
2012	1,115,000	1,098,890	2,213,890
2013	1,175,000	1,043,140	2,218,140
2014	1,275,000	999,666	2,274,666
2015	1,325,000	951,852	2,276,852
2016-2020	7,685,000	3,862,520	11,547,520
2021-2025	2,000,000	2,481,128	4,481,128
2026-2030	2,560,000	1,946,430	4,506,430
2031-2034	6,300,000	444,264	6,744,264
<b>Total</b>	<b>\$ 24,195,000</b>	<b>\$ 13,964,780</b>	<b>\$ 38,159,780</b>

**City of Pomona**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2010**

---

**8. LONG-TERM DEBT, Continued**

**A. Governmental Activities Long-Term Debt, Continued**

**Revenue Bonds, Continued**

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

On February 1, 2005, the Authority issued \$11,370,000 2005 Subordinate Revenue Bonds, Series AL to purchase 2005 Reassessment and Refunding Revenue Bonds, Series AM, to finance certain capital improvements in the City and to fund a reserve account for the Bonds.

Interest on the bonds is payable semiannually on each September 2 and March 2, commencing September 2, 2005. The rates of interest range from 2.50% to 5.10% per annum. Principal on the subordinate revenue bonds is payable in annual installments ranging from \$275,000 to \$955,000.

During 2008, the bonds in the amount of \$1,975,000 were called.

The annual debt service requirements for the 2005 Subordinate Revenue Bonds, Series AL outstanding at June 30, 2010, were as follows:

Year Ending June 30,	Principal	Interest	Total
2011	\$ 395,000	\$ 274,593	\$ 669,593
2012	410,000	258,683	668,683
2013	420,000	241,248	661,248
2014	445,000	222,428	667,428
2015	460,000	202,288	662,288
2016-2020	2,655,000	655,410	3,310,410
2021-2022	1,260,000	64,719	1,324,719
<b>Total</b>	<u>\$ 6,045,000</u>	<u>\$ 1,919,369</u>	<u>\$ 7,964,369</u>

**City of Pomona**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2010**

---

**8. LONG-TERM DEBT, Continued**

**A. Governmental Activities Long-Term Debt, Continued**

**Revenue Bonds, Continued**

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

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

During 2008, the bonds in the amount of \$1,920,000 were called.

The annual debt service requirements for the 2005 Reassessment and Refunding Revenue Bonds, Series AM outstanding at June 30, 2010, were as follows:

Year Ending June 30,	Principal	Interest	Total
2011	\$ 276,000	\$ 348,943	\$ 624,943
2012	296,000	328,294	624,294
2013	312,000	306,345	618,345
2014	337,000	282,916	619,916
2015	361,000	257,718	618,718
2016-2020	2,248,000	841,275	3,089,275
2021-2022	1,141,000	83,932	1,224,932
<b>Total</b>	<b>\$ 4,971,000</b>	<b>\$ 2,449,423</b>	<b>\$ 7,420,423</b>

**City of Pomona**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2010**

**8. LONG-TERM DEBT, Continued**

**A. Governmental Activities Long-Term Debt, Continued**

**Revenue Bonds, Continued**

2005 Lease Revenue Bonds, Series AN – Original Issuance \$19,910,000

On May 1, 2005, the Authority issued \$19,910,000 2005 Lease Revenue Bonds, Series AN, to refinance certain obligations of the City in connection with the Authority's 1995 Lease Revenue Bonds, Series P (now retired) and finance certain public improvements of the City.

Interest on the bonds is payable semiannually on each October 1 and April 1. The rates of interest range from 3.00% to 4.375% per annum. Principal is payable in annual installments ranging from \$45,000 to \$1,460,000. 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 requirements for the 2005 Lease Revenue Bonds, Series AN outstanding at June 30, 2010, were as follows:

Year Ending June 30,	Principal	Interest	Total
2011	\$ 55,000	\$ 916,713	\$ 971,713
2012	55,000	915,008	970,008
2013	60,000	913,138	973,138
2014	55,000	911,213	966,213
2015	65,000	909,140	974,140
2016-2020	2,715,000	4,327,754	7,042,754
2021-2025	3,980,000	3,613,850	7,593,850
2026-2030	4,950,000	2,583,438	7,533,438
2031-2035	6,315,000	1,185,625	7,500,625
2036	1,460,000	36,500	1,496,500
<b>Total</b>	<u>\$ 19,710,000</u>	<u>\$ 16,312,379</u>	<u>\$ 36,022,379</u>

**City of Pomona**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2010**

---

**8. LONG-TERM DEBT, Continued**

**A. Governmental Activities Long-Term Debt, Continued**

**Revenue Bonds, Continued**

2005 Taxable Lease Revenue Bonds, Series AP – Original Issuance \$4,385,000

On May 1, 2005, the Authority issued \$4,385,000 2005 Taxable Lease Revenue Bonds, Series AP, to refinance certain obligations of the City in connection with the Authority’s 1995 Lease Revenue Bonds, Series P (now retired) and finance certain public improvements of the City.

Interest on the bonds is payable semiannually on each October 1 and April 1. The rates of interest range from 4.120% to 4.300% per annum. Principal is payable in annual installments ranging from \$370,000 to \$525,000. 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 requirements for the 2005 Taxable Lease Revenue Bonds, Series AP outstanding at June 30, 2010, were as follows:

Year Ending June 30,	Principal	Interest	Total
2011	\$ 425,000	\$ 125,531	\$ 550,531
2012	440,000	105,306	545,306
2013	460,000	83,931	543,931
2014	485,000	61,487	546,487
2015	500,000	37,781	537,781
2016	525,000	12,797	537,797
<b>Total</b>	<b>\$ 2,835,000</b>	<b>\$ 426,833</b>	<b>\$ 3,261,833</b>

**City of Pomona**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2010**

**8. LONG-TERM DEBT, Continued**

*A. Governmental Activities Long-Term Debt, Continued*

**Revenue Bonds, Continued**

2005 Taxable Housing Tax Revenue Bonds, Series AQ – Original Issuance \$10,065,000

On December 1, 2005, the Authority issued \$10,065,000 2005 Taxable Housing Tax Revenue Bonds, Series AQ, to provide funds to make a loan to the Agency for the purpose of financing redevelopment activities with respect to the Merged Redevelopment Project Area.

Interest on the bonds is payable semiannually on each August 1 and February 1. The rates of interest range from 5.23% to 6.25% per annum. Principal is payable in annual installments ranging from \$100,000 to \$750,000. The bonds are secured by the Housing Tax Revenues to be derived from the Merged Redevelopment Project Area.

The annual debt service requirements for the 2005 Taxable Housing Tax Revenue Bonds, Series AQ outstanding at June 30, 2010, were as follows:

Year Ending June 30,	Principal	Interest	Total
2011	\$ 240,000	\$ 557,384	\$ 797,384
2012	250,000	544,832	794,832
2013	265,000	531,758	796,758
2014	280,000	517,898	797,898
2015	295,000	503,254	798,254
2016-2020	1,735,000	2,247,402	3,982,402
2021-2025	2,340,000	1,637,436	3,977,436
2026-2030	3,165,000	818,600	3,983,600
2031	750,000	45,000	795,000
<b>Total</b>	<u>\$ 9,320,000</u>	<u>\$ 7,403,564</u>	<u>\$ 16,723,564</u>

**City of Pomona**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2010**

**8. LONG-TERM DEBT, Continued**

**A. Governmental Activities Long-Term Debt, Continued**

**Revenue Bonds, Continued**

2006 Lease Revenue Bonds, Series AU – Original Issuance \$2,540,000

On December 6, 2006, the Authority issued \$2,540,000 2006 Lease Revenue Bonds, Series AU, to refinance certain obligations of the City in connection with the City's Certificates of Participation, 2002 Series AE (Mission Promenade Project) and finance certain public improvements of the City.

Interest on the bonds is payable semiannually on each June 1 and December 1. The rates of interest range from 3.250% to 4.375% per annum. Principal is payable in annual installments ranging from \$25,000 to \$310,000. 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 requirements for the 2006 Lease Revenue Bonds, Series AU outstanding at June 30, 2010, were as follows:

Year Ending June 30,	Principal	Interest	Total
2011	\$ 30,000	\$ 103,182	\$ 133,182
2012	30,000	102,206	132,206
2013	25,000	101,194	126,194
2014	30,000	100,350	130,350
2015	30,000	99,330	129,330
2016-2020	170,000	479,342	649,342
2021-2025	215,000	443,084	658,084
2026-2030	255,000	395,896	650,896
2031-2035	385,000	332,168	717,168
2036-2040	495,000	239,420	734,420
2041-2045	790,000	120,970	910,970
<b>Total</b>	<b>\$ 2,455,000</b>	<b>\$ 2,517,142</b>	<b>\$ 4,972,142</b>

The advance refunding resulted in a difference between the reacquisition price (Series AU & AV) and the net carrying amount of the bonds (Series AE) of \$189,839. This difference is considered to be a deferred loss on refunding. The deferred loss on refunding, reported in the basic financial statements as a deduction from long-term debt, is amortized on a straight-line method over 27 years. The following is a summary of unamortized deferred loss on refunding outstanding at June 30, 2010:

Balance July 1, 2009	Additions	Deletions	Balance June 30, 2010
\$ (168,746)	\$ -	\$ 7,031	\$ (161,715)

Amortization expense was \$7,031 for June 30, 2010.

**City of Pomona**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2010**

**8. LONG-TERM DEBT, Continued**

**A. Governmental Activities Long-Term Debt, Continued**

**Revenue Bonds, Continued**

2006 Taxable Lease Revenue Bonds, Series AV – Original Issuance \$10,790,000

On December 6, 2006, the Authority issued \$10,790,000 2006 Taxable Lease Revenue Bonds, Series AV, to refinance certain obligations of the City in connection with the City’s Certificates of Participation, 2002 Series AE (Mission Promenade Project) and finance certain public improvements of the City.

Interest on the bonds is payable semiannually on each June 1 and December 1. The rates of interest range from 5.00% to 5.70% per annum. Principal is payable in annual installments ranging from \$95,000 to \$665,000. 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 requirements for the 2006 Taxable Lease Revenue Bonds, Series AV outstanding at June 30, 2010, were as follows:

Year Ending June 30,	Principal	Interest	Total
2011	\$ 105,000	\$ 594,420	\$ 699,420
2012	110,000	589,170	699,170
2013	120,000	583,670	703,670
2014	125,000	577,670	702,670
2015	130,000	571,420	701,420
2016-2020	760,000	2,750,090	3,510,090
2021-2025	990,000	2,515,760	3,505,760
2026-2030	1,305,000	2,204,680	3,509,680
2031-2035	1,710,000	1,795,400	3,505,400
2036-2040	2,260,000	1,250,012	3,510,012
2041-2045	2,980,000	528,962	3,508,962
<b>Total</b>	<u>\$ 10,595,000</u>	<u>\$ 13,961,254</u>	<u>\$ 24,556,254</u>



**City of Pomona**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2010**

**8. LONG-TERM DEBT, Continued**

**A. Governmental Activities Long-Term Debt, Continued**

**Revenue Bonds, Continued**

2006 Revenue Bonds, Series AS – Original Issuance \$26,305,000

On December 18, 2006, the Authority issued \$26,305,000 2006 Revenue Bonds, Series AS, to make a loan to the Agency for the purpose of refinancing a portion of the Authority's 1998 Refunding Revenue Bonds, Series W, 2003 Revenue Bonds, Series AH, and 2003 Subordinate Revenue Bonds, Series AI (now retired).

Interest on the bonds is payable semiannually on each August 1 and February 1. The rates of interest range from 3.50% to 5.00% per annum. Principal is payable in annual installments ranging from \$65,000 to \$5,400,000. The bonds are secured by certain revenues on the Series AS Loan pursuant to a Loan Agreement, dated as of December 1, 2006 between the Authority and the Agency. The loan payments are limited obligations of the Agency payable solely from and secured by the pledged tax revenues to be derived from the Agency's project area remaining after payment of the Senior Obligations.

The annual debt service requirements for the 2006 Revenue Bonds, Series AS outstanding at June 30, 2010, were as follows:

Year Ending June 30,	Principal	Interest	Total
2011	\$ -	\$ 1,262,608	\$ 1,262,608
2012	115,000	1,262,608	1,377,608
2013	145,000	1,258,584	1,403,584
2014	90,000	1,253,508	1,343,508
2015	80,000	1,250,358	1,330,358
2016-2020	640,000	6,205,360	6,845,360
2021-2025	1,640,000	5,959,156	7,599,156
2026-2030	4,840,000	5,482,626	10,322,626
2031-2035	13,220,000	2,962,250	16,182,250
2036-2040	4,895,000	821,752	5,716,752
2041	640,000	28,800	668,800
<b>Total</b>	<u>\$ 26,305,000</u>	<u>\$ 27,747,610</u>	<u>\$ 54,052,610</u>

The advance refunding resulted in a difference between the reacquisition price (Series AS, AT & AX) and the net carrying amount of the bonds (Series W, AH, AI, X & Y) of \$3,359,840. This difference is considered to be a deferred loss on refunding. The deferred loss on refunding, reported in the basic financial statements as a deduction from long-term debt, is amortized on a straight-line method over 21 years. The following is a summary of unamortized deferred loss on refunding outstanding at June 30, 2010:

Balance July 1, 2009	Additions	Deletions	Balance June 30, 2010
\$ (2,879,864)	\$ -	\$ 159,994	\$ (2,719,870)

Amortization expense was \$159,994 for June 30, 2010.

**City of Pomona**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2010**

**8. LONG-TERM DEBT, Continued**

**A. Governmental Activities Long-Term Debt, Continued**

**Revenue Bonds, Continued**

2006 Taxable Revenue Bonds, Series AT – Original Issuance \$8,355,000

On December 18, 2006, the Authority issued \$8,355,000 2006 Taxable Revenue Bonds, Series AT, to make a loan to the Agency for the purpose of refinancing a portion of the Authority’s 1998 Refunding Revenue Bonds, Series W, 2003 Revenue Bonds, Series AH, 1998 Tax Allocation Refunding Bonds, Series X (now retired), and 1998 Tax Allocation Refunding Bonds, Series Y (now retired).

Interest on the bonds is payable semiannually on each August 1 and February 1. The rates of interest range from 5.289% to 5.718% per annum. Principal is payable in annual installments ranging from \$340,000 to \$760,000. The bonds are secured by certain revenues on the Series AT Loan pursuant to a Loan Agreement, dated as of December 1, 2006 between the Authority and the Agency. The loan payments are limited obligations of the Agency payable solely from and secured by the pledged tax revenues to be derived from the Agency’s project area remaining after payment of the Senior Obligations.

The annual debt service requirements for the 2006 Taxable Revenue Bonds, Series AT outstanding at June 30, 2010, were as follows:

Year Ending June 30,	Principal	Interest	Total
2011	\$ -	\$ 467,700	\$ 467,700
2012	340,000	467,700	807,700
2013	360,000	449,718	809,718
2014	380,000	430,678	810,678
2015	400,000	410,580	810,580
2016-2020	2,335,000	1,707,252	4,042,252
2021-2025	3,060,000	967,200	4,027,200
2026-2027	1,480,000	128,082	1,608,082
<b>Total</b>	<b>\$ 8,355,000</b>	<b>\$ 5,028,910</b>	<b>\$ 13,383,910</b>

The calculation of deferred loss on refunding of the Series W, AH, AI, X & Y bonds for the 2006 Taxable Revenue Bonds, Series AT was combined with the 2006 Revenue Bonds, Series AS and 2006 Subordinate Revenue Bonds, Series AX. See the 2006 Revenue Bonds, Series AS for more detail.

The Calculation of net present value of economic gain (loss) of the 2006 Taxable Revenue Bonds, Series AT was combined with the 2006 Revenue Bonds, Series AS and 2006 Subordinate Revenue Bonds, Series AX. See the 2006 Revenue Bonds, Series AS for the calculation.

**City of Pomona**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2010**

**8. LONG-TERM DEBT, Continued**

**A. Governmental Activities Long-Term Debt, Continued**

**Revenue Bonds, Continued**

2007 Subordinate Revenue Bonds, Series AW – Original Issuance \$8,375,000

On July 1, 2007, the Authority issued \$8,375,000 in 2007 Subordinate Revenue Bonds, Series AW, to provide funds for a loan to the Agency for certain improvements, funding a reserve account for the Bonds and paying costs of issuing the Bonds.

Interest on the Bonds is payable semiannually on each February 1 and August 1. The rates of interest range from 4.25% to 5.125% per annum. Principal on \$1,348,000 of the subordinate bonds is payable in annual installments ranging from \$230,000 to \$285,000. Term bonds of \$625,000, \$1,910,000 and \$4,285,000 mature on February 1, 2019, February 1, 2024, and February 1, 2033, respectively.

The annual debt service requirements for the 2007 Subordinate Revenue Bonds, Series AW outstanding at June 30, 2010, were as follows:

Year Ending June 30,	Principal	Interest	Total
2011	\$ -	\$ 412,990	\$ 412,990
2012	250,000	412,990	662,990
2013	230,000	402,366	632,366
2014	255,000	392,590	647,590
2015	260,000	381,434	641,434
2016-2020	1,520,000	1,717,818	3,237,818
2021-2025	1,940,000	1,302,780	3,242,780
2026-2030	2,415,000	769,264	3,184,264
2031-2033	1,505,000	141,964	1,646,964
<b>Total</b>	<b>\$ 8,375,000</b>	<b>\$ 5,934,196</b>	<b>\$ 14,309,196</b>

**City of Pomona**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2010**

**8. LONG-TERM DEBT, Continued**

**A. Governmental Activities Long-Term Debt, Continued**

**Revenue Bonds, Continued**

2006 Subordinate Revenue Bonds, Series AX – Original Issuance \$25,865,000

On December 18, 2006, the Authority issued \$25,865,000 2006 Subordinate Revenue Bonds, Series AX, to make a loan to the Agency for the purpose of refinancing a portion of the Authority’s 1998 Refunding Revenue Bonds, Series W, 2003 Revenue Bonds, Series AH, and 2003 Subordinate Revenue Bonds, Series AI, and financing certain improvements in the Agency’s Merged Redevelopment Project.

Interest on the bonds is payable semiannually on each August 1 and February 1. The rates of interest range from 4.00% to 5.00% per annum. Principal is payable in annual installments ranging from \$145,000 to \$1,515,000. The bonds are secured by certain revenues on the Series AX Loan pursuant to a Loan Agreement, dated as of December 1, 2006 between the Authority and the Agency. The loan payments are limited obligations of the Agency payable solely from and secured by the Subordinate Tax Revenues to be derived from the Agency’s project area remaining after payment of the Senior/Subordinate Obligations.

The annual debt service requirements for the 2006 Subordinate Revenue Bonds, Series AX outstanding at June 30, 2010, were as follows:

Year Ending June 30,	Principal	Interest	Total
2011	\$ -	\$ 1,217,340	\$ 1,217,340
2012	800,000	1,217,340	2,017,340
2013	840,000	1,185,340	2,025,340
2014	840,000	1,151,740	1,991,740
2015	875,000	1,118,140	1,993,140
2016-2020	4,700,000	5,017,538	9,717,538
2021-2025	5,380,000	3,913,880	9,293,880
2026-2030	6,645,000	2,474,000	9,119,000
2031-2035	4,540,000	811,750	5,351,750
2036-2040	1,100,000	204,000	1,304,000
2041	145,000	7,250	152,250
<b>Total</b>	<b>\$ 25,865,000</b>	<b>\$ 18,318,318</b>	<b>\$ 44,183,318</b>

The calculation of deferred loss on refunding of the Series W, AH, AI, X & Y bonds for the 2006 Subordinate Revenue Bonds, Series AX was combined with the 2006 Revenue Bonds, Series AS and 2006 Taxable Revenue Bonds, Series AT. See the 2006 Revenue Bonds, Series AS for more detail.

The calculation of net present value of economic gain (loss) of the 2006 Subordinate Revenue Bonds, Series AX was combined with the 2006 Revenue Bonds, Series AS and 2006 Taxable Revenue Bonds, Series AT. See the 2006 Revenue Bonds, Series AS for the calculation.

**City of Pomona**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2010**

**8. LONG-TERM DEBT, Continued**

**A. Governmental Activities Long-Term Debt, Continued**

**Revenue Bonds, Continued**

Unamortized Bond Premiums and Discounts

The following is a summary of the unamortized premiums and discounts outstanding at June 30, 2010:

Balance July 1, 2009	Additions	Deletions	Balance June 30, 2010
\$ 3,142,980	\$ -	\$ (149,928)	\$ 2,993,052

Amortization expense was \$149,928 for June 30, 2010.

**Tax Allocation Bonds**

	Balance July 1, 2009	Additions	Deletions	Balance June 30, 2010	Due within one year	Due in more than one year
1998 Tax Allocation Bonds						
Series X	\$ 2,440,000	\$ -	\$ (55,000)	\$ 2,385,000	\$ 55,000	\$ 2,330,000
1998 Tax Allocation Bonds						
Series Y	7,205,000	-	(35,000)	7,170,000	40,000	7,130,000
<b>Total</b>	<b>\$ 9,645,000</b>	<b>\$ -</b>	<b>\$ (90,000)</b>	<b>\$ 9,555,000</b>	<b>\$ 95,000</b>	<b>\$ 9,460,000</b>

**City of Pomona**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2010**

---

**8. LONG-TERM DEBT, Continued**

**A. Governmental Activities Long-Term Debt, Continued**

**Tax Allocation Bonds, Continued**

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

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

Interest is payable semiannually on June 1 and December 1 at rates varying from 3.0% to 5.1% per annum. \$3,595,000 of bond principal is payable in annual installments ranging from \$95,000 to \$300,000 through December 1, 2013. Term bonds of \$1,000,000 and \$460,000 mature on December 1, 2016 and December 1, 2024, respectively, and are subject to mandatory redemption from a sinking fund account in amounts ranging from \$45,000 to \$350,000, as outlined in the bonds' official statement. A municipal bond insurance policy has been issued that insures the payment of the principal and interest on the bonds when due. The outstanding balance of the bonds at June 30, 2010, was \$2,385,000.

The annual debt service requirements outstanding at June 30, 2010 were as follows:

Year Ending June 30,	Principal	Interest	Total
2011	\$ 55,000	\$ 123,460	\$ 178,460
2012	280,000	115,140	395,140
2013	290,000	100,890	390,890
2014	300,000	85,990	385,990
2015	315,000	69,914	384,914
2016-2020	830,000	149,775	979,775
2021-2025	315,000	44,415	359,415
<b>Total</b>	<u>\$ 2,385,000</u>	<u>\$ 689,584</u>	<u>\$ 3,074,584</u>

**City of Pomona**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2010**

**8. LONG-TERM DEBT, Continued**

**A. Governmental Activities Long-Term Debt, Continued**

**Tax Allocation Bonds, Continued**

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

On October 1, 1998, the Agency issued \$8,980,000 1998 Tax Allocation Refunding Bonds, Series Y, for the West Holt Avenue Redevelopment Project to refund \$7,130,000 of the loan between the Agency and Authority related to the 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, 2022, and May 1, 2032, respectively, and are subject to mandatory redemption from a sinking fund account in amounts ranging from \$190,000 to \$550,000 as outlined in the bonds' official statements. Bonds maturing on May 1, 2009 through May 1, 2011 are subject to redemption prior to maturity, as a whole or in part, at the option of the Agency on any date on or after May 1, 2008 at redemption prices ranging from 100% to 101% of principal. A municipal bond insurance policy has been issued that insures the payment of the principal and interest on the bonds when due.

The annual debt service requirements outstanding at June 30, 2010 were as follows:

Year Ending June 30,	Principal	Interest	Total
2011	\$ 40,000	\$ 392,970	\$ 432,970
2012	190,000	390,970	580,970
2013	200,000	380,520	580,520
2014	210,000	369,520	579,520
2015	220,000	358,076	578,076
2016-2020	1,305,000	1,595,814	2,900,814
2021-2025	1,705,000	1,198,802	2,903,802
2026-2030	2,230,000	675,402	2,905,402
2031-2032	1,070,000	89,100	1,159,100
<b>Total</b>	<b>\$ 7,170,000</b>	<b>\$ 5,451,174</b>	<b>\$ 12,621,174</b>

**City of Pomona**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2010**

**8. LONG-TERM DEBT, Continued**

**A. Governmental Activities Long-Term Debt, Continued**

**Pension Obligation Refunding Bonds**

	Balance July 1, 2009	Additions	Deletions	Balance June 30, 2010	Due within one year	Due in more than one year
2006 POB, Series AR	\$ 42,280,684	\$ -	\$ (71,302)	\$ 42,209,382	\$ 131,320	\$ 42,078,062

The City is a member of the California Public Employees' Retirement System (PERS), 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 with PERS (see Note 10 for more information on the PERS pension plan). In 2006, the City issued \$42,280,684 in Pension Obligation Refunding Bonds, Series AR to refinance the City's outstanding Pension Obligation Refunding Bonds, Series 2004 AJ and Series 2004 AK. The refunding achieved net present value savings of \$868,932, or 2.3% of refunded par.

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

On February 1, 2006, the City issued \$42,280,684 Pension Obligations Refunding Bonds, Series 2006 AR (Bonds) to refinance the City's outstanding Pension Obligation Refunding Bonds, Series 2004 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 Bonds were issued as current interest bonds in the principal amount of \$36,205,000 and as capital appreciation bonds in the original issuance amount of \$6,075,684.

Interest on the current interest bonds is payable semiannually on each January 1 and July 1. The rates of interest vary and range from 5.24% to 5.832% per annum. Principal is payable in annual installments ranging from \$71,302 to \$5,140,000. The capital appreciation bonds are payable only at maturity and will not bear interest on a current basis. The accreted value of each capital appreciation bond is equal to its accreted value upon the maturity thereof, being comprised of its initial purchase price and the accreted interest between the delivery date and its respective maturity date. The obligation of the City to make payments with respect to the Bonds is an absolute and unconditional obligation of the City imposed upon the City by the Retirement Law and is not limited to any special source of funds. The City's obligation for the Bonds is any money available in the City's General Fund. The Bonds are not secured or limited as to payment by any special source of funds of the City. The current interest bonds are subject to redemption prior to maturity. The capital appreciation bonds are not subject to redemption prior to maturity.



**City of Pomona**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2010**

**8. LONG-TERM DEBT, Continued**

**A. Governmental Activities Long-Term Debt, Continued**

**Pension Obligation Refunding Bonds, Continued**

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

The annual debt service requirements outstanding at June 30, 2010 were as follows:

Year Ending June 30,	Principal	Interest	Accreted Interest	Total
2011	\$ 131,320	\$ 2,099,240	\$ 33,680	\$ 2,264,240
2012	188,803	2,099,240	61,198	2,349,241
2013	243,151	2,099,240	96,849	2,439,240
2014	290,551	2,099,240	139,449	2,529,240
2015	331,328	2,099,240	188,672	2,619,240
2016-2020	3,086,627	10,319,630	1,143,374	14,549,631
2021-2025	5,371,641	9,521,325	2,413,360	17,306,326
2026-2030	7,960,961	8,116,181	4,464,130	20,541,272
2031-2035	19,465,000	4,559,604	-	24,024,604
2036	5,140,000	149,882	-	5,289,882
<b>Total</b>	<b>\$ 42,209,382</b>	<b>\$ 43,162,820</b>	<b>\$ 8,540,712</b>	<b>\$ 93,912,914</b>

**Certificates of Participation**

	Balance July 1, 2009	Additions	Deletions	Balance June 30, 2010	Due within one year	Due in more than one year
2003 Certificates of Participation						
Series AG	\$ 12,500,000	\$ -	\$ (260,000)	\$ 12,240,000	\$ 270,000	\$ 11,970,000
Unamortized Bond Premium	734,923	-	(30,622)	704,301	-	704,301
<b>Total</b>	<b>\$ 13,234,923</b>	<b>\$ -</b>	<b>\$ (290,622)</b>	<b>\$ 12,944,301</b>	<b>\$ 270,000</b>	<b>\$ 12,674,301</b>

**City of Pomona**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2010**

**8. LONG-TERM DEBT, Continued**

**A. Governmental Activities Long-Term Debt, Continued**

**Certificates of Participation, Continued**

2003 Certificates of Participation, Series AG – Original Issuance \$13,985,000

On July 1, 2003, the Authority issued \$13,985,000 City of Pomona Certificates of Participation, 2003 Series AG, to provide funds to the City to finance certain public improvements, including street improvements throughout the City. Principal payments are made once a year on June 1. The bonds are set to mature on June 1, 2034. The Authority realized an original premium of approximately \$918,655 and incurred cost of issuance of approximately \$725,000.

The annual debt service requirements outstanding at June 30, 2010 were as follows:

Year Ending June 30,	Principal	Interest	Total
2011	\$ 270,000	\$ 657,620	\$ 927,620
2012	280,000	648,170	928,170
2013	290,000	638,020	928,020
2014	300,000	627,000	927,000
2015	315,000	610,500	925,500
2016-2020	1,875,000	2,770,628	4,645,628
2021-2025	2,450,000	2,195,326	4,645,326
2026-2030	3,205,000	1,442,652	4,647,652
2031-2034	3,255,000	459,528	3,714,528
<b>Total</b>	<b>\$ 12,240,000</b>	<b>\$ 10,049,444</b>	<b>\$ 22,289,444</b>

The following is a summary of the 2003 Certificate of Participation, Series AG unamortized premium outstanding at June 30, 2010:

Balance July 1, 2009	Additions	Deletions	Balance June 30, 2010
\$ 734,923	\$ -	\$ (30,622)	\$ 704,301

**Compensated Absences**

The following is a summary of compensated absences outstanding as of June 30, 2010:

Balance July 1, 2009	Additions	Deletions	Balance June 30, 2010	Due within one year	Due in more than one year
\$ 8,128,449	\$ 7,369,848	\$ (7,893,312)	\$ 7,604,985	\$ 4,500,000	\$ 3,104,985

**City of Pomona**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2010**

**8. LONG-TERM DEBT, Continued**

**A. Governmental Activities Long-Term Debt, Continued**

**Claims Payable**

The following is a summary of the claims payable outstanding as of June 30, 2010:

Balance July 1, 2009	Additions	Deletions	Balance June 30, 2010	Due within one year	Due in more than one year
\$ 13,104,158	\$ 7,793,148	\$ (3,717,459)	\$ 17,179,847	\$ 4,200,000	\$ 12,979,847

**Other Post Employment Benefit Obligations**

The following is a summary of other post employment benefit obligations outstanding as of June 30, 2010:

Balance July 1, 2009	Additions	Deletions	Balance June 30, 2010
\$ 6,086,450	\$ 5,217,000	\$ (2,727,826)	\$ 8,575,624

**B. Business-Type Activities Long-Term Debt**

**Obligations under Capital Leases**

	Balance July 1, 2009	Additions	Deletions	Balance June 30, 2010	Due within one year	Due in more than one year
SunTrust #1	\$ 1,162,506	\$ -	\$ (317,765)	\$ 844,741	\$ 329,067	\$ 515,674
SunTrust #7	123,855	-	(123,855)	-	-	-
<b>Total</b>	<b>\$ 1,286,361</b>	<b>\$ -</b>	<b>\$ (441,620)</b>	<b>\$ 844,741</b>	<b>\$ 329,067</b>	<b>\$ 515,674</b>

The annual debt service requirements outstanding at June 30, 2010 were as follows:

Year Ending June 30,	Principal	Interest	Total
2011	\$ 329,067	\$ 26,909	\$ 355,976
2012	340,770	15,203	355,973
2013	174,904	3,083	177,987
<b>Total</b>	<b>\$ 844,741</b>	<b>\$ 45,195</b>	<b>\$ 889,936</b>

**City of Pomona**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2010**

**8. LONG-TERM DEBT, Continued**

**B. Business-Type Activities Long-Term Debt, Continued**

**Revenue Bonds**

	Balance July 1, 2009	Additions	Deletions	Balance June 30, 2010	Due within one year	Due in more than one year
2002 Sewer Refunding Revenue Bonds						
Series AF	\$ 13,755,000	\$ -	\$ (185,000)	\$ 13,570,000	\$ 190,000	\$ 13,380,000
2007 Revenue Bonds, Series AY	99,370,000	-	-	99,370,000	885,000	98,485,000
Unamortized Bond Premium	5,579,338	-	(148,782)	5,430,556	148,782	5,281,774
Unamortized Deferred Loss on Refunding	(1,573,811)	-	78,690	(1,495,121)	(78,690)	(1,416,431)
2007 Taxable Revenue Refunding						
Bonds, Series AZ	6,930,000	-	(200,000)	6,730,000	210,000	6,520,000
2007 Revenue Bonds, Series BA	15,575,000	-	(110,000)	15,465,000	135,000	15,330,000
<b>Total</b>	<b>\$ 139,635,527</b>	<b>\$ -</b>	<b>\$ (565,092)</b>	<b>\$ 139,070,435</b>	<b>\$ 1,490,092</b>	<b>\$ 137,580,343</b>

2002 Sewer Refunding Revenue Bonds, Series AF – Original Issuance \$15,205,000

On October 1, 2002, the Authority issued \$15,205,000 2002 Sewer Refunding Revenue Bonds, Series AF, for the purpose of making an advance to the City’s Sewer Fund for refunding the 1996 Revenue Bonds, Series Q, as well as provide funds to refinance certain sewer obligations of the City of Pomona and to finance certain improvements to the City’s sewer enterprise project.

Interest is payable on June 1 and December 1 of each year. Interest rates range from 2.0% to 4.2% on serial bonds of \$3,900,000. Principal is payable in annual installments ranging from \$165,000 to \$790,000 through December 2043. Term bonds of \$1,210,000, \$1,075,000, \$2,620,000, \$2,815,000 and \$3,585,000 mature on December 1, 2023, 2026, 2032, 2037, and December 1, 2042, respectively.

This advance refunding has increased the aggregate debt service payments that were required for the Refunded Bonds by approximately \$1,588,000 and provided an economic loss (difference between the present value of the new and old debt service payments) of approximately \$1,500,000.

The annual debt service requirements outstanding at June 30, 2010 were as follows:

Year Ending June 30,	Principal	Interest	Total
2011	\$ 190,000	\$ 620,972	\$ 810,972
2012	200,000	614,997	814,997
2013	205,000	608,541	813,541
2014	210,000	601,640	811,640
2015	220,000	594,110	814,110
2016-2020	1,240,000	2,834,582	4,074,582
2021-2025	1,550,000	2,536,003	4,086,003
2026-2030	1,960,000	2,141,802	4,101,802
2031-2035	2,440,000	1,644,339	4,084,339
2036-2040	3,100,000	966,250	4,066,250
2041-2043	2,255,000	172,875	2,427,875
<b>Total</b>	<b>\$ 13,570,000</b>	<b>\$ 13,336,111</b>	<b>\$ 26,906,111</b>

**City of Pomona**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2010**

**8. LONG-TERM DEBT, Continued**

**B. Business-type Activities Long-Term Debt, Continued**

**Revenue Bonds, Continued**

2007 Revenue Bonds, Series AY – Original Issuance \$99,370,000

On January 1, 2007, the Authority issued \$99,370,000 2007 Revenue Bonds, Series AY, to provide funds to partially refund the Authority's 1999 Refunding Revenue Bonds, Series AA and 1999 Revenue Bonds, Series AC, and to finance the acquisition and construction of certain improvements to the Water Enterprise of the City.

Interest on the bonds is payable semiannually on each November 1 and May 1. The rates of interest range from 4.00% to 5.00% per annum. Principal is payable in annual installments ranging from \$885,000 to \$6,040,000. The bonds are secured by an Installment Sale Agreement, dated as of January 1, 2007 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, if any, of any additional obligations as provided for in the Installment Sale Agreement, in the Utility Fund of the City in trust under the Installment Sale Agreement.

The annual debt service requirements outstanding at June 30, 2010 were as follows:

Year Ending June 30,	Principal	Interest	Total
2011	\$ 885,000	\$ 4,870,800	\$ 5,755,800
2012	920,000	4,835,400	5,755,400
2013	955,000	4,798,600	5,753,600
2014	995,000	4,760,400	5,755,400
2015	1,035,000	4,720,600	5,755,600
2016-2020	5,895,000	22,878,500	28,773,500
2021-2025	7,315,000	21,460,400	28,775,400
2026-2030	9,900,000	19,456,500	29,356,500
2031-2035	15,290,000	16,413,500	31,703,500
2036-2040	19,500,000	12,190,000	31,690,000
2041-2045	24,890,000	6,802,250	31,692,250
2046-2047	11,790,000	891,500	12,681,500
<b>Total</b>	<b>\$ 99,370,000</b>	<b>\$ 124,078,450</b>	<b>\$ 223,448,450</b>

The following is a summary of the 2007 Revenue Bonds, Series AY unamortized premium outstanding at June 30, 2010:

Balance July 1, 2009	Additions	Deletions	Balance June 30, 2010
\$ 5,579,338	\$ -	\$ (148,782)	\$ 5,430,556

Amortization expense was \$148,782 for June 30, 2010.

**City of Pomona**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2010**

**8. LONG-TERM DEBT, Continued**

**B. Business-type Activities Long-Term Debt, Continued**

**Revenue Bonds, Continued**

2007 Revenue Bonds, Series AY – Original Issuance \$99,370,000, Continued

The advance refunding resulted in a difference between the reacquisition price (Series AY & AZ) and the net carrying amount of the bonds (Series AA & AC) of \$1,809,884. This difference is considered to be a deferred loss on refunding. The deferred loss on refunding, reported in the basic financial statements as a deduction from long-term debt, is amortized on a straight-line method over 23 years. The following is a summary of unamortized deferred loss on refunding outstanding at June 30, 2010:

Balance July 1, 2009	Additions	Deletions	Balance June 30, 2010
\$ (1,573,811)	\$ -	\$ 78,690	\$ (1,495,121)

Amortization expense was \$78,690 for June 30, 2010.

2007 Taxable Revenue Refunding Bonds, Series AZ – Original Issuance \$6,930,000

On January 1, 2007, the Authority issued \$6,930,000 2007 Taxable Revenue Refunding Bonds, Series AZ, to provide funds to partially refund the Authority's 1999 Refunding Revenue Bonds, Series AA (note retired) and 1999 Revenue Bonds (note retired), Series AC (note retired), and to finance the acquisition and construction of certain improvements to the Water Enterprise of the City.

Interest on the bonds is payable semiannually on each November 1 and May 1. The rates of interest range from 5.267% to 5.650% per annum. Principal is payable in annual installments ranging from \$200,000 to \$555,000. The bonds are secured by an Installment Sale Agreement, dated as of January 1, 2007 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, if any, of any additional obligations as provided for in the Installment Sale Agreement, in the Utility Fund of the City in trust under the Installment Sale Agreement.

The annual debt service requirements outstanding at June 30, 2010 were as follows:

Year Ending June 30,	Principal	Interest	Total
2011	\$ 210,000	\$ 373,620	\$ 583,620
2012	220,000	362,558	582,558
2013	235,000	350,972	585,972
2014	245,000	338,594	583,594
2015	260,000	325,690	585,690
2016-2020	1,520,000	1,405,026	2,925,026
2021-2025	1,995,000	928,580	2,923,580
2026-2029	2,045,000	296,908	2,341,908
<b>Total</b>	<b>\$ 6,730,000</b>	<b>\$ 4,381,948</b>	<b>\$ 11,111,948</b>

**City of Pomona**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2010**

**8. LONG-TERM DEBT, Continued**

**B. Business-type Activities Long-Term Debt, Continued**

**Revenue Bonds, Continued**

2007 Revenue Bonds, Series BA – Original Issuance \$15,575,000

On March 15, 2007, the Authority issued \$15,575,000 2007 Revenue Bonds, Series BA, to provide funds to finance certain improvements to the City's Sewer Enterprise.

Interest on the bonds is payable semiannually on each June 1 and December 1. The rates of interest range from 3.625% to 5.000% per annum. Principal is payable in annual installments ranging from \$110,000 to \$1,595,000. The bonds are secured by an Installment Sale Agreement, dated as of January 1, 2007 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 2002 Refunding Revenue Bonds, Series AF, and of any additional obligations as provided for in the Installment Sale Agreement, in the Sewer Enterprise Fund held by the City in trust under the Installment Sale Agreement.

The annual debt service requirements outstanding at June 30, 2010 were as follows:

Year Ending June 30,	Principal	Interest	Total
2011	\$ 135,000	\$ 681,690	\$ 816,690
2012	140,000	676,190	816,190
2013	150,000	669,640	819,640
2014	160,000	661,890	821,890
2015	165,000	653,765	818,765
2016-2020	920,000	3,158,816	4,078,816
2021-2025	1,100,000	2,961,468	4,061,468
2026-2030	1,345,000	2,707,679	4,052,679
2031-2035	1,700,000	2,369,252	4,069,252
2036-2040	2,135,000	1,940,065	4,075,065
2041-2045	4,395,000	1,322,416	5,717,416
2046-2047	3,120,000	141,978	3,261,978
<b>Total</b>	<b>\$ 15,465,000</b>	<b>\$ 17,944,849</b>	<b>\$ 33,409,849</b>

**Compensated Absences**

In enterprise funds, the liability for vested and unpaid compensated absences (accrued vacation and sick pay) is reported in the fund as the benefits vest and are earned. The compensated absences accrued in the enterprise funds amounted to \$1,192,890 at June 30, 2010.

Balance July 1, 2009	Additions	Deletions	Balance June 30, 2010	Due within one year	Due in more than one year
\$ 1,172,191	\$ 1,192,890	\$ (1,172,191)	\$ 1,192,890	\$ 500,000	\$ 692,890

**City of Pomona**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2010**

**8. LONG-TERM DEBT, Continued**

**C. Pledged Revenue**

The City has pledged certain tax revenues to the repayment of certain City 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 Agency to various project areas pursuant to Section 33670 of the Redevelopment Law. The Redevelopment 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 services. Tax increment received in 2010 was \$30,081,043 and total debt service paid was \$11,451,601. The debt service required 38% of net revenues. In future years, annual principal and interest payment on the bonds, loans and advances are expected to require roughly 40% of tax increment revenues. The total principal and interest remaining to be paid is \$359,858,674.

Debt Issue	Remaining Balance	Project Area	2010 Increment
County deferred tax loans	\$ 32,757,882	Project A1	\$ 811,039
ERAF Loan	944,846	Project A2	702,659
1998 Series X Bonds	3,074,584	Mountain Meadow	564,952
1998 Series Y Bonds	12,621,174	Reservoir Street	1,575,482
1998 Series W Bonds	65,490,980	Holt Ave./Indian Hill	873,328
2001 Series AD Bonds	59,580,238	Southwest	12,864,075
2003 Series AH Bonds	38,159,780	Arrow Towne	985,144
2005 Series AQ Bonds	16,723,564	Mission Corona	262,335
2006 Series AS Bonds	54,052,610	West Holt	4,530,814
2006 Series AT Bonds	13,383,910	Downtown 3	1,375,104
2006 Series AX Bonds	44,183,318	Fairgrounds Amend	235,048
2007 Series AW Bonds	14,309,196	South Garey	3,269,368
Fox Theater Loan	600,000	Merged Redevelopment Project	2,031,695
Administrative Expenses	1,754,969		
Project A1 Bond Payment	737,879		
City Advance for ERAF	1,483,744		
<b>Total</b>	<b>\$ 359,858,674</b>		<b>\$ 30,081,043</b>



**City of Pomona**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2010**

**8. LONG-TERM DEBT, Continued**

*C. Pledged Revenue, Continued*

The City has pledged certain tax revenue to the repayment of its Water Utility and Sewer Enterprise Fund bonds through final maturity on May 1, 2047, or earlier, whichever occurs first. All net revenues are irrevocably pledged by the City to the repayment of the bond's debt services, excluding operation and maintenance costs of these Enterprise Funds. In 2010, the Enterprise have received \$9,797,772 while total debt service paid was \$7,062,794. The bonds required 72% of net revenue. Due to the success of the Water Conservation Program the City implemented in FY 09-10, net revenue reflects a slight decrease this year which will continue to carry on to future years. Annual principal and interest payments on the bonds are expected to require roughly 63% of net revenue. The total principal and interest remaining to be paid at June 30, 2010 on the Bonds is \$294,876,358.

Debt Issue	Remaining Balance	Revenue	2010 Total
2002 Series AF Bonds	\$ 26,906,111	Net revenues, excluding operations and maintenance costs.	\$ 9,797,772
2006 Series AY Bonds	223,448,450		
2006 Series AZ Bonds	11,111,948		
2007 Series BA Bonds	33,409,849		
<b>Total</b>	<b>\$ 294,876,358</b>	<b>Total</b>	<b>\$ 9,797,772</b>

**9. 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 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.

	Amount Outstanding June 30, 2010
<b>Mortgage Revenue Bonds</b>	<b>\$ 58,430,000</b>

Mortgage Revenue Bonds

Single family and multifamily housing revenue bonds are issued to provide construction and permanent financing to developers of multifamily residential rental projects located in the City to be partially occupied by persons of low and moderate income. The total amount of mortgage revenue bonds outstanding as of June 30, 2010 is \$58,430,000. These bonds are secured by first trust deeds and private mortgage insurance. The bonds, together with interest thereon, are payable solely from bond proceeds, revenues and other amounts derived solely from home mortgage and developer loans secured by first deeds of trust, irrevocable letters of credit and irrevocable surety bonds.

**City of Pomona**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2010**

**10. RETIREMENT PLANS**

**Pension Plan**

Plan Description

The City contributes to the California Public Employees Retirement System (PERS), an agent multiple-employer public employee defined benefit pension plan. PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. PERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by State statute and City ordinance. Copies of PERS' annual financial report may be obtained from their Executive Office located at 400 P Street, Sacramento, California 95814.

Funding Policy

Active plan members are required by State statute to contribute 7% for miscellaneous and 9% for safety employees of their annual covered salary. The City employer makes the contributions required of City employees on their behalf and for their account, which amounted to \$1,864,520 for miscellaneous employees and \$1,422,517 for safety employees for the year ended June 30, 2010. The City employer is required to contribute for fiscal year 2009-2010 at an actuarially determined rate of 11.085% and 24.474% of annual covered payroll for miscellaneous and safety employees, respectively. Separately funded plans have been established for each employee group. Benefit provisions and all other requirements are established by State statute and City contracts with employee bargaining groups. The contribution requirements of plan members and the City are established by PERS.

Annual Pension Cost

For fiscal year 2009-2010, the City's annual required contribution was \$2,950,425 for miscellaneous plan employees. The annual required contribution for the safety plan was \$4,130,081 but was adjusted by the amortization of the net pension asset and the interest earned on that asset to arrive at the annual pension cost. The annual pension cost for the safety plan was \$3,798,477. The required contribution was determined as part of the June 30, 2007, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) 7.75% investment rate of return (net of administrative expenses), (b) projected annual salary increases ranging from 3.25% to 14.45% for miscellaneous employees and 3.25% to 13.15% for safety employees, and (c) 2% per year cost-of-living adjustments. Both (a) and (b) included an inflation component of 3%. The actuarial value of PERS assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a fifteen-year period. PERS unfunded actuarial accrued liability (or surplus) is being amortized as a level percentage of projected payroll on a closed basis. The average remaining amortization period at June 30, 2007 was 20 years for miscellaneous employees and 32 years for safety employees for prior and current service unfunded liability.

**MISCELLANEOUS EMPLOYEE'S RETIREMENT PLAN**  
**SCHEDULE OF EMPLOYER CONTRIBUTIONS**

<u>Fiscal Year</u> <u>Ended</u>	<u>Annual Pension</u> <u>Cost (APC)</u>	<u>Percentage of</u> <u>APC Contributed</u>	<u>Net Pension</u> <u>Obligation</u>
6/30/2008	\$ 3,400,378	100%	\$ -
6/30/2009	3,283,328	100%	-
6/30/2010	2,950,425	100%	-

**City of Pomona**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2010**

**10. RETIREMENT PLANS, Continued**

**Pension Plan, Continued**

**SAFETY EMPLOYEE'S RETIREMENT PLAN**  
**SCHEDULE OF EMPLOYER CONTRIBUTIONS**

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Asset
6/30/2008	\$ 3,696,078	112%	\$ 25,409,457
6/30/2009	4,095,028	108%	25,754,100
6/30/2010	3,798,477	109%	26,085,704

A pension asset is created when an employer pays into a retirement plan amounts in excess of its annual required contribution (ARC). The ARC is an actuarially calculated amount that is sufficient to fund future costs and extinguish any existing unfunded actuarial accrued liability (UAAL). On June 29, 2004, the City made a payment of \$27,722,510 to PERS from the proceeds of the issuance of pension obligation bonds to reduce the City's UAAL as calculated at that time. This prepayment has been recorded on the Statement of Net Assets as a Net Pension Asset. The prepaid pension asset will be amortized over the average remaining amortization period of the PERS unfunded liability. As of June 30, 2010, the unamortized portion of the pension asset was \$26,085,704. See Note 8 for more detail.

In accordance with GASB Statement No. 27, the net pension asset is being amortized using the same amortization methodology used by PERS to calculate the Annual Required Contribution (ARC) each year. A summary of the methodology used is as follows:

Amortization Method	Level Percent of Payroll
Amortization Period (as of 6/30/2008)	30 years rolling period
Investment Rate of Return	7.75% (net of administrative expenses)
Payroll Growth	3.25%

Interest on the Net Pension Asset (NPA) is calculated as a percentage of the NPA's balance at the beginning of each year based on the investment rate of return stated above and is added to the balance of the NPA for that year.

During fiscal year 2010, interest earned and amortization of the NPA was \$1,995,943 and \$1,664,339, respectively.

A summary of the changes to the NPA for the year ended June 30, 2010 is as follows:

	Balance July 1, 2009	Additions	Deletions	Balance June 30, 2010
Governmental Activities	\$ 25,754,100	\$ 1,995,943	\$ (1,664,339)	\$ 26,085,704

A schedule of funding progress for the most current available year follows and additional periods can be found in the RSI section.

**City of Pomona**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2010**

**10. RETIREMENT PLANS, Continued**

**Pension Plan, Continued**

**PUBLIC EMPLOYEE RETIREMENT SYSTEMS (PERS)**  
**SCHEDULE OF FUNDING PROGRESS**

*Safety Employees*

Actuarial Valuation Date	Actuarial Value of Assets (AVA)	Entry Age Actuarial Accrued Liability	(Unfunded) Actuarial Accrued Liability	Funded Ratio	Annual Covered Payroll	(Unfunded) Actuarial Liability as Percentage of Covered Payroll
6/30/2009	\$ 237,157,899	\$ 266,712,188	\$ (29,554,289)	88.92%	\$ 17,681,848	(167.14)%

*Miscellaneous Employees*

Actuarial Valuation Date	Actuarial Value of Assets (AVA)	Entry Age Actuarial Accrued Liability	(Unfunded) Actuarial Accrued Liability	Funded Ratio	Annual Covered Payroll	(Unfunded) Actuarial Liability as Percentage of Covered Payroll
6/30/2009	\$ 188,608,140	\$ 208,855,695	\$ (20,247,555)	90.31%	\$ 29,964,633	(67.57)%

**11. JOINT POWERS AGREEMENTS**

**A. Pomona-Walnut-Rowland (PWR) Joint Water Line Commission**

The City participates in the Pomona-Walnut-Rowland (PWR) Joint Water Line Commission (the Commission) joint venture, which provides for the acquisition, construction, maintenance, repair and operation of a water transmission pipeline for the benefit of member agencies. The Pomona-Walnut-Rowland Joint Water Line Commission's governing board is comprised of an appointed representative from each of three member agencies - the City, Walnut Valley Water District, and Rowland Water District.

The cost of providing water to the member agencies is financed through user charges. The Commission purchases water for resale to the member agencies at a price sufficient to provide reserve funds for emergencies. In addition, the member agencies are billed for the costs of maintenance and operation of the pipeline. The City paid the joint venture \$3,241,802 during the year ended June 30, 2010. 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, 2010 was \$619,166.

**City of Pomona**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2010**

**11. JOINT POWERS AGREEMENTS, Continued**

**A. Pomona-Walnut-Rowland (PWR) Joint Water Line Commission, Continued**

As of June 30, 2010, the three participants had the following approximate ownership equity interest:

Member	Percentages	Agreement Balance
City of Pomona	28%	\$ 619,166
Walnut Valley Water District	43%	950,862
Rowland Water District	28%	619,166
Unallocated	1%	22,113
Total	100%	\$ 2,211,307

The Commission's basic financial statements for the fiscal year ended June 30, 2010 reflect the implementation of GASB 34 and include the following:

Total assets	\$ 5,445,030
Total liabilities	3,233,723
Net assets	\$ 2,211,307

The Commission does not recognize income or loss. Net operating expenditures in excess of users' assessments are treated as accounts receivable on the Commission's books and charged to each user's account in the following year. Conversely, user's assessments in excess of net operating expenditures are treated as a liability and credited against each user's account, also in the following year. Under this basis, operating expenses for the Commission totaled \$17,484,706 compared to total operating revenues of \$17,464,954 in fiscal year 2010. Complete financial statements can be obtained from the Pomona-Walnut-Rowland Joint Water Line Commission, P.O. Box 508, Walnut, CA 91789.

**B. 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, Los Angeles, Irwindale, Pomona, San Dimas, Monrovia, Pasadena, and South Pasadena, the San Bernardino Associated Governments (SANBAG) and the Blue Line Construction Authority. Los Angeles County Metropolitan Transportation Agency (LACMTA) will have the responsibility to operate and maintain the rail after its completion. Members will be paid for attending meetings, not to exceed \$1,800 per year, per member, plus direct expenses. Members are not allowed to withdraw from the GLCA and each member is required to pay \$31,445 in annual dues (first payments were due October 1, 2003) and each member will be held liable for their share of operating costs.

The City paid the joint venture \$0 during the year ended June 30, 2010. Assets are divided based on the proportionate equity share at the time the joint venture dissolves, which is currently not significant to the City.

**City of Pomona**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2010**

**11. JOINT POWERS AGREEMENTS, Continued**

*C. Pomona Valley Transportation Authority*

The City is a member of the Pomona Valley Transportation Authority (Pomona Authority). The Pomona Authority is comprised of four cities and is organized under a Joint Powers Agreement pursuant to the California Government Code. The purpose of the Pomona Authority 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 Pomona Authority are elected annually by the Board of Directors.

The City does not have an equity interest in the Pomona Authority. However, the City does have an ongoing financial interest. The City is able to influence the operations of the Pomona Authority. As a result, the Pomona Authority uses its resources on behalf of the City. Also, an ongoing financial responsibility exists as the Pomona Authority is dependent on continued funding from the City.

Below are the most currently available condensed audited financial statements of the Pomona Authority as of June 30, 2010. Separate financial statements of the Pomona Authority are available from its offices located in La Verne, California.

	<u>Total</u>
Assets	<u>\$ 3,228,467</u>
Liabilities	\$ 1,498,439
Contributed capital	946,139
Retained earnings	<u>783,889</u>
Total liabilities and fund equity	<u>\$ 3,228,467</u>
Operating revenues	\$ 182,930
Operating expenses	<u>3,945,441</u>
Operating (income)	(3,762,511)
Non-operating revenue	<u>3,659,700</u>
Net income	(102,811)
Retained earnings - July 1, 2009	<u>886,700</u>
<b>Retained earnings - June 30, 2010</b>	<u><u>\$ 783,889</u></u>

*D. Tri City Mental Health Center*

The City is a member of the Tri City Mental Health Center (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, 2010.

**City of Pomona**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2010**

**11. JOINT POWERS AGREEMENTS, Continued**

**D. Tri City Mental Health Center, Continued**

The Board of Directors has five members, three from the City of Pomona, one from the City of Claremont and one from the City of La Verne.

Below are the most currently available condensed audited financial statements of the Center as of June 30, 2010. Separate financial statements of the Center are available from its offices located in Pomona, California.

	Total
Assets	\$ 20,386,282
Liabilities	20,304,861
Net Assets	<u>\$ 81,421</u>
Revenues	\$ 2,636,795
Expenses	7,586,159
Operating income	<u>(4,949,364)</u>
Nonoperating revenue (expenses)	13,319,310
Net income	8,369,946
Special item	(34,467)
Net assets - July 1, 2009	<u>(8,254,058)</u>
<b>Net assets - June 30, 2010</b>	<u><u>\$ 81,421</u></u>

**E. Foothill Transit**

The City is a member of the Foothill Transit Joint Powers Agreement. The JPA is comprised of 20 cities and the County of Los Angeles. The purpose of the authority is to provide a more efficient and cost effective local transportation service for the area.

Each member city has one representative and three members are appointed by the Board of Supervisors.

Below are the most currently available condensed audited financial statements of the JPA as of June 30, 2010. Separate financial statements of Foothill Transit are available from its offices located in West Covina, CA.

	Total
Assets	\$ 205,227,038
Liabilities	27,087,386
Net Assets	<u>\$ 178,139,652</u>
Revenues	\$ 18,186,656
Expenses	85,141,072
Operating income	<u>(66,954,416)</u>
Nonoperating revenue (expenses)	45,444,021
Net income	(21,510,395)
Capital contributions	8,284,503
Net assets - July 1, 2009	<u>191,365,544</u>
<b>Net assets - June 30, 2010</b>	<u><u>\$ 178,139,652</u></u>

**City of Pomona**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2010**

**12. RISK MANAGEMENT**

The Fund is part of the City's self-insurance program for unemployment insurance, workers' compensation and general liability. Liabilities of these claims are recorded as part of long-term obligations in City's Financial Statements.

Additionally, 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 \$50 million dollars with a self-insured retention of \$1 million for its excess liability program. The City purchases excess workers' compensation coverage through CSAC-EIA, with a self-insured retention of \$1 million dollars and coverage of \$50 million dollars.

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, 2010, claims payable amounted to \$17,179,847.

The estimated claims payable reported at June 30, 2010 is based on the requirements of GASB Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

Changes in the estimated claims payable amounts in fiscal years 2008, 2009, and 2010 were as follows:

	Claims Payable					
	Beginning Balance	Expenses and Changes in Estimates	Claims Payments	Ending Balance	Due within one year	Due in more than one year
2007-2008	8,388,977	3,296,531	(4,550,980)	7,134,528	2,200,000	4,934,528
2008-2009	7,134,528	10,046,713	(4,077,083)	13,104,158	4,200,000	8,904,158
2009-2010	13,104,158	7,793,148	(3,717,459)	17,179,847	4,200,000	12,979,847

No significant reduction in insurance coverage occurred during the last three fiscal years ended June 30. In addition, the City did not incur any claim settlements in excess of its insurance coverage during the past three fiscal years ended June 30.



**City of Pomona**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2010**

**13. POST EMPLOYMENT BENEFITS**

*Plan Descriptions.* Employees of the City, who retire through CalPERS, their spouses, and eligible dependents, may receive health plan coverage through the Public Employees' Medical & Hospital Care Program (PEMHCA) Plan (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. The cost of the plan to the City for each bargaining group will be determined by CalPERS regulations and requirements.

The City pays up to \$800 per month for individual retiree benefits which are based on the bargaining groups listed below:

<u>Bargaining Group</u>	<u>Benefit</u>
Pomona City Employees Association	\$ 537.06
Pomona Mid Management/Confidential Employees Association	537.06
Pomona Police Managers Association	557.05
Pomona Police Officers Association	558.06
Firefighters *	465.00

\* There are no active firefighters in the plan, only retirees.

In subsequent years, the monthly retiree contributions shall increase by the minimum 5% statutory requirements until it is equal to active contributions, with a maximum increase of \$100 per year.

The City also offers a Medical Collateral Benefit plan for retirees up to the age of 65 based on the bargaining group and years of City service as listed below:

<u>Bargaining Group</u>	<u>City Service</u>
Executive Management, Mid Mgmt, Confidential, City Employees Association, Police Officers	20 Years
Dept. Directors, City Council	1 Year
Police Mgmt., Firefighters	Not Eligible

The Police Management retirees, in addition to PEMHCA amounts, also receive, up to 90% contribution toward the most expensive 2-party PEMHCA premiums with 22 years of City service as police officer. This benefit terminates once the retiree is eligible for Medicare (Age 65).

*Eligibility.* Approximately 410 employees are eligible to receive post-employment benefits at June 30, 2010. Retirees are eligible for a retiree collateral benefit if they retire after July 1, 1987 with at least 20 years of service with the City for general service employees and 20 years of service for public safety employees. This monthly retiree benefit terminates when the affected retiree becomes eligible for Medicare insurance at age 65. An additional benefit provides funding for a portion of health insurance premiums. These premiums are paid directly to the health insurance provider and do not terminate until the retiree is deceased.

*Funding Policy.* The required contribution of the City is based on a pay-as-you-go financing requirement. For fiscal year 2010, the City contributed \$2,727,826 to the plan.

**City of Pomona**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2010**

**13. POST EMPLOYMENT BENEFITS, Continued**

**Annual OPEB Cost and Net OPEB Obligation.** The City's annual Other Postemployment Benefit (OPEB) cost (expense) is calculated base on the *Annual Required Contribution of the Employer (ARC)*, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excesses) over a period not to exceed thirty years. The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City's net OPEB Obligation to the Plan:

	<u>Total</u>
Annual required contribution	\$ 5,451,000
Interest on net OPEB obligation	256,000
Adjustment to annual required contribution	<u>(490,000)</u>
Annual OPEB cost (expense)	5,217,000
Contributions made	<u>(2,727,826)</u>
Increase in net OPEB obligation	2,489,174
Net OPEB obligation - beginning of year	6,086,450
Net OPEB obligation - end of year	<u>\$ 8,575,624</u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2010 is as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Annual Contribution</u>	<u>% of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
6/30/2008	\$ 5,090,000	\$ 2,095,878	41.2%	\$ 2,994,122
6/30/2009	5,322,045	2,229,717	41.9%	6,086,450
6/30/2010	5,217,000	2,727,826	52.3%	8,575,624

**Funded Status and Funding Progress.** As of January 1, 2010, the most recent actuarial valuation date, the plan was zero percent funded. The Actuarial Accrued Liability for benefits was \$73,291,000, and the actuarial value of assets was \$0, resulting in an UAAL of \$73,291,000. The covered payroll (annual payroll of active employees covered by the plan) was \$38,805,000 and the ratio of UAAL to the covered payroll was 188.87%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The table below shows a one-year analysis of the actuarial value of assets as a percentage of the actuarial accrual liability and the unfunded actuarial accrued liability as a percentage of the annual covered payroll as of June 30, 2010.

**City of Pomona**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2010**

**13. POST EMPLOYMENT BENEFITS, Continued**

Actuarial Valuation Date	Actuarial Asset Value	Actuarial Accrued Liability Entry Age	(Unfunded) Actuarial Accrued Liability	Funded Ratio	Covered Payroll	Unfunded Actuarial Liability as Percentage of Covered Payroll
1/1/2010	\$ -	\$ 73,291,000	\$ (73,291,000)	0.0%	\$ 38,805,000	188.87%

**Actuarial Methods and Assumptions.** Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the January 1, 2010, actuarial valuation, the entry age actuarial cost method was used. The actuarial assumptions include a 4.25% investment rate of return which is based on the expected return on funds invested by CalPERS, and an annual healthcare cost trend rate of 9.5% initially and reduced to an ultimate rate of 5.0% thereafter. The actuarial assumption for inflation was 3 percent, and the aggregate payroll increases was 3.25 percent used in the actuarial valuation. The UAAL is being amortized as level percentage of projected payroll over a 30 year fixed (closed) period. The remaining amortization period at January 1, 2010, was 28 years.

**14. COMMITMENTS AND CONTINGENCIES**

**A. Agreement for Allocation of Tax Increment Funds**

On December 5, 1988, the Agency entered into an agreement with the County whereby the County has agreed to provide sufficient allocation of tax increment to allow the 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 Agency for any “deficiencies” of tax increment revenues allocated to the Agency as described in the agreement. In accordance with the agreement, during the fiscal year 2010, the Agency received a grant in the amount of \$1,950,502, which was recorded as intergovernmental revenue in the Redevelopment Agency Debt Service Fund.

**B. 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. The City will receive discounted rates on water during the first 12 years of the agreement with an estimated value of \$2,800,000.

**City of Pomona**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2010**

---

**14. COMMITMENTS AND CONTINGENCIES, Continued**

*C. Ground Lease and Option to Purchase Agreement*

In September 2003, the City entered into a ground lease and option to purchase agreement for 9.4 acres of undeveloped land located at the northwest corner of East End Avenue and 9<sup>th</sup> Street. The agreement is for 10 years and requires the City to pay a monthly rent of \$14,500 beginning July 1, 2003. As the result of a lawsuit filed against the City, the conditions of the April, 2007 settlement agreement assigned the ground lease liability to the plaintiff with the condition that the Agency will pay the plaintiff \$2,500 per month for the remaining period of the original ground lease effective May 1, 2007.

*D. Contractual Commitments*

The following schedule summarizes the major contractual commitments of the City as of June 30, 2010:

**Major Commitments and Contracts for Professional Services:**

Riverside Construction	\$ 13,142,662
Southern California Pipeline	1,671,063
Sully-Miller Contracting	1,268,732
Trans Tech	1,365,196
V. Lopez Jr & Sons, Inc	983,387
Commitments for all other services	<u>11,595,097</u>
Total contractual commitments	<u><u>\$ 30,026,137</u></u>

On April 20, 2009, the Agency approved an Owner Participation Agreement (OPA) with the Los Angeles County Fair Association (Fair Association) for the development of a Trade and Conference Center (TCC) in the amount of \$2,700,000. In addition, the Agency also approved an Affordable Housing Agreement with the Fair Association for the purchase of affordable rental covenants for \$3,300,000.

As of June 30, 2010, in the opinion of Agency management, there were no additional outstanding matters that would have a significant effect on the financial position of the funds of the Agency.

*E. Lawsuits*

In addition, the City is a defendant in certain other legal actions arising in the normal course of operations.

In February, 2005, Southern California experienced a record rainfall which caused extensive damage throughout the State. In Pomona, six (6) residences suffered significant damage because of the reactivation of an ancient landslide, triggered by the record rainfall.

**City of Pomona**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2010**

**14. COMMITMENTS AND CONTINGENCIES, Continued**

*E. Lawsuits, Continued*

Litigation was instituted by the homeowners and resulted in a trial that took place in February, 2008. At the conclusion of the trial, the judge ruled that the City was responsible for the homeowners' damages under the theories of nuisance and inverse condemnation. Following the verdict, the City's excess pool, California Joint Powers Risk Management Authority (CJPRMA) filed an appeal of the trial court's ruling. Thereafter, in May, 2010, the Appellate Court upheld the trial court's ruling and a Petition for Review was filed with the California Supreme Court. In August, 2010, that Petition for Review was denied thus the judgment of \$6,741,333 became the final judgment. The City is liable for approximately half of the judgement. The liability is reflected in the Self-Insurance Funds (Internal Service Fund) for the fiscal year ended June 30, 2010.

As of June 30, 2010, in the opinion of City management, there were no additional outstanding matters that would have a significant effect on the financial position of the funds of the City.

**15. CITY'S FINANCIAL CONDITION**

*A. City*

At June 30, 2010, the City's Governmental Activities had a deficit unrestricted net assets of (\$227,480,138), an increase in the deficit of \$14,023,771 from the prior year, on the Government-Wide Financial Statements, and a General Fund balance of \$6,535,641, a reduction of \$2,260,973 from the prior year, in the fund financial statements.

The following is the four-year trend information of financial condition of the City:

Government-Wide Financial Statements

	Total Net Assets		Unrestricted Net Assets (Deficit)		Change in Net Assets	
		Change \$		Change \$		Change \$
2007	\$ 218,605,207	N/A	\$ (189,308,920)	N/A	\$ (13,113,622)	N/A
2008	203,898,950	(14,706,257)	(188,834,296)	474,624	(14,706,257)	(1,592,635)
2009	184,000,974	(19,897,976)	(213,456,367)	(24,622,071)	(19,897,976)	(5,191,719)
2010	166,768,620	(17,232,354)	(227,480,138)	(14,023,771)	(17,232,354)	2,665,622

Fund Financial Statements - General Fund

	General Fund	
	Balance	Change \$
2007	\$ 20,792,068	N/A
2008	15,269,452	(5,522,616)
2009	8,796,614	(6,472,838)
2010	6,535,641	(2,260,973)

**City of Pomona**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2010**

**15. CITY'S FINANCIAL CONDITION, Continued**

The City continues to suffer significant deficits in net assets, which raises uncertainties regarding the City's ability to conduct future operations. Additionally, OPEB and claims continue to increase.

The City has eliminated 207 positions, 50 or so of which are sworn officers. The City Council is now fully aware of the financial crisis. Management believes there are sufficient resources to make the debt service payments for this year. The City is working with a specialist to restructure the debt of the City. No formal recommendations have been made.

For fiscal year 2009-2010, the City reduced budgeted expenditures significantly by downsizing the workforce (including sworn personnel), outsourced various operations and negotiated concessions from employees. For 2010-2011, cost cutting efforts continue. It is anticipated the budget for fiscal year 2011-2012 will be balanced. As budget discussions begin, it is anticipated that various operations will be reviewed for possible reduction or outsourcing and continued discussions with employee groups for possible ongoing concessions and furloughs.

**B. Redevelopment Agency**

At June 30, 2010, the Agency had a deficit unrestricted net assets of (\$212,325,310), an increase in the deficit of \$8,528,404 from the prior year, on the Government-Wide Financial Statements, and a deficit fund balance of (\$76,223,596), an increased deficit of \$6,223,955 from the prior year, on the governmental fund financial statements.

The following is the five-year trend information of financial condition of the Agency:

Government-Wide Financial Statements

	Total Net		Unrestricted		Change in	
	Assets (Deficit)	Change \$	Net Assets (Deficit)	Change \$	Net Assets	Change \$
2006	\$ (89,608,625)	N/A	\$ (194,726,363)	N/A	\$ (4,812,021)	N/A
2007	(102,564,832)	(12,956,207)	(196,660,709)	(1,934,346)	(11,699,107)	(6,887,086)
2008	(97,017,814)	5,547,018	(206,005,804)	(9,345,095)	1,522,018	13,221,125
2009	(98,880,699)	(1,862,885)	(203,796,906)	2,208,898	(1,862,884)	(3,384,902)
2010	(108,913,783)	(10,033,084)	(212,325,310)	(8,528,404)	(10,033,084)	(8,170,200)

Fund Financial Statements

	Total Fund	
	Balance (Deficit)	Change \$
2006	\$ (62,204,820)	N/A
2007	(75,211,599)	(13,006,779)
2008	(68,559,271)	6,652,328
2009	(69,999,641)	(1,440,370)
2010	(76,223,596)	(6,223,955)

**City of Pomona**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2010**

**15. CITY'S FINANCIAL CONDITION, Continued**

The Agency continues to suffer significant deficits in net assets and fund balances, which raises uncertainties regarding the Agency's ability to conduct future operations.

During fiscal 2009-10, the Agency continued to reduce operating expenses and is currently identifying parcels of land to be sold. These efforts are anticipated to continue for the next few years.

Looking forward to fiscal 2010-11, management estimates that the Redevelopment Agency will have sufficient resources to fund current debt service obligations along with operating costs. However, with a significant increase in debt service requirements in fiscal 2011-12 estimated at \$3.8 million, management estimates that the Agency may not have sufficient resources to operate the Agency at its current level. In anticipation of this, staff will review the operational function of the Agency in fiscal 2010-11 with efforts directed towards fiscal health.

**16. NET ASSETS AND FUND BALANCE**

*A. Government-Wide Financial Statements*

**Invested in Capital Assets, Net of Related Debt**

The following is a calculation of invested in capital assets, net of related debt at June 30, 2010:

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Capital assets, net of accumulated depreciation	\$ 323,667,723	\$ 135,777,002	\$ 459,444,725
Less: Obligations under capital leases	(2,775,431)	(844,741)	(3,620,172)
Less: Long-term debt	(61,391,048)	(72,679,629)	(134,070,677)
<b>Invested in capital assets, net of related debt</b>	<b>\$ 259,501,244</b>	<b>\$ 62,252,632</b>	<b>\$ 321,753,876</b>

**Unrestricted Net Assets**

The unrestricted net assets had a deficit balance of \$(227,480,138) for the governmental activities at June 30, 2010. Of this amount \$(212,325,310) resulted from the Agency. See Note 15 for more details. In addition, the amount of deficit unrestricted net assets was due to debt issuances by the City and Agency.

**City of Pomona**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2010**

**16. NET ASSETS AND FUND BALANCE, Continued**

**B. Fund Financial Statements**

**Invested in Capital Assets, Net of Related Debt**

The following is a calculation of invested in capital assets, net of related debt for the Proprietary Funds at June 30, 2010:

	Enterprise Funds					Governmental Activities Internal Service Funds
	Water Utility	Sewer	Refuse	Cannon Water	Total	
Capital assets, net of accumulated depreciation	\$ 109,820,431	\$ 25,472,868	\$ 443,857	\$ 39,846	\$ 135,777,002	\$ 203,590
Less: Obligations under capital leases	(844,741)	-	-	-	(844,741)	-
Less: Long-term debt	(59,682,969)	(12,956,814)	-	(39,846)	(72,679,629)	-
<b>Invested in capital assets, net of related debt</b>	<b>\$ 49,292,721</b>	<b>\$ 12,516,054</b>	<b>\$ 443,857</b>	<b>\$ -</b>	<b>\$ 62,252,632</b>	<b>\$ 203,590</b>

**Deficit Fund Balance**

At June 30, 2010, the following funds had net assets or fund balance deficits:

General Debt Service	Major Governmental Fund	\$ (45,208,398)
Redevelopment Agency Debt Service	Major Governmental Fund	(156,925,888)
Housing Authority	Non-Major Governmental Fund	(1,856,166)
State Gas Tax	Non-Major Governmental Fund	(102,487)
Proposition A	Non-Major Governmental Fund	(317,462)
General Sanitation Fees Operations	Non-Major Governmental Fund	(32,296)
Self-Insurance Funds	Internal Service Fund	(4,154,735)

*General Debt Service Fund* - The General Debt Service Fund had an accumulated deficit of \$(45,208,398), which resulted from issuance of bonds, see Note 15 for management's plan.

*Redevelopment Agency Debt Service Fund* - The Redevelopment Agency Debt Service Fund had an accumulated deficit of \$(156,925,888), which resulted from issuance of bonds.

*Housing Authority Fund* - The Housing Authority Fund had an accumulated deficit of \$(1,856,166), which resulted from the acquisition of property and the corresponding issuance of a note obligation as payment for the property.

*State Gas Tax Fund* - The State Gas Tax Fund had an accumulated deficit of \$(102,487), which represents an over obligation of funds that will be corrected over the next fiscal year.

*Proposition A Fund* - The Proposition A Fund had a deficit of \$(317,462), which resulted from an unanticipated shortfall of revenue. The deficit is anticipated to be cleared in 2010-2011.



**City of Pomona**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2010**

**16. NET ASSETS AND FUND BALANCE, Continued**

**B. Fund Financial Statements, Continued**

*General Sanitation Fees Operation Fund* - The General Sanitation Fees Operation Fund had a deficit of \$(32,296), which resulted from a shortfall of street sweeping services program revenues which will be cleared in 2010-2011.

*Self-Insurance Fund* - The Self-Insurance Fund had a deficit of \$(4,154,735), resulted from the landslide lawsuit. See footnote 14 for details.

**Excess of Expenditures Over Appropriations**

Excess of expenditures over appropriations occurred in individual funds during the year ended June 30, 2010 as follows:

Fund	Expenditures	Appropriations	Excess Expenditures over Appropriations
Low and Moderate Income Housing	\$ 9,100,542	\$ 7,406,072	\$ 1,694,470
General Debt Service	5,293,975	5,264,216	29,759
Pubic Financing Authority Debt Service	14,098,680	13,369,921	728,759
Redevelopment Agency Debt Service	41,602,136	33,212,560	8,389,576
Housing Assistance Program	11,845,738	10,465,232	1,380,506
Community Development Block Grant	5,457,431	3,390,265	2,067,166
State Gas Tax	3,277,843	2,582,100	695,743
Vehicle Parking District	1,762,192	670,717	1,091,475
Air Quality Improvement	479,703	437,613	42,090
Traffic Offender	432,230	417,677	14,553
Proposition 1B	1,023,559	30,000	993,559
Measure R	848,348	841,145	7,203
Capital Outlay Fund	13,270,162	6,540,456	6,729,706
Assessment District Improvement	1,235	-	1,235

**City of Pomona**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2010**

---

---

**17. PROPOSITION 1A BORROWING BY THE STATE OF CALIFORNIA**

Under the provisions of Proposition 1A and as part of the 2009-10 budget package passed by the California State legislature on July 28, 2009, the State of California borrowed 8% of the amount of property tax revenue, including those property taxes associated with the in-lieu motor vehicle license fee, the triple flip in lieu sales tax, and supplemental property tax, apportioned to cities, counties and special districts (excluding redevelopment agencies). The state is required to repay this borrowing plus interest by June 30, 2013. After repayment of this initial borrowing, the California legislature may consider only one additional borrowing within a ten-year period. The amount of this borrowing pertaining to the City was \$2,565,249.

Authorized with the 2009-10 State budget package, the Proposition 1A Securitization Program was instituted by the California Statewide Communities Development Authority ("California Communities"), a joint powers authority sponsored by the California State Association of Counties and the League of California Cities, to enable local governments to sell their Proposition 1A receivables to California Communities. Under the Securitization Program, California Communities simultaneously purchased the Proposition 1A receivables and issued bonds ("Prop 1A Bonds") to provide local agencies with cash proceeds in two equal installments, on January 15, 2010 and May 3, 2010. The purchase price paid to the local agencies equaled 100% of the amount of the property tax reduction. All transaction costs of issuance and interest were paid by the State of California. Participating local agencies have no obligation on the bonds and no credit exposure to the State. The City participated in the securitization program and accordingly property taxes have been recorded in the same manner as if the State had not exercised its rights under Proposition 1A. The receivable sale proceeds were equal to the book value and, as a result, no gain or loss was recorded.

**18. SUBSEQUENT EVENTS**

Redevelopment Agency funds have been estimated for a takeaway by the State of California. This decision was litigated by the California Redevelopment Association and other parties with the hope that this would be considered unconstitutional. The court's decision is currently being appealed and the results have not yet been determined. The 2009-10 payment was \$8,256,819 and it is anticipated another \$1,699,933 will need to be submitted if the ruling is not overturned.

---

**REQUIRED SUPPLEMENTARY  
INFORMATION  
(Unaudited)**

---

**City of Pomona**  
**Required Supplementary Information (Unaudited)**  
**For the year ended June 30, 2010**

---

---

**1. BUDGETARY INFORMATION**

Annual budgets are adopted on a basis consistent with generally accepted accounting principles in the United States for all governmental funds, except that encumbrances are shown in the year incurred for budgetary purposes. All annual appropriations lapse at fiscal year end.

On or before the last day in January of each year, all operational units submit requests for appropriations to the City's manager for budget preparation purposes. Before April 30, the proposed budget is presented to the City Council for review. The City Council holds public hearings and a final budget must be prepared and adopted no later than June 30.

The appropriated budget is prepared by fund, function, and department. The City's department heads, with approval of the finance director and City Manager, may make transfers of appropriations within a department and between departments within a fund. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the fund level. The City Council made several supplemental budgetary appropriations throughout the year. The supplementary budgetary appropriations made in the various governmental funds are not detailed in the required supplementary information.

Under encumbrance accounting, purchase orders, contracts and other commitments for expenditures are recorded to reserve that portion of the applicable appropriation. Encumbrance accounting is employed as an extension of formal budgetary accounting. Since encumbrances do not yet constitute expenditures or liabilities, encumbrances outstanding at year-end are reported as reservations of fund balances. Unexpended appropriations lapse at year-end.

Following are the budget comparison schedules for the General Fund and all major special revenue funds.

**City of Pomona**  
**Required Supplementary Information (Unaudited), Continued**  
**For the year ended June 30, 2010**

**1. BUDGETARY INFORMATION, Continued**

Budget Comparison Schedule - General Fund

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive/(Negative)
<b>Fund balance, July 1, 2009</b>	\$ 8,796,614	\$ 8,796,614	\$ 8,796,614	\$ -
Resources (inflows):				
Taxes	72,079,250	72,079,250	67,700,223	(4,379,027)
Intergovernmental	1,820,200	2,795,200	2,752,065	(43,135)
Charges for services	1,905,805	1,952,530	2,043,533	91,003
Fine and forfeitures	2,090,000	2,090,000	1,990,681	(99,319)
License and permits	4,742,593	3,392,893	2,828,907	(563,986)
Use of money and property	813,296	813,296	871,155	57,859
Miscellaneous	5,877,695	1,441,550	386,330	(1,055,220)
Proceeds from sale of capital assets	130,000	4,900,000	5,365,158	465,158
Transfers in	2,558,433	2,034,313	2,355,467	321,154
Amount available for appropriation	<u>100,813,886</u>	<u>100,295,646</u>	<u>95,090,133</u>	<u>(5,205,513)</u>
Charges to appropriations (outflows):				
Current:				
General government	3,707,534	3,962,632	3,322,198	640,434
Public safety	65,515,713	65,481,095	65,384,741	96,354
Urban development	12,927,911	9,889,931	8,849,534	1,040,397
Community services	5,851,121	5,831,257	5,601,922	229,335
Capital outlay	-	-	4,283	(4,283)
Debt service:				
Principal	-	-	999,122	(999,122)
Interest and fiscal charges	-	-	154,131	(154,131)
Transfers out	4,014,260	4,323,384	4,238,561	84,823
Total charges to appropriations	<u>92,016,539</u>	<u>89,488,299</u>	<u>88,554,492</u>	<u>933,807</u>
<b>Fund balance, June 30, 2010</b>	<u>\$ 8,797,347</u>	<u>\$ 10,807,347</u>	<u>\$ 6,535,641</u>	<u>\$ (4,271,706)</u>

**City of Pomona**  
**Required Supplementary Information (Unaudited), Continued**  
**For the year ended June 30, 2010**

**1. BUDGETARY INFORMATION, Continued**

*Budget Comparison Schedule - Low and Moderate Income Housing Special Revenue Fund*

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive/(Negative)
<b>Fund balance, July 1, 2009</b>	\$ 15,856,804	\$ 15,856,804	\$ 15,856,804	\$ -
Resources (inflows):				
Charges for services	80,250	80,250	3,849,327	3,769,077
Use of money and property	711,997	711,997	168,783	(543,214)
Loan repaid	25,000	25,000	46,814	21,814
Miscellaneous	-	-	40,000	40,000
Transfers in	5,036,181	5,036,181	5,222,028	185,847
Amount available for appropriation	<u>21,710,232</u>	<u>21,710,232</u>	<u>25,183,756</u>	<u>3,473,524</u>
Charges to appropriations (outflows):				
Current:				
Urban development	5,284,907	5,282,449	5,878,001	(595,552)
Capital outlay	-	22,458	-	22,458
Debt service:				
Interest and fiscal charges	55,960	55,960	620,778	(564,818)
Transfers out	2,045,205	2,045,205	2,601,763	(556,558)
Total charges to appropriations	<u>7,386,072</u>	<u>7,406,072</u>	<u>9,100,542</u>	<u>(1,694,470)</u>
<b>Fund balance, June 30, 2010</b>	<u>\$ 14,324,160</u>	<u>\$ 14,304,160</u>	<u>\$ 16,083,214</u>	<u>\$ 1,779,054</u>

**City of Pomona**  
**Required Supplementary Information (Unaudited), Continued**  
**For the year ended June 30, 2010**

**2. DEFINED PENSION PLAN**

**PUBLIC EMPLOYEE RETIREMENT SYSTEMS (PERS)**  
**SCHEDULE OF FUNDING PROGRESS**

*Safety Employees*

Actuarial Valuation Date*	Actuarial Value of Assets (AVA)	Entry Age Actuarial Accrued Liability	(Unfunded) Actuarial Accrued Liability	Funded Ratio	Annual Covered Payroll	(Unfunded) Actuarial Liability as Percentage of Covered Payroll
6/30/2007	\$ 220,662,025	\$ 233,678,076	\$ (13,016,051)	94.43%	\$ 15,883,076	(81.95)%
6/30/2008	231,445,488	246,820,830	(15,375,342)	93.77%	17,528,874	(87.71)%
6/30/2009	237,157,899	266,712,188	(29,554,289)	88.92%	17,681,848	(167.14)%

*Miscellaneous Employees*

Actuarial Valuation Date*	Actuarial Value of Assets (AVA)	Entry Age Actuarial Accrued Liability	(Unfunded) Actuarial Accrued Liability	Funded Ratio	Annual Covered Payroll	(Unfunded) Actuarial Liability as Percentage of Covered Payroll
6/30/2007	\$ 170,216,582	\$ 180,903,700	\$ (10,687,118)	94.09%	\$ 29,649,412	(36.04)%
6/30/2008	181,578,861	192,729,543	(11,150,682)	94.21%	30,874,871	(36.12)%
6/30/2009	188,608,140	208,855,695	(20,247,555)	90.31%	29,964,633	(67.57)%

\* Based on the latest actuarial valuation available.

In 2004, the City issued \$32,300,000 in Pension Obligation Bonds in order to fund the City's unamortized, unfunded actuarial accrued liability with the California Public Employees Retirement System (PERS). A payment of \$27,722,510 was made to PERS on June 29, 2004 (See Notes 8 and 10).

In 2005, the City issued an additional \$5,700,000 in Pension Obligation Bonds in order to make current payments for the accrued liability with PERS.

In 2006, the City issued \$42,280,684 Pension Obligations Refunding Bonds to refinance the City's outstanding Pension Obligation Refunding Bonds Series 2004 AJ and Series 2004 AK.

**City of Pomona**  
**Required Supplementary Information (Unaudited), Continued**  
**For the year ended June 30, 2010**

---

**3. OTHER POST EMPLOYMENT BENEFITS**

**REQUIRED SUPPLEMENTARY INFORMATION**  
**Schedule of Funding Progress for the City's Plan**

Actuarial Valuation Date	Actuarial Asset Value	Actuarial Accrued Liability Entry Age	(Unfunded) Actuarial Accrued Liability	Funded Ratio	Covered Payroll	Unfunded Actuarial Liability as Percentage of Covered Payroll
1/1/2008	\$ -	\$ 64,974,000	\$ (64,974,000)	0.0%	\$ 44,227,000	146.91%
1/1/2010	-	73,291,000	(73,291,000)	0.0%	38,805,000	188.87%



---

# SUPPLEMENTARY INFORMATION

---

*This page intentionally left blank.*

---

# NON-MAJOR GOVERNMENTAL FUNDS

---

The *Housing Assistance Program* offers expanded opportunities for rental assistance to very low income families by utilizing existing housing units.

The *Community Development Block Grant Fund* develops viable urban communities by providing decent housing and a suitable environment and expand economic opportunity for persons of low and moderate income.

The *Housing Authority Fund* accounts for acquisition, rehabilitation, and administration of properties used to provide affordable rental housing.

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

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

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 receipt and disbursement of funds derived from a 1990-91 increase in County sales tax. The funds are used to finance transit or transit-related projects.

The *Vehicle Parking Districts Fund* accounts for the 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 the revenues and expenditures made for air quality improvement projects. The revenues consist of funds received from the South Coast Air Quality Management District (SCAQMD) in accordance with AB2766.

The *Traffic Congestion Relief Fund* accounts for revenues received and expenditures made for either street pavement, rehabilitation and reconstruction of associated facilities such as drainage and traffic control devices.

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 *Narcotics 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 shall be for the enforcement, education and prosecution of drivers with a suspended or revoked license as well as unlicensed drivers operating a motor vehicle.

The *Prop 1B Fund* accounts for the monies received under Proposition 1B.

The *Measure R Fund* accounts for street maintenance, traffic signal, street light maintenance, traffic paint and sign services which are funded with 1/2-cent sales tax revenues.

The *General Sanitation Fees Operation Fund* accounts for street sweeping services, graffiti abatement, storm water compliance, landscape median maintenance, and right-of-way clean-ups.

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

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

**City of Pomona**  
**Combining Balance Sheet**  
**Non-Major Governmental Funds**  
**June 30, 2010**

	Special Revenue					
	Housing Assistance Program	Community Development Block Grant	Housing Authority	Miscellaneous Grants	State Gas Tax	Proposition A
<b>ASSETS</b>						
Cash and investments	\$ 4,494,897	\$ 477,366	\$ 273,544	\$ 1,022,447	\$ -	\$ 485,877
Receivables:						
Accounts, net	21,048	20,242	-	479,317	50,520	-
Interest	4,769	254	290	2,016	1,003	607
Due from other funds	-	46,179	-	-	-	-
Due from other governments	-	306,617	-	1,718,511	651,882	2,856
Prepaid items and deposits	814,345	3,614	-	292,378	-	-
Restricted cash and investments	-	-	-	3	-	-
Loans receivable	-	2,703,492	-	12,270,074	-	-
Land held for resale	-	-	-	-	-	-
Advances to other funds	-	-	-	-	-	-
<b>Total assets</b>	<b>\$ 5,335,059</b>	<b>\$ 3,557,764</b>	<b>\$ 273,834</b>	<b>\$ 15,784,746</b>	<b>\$ 703,405</b>	<b>\$ 489,340</b>
<b>LIABILITIES AND FUND BALANCES</b>						
<b>Liabilities:</b>						
Accounts payable	\$ 10,320	\$ 257,167	\$ -	\$ 1,061,821	\$ 760,976	\$ 804,582
Accrued liabilities	172,179	84,941	-	96,986	6,764	2,220
Deferred revenue	-	1,828,492	-	12,496,801	-	-
Due to other funds	-	-	-	-	38,152	-
Notes Payable	-	-	2,130,000	-	-	-
<b>Total liabilities</b>	<b>182,499</b>	<b>2,170,600</b>	<b>2,130,000</b>	<b>13,655,608</b>	<b>805,892</b>	<b>806,802</b>
<b>Fund Balances:</b>						
Reserved for:						
Prepaid items and deposits	814,345	3,614	-	292,378	-	-
Loans receivable	-	875,000	-	-	-	-
Land held for resale	-	-	-	-	-	-
Advances to other funds	-	-	-	-	-	-
Capital and special projects	-	-	-	3	-	-
Debt service and capital lease obligations	-	-	-	-	-	-
Unreserved, designated for:						
Contingencies	-	-	-	-	-	-
Unreserved, undesignated	4,338,215	508,550	(1,856,166)	1,836,757	(102,487)	(317,462)
<b>Total fund balances</b>	<b>5,152,560</b>	<b>1,387,164</b>	<b>(1,856,166)</b>	<b>2,129,138</b>	<b>(102,487)</b>	<b>(317,462)</b>
<b>Total liabilities and fund balances</b>	<b>\$ 5,335,059</b>	<b>\$ 3,557,764</b>	<b>\$ 273,834</b>	<b>\$ 15,784,746</b>	<b>\$ 703,405</b>	<b>\$ 489,340</b>

(Continued)

	Special Revenue					
	Proposition	Vehicle	Air Quality	Traffic	Landscape	Narcotics
	C	Parking District	Improvement	Congestion Relief	Maintenance District	Forfeiture
<b>ASSETS</b>						
Cash and investments	\$ 5,662,412	\$ 68,608	\$ 645,961	\$ 1,121,918	\$ 105,714	\$ 3,418,441
Receivables:						
Accounts, net	-	12,045	-	-	-	-
Interest	5,861	83	657	1,812	158	3,216
Due from other funds	-	-	-	-	-	-
Due from other governments	-	3,675	49,688	409,913	63,780	382,089
Prepaid items and deposits	-	-	-	-	-	-
Restricted cash and investments	-	-	-	-	-	-
Loans receivable	-	600,000	-	-	-	-
Land held for resale	-	-	-	-	-	-
Advances to other funds	-	-	-	-	-	-
<b>Total assets</b>	<b>\$ 5,668,273</b>	<b>\$ 684,411</b>	<b>\$ 696,306</b>	<b>\$ 1,533,643</b>	<b>\$ 169,652</b>	<b>\$ 3,803,746</b>
<b>LIABILITIES AND FUND BALANCES</b>						
<b>Liabilities:</b>						
Accounts payable	\$ -	\$ 16,721	\$ 6,390	\$ 133,527	\$ 135,432	\$ 67,651
Accrued liabilities	14,647	11,638	534	3,990	4,150	19,422
Deferred revenue	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-
Notes Payable	-	-	-	-	-	-
<b>Total liabilities</b>	<b>14,647</b>	<b>28,359</b>	<b>6,924</b>	<b>137,517</b>	<b>139,582</b>	<b>87,073</b>
<b>Fund Balances:</b>						
Reserved for:						
Prepaid items and deposits	-	-	-	-	-	-
Loans receivable	-	600,000	-	-	-	-
Land held for resale	-	-	-	-	-	-
Advances to other funds	-	-	-	-	-	-
Capital and special projects	-	-	-	-	-	-
Debt service and capital lease obligations	-	-	-	-	-	-
Unreserved, designated for:						
Contingencies	-	-	-	-	-	-
Unreserved, undesignated	5,653,626	56,052	689,382	1,396,126	30,070	3,716,673
<b>Total fund balances</b>	<b>5,653,626</b>	<b>656,052</b>	<b>689,382</b>	<b>1,396,126</b>	<b>30,070</b>	<b>3,716,673</b>
<b>Total liabilities and fund balances</b>	<b>\$ 5,668,273</b>	<b>\$ 684,411</b>	<b>\$ 696,306</b>	<b>\$ 1,533,643</b>	<b>\$ 169,652</b>	<b>\$ 3,803,746</b>

(Continued)

**City of Pomona**  
**Combining Balance Sheet**  
**Non-Major Governmental Funds**  
**June 30, 2010**

	Special Revenue			Capital Projects			Total Other Governmental Funds
	Traffic Offender	Proposition 1B	Measure R	General Sanitation Fees Operations	Capital Outlay	Assessment District Improvement	
<b>ASSETS</b>							
Cash and investments	\$ 60,546	\$ 2,830,261	\$ 278,715	\$ -	\$ 213,333	\$ 186,111	\$ 21,346,151
Receivables:							
Accounts, net	-	-	-	221,787	1,641,463	-	2,446,422
Interest	65	2,182	-	-	1,089	241	24,303
Due from other funds	-	-	-	-	-	-	46,179
Due from other governments	-	-	-	-	724,245	-	4,313,256
Prepaid items and deposits	-	-	-	-	100,000	-	1,210,337
Restricted cash and investments	-	-	-	-	14,778,921	338,635	15,117,559
Loans receivable	-	-	-	-	-	-	15,573,566
Land held for resale	-	-	-	-	-	-	-
Advances to other funds	-	-	-	-	-	-	-
<b>Total assets</b>	<b>\$ 60,611</b>	<b>\$ 2,832,443</b>	<b>\$ 278,715</b>	<b>\$ 221,787</b>	<b>\$ 17,459,051</b>	<b>\$ 524,987</b>	<b>\$ 60,077,773</b>
<b>LIABILITIES AND FUND BALANCES</b>							
<b>Liabilities:</b>							
Accounts payable	\$ 442	\$ 224,927	\$ 40,865	\$ 14,155	\$ 4,198,042	\$ -	\$ 7,733,018
Accrued liabilities	15,963	4,970	48,557	67,463	19,768	-	574,192
Deferred revenue	-	-	-	-	-	-	14,325,293
Due to other funds	-	-	-	172,465	46,179	-	256,796
Notes Payable	-	-	-	-	-	-	2,130,000
<b>Total liabilities</b>	<b>16,405</b>	<b>229,897</b>	<b>89,422</b>	<b>254,083</b>	<b>4,263,989</b>	<b>-</b>	<b>25,019,299</b>
<b>Fund Balances:</b>							
Reserved for:							
Prepaid items and deposits	-	-	-	-	100,000	-	1,210,337
Loans receivable	-	-	-	-	-	-	1,475,000
Land held for resale	-	-	-	-	-	-	-
Advances to other funds	-	-	-	-	-	-	-
Capital and special projects	-	-	-	-	14,778,921	338,635	15,117,559
Debt service and capital lease obligations	-	-	-	-	-	-	-
Unreserved, designated for:							
Contingencies	-	-	-	-	-	-	-
Unreserved, undesignated	44,206	2,602,546	189,293	(32,296)	(1,683,859)	186,352	17,255,578
<b>Total fund balances</b>	<b>44,206</b>	<b>2,602,546</b>	<b>189,293</b>	<b>(32,296)</b>	<b>13,195,062</b>	<b>524,987</b>	<b>35,058,474</b>
<b>Total liabilities and fund balances</b>	<b>\$ 60,611</b>	<b>\$ 2,832,443</b>	<b>\$ 278,715</b>	<b>\$ 221,787</b>	<b>\$ 17,459,051</b>	<b>\$ 524,987</b>	<b>\$ 60,077,773</b>

(Concluded)

*This page intentionally left blank.*

**City of Pomona**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Non-Major Governmental Funds**  
**For the year ended June 30, 2010**

	Special Revenue					
	Housing Assistance Programs	Community Development Block Grant	Housing Authority	Miscellaneous Grants	State Gas Tax	Proposition A
<b>REVENUES:</b>						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-
Intergovernmental	11,526,829	4,340,180	-	8,305,412	3,282,847	2,078,954
Charges for services	210,208	156,717	-	1,845,029	-	-
Fines and forfeitures	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Use of money and property	19,171	398	29,176	28,497	1,003	2,467
Loan repaid	-	-	-	-	-	-
Miscellaneous	24,486	-	-	93,309	-	8,000
<b>Total revenues</b>	<b>11,780,694</b>	<b>4,497,295</b>	<b>29,176</b>	<b>10,272,247</b>	<b>3,283,850</b>	<b>2,089,421</b>
<b>EXPENDITURES:</b>						
Current:						
General government	-	593,576	-	-	-	-
Public safety	-	200,245	-	775,829	-	-
Urban development	11,843,847	4,449,933	19,640	8,453,601	927,168	3,277,851
Community services	-	-	-	444,028	-	18,993
Capital outlay	-	-	-	1,517,327	-	-
Debt service:						
Principal	-	125,000	-	-	-	-
Interest and fiscal charges	1,891	64,825	-	-	-	-
<b>Total expenditures</b>	<b>11,845,738</b>	<b>5,433,579</b>	<b>19,640</b>	<b>11,190,785</b>	<b>927,168</b>	<b>3,296,844</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(65,044)</b>	<b>(936,284)</b>	<b>9,536</b>	<b>(918,538)</b>	<b>2,356,682</b>	<b>(1,207,423)</b>
<b>OTHER FINANCING SOURCES (USES):</b>						
Sale of capital assets	-	-	-	-	-	-
Transfers in	-	297,770	-	56,758	117,597	-
Transfers out	-	(23,852)	-	(20,022)	(2,350,675)	(773)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>273,918</b>	<b>-</b>	<b>36,736</b>	<b>(2,233,078)</b>	<b>(773)</b>
<b>Net change in fund balances</b>	<b>(65,044)</b>	<b>(662,366)</b>	<b>9,536</b>	<b>(881,802)</b>	<b>123,604</b>	<b>(1,208,196)</b>
<b>FUND BALANCES:</b>						
Beginning of year	5,217,604	2,049,530	(1,865,702)	3,010,940	(226,091)	890,734
End of year	\$ 5,152,560	\$ 1,387,164	\$ (1,856,166)	\$ 2,129,138	\$ (102,487)	\$ (317,462)

(Continued)



# City of Pomona

## Combining Statement of Revenues, Expenditures and Changes in Fund Balances

### Non-Major Governmental Funds

For the year ended June 30, 2010

	Special Revenue					
	Proposition	Vehicle	Air Quality	Traffic	Landscape	Narcotics
	C	Parking	Improvement	Congestion	Maintenance	Forfeiture
	District		Relief	District		
<b>REVENUES:</b>						
Taxes	\$ -	\$ 23,666	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	1,214,569	-
Intergovernmental	1,724,581	2,342	185,023	1,945,807	-	-
Charges for services	-	53,985	-	-	-	32,915
Fines and forfeitures	-	74,360	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Use of money and property	23,577	266,067	2,634	5,907	361	12,447
Loan repaid	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	2,468,152
<b>Total revenues</b>	<b>1,748,158</b>	<b>420,420</b>	<b>187,657</b>	<b>1,951,714</b>	<b>1,214,930</b>	<b>2,513,514</b>
<b>EXPENDITURES:</b>						
Current:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	958,507
Urban development	151,605	537,192	229,013	1,171,656	-	-
Community services	-	-	-	-	1,052,937	-
Capital outlay	-	1,225,000	44,091	-	-	31,080
Debt service:						
Principal	-	-	178,093	-	-	-
Interest and fiscal charges	-	-	11,873	-	-	-
<b>Total expenditures</b>	<b>151,605</b>	<b>1,762,192</b>	<b>463,070</b>	<b>1,171,656</b>	<b>1,052,937</b>	<b>989,587</b>
<b>REVENUES OVER</b>						
<b>(UNDER) EXPENDITURES</b>	<b>1,596,553</b>	<b>(1,341,772)</b>	<b>(275,413)</b>	<b>780,058</b>	<b>161,993</b>	<b>1,523,927</b>
<b>OTHER FINANCING SOURCES (USES):</b>						
Sale of capital assets	-	-	262,500	-	-	-
Transfers in	-	-	-	109,380	-	-
Transfers out	(1,175)	-	(16,633)	(599,030)	-	-
<b>Total other financing sources (uses)</b>	<b>(1,175)</b>	<b>-</b>	<b>245,867</b>	<b>(489,650)</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>1,595,378</b>	<b>(1,341,772)</b>	<b>(29,546)</b>	<b>290,408</b>	<b>161,993</b>	<b>1,523,927</b>
<b>FUND BALANCES:</b>						
Beginning of year	4,058,248	1,997,824	718,928	1,105,718	(131,923)	2,192,746
End of year	\$ 5,653,626	\$ 656,052	\$ 689,382	\$ 1,396,126	\$ 30,070	\$ 3,716,673

(Continued)

**City of Pomona**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Non-Major Governmental Funds**  
**For the year ended June 30, 2010**

	Special Revenue			Capital Projects			Total Other Governmental Funds
	Traffic Offender	Proposition 1B	Measure R	General	Capital Outlay	Assessment	
				Sanitation Fees Operations		District Improvement	
<b>REVENUES:</b>							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 10,256	\$ -	\$ 33,922
Special assessments	-	-	-	-	-	-	1,214,569
Intergovernmental	-	2,410,429	1,037,641	-	7,104,171	-	43,944,216
Charges for services	395,685	-	-	-	171,659	-	2,866,198
Fines and forfeitures	-	-	-	-	-	-	74,360
Licenses and permits	-	-	-	1,375,972	92,237	-	1,468,209
Use of money and property	264	8,963	-	-	11,237	886	413,055
Loan repaid	-	-	-	-	-	-	-
Miscellaneous	-	-	-	4,943	14,655	-	2,613,545
<b>Total revenues</b>	<b>395,949</b>	<b>2,419,392</b>	<b>1,037,641</b>	<b>1,380,915</b>	<b>7,404,215</b>	<b>886</b>	<b>52,628,074</b>
<b>EXPENDITURES:</b>							
Current:							
General government	-	-	-	-	96,473	-	690,049
Public safety	432,230	-	-	-	137,286	-	2,504,097
Urban development	-	1,011,909	848,348	2,086,393	11,669,731	1,235	46,679,122
Community services	-	-	-	-	3,600	-	1,519,558
Capital outlay	-	-	-	-	147,692	-	2,965,190
Debt service:							-
Principal	-	-	-	-	-	-	303,093
Interest and fiscal charges	-	-	-	-	-	-	78,589
<b>Total expenditures</b>	<b>432,230</b>	<b>1,011,909</b>	<b>848,348</b>	<b>2,086,393</b>	<b>12,054,782</b>	<b>1,235</b>	<b>54,739,698</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(36,281)</b>	<b>1,407,483</b>	<b>189,293</b>	<b>(705,478)</b>	<b>(4,650,567)</b>	<b>(349)</b>	<b>(2,111,624)</b>
<b>OTHER FINANCING SOURCES (USES):</b>							
Sale of capital assets	-	-	-	12,500	-	-	275,000
Transfers in	-	-	-	660,682	999,982	-	2,242,169
Transfers out	-	(11,650)	-	-	(1,215,380)	-	(4,239,190)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>(11,650)</b>	<b>-</b>	<b>673,182</b>	<b>(215,398)</b>	<b>-</b>	<b>(1,722,021)</b>
<b>Net change in fund balances</b>	<b>(36,281)</b>	<b>1,395,833</b>	<b>189,293</b>	<b>(32,296)</b>	<b>(4,865,965)</b>	<b>(349)</b>	<b>(3,833,645)</b>
<b>FUND BALANCES:</b>							
Beginning of year	80,487	1,206,713	-	-	18,061,027	525,336	38,892,119
End of year	\$ 44,206	\$ 2,602,546	\$ 189,293	\$ (32,296)	\$ 13,195,062	\$ 524,987	\$ 35,058,474

(Concluded)

# City of Pomona

## Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

### General Debt Service

For the year ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget Positive/(Negative)
<b>Fund balance, July 1, 2009</b>	\$ (46,143,559)	\$ (46,143,559)	\$ (46,143,559)	\$ -
Resources (inflows):				
Taxes	645,655	645,655	734,842	89,187
Use of money and property	62,248	62,248	10,069	(52,179)
Transfers in	5,502,116	5,502,116	5,484,225	(17,891)
Amount available for appropriation	(39,933,540)	(39,933,540)	(39,914,423)	19,117
Charges to appropriations (outflows):				
Current:				
General government	24,250	24,250	34,027	(9,777)
Debt service:				
Principal	326,302	326,302	326,302	-
Interest and fiscal charges	4,913,664	4,913,664	4,933,646	(19,982)
Total charges to appropriations	5,264,216	5,264,216	5,293,975	(29,759)
<b>Fund balance, June 30, 2010</b>	\$ (45,197,756)	\$ (45,197,756)	\$ (45,208,398)	\$ (10,642)

# City of Pomona

## Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

### Public Financing Authority Debt Service

For the year ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget Positive/(Negative)
<b>Fund balance, July 1, 2009</b>	\$ 234,755,098	\$ 234,755,098	\$ 234,755,098	\$ -
Resources (inflows):				
Use of money and property	11,363,920	11,363,920	11,739,273	375,353
Miscellaneous	-	-	84	84
Amount available for appropriation	246,119,018	246,119,018	246,494,455	375,437
Charges to appropriations (outflows):				
Current:				
General government	11,550	11,550	-	11,550
Debt service:				
Principal	2,500,000	2,500,000	2,480,000	20,000
Interest and fiscal charges	10,858,371	10,858,371	11,618,680	(760,309)
Total charges to appropriations	13,369,921	13,369,921	14,098,680	(728,759)
<b>Fund balance, June 30, 2010</b>	\$ 232,749,097	\$ 232,749,097	\$ 232,395,775	\$ (353,322)

# City of Pomona

## Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

### Redevelopment Agency Debt Service

For the year ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive/(Negative)
<b>Fund balance, July 1, 2009</b>	\$ (150,919,170)	\$ (150,919,170)	\$ (150,919,170)	\$ -
Resources (inflows):				
Taxes	29,372,326	29,372,326	30,041,909	669,583
Intergovernmental	1,908,271	1,908,271	1,989,636	81,365
Charges for services	4,319	4,319	860	(3,459)
Use of money and property	503,455	503,455	371,241	(132,214)
Miscellaneous	70,584	70,584	56,244	(14,340)
Issuance of bonds, loans, and notes payable	428,400	428,400	533,765	105,365
Transfers in	2,045,205	2,045,205	2,601,763	556,558
Amount available for appropriation	<u>(116,586,610)</u>	<u>(116,586,610)</u>	<u>(115,323,752)</u>	<u>1,262,858</u>
Charges to appropriations (outflows):				
Current:				
Urban development	16,514,175	16,514,175	23,554,956	(7,040,781)
Debt service:				
Principal	230,000	230,000	230,000	-
Interest and fiscal charges	9,306,106	9,306,106	9,306,109	(3)
Transfers out	7,162,279	7,162,279	8,511,071	(1,348,792)
Total charges to appropriations	<u>33,212,560</u>	<u>33,212,560</u>	<u>41,602,136</u>	<u>(8,389,576)</u>
<b>Fund balance, June 30, 2010</b>	\$ <u>(149,799,170)</u>	\$ <u>(149,799,170)</u>	\$ <u>(156,925,888)</u>	\$ <u>(7,126,718)</u>

# City of Pomona

## Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

### Redevelopment Agency Capital Project

For the year ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive/(Negative)
<b>Fund balance, July 1, 2009</b>	\$ 65,053,522	\$ 65,053,522	\$ 65,053,522	\$ -
Resources (inflows):				
Intergovernmental	-	-	3,500	3,500
Charges for services	-	-	95,871	95,871
Use of money and property	895,331	895,331	968,646	73,315
Miscellaneous	-	-	305,599	305,599
Sale of capital assets	350,000	350,000	-	(350,000)
Transfers in	2,126,098	2,126,098	3,289,043	1,162,945
Amount available for appropriation	68,424,951	68,424,951	69,716,181	1,291,230
Charges to appropriations (outflows):				
Current:				
Urban development	3,610,239	11,874,786	3,937,603	7,937,183
Capital outlay	-	1,113,115	-	1,113,115
Debt Service:				
Interest and fiscal charges	-	-	600,000	(600,000)
Transfers out	304,156	304,156	559,500	(255,344)
Total charges to appropriations	3,914,395	13,292,057	5,097,103	8,194,954
<b>Fund balance, June 30, 2010</b>	\$ 64,510,556	\$ 55,132,894	\$ 64,619,078	\$ 9,486,184

# City of Pomona

## Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

### Housing Assistance Program

For the year ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget Positive/(Negative)
<b>Fund balance, July 1, 2009</b>	\$ 5,217,604	\$ 5,217,604	\$ 5,217,604	\$ -
Resources (inflows):				
Intergovernmental	10,309,643	10,309,643	11,526,829	1,217,186
Charges for services	50,000	50,000	210,208	160,208
Use of money and property	50,000	50,000	19,171	(30,829)
Miscellaneous	26,802	26,802	24,486	(2,316)
Amount available for appropriation	15,654,049	15,654,049	16,998,298	1,344,249
Charges to appropriations (outflows):				
Current:				
Urban development	10,465,232	10,465,232	11,843,847	(1,378,615)
Debt service:				
Interest and fiscal charges	-	-	1,891	(1,891)
Total charges to appropriations	10,465,232	10,465,232	11,845,738	(1,380,506)
<b>Fund balance, June 30, 2010</b>	\$ 5,188,817	\$ 5,188,817	\$ 5,152,560	\$ (36,257)

# City of Pomona

## Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

### Community Development Block Grant

For the year ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive/(Negative)
<b>Fund balance, July 1, 2009</b>	\$ 2,049,530	\$ 2,049,530	\$ 2,049,530	\$ -
Resources (inflows):				
Intergovernmental	2,852,669	3,011,722	4,340,180	1,328,458
Charges for services	-	-	156,717	156,717
Use of money and property	-	-	398	398
Transfers in	-	-	297,770	297,770
Amount available for appropriation	4,902,199	5,061,252	6,844,595	1,783,343
Charges to appropriations (outflows):				
Current:				
General government	570,534	643,989	593,576	50,413
Public safety	143,899	238,051	200,245	37,806
Urban development	1,534,178	1,509,924	4,449,933	(2,940,009)
Capital outlay	539,233	808,476	-	808,476
Debt service:				
Principal	125,000	125,000	125,000	-
Interest and fiscal charges	64,825	64,825	64,825	-
Transfers out	-	-	23,852	(23,852)
Total charges to appropriations	2,977,669	3,390,265	5,457,431	(2,067,166)
<b>Fund balance, June 30, 2010</b>	\$ 1,924,530	\$ 1,670,987	\$ 1,387,164	\$ (283,823)



# City of Pomona

## Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

### Housing Authority

For the year ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget Positive/(Negative)
<b>Fund balance, July 1, 2009</b>	\$ (1,865,702)	\$ (1,865,702)	\$ (1,865,702)	\$ -
Resources (inflows):				
Use of money and property	55,782	55,782	29,176	(26,606)
Amount available for appropriation	(1,809,920)	(1,809,920)	(1,836,526)	(26,606)
Charges to appropriations (outflows):				
Current:				
Urban development	38,637	38,637	19,640	18,997
Total charges to appropriations	38,637	38,637	19,640	18,997
<b>Fund balance, June 30, 2010</b>	\$ (1,848,557)	\$ (1,848,557)	\$ (1,856,166)	\$ (7,609)

# City of Pomona

## Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

### Miscellaneous Grants

For the year ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive/(Negative)
	Original	Final		
<b>Fund balance, July 1, 2009</b>	\$ 3,010,940	\$ 3,010,940	\$ 3,010,940	\$ -
Resources (inflows):				
Intergovernmental	9,201,484	17,153,808	8,305,412	(8,848,396)
Charges for services	94,779	94,779	1,845,029	1,750,250
Use of money and property	22,900	22,900	28,497	5,597
Miscellaneous	84,240	84,240	93,309	9,069
Transfers in	89,660	89,660	56,758	(32,902)
Amount available for appropriation	12,504,003	20,456,327	13,339,945	(7,116,382)
Charges to appropriations (outflows):				
Current:				
Public safety	761,684	2,182,508	775,829	1,406,679
Urban development	7,574,773	11,344,914	8,453,601	2,891,313
Community services	523,020	545,520	444,028	101,492
Capital outlay	721,500	3,531,584	1,517,327	2,014,257
Transfers out	-	-	20,022	(20,022)
Total charges to appropriations	9,580,977	17,604,526	11,210,807	6,393,719
<b>Fund balance, June 30, 2010</b>	\$ 2,923,026	\$ 2,851,801	\$ 2,129,138	\$ (722,663)

# City of Pomona

## Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

### State Gas Tax

For the year ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget Positive/(Negative)
<b>Fund balance, July 1, 2009</b>	\$ (226,091)	\$ (226,091)	\$ (226,091)	\$ -
Resources (inflows):				
Intergovernmental	2,582,100	2,582,100	3,282,847	700,747
Use of money and property	-	-	1,003	1,003
Transfers in	-	-	117,597	117,597
Amount available for appropriation	<u>2,356,009</u>	<u>2,356,009</u>	<u>3,175,356</u>	<u>819,347</u>
Charges to appropriations (outflows):				
Current:				
Urban development	23,667	23,667	927,168	(903,501)
Transfers out	<u>2,558,433</u>	<u>2,558,433</u>	<u>2,350,675</u>	<u>207,758</u>
Total charges to appropriations	<u>2,582,100</u>	<u>2,582,100</u>	<u>3,277,843</u>	<u>(695,743)</u>
<b>Fund balance, June 30, 2010</b>	<u>\$ (226,091)</u>	<u>\$ (226,091)</u>	<u>\$ (102,487)</u>	<u>\$ 123,604</u>

# City of Pomona

## Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

### Proposition A

For the year ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget Positive/(Negative)
<b>Fund balance, July 1, 2009</b>	\$ 890,734	\$ 890,734	\$ 890,734	\$ -
Resources (inflows):				
Intergovernmental	2,600,000	2,600,000	2,078,954	(521,046)
Use of money and property	5,000	5,000	2,467	(2,533)
Miscellaneous	8,500	8,500	8,000	(500)
Amount available for appropriation	3,504,234	3,504,234	2,980,155	(524,079)
Charges to appropriations (outflows):				
Current:				
Urban development	3,314,205	3,314,205	3,277,851	36,354
Community services	50,000	50,000	18,993	31,007
Transfers out	-	-	773	(773)
Total charges to appropriations	3,364,205	3,364,205	3,297,617	66,588
<b>Fund balance, June 30, 2010</b>	\$ 140,029	\$ 140,029	\$ (317,462)	\$ (457,491)

# City of Pomona

## Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual Proposition C

For the year ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive/(Negative)
	Original	Final		
<b>Fund balance, July 1, 2009</b>	\$ 4,058,248	\$ 4,058,248	\$ 4,058,248	\$ -
Resources (inflows):				
Intergovernmental	2,150,000	2,150,000	1,724,581	(425,419)
Use of money and property	125,000	125,000	23,577	(101,423)
Amount available for appropriation	6,333,248	6,333,248	5,806,406	(526,842)
Charges to appropriations (outflows):				
Current:				
Urban development	162,832	162,832	151,605	11,227
Transfers out	2,065,000	2,065,000	1,175	2,063,825
Total charges to appropriations	2,227,832	2,227,832	152,780	2,075,052
<b>Fund balance, June 30, 2010</b>	\$ 4,105,416	\$ 4,105,416	\$ 5,653,626	\$ 1,548,210

# City of Pomona

## Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

### Vehicle Parking District

For the year ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive/(Negative)
	Original	Final		
<b>Fund balance, July 1, 2009</b>	\$ 1,997,824	\$ 1,997,824	\$ 1,997,824	\$ -
Resources (inflows):				
Taxes	11,500	11,500	23,666	12,166
Intergovernmental	-	-	2,342	2,342
Charges for services	55,000	55,000	53,985	(1,015)
Fines and forfeitures	55,000	55,000	74,360	19,360
Use of money and property	442,000	312,000	266,067	(45,933)
Amount available for appropriation	2,561,324	2,431,324	2,418,244	(13,080)
Charges to appropriations (outflows):				
Current:				
Urban development	526,928	670,717	537,192	133,525
Capital outlay	-	-	1,225,000	(1,225,000)
Total charges to appropriations	526,928	670,717	1,762,192	(1,091,475)
<b>Fund balance, June 30, 2010</b>	\$ 2,034,396	\$ 1,760,607	\$ 656,052	\$ (1,104,555)

# City of Pomona

## Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

### Air Quality Improvement

For the year ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget Positive/(Negative)
<b>Fund balance, July 1, 2009</b>	\$ 718,928	\$ 718,928	\$ 718,928	\$ -
Resources (inflows):				
Intergovernmental	189,777	189,777	185,023	(4,754)
Use of money and property	12,000	12,000	2,634	(9,366)
Sale of capital assets	-	-	262,500	262,500
Amount available for appropriation	920,705	920,705	1,169,085	248,380
Charges to appropriations (outflows):				
Current:				
Urban development	-	-	229,013	(229,013)
Capital outlay	259,500	274,500	44,091	230,409
Debt Service:				
Principal	88,866	88,866	178,093	(89,227)
Interest and fiscal charges	-	-	11,873	(11,873)
Transfers out	74,247	74,247	16,633	57,614
Total charges to appropriations	422,613	437,613	479,703	(42,090)
<b>Fund balance, June 30, 2010</b>	\$ 498,092	\$ 483,092	\$ 689,382	\$ 206,290

# City of Pomona

## Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

### Traffic Congestion Relief

For the year ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget Positive/(Negative)
<b>Fund balance, July 1, 2009</b>	\$ 1,105,718	\$ 1,105,718	\$ 1,105,718	\$ -
Resources (inflows):				
Intergovernmental	-	-	1,945,807	1,945,807
Use of money and property	15,000	15,000	5,907	(9,093)
Transfers in	301,722	301,722	109,380	(192,342)
Amount available for appropriation	1,422,440	1,422,440	3,166,812	1,744,372
Charges to appropriations (outflows):				
Current:				
Urban development	-	-	1,171,656	(1,171,656)
Capital Outlay	1,709,766	4,764,109	-	4,764,109
Transfers out	-	-	599,030	(599,030)
Total charges to appropriations	1,709,766	4,764,109	1,770,686	3,592,453
<b>Fund balance, June 30, 2010</b>	\$ (287,326)	\$ (3,341,669)	\$ 1,396,126	\$ 4,737,795



# City of Pomona

## Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

### Landscape Maintenance District

For the year ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget Positive/(Negative)
<b>Fund balance, July 1, 2009</b>	\$ (131,923)	\$ (131,923)	\$ (131,923)	\$ -
Resources (inflows):				
Special assessments	1,177,609	1,177,609	1,214,569	36,960
Use of money and property	-	-	361	361
Amount available for appropriation	1,045,686	1,045,686	1,083,007	37,321
Charges to appropriations (outflows):				
Current:				
Community services	1,143,912	1,143,912	1,052,937	90,975
Total charges to appropriations	1,143,912	1,143,912	1,052,937	90,975
<b>Fund balance, June 30, 2010</b>	\$ (98,226)	\$ (98,226)	\$ 30,070	\$ 128,296

# City of Pomona

## Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

### Narcotics Forfeiture

For the year ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget Positive/(Negative)
<b>Fund balance, July 1, 2009</b>	\$ 2,192,746	\$ 2,192,746	\$ 2,192,746	\$ -
Resources (inflows):				
Charges for services	10,000	10,000	32,915	22,915
Use of money and property	35,000	35,000	12,447	(22,553)
Miscellaneous	1,600,000	1,600,000	2,468,152	868,152
Amount available for appropriation	3,837,746	3,837,746	4,706,260	868,514
Charges to appropriations (outflows):				
Current:				
Public safety	1,870,943	1,870,943	958,507	912,436
Capital outlay	23,500	23,500	31,080	(7,580)
Total charges to appropriations	1,894,443	1,894,443	989,587	904,856
<b>Fund balance, June 30, 2010</b>	\$ 1,943,303	\$ 1,943,303	\$ 3,716,673	\$ 1,773,370

# City of Pomona

## Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

### Traffic Offender

For the year ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive/(Negative)
<b>Fund balance, July 1, 2009</b>	\$ 80,487	\$ 80,487	\$ 80,487	\$ -
.				
Resources (inflows):				
Charges for services	442,000	442,000	395,685	(46,315)
Use of money and property	4,000	4,000	264	(3,736)
Amount available for appropriation	526,487	526,487	476,436	(50,051)
Charges to appropriations (outflows):				
Current:				
Public safety	417,677	417,677	432,230	(14,553)
Total charges to appropriations	417,677	417,677	432,230	(14,553)
<b>Fund balance, June 30, 2010</b>	\$ 108,810	\$ 108,810	\$ 44,206	\$ (64,604)

# City of Pomona

## Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

### Proposition 1B

For the year ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget Positive/(Negative)
<b>Fund balance, July 1, 2009</b>	\$ 1,206,713	\$ 1,206,713	\$ 1,206,713	\$ -
Resources (inflows):				
Intergovernmental	-	-	2,410,429	2,410,429
Use of money and property	-	-	8,963	8,963
Amount available for appropriation	1,206,713	1,206,713	3,626,105	2,419,392
Charges to appropriations (outflows):				
Current:				
Urban development	-	-	1,011,909	(1,011,909)
Capital Outlay	-	30,000	-	30,000
Transfers out	-	-	11,650	(11,650)
Total charges to appropriations	-	30,000	1,023,559	(993,559)
<b>Fund balance, June 30, 2010</b>	\$ 1,206,713	\$ 1,176,713	\$ 2,602,546	\$ 1,425,833

# City of Pomona

## Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual Measure R

For the year ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget Positive/(Negative)
<b>Fund balance, July 1, 2009</b>	\$ -	\$ -	\$ -	\$ -
Resources (inflows):				
Intergovernmental	-	841,145	1,037,641	196,496
Amount available for appropriation	-	841,145	1,037,641	196,496
Charges to appropriations (outflows):				
Current:				
Urban development	-	841,145	848,348	(7,203)
Total charges to appropriations	-	841,145	848,348	(7,203)
<b>Fund balance, June 30, 2010</b>	\$ -	\$ -	\$ 189,293	\$ 189,293

# City of Pomona

## Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

### General Sanitation Fees Operation

For the year ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget Positive/(Negative)
<b>Fund balance, July 1, 2009</b>	\$ -	\$ -	\$ -	\$ -
Resources (inflows):				
Licenses and permits	-	1,349,700	1,375,972	26,272
Miscellaneous	-	-	4,943	4,943
Sale of capital assets	-	-	12,500	12,500
Transfers in	-	832,583	660,682	(171,901)
Amount available for appropriation	-	2,182,283	2,054,097	(128,186)
Charges to appropriations (outflows):				
Current:				
Urban development	-	2,182,283	2,086,393	95,890
Total charges to appropriations	-	2,182,283	2,086,393	95,890
<b>Fund balance, June 30, 2010</b>	\$ -	\$ -	\$ (32,296)	\$ (32,296)

# City of Pomona

## Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

### Capital Outlay Fund

For the year ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget Positive/(Negative)
<b>Fund balance, July 1, 2009</b>	\$ 18,061,027	\$ 18,061,027	\$ 18,061,027	\$ -
Resources (inflows):				
Taxes	15,000	15,000	10,256	(4,744)
Intergovernmental	549,799	549,799	7,104,171	6,554,372
Charges for services	-	-	171,659	171,659
Licenses and permits	60,000	60,000	92,237	32,237
Use of money and property	542,177	542,177	11,237	(530,940)
Miscellaneous	10,165	10,165	14,655	4,490
Transfers in	2,065,000	2,065,000	999,982	(1,065,018)
Amount available for appropriation	21,303,168	21,303,168	26,465,224	5,162,056
Charges to appropriations (outflows):				
Current:				
General government	-	-	96,473	(96,473)
Public safety	-	-	137,286	(137,286)
Urban development	-	-	11,669,731	(11,669,731)
Community services	-	-	3,600	(3,600)
Capital outlay	3,632,009	5,636,739	147,692	5,489,047
Debt service:				
Transfers out	903,717	903,717	1,215,380	(311,663)
Total charges to appropriations	4,535,726	6,540,456	13,270,162	(6,729,706)
<b>Fund balance, June 30, 2010</b>	\$ 16,767,442	\$ 14,762,712	\$ 13,195,062	\$ (1,567,650)

# City of Pomona

## Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

### Assessment District Improvement

For the year ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive/(Negative)
	Original	Final		
<b>Fund balance, July 1, 2009</b>	\$ 525,336	\$ 525,336	\$ 525,336	\$ -
Resources (inflows):				
Use of money and property	6,219	6,219	886	(5,333)
Amount available for appropriation	531,555	531,555	526,222	(5,333)
Charges to appropriations (outflows):				
Current:				
Urban development	-	-	1,235	(1,235)
Capital outlay	13,700	-	-	-
Total charges to appropriations	13,700	-	1,235	(1,235)
<b>Fund balance, June 30, 2010</b>	\$ 517,855	\$ 531,555	\$ 524,987	\$ (6,568)



---

# INTERNAL SERVICE FUNDS

---

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

**City of Pomona**  
**Combining Statement of Net Assets**  
**All Internal Service Funds**  
**June 30, 2010**

	Equipment Maintenance	Self-Insurance Funds	Total
<b>ASSETS</b>			
Current assets:			
Cash and investments	\$ 453,303	\$ 4,598,930	\$ 5,052,233
Accounts receivable, net	1,703	-	1,703
Inventories	355,932	-	355,932
Total current assets	810,938	4,598,930	5,409,868
Noncurrent assets:			
Capital assets:			
Depreciable assets	542,596	-	542,596
Less accumulated depreciation	(339,006)	-	(339,006)
Capital assets, net	203,590	-	203,590
Total noncurrent assets	203,590	-	203,590
<b>Total assets</b>	<b>1,014,528</b>	<b>4,598,930</b>	<b>5,613,458</b>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	101,244	3,753,665	3,854,909
Accrued liabilities	124,381	-	124,381
Compensated absences	100,000	-	100,000
Total current liabilities	325,625	3,753,665	4,079,290
Noncurrent liabilities:			
Advance from other funds	-	5,000,000	5,000,000
Compensated absences	25,612	-	25,612
Total noncurrent liabilities	25,612	5,000,000	5,025,612
<b>Total liabilities</b>	<b>351,237</b>	<b>8,753,665</b>	<b>9,104,902</b>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	203,590	-	203,590
Unrestricted	459,701	(4,154,735)	(3,695,034)
<b>Total net assets</b>	<b>\$ 663,291</b>	<b>\$ (4,154,735)</b>	<b>\$ (3,491,444)</b>

**City of Pomona**  
**Combining Statement of Activities and Changes in Net Assets**  
**All Internal Service Funds**  
**For the year ended June 30, 2010**

	Equipment Maintenance	Self-Insurance Funds	Total
<b>OPERATING REVENUES:</b>			
Charges for services	\$ 3,588,165	\$ 3,950,838	\$ 7,539,003
<b>Total operating revenues</b>	<b>3,588,165</b>	<b>3,950,838</b>	<b>7,539,003</b>
<b>OPERATING EXPENSES:</b>			
Personnel services	1,404,921	-	1,404,921
Operations	2,241,020	-	2,241,020
Claims expense	116,896	8,105,573	8,222,469
Depreciation	23,481	-	23,481
Insurance	39,187	-	39,187
<b>Total operating expenses</b>	<b>3,825,505</b>	<b>8,105,573</b>	<b>11,931,078</b>
<b>OPERATING INCOME (LOSS)</b>	<b>(237,340)</b>	<b>(4,154,735)</b>	<b>(4,392,075)</b>
<b>NONOPERATING REVENUES (EXPENSES):</b>			
Interest expense and fees	(69)	-	(69)
<b>Total nonoperating revenues (expenses)</b>	<b>(69)</b>	<b>-</b>	<b>(69)</b>
<b>Changes in net assets</b>	<b>(237,409)</b>	<b>(4,154,735)</b>	<b>(4,392,144)</b>
<b>NET ASSETS:</b>			
Beginning of year	900,700	-	900,700
End of year	\$ 663,291	\$ (4,154,735)	\$ (3,491,444)

**City of Pomona**  
**Combining Statement of Cash Flows**  
**All Internal Service Funds**  
**For the year ended June 30, 2010**

	Equipment Maintenance	Self-Insurance Funds	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Cash received from customers/other funds	\$ 3,586,462	\$ 3,950,838	\$ 7,537,300
Cash payments to suppliers for goods and services	(2,430,375)	(4,351,908)	(6,782,283)
Cash payments for general and administrative expenses	(1,396,492)	-	(1,396,492)
<b>Net cash provided (used) by operating activities</b>	<b>(240,405)</b>	<b>(401,070)</b>	<b>(641,475)</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>			
Advances from other funds	-	5,000,000	5,000,000
<b>Net cash provided (used) by noncapital financing activities</b>	<b>-</b>	<b>5,000,000</b>	<b>5,000,000</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>			
Repayment of bonds payable and capital leases	(6,961)	-	(6,961)
Interest paid on capital-related debt	(111)	-	(111)
<b>Net cash provided (used) by capital and related financing activities</b>	<b>(7,072)</b>	<b>-</b>	<b>(7,072)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Interest income received	-	-	-
<b>Net cash provided (used) by investing activities</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(247,477)</b>	<b>4,598,930</b>	<b>4,351,453</b>
<b>CASH AND CASH EQUIVALENTS:</b>			
Beginning of year	700,780	-	700,780
End of year	\$ 453,303	\$ 4,598,930	\$ 5,052,233
<b>FINANCIAL STATEMENT PRESENTATION:</b>			
Cash and investments	\$ 453,303	\$ 4,598,930	\$ 5,052,233
<b>Total cash, cash equivalents, and investments</b>	<b>\$ 453,303</b>	<b>\$ 4,598,930</b>	<b>\$ 5,052,233</b>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b>			
Operating income (loss)	\$ (237,340)	\$ (4,154,735)	\$ (4,392,075)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	23,481	-	23,481
Changes in operating assets and liabilities:			
Accounts receivable	(1,703)	-	(1,703)
Inventories	13,518	-	13,518
Accounts payable	(46,790)	3,753,665	3,706,875
Accrued liabilities	52,162	-	52,162
Compensated absences	(43,733)	-	(43,733)
Total adjustments	(26,546)	3,753,665	3,727,119
<b>Net cash provided (used) by operating activities</b>	<b>\$ (240,405)</b>	<b>\$ (401,070)</b>	<b>\$ (641,475)</b>

---

# FIDUCIARY FUNDS

---

The **Agency Funds** account for assets held by the City for other funds, governments or individuals. These funds include receipts and disbursements of funds for the debt service activity of the 1911 Act assessment districts, cash deposits collected for street and sidewalk encroachment permits, debt services activity related to debt without government commitment for various assessment district improvements, cash guarantees (deposits) collected by the City for various construction improvement projects, deposits of miscellaneous, self-supporting City projects, payment of various employee benefits and deductions, including, but not limited to, health and dental insurance premiums, federal and state withholding taxes, life insurance and other withholdings from regular compensation.

**City of Pomona**  
**Combining Statement of Fiduciary Net Assets**  
**All Agency Funds**  
**June 30, 2010**

	Assessment Districts	Engineers' Revolving	Construction Guarantee	Municipal Revolving	Employee Benefits/ Deductions	Total Agency Funds
<b>ASSETS</b>						
Cash and investments	\$ 369,084	\$ 599,079	\$ 652,150	\$ 773,862	\$ 2,114,310	\$ 4,508,485
Interest receivable	396	434	-	-	-	830
Due from other governments	5,841	-	-	9,208	-	15,049
<b>Total assets</b>	<b>\$ 375,321</b>	<b>\$ 599,513</b>	<b>\$ 652,150</b>	<b>\$ 783,070</b>	<b>\$ 2,114,310</b>	<b>\$ 4,524,364</b>
<b>LIABILITIES</b>						
Accounts payable	\$ -	\$ -	\$ 1,585	\$ 38,716	\$ 2,114,310	\$ 2,154,611
Deposits payable	5,841	599,513	650,565	744,354	-	2,000,273
Due to bondholders	369,480	-	-	-	-	369,480
<b>Total liabilities</b>	<b>\$ 375,321</b>	<b>\$ 599,513</b>	<b>\$ 652,150</b>	<b>\$ 783,070</b>	<b>\$ 2,114,310</b>	<b>\$ 4,524,364</b>

**City of Pomona**  
**Combining Statement of Changes in Assets and Liabilities**  
**All Agency Funds**  
**For the year ended June 30, 2010**

	Balance July 1, 2009	Additions	Deletions	Balance June 30, 2010
<b><u>Assessment Districts</u></b>				
<b>Assets:</b>				
Cash and investments	\$ 366,760	\$ 2,324	\$ -	\$ 369,084
Interest receivable	1,221	395	(1,220)	396
Due from other governments	7,318	5,841	(7,318)	5,841
<b>Total assets</b>	<b>\$ 375,299</b>	<b>\$ 8,560</b>	<b>\$ (8,538)</b>	<b>\$ 375,321</b>
<b>Liabilities:</b>				
Deposits payable	\$ 7,318	\$ 5,841	\$ (7,318)	\$ 5,841
Due to bondholders	367,981	1,499	-	369,480
<b>Total liabilities</b>	<b>\$ 375,299</b>	<b>\$ 7,340</b>	<b>\$ (7,318)</b>	<b>\$ 375,321</b>
<b><u>Engineers' Revolving</u></b>				
<b>Assets:</b>				
Cash and investments	\$ 596,019	\$ 3,060	\$ -	\$ 599,079
Interest receivable	1,900	434	(1,900)	434
<b>Total assets</b>	<b>\$ 597,919</b>	<b>\$ 3,494</b>	<b>\$ (1,900)</b>	<b>\$ 599,513</b>
<b>Liabilities:</b>				
Deposits payable	\$ 597,919	\$ 1,594	\$ -	\$ 599,513
<b>Total liabilities</b>	<b>\$ 597,919</b>	<b>\$ 1,594</b>	<b>\$ -</b>	<b>\$ 599,513</b>
<b><u>Construction Guarantee</u></b>				
<b>Assets:</b>				
Cash and investments	\$ 656,824	\$ 47,440	\$ (52,114)	\$ 652,150
<b>Total assets</b>	<b>\$ 656,824</b>	<b>\$ 47,440</b>	<b>\$ (52,114)</b>	<b>\$ 652,150</b>
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ 47,699	\$ (46,114)	\$ 1,585
Deposits payable	656,824	-	(6,259)	650,565
<b>Total liabilities</b>	<b>\$ 656,824</b>	<b>\$ 47,699</b>	<b>\$ (52,373)</b>	<b>\$ 652,150</b>
<b><u>Municipal Revolving</u></b>				
<b>Assets:</b>				
Cash and investments	\$ 608,748	\$ 2,837,549	\$ (2,672,435)	\$ 773,862
Accounts receivable	-	-	-	-
Due from other governments	1,285	45,097	(37,174)	9,208
<b>Total assets</b>	<b>\$ 610,033</b>	<b>\$ 2,882,646</b>	<b>\$ (2,709,609)</b>	<b>\$ 783,070</b>
<b>Liabilities:</b>				
Accounts payable	\$ 59,945	\$ 2,861,474	\$ (2,882,703)	\$ 38,716
Deposits payable	550,088	194,266	-	744,354
<b>Total liabilities</b>	<b>\$ 610,033</b>	<b>\$ 3,055,740</b>	<b>\$ (2,882,703)</b>	<b>\$ 783,070</b>

**City of Pomona**  
**Combining Statement of Changes in Assets and Liabilities, Continued**  
**All Agency Funds**  
**For the year ended June 30, 2010**

	Balance July 1, 2009	Additions	Deletions	Balance June 30, 2010
<b><u>Employee Benefits/Deductions</u></b>				
<b>Assets:</b>				
Cash and investments	\$ 1,314,930	\$ 32,005,650	\$ (31,206,270)	\$ 2,114,310
<b>Total assets</b>	<b>\$ 1,314,930</b>	<b>\$ 32,005,650</b>	<b>\$ (31,206,270)</b>	<b>\$ 2,114,310</b>
<b>Liabilities:</b>				
Accounts payable	\$ 1,314,930	\$ 2,312,012	\$ (1,512,632)	\$ 2,114,310
<b>Total liabilities</b>	<b>\$ 1,314,930</b>	<b>\$ 2,312,012</b>	<b>\$ (1,512,632)</b>	<b>\$ 2,114,310</b>
 <b><u>Total All Agency Funds</u></b>				
<b>Assets:</b>				
Cash and investments	\$ 3,543,281	\$ 34,896,023	\$ (33,930,819)	\$ 4,508,485
Interest receivable	3,121	829	(3,120)	830
Due from other governments	8,603	50,938	(44,492)	15,049
<b>Total assets</b>	<b>\$ 3,555,005</b>	<b>\$ 34,947,790</b>	<b>\$ (33,978,431)</b>	<b>\$ 4,524,364</b>
<b>Liabilities:</b>				
Accounts payable	\$ 1,374,875	\$ 5,221,185	\$ (4,441,449)	\$ 2,154,611
Deposits payable	1,812,149	201,701	(13,577)	2,000,273
Due to bondholders	367,981	1,499	-	369,480
<b>Total liabilities</b>	<b>\$ 3,555,005</b>	<b>\$ 5,424,385</b>	<b>\$ (4,455,026)</b>	<b>\$ 4,524,364</b>



**REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS**

*This page intentionally left blank.*



Caporicci & Larson, Inc.  
A Subsidiary of Marcum LLP  
Certified Public Accountants

**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  
of the City of Pomona  
Pomona, California

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 the City of Pomona, California (City), as of and for the year ended June 30, 2010, which collectively comprise the City's basic financial statements, and have issued our report thereon dated January 26, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control over Financial Reporting**

In planning and performing our audit, we considered the City's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be significant deficiencies or material weaknesses. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

A *control deficiency* 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 misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

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

**Compliance**

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

We noted certain other matters that we reported to management of the City in a separate letter dated January 26, 2011.

This report is intended solely for the information and use of the City Council, management, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

*Caporicci & Larson, Inc.*

Caporicci & Larson, Inc.  
A Subsidiary of Marcum LLP  
Certified Public Accountants  
Irvine, California  
January 26, 2011

# 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.*

<u>Contents</u>	<u>Page</u>
<b><u>Financial Trends</u></b> - <i>These schedules contain information to help the reader to understand how the City's financial performance and well-being have changed over time.</i>	
1 Net Assets by Component	165
2 Changes in Net Assets	166
3 Fund Balances of Governmental Funds	168
4 Changes in Fund Balances - Governmental Funds	169
5 Governmental Activities Tax Revenues by Source	170
<b><u>Revenue Capacity</u></b> - <i>These schedules contain information to help the reader assess the City's most significant own-source revenue.</i>	
6 Assessed Value and Estimated Actual Value of Taxable Property	171
7 Property Tax Rates - Direct and Overlapping Governments	172
8 Principal Property Taxpayers	173
9 Top 25 Sales Tax Generators	174
10 Property Tax Levies and Collections	175
<b><u>Debt Capacity</u></b> - <i>These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.</i>	
11 Ratios of Outstanding Debt by Type	176
12 Ratios of General Bonded Debt Outstanding	178
13 Direct and Overlapping Debt	179
14 Legal Debt Margin Information	180
15 Pledged Revenue Coverage	181
<b><u>Demographic and Economic Information</u></b> - <i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.</i>	
16 Demographic and Economic Statistics	182
17 Principal Employers	183
<b><u>Operating Information</u></b> - <i>These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.</i>	
18 Authorized Full-Time City Employees by Function	184
19 Taxable Sales by Category	186
20 Operating Indicators by Functions	188
21 Capital Asset Statistics by Function	189

*This page intentionally left blank.*

**City of Pomona**  
**Net Assets by Component**  
**Last Eight Fiscal Years**

*Schedule 1*

	Fiscal Year							
	2003	2004	2005	2006	2007	2008	2009	2010
<b>Governmental activities:</b>								
Invested in capital assets, net of related debt	\$ 50,247,574	\$ (4,298,872)	\$ 95,062,872	\$ 271,540,388	\$ 283,153,069	\$ 266,292,700	\$ 266,710,638	\$ 259,501,244
Restricted	69,634,633	24,233,671	162,563,670	113,101,903	121,330,491	126,440,546	130,746,703	134,747,514
Unrestricted	(64,303,903)	29,368,859	(198,364,012)	(179,150,706)	(182,279,410)	(188,834,296)	(213,456,367)	(227,480,138)
<b>Total governmental activities net assets</b>	<b>\$ 55,578,304</b>	<b>\$ 49,303,658</b>	<b>\$ 59,262,530</b>	<b>\$ 205,491,585</b>	<b>\$ 222,204,150</b>	<b>\$ 203,898,950</b>	<b>\$ 184,000,974</b>	<b>\$ 166,768,620</b>
<b>Business-type activities:</b>								
Invested in capital assets, net of related debt	\$ 51,170,354	\$ 49,330,263	\$ 55,380,677	\$ 54,100,219	\$ 52,018,893	\$ 58,437,024	\$ 68,860,850	\$ 62,252,632
Restricted	-	-	19,373,600	2,986,079	4,049,389	3,015,084	2,940,659	2,225,388
Unrestricted	24,182,750	33,940,619	10,349,393	27,474,990	28,867,217	32,851,495	32,957,936	34,455,240
<b>Total business-type activities net assets</b>	<b>\$ 75,353,104</b>	<b>\$ 83,270,882</b>	<b>\$ 85,103,670</b>	<b>\$ 84,561,288</b>	<b>\$ 84,935,499</b>	<b>\$ 94,303,603</b>	<b>\$ 104,759,445</b>	<b>\$ 98,933,260</b>
<b>Primary government:</b>								
Invested in capital assets, net of related debt	\$ 101,417,928	\$ 45,031,391	\$ 150,443,549	\$ 325,640,607	\$ 335,171,962	\$ 324,729,724	\$ 335,571,488	\$ 321,753,876
Restricted	69,634,633	24,233,671	181,937,270	116,087,982	125,379,880	129,455,630	133,687,362	136,972,902
Unrestricted	(40,121,153)	63,309,478	(188,014,619)	(151,675,716)	(153,412,193)	(155,982,801)	(180,498,431)	(193,024,898)
<b>Total primary government net assets</b>	<b>\$ 130,931,408</b>	<b>\$ 132,574,540</b>	<b>\$ 144,366,200</b>	<b>\$ 290,052,873</b>	<b>\$ 307,139,649</b>	<b>\$ 298,202,553</b>	<b>\$ 288,760,419</b>	<b>\$ 265,701,880</b>

Ten years of data is not available.

**City of Pomona**  
**Changes in Net Assets**  
**Last Eight Fiscal Years**

*Schedule 2*

	Fiscal Year							
	2003	2004	2005	2006	2007	2008	2009	2010
<b>Expenses</b>								
Governmental activities:								
General government	\$ 20,586,309	\$ 16,877,268	\$ 8,502,072	\$ 4,566,737	\$ 5,374,997	\$ 7,799,411	\$ 11,325,897	\$ 6,492,505
Public safety	30,080,994	54,409,038	61,493,317	62,314,546	66,368,961	71,782,018	76,866,332	71,238,620
Urban development	54,029,511	43,458,432	39,149,792	68,802,603	70,071,752	58,907,290	68,405,205	87,717,680
Community services	11,253,597	11,752,699	13,511,242	14,817,177	12,761,215	21,517,903	10,418,491	8,228,099
Interest and fiscal charges	17,218,724	20,640,447	24,678,827	25,274,237	25,372,308	30,865,822	27,731,312	29,442,106
Total governmental activities	133,169,135	147,137,884	147,335,250	175,775,300	179,949,233	190,872,444	194,747,237	203,119,010
Business-type activities:								
Water	21,770,977	21,939,428	19,210,002	19,172,107	23,845,899	22,807,789	18,980,506	27,457,755
Sewer	1,649,229	2,789,001	2,542,545	2,458,616	3,915,545	2,920,219	2,963,196	3,838,426
Refuse	6,280,528	6,842,583	7,967,320	8,488,309	8,921,093	8,837,471	9,805,894	8,598,275
Canon Water Company	-	-	48,563	52,345	17,472	96,255	16,681	11,787
Total business-type activities	29,700,734	31,571,012	29,768,430	30,171,377	36,700,009	34,661,734	31,766,277	39,906,243
<b>Total primary government expenses</b>	<b>\$ 162,869,869</b>	<b>\$ 178,708,896</b>	<b>\$ 177,103,680</b>	<b>\$ 205,946,677</b>	<b>\$ 216,649,242</b>	<b>\$ 225,534,178</b>	<b>\$ 226,513,514</b>	<b>\$ 243,025,253</b>
<b>Program Revenues</b>								
Governmental activities:								
Charges for services:								
Police revenues	\$ 1,567,014	\$ 1,896,386	\$ 2,141,662	\$ 2,423,540	\$ 1,723,534	\$ 2,126,363	\$ 3,046,908	\$ 2,691,660
Plan check fees	1,241,023	886,327	939,836	988,874	543,317	924,010	410,451	297,073
Building permits	1,191,428	1,380,789	1,330,168	1,336,527	927,771	1,287,216	730,510	599,818
Graffiti abatement	565,438	566,686	617,619	609,228	530,399	560,006	566,197	561,363
Street sweeping fee	475,943	477,135	520,018	512,819	423,356	471,387	476,351	468,575
Maintenance assessment fee	1,156,023	1,180,820	1,178,638	1,227,281	1,208,338	1,172,825	1,242,240	1,214,568
All other	13,677,585	15,937,213	9,456,166	9,849,392	9,357,921	6,331,014	11,442,772	14,816,018
Operating grants and contributions	15,564,685	18,844,817	22,516,819	22,656,450	27,319,477	24,171,583	17,838,374	30,034,337
Capital grants and contributions	9,013,220	6,421,422	10,040,740	6,718,223	7,154,035	12,395,251	12,020,471	16,368,968
Total governmental activities program revenues	44,452,359	47,591,595	48,741,666	46,322,334	49,188,148	49,439,655	47,774,274	67,052,380
Business-type activities:								
Charges for services:								
Water	20,350,752	21,080,917	22,454,752	22,689,164	26,210,565	27,155,086	27,857,381	27,084,809
Sewer	2,519,070	2,525,048	2,601,847	2,853,610	3,384,966	4,008,291	4,189,672	4,271,176
Refuse	6,935,134	7,224,218	7,234,940	7,395,141	7,326,324	7,733,411	8,661,142	9,883,142
Operating grants and contributions	140,853	122,197	156,781	68,966	145,820	126,471	64,841	65,721
Capital grants and contributions	217,129	-	264,506	23,100	97,420	4,004,312	850	-
Total business-type activities program revenues	30,162,938	30,952,380	32,712,826	33,029,981	37,165,095	43,027,571	40,773,886	41,304,848
<b>Total primary government program revenues</b>	<b>\$ 74,615,297</b>	<b>\$ 78,543,975</b>	<b>\$ 81,454,492</b>	<b>\$ 79,352,315</b>	<b>\$ 86,353,243</b>	<b>\$ 92,467,226</b>	<b>\$ 88,548,160</b>	<b>\$ 108,357,228</b>



**City of Pomona**  
**Changes in Net Assets, Continued**  
**Last Eight Fiscal Years**

*Schedule 2*

	Fiscal Year							
	2003	2004	2005	2006	2007	2008	2009	2010
<b>Net (Expense)/Revenue</b>								
Governmental activities	\$ (88,716,776)	\$ (99,546,289)	\$ (98,593,584)	\$(129,452,966)	\$(130,761,085)	\$(141,432,789)	\$(146,972,963)	\$(136,066,630)
Business-type activities	462,204	(618,632)	2,944,396	2,858,604	465,086	8,365,837	9,007,609	1,398,605
<b>Total primary government net expense</b>	<u>\$ (88,254,572)</u>	<u>\$(100,164,921)</u>	<u>\$ (95,649,188)</u>	<u>\$(126,594,362)</u>	<u>\$(130,295,999)</u>	<u>\$(133,066,952)</u>	<u>\$(137,965,354)</u>	<u>\$(134,668,025)</u>
<b>General Revenues and Other Changes in Net Assets</b>								
Governmental activities:								
Taxes:								
Property taxes	\$ 29,915,221	\$ 32,674,483	\$ 46,538,436	\$ 53,239,617	\$ 51,952,231	\$ 56,246,496	\$ 65,303,064	\$ 60,772,676
Sales taxes	15,647,492	14,483,633	11,683,923	14,710,345	19,072,975	17,200,015	10,628,900	11,224,835
Motor vehicle license	8,866,986	7,204,184	1,025,393	1,109,390	874,237	718,936	555,277	479,477
Transient occupancy taxes	1,348,863	1,482,972	1,473,711	1,865,001	1,727,097	1,718,607	1,450,270	1,300,209
Property transfer taxes	-	-	-	-	2,152,388	1,189,405	1,020,258	1,114,825
Franchise	1,980,304	4,078,354	4,360,394	5,397,384	5,871,860	5,776,052	6,861,266	6,094,548
Utility users taxes	16,492,851	16,375,211	16,774,747	17,576,969	18,290,416	18,154,259	17,732,063	17,165,968
Business licenses	-	-	-	-	2,844,503	2,977,865	3,051,371	2,890,920
Other	1,624,406	936,114	786,421	678,897	2,459,714	1,973,674	17,579	10,356
Investment earnings/(expenses)	11,130,241	12,309,966	16,833,110	17,819,663	19,509,780	19,956,964	17,219,062	14,542,222
Miscellaneous	3,523,822	-	7,748,110	5,832,425	2,240,671	2,568,179	3,246,127	2,193,630
Income (loss) on sale of capital assets	144,553	2,482,994	-	-	-	-	-	-
Transfers	(105,625)	1,243,732	957,958	1,743,417	716,025	(1,753,920)	(10,250)	1,044,610
<b>Total governmental activities</b>	<u>90,569,114</u>	<u>93,271,643</u>	<u>108,182,203</u>	<u>119,973,108</u>	<u>127,711,897</u>	<u>126,726,532</u>	<u>127,074,987</u>	<u>118,834,276</u>
Business-type activities:								
Investment earnings/(expenses)	2,206,094	3,087,898	(1,816,793)	(1,991,603)	108,433	(1,696,056)	(563,393)	(6,192,697)
Miscellaneous	140,860	257,334	289,625	334,034	516,717	944,403	2,001,376	12,517
Income (loss) on sale of capital assets	(6,987)	492,080	(14,987)	-	-	-	-	-
Transfers	105,625	(1,243,732)	(957,958)	(1,743,417)	(716,025)	1,753,920	10,250	(1,044,610)
<b>Total business-type activities</b>	<u>2,445,592</u>	<u>2,593,580</u>	<u>(2,500,113)</u>	<u>(3,400,986)</u>	<u>(90,875)</u>	<u>1,002,267</u>	<u>1,448,233</u>	<u>(7,224,790)</u>
<b>Total primary government</b>	<u>\$ 93,014,706</u>	<u>\$ 95,865,223</u>	<u>\$ 105,682,090</u>	<u>\$ 116,572,122</u>	<u>\$ 127,621,022</u>	<u>\$ 127,728,799</u>	<u>\$ 128,523,220</u>	<u>\$ 111,609,486</u>
<b>Changes in Net Assets</b>								
Governmental activities	\$ 1,852,338	\$ (6,274,646)	\$ 9,588,619	\$ (9,479,858)	\$ (3,049,188)	\$ (14,706,257)	\$ (19,897,976)	\$ (17,232,354)
Business-type activities	2,907,796	1,974,948	444,283	(542,382)	374,211	9,368,104	10,455,842	(5,826,185)
<b>Total primary government</b>	<u>\$ 4,760,134</u>	<u>\$ (4,299,698)</u>	<u>\$ 10,032,902</u>	<u>\$ (10,022,240)</u>	<u>\$ (2,674,977)</u>	<u>\$ (5,338,153)</u>	<u>\$ (9,442,134)</u>	<u>\$ (23,058,539)</u>

Ten years of data is not available.

**City of Pomona**  
**Fund Balances, Governmental Funds**  
**Last Eight Years**

*Schedule 3*

	Fiscal Year							
	2003	2004	2005	2006	2007	2008	2009	2010
<b>General Fund:</b>								
Reserved	\$ 6,650,885	\$ 6,198,142	\$ 8,976,671	\$ 7,907,817	\$ 6,888,120	\$ 4,459,873	\$ 4,365,820	\$ 4,270,613
Unreserved	2,605,887	4,065,766	7,843,760	10,914,430	13,903,948	10,809,579	4,430,794	2,265,028
<b>Total General Fund</b>	<b>\$ 9,256,772</b>	<b>\$ 10,263,908</b>	<b>\$ 16,820,431</b>	<b>\$ 18,822,247</b>	<b>\$ 20,792,068</b>	<b>\$ 15,269,452</b>	<b>\$ 8,796,614</b>	<b>\$ 6,535,641</b>
<b>All Other Governmental Funds:</b>								
Reserved	\$ 199,962,812	\$ 275,867,951	\$ 281,404,289	\$ 279,513,977	\$ 329,767,481	\$ 293,334,925	\$ 305,411,945	\$ 289,165,426
Unreserved, designated	-	-	-	6,877,406	2,570,640	-	-	-
Unreserved, reported in:								
Special revenue funds	11,086,632	21,930,326	31,519,944	18,048,054	21,518,821	12,653,645	5,729,977	18,753,085
Debt service funds	(135,498,637)	(177,203,920)	(173,774,677)	(182,032,654)	(182,023,917)	(198,469,799)	(155,935,490)	(160,398,749)
Capital projects funds	25,621,657	37,561,953	29,471,016	54,561,328	1,421,840	60,383,675	2,288,382	(1,497,507)
<b>Total All Other Governmental Funds</b>	<b>\$ 101,172,464</b>	<b>\$ 158,156,310</b>	<b>\$ 168,620,572</b>	<b>\$ 176,968,111</b>	<b>\$ 173,254,865</b>	<b>\$ 167,902,446</b>	<b>\$ 157,494,814</b>	<b>\$ 146,022,255</b>

Ten years of data is not available.

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

*Schedule 4*

	Fiscal Year							
	2003	2004	2005	2006	2007	2008	2009	2010
<b>Revenues:</b>								
Taxes	\$ 64,670,323	\$ 77,312,806	\$ 82,643,024	\$ 94,577,603	\$ 105,245,421	\$ 113,490,746	\$ 109,044,092	\$ 98,510,896
Special assessments	1,229,393	1,240,538	1,192,248	1,197,805	1,166,719	1,172,826	1,220,222	1,214,569
Intergovernmental	33,444,891	25,266,239	32,557,559	29,364,673	34,431,013	27,091,322	25,673,807	48,689,417
Charges for services	1,465,561	1,690,733	1,483,414	1,989,303	2,296,395	2,755,212	2,080,651	8,855,789
Fines and forfeitures	2,176,721	2,693,304	2,657,108	3,280,587	2,647,955	3,364,372	4,108,850	2,065,041
Licenses and permits	6,933,428	8,242,904	8,423,121	8,440,517	6,690,241	6,261,842	7,350,264	4,297,116
Use of money and property	11,718,494	11,662,827	16,833,110	17,815,895	19,509,672	19,954,480	17,115,029	14,542,222
Loans repaid	-	641,305	618,306	2,039,449	912,428	235,265	253,064	46,814
Contributions and donations	-	-	-	-	3,344,179	257,000	-	-
Miscellaneous	2,692,636	2,232,458	7,035,771	5,832,425	2,240,671	2,629,419	4,888,034	3,401,802
<b>Total revenues</b>	<b>124,331,447</b>	<b>130,983,114</b>	<b>153,443,661</b>	<b>164,538,257</b>	<b>178,484,694</b>	<b>177,212,484</b>	<b>171,734,013</b>	<b>181,623,666</b>
<b>Expenditures:</b>								
General government	2,728,622	3,685,285	5,379,898	4,323,332	5,000,827	5,054,617	4,104,160	4,046,274
Public safety	49,431,301	54,409,038	59,866,150	61,675,869	64,735,812	70,637,275	72,729,944	67,888,838
Urban development	35,748,102	38,076,742	50,026,817	59,638,945	58,373,543	59,624,349	69,119,619	88,899,216
Community services	11,207,490	11,752,699	13,001,693	13,122,353	12,120,611	20,816,615	8,823,294	7,121,480
Capital outlay	3,565,620	2,510,205	2,182,578	1,055,369	19,944,715	2,246,951	5,462,154	2,969,473
Debt service:								-
Principal	9,734,208	4,668,488	13,749,122	3,357,630	9,251,232	8,078,448	4,127,225	4,338,517
Interest and fiscal charges	24,343,779	25,363,935	21,459,762	22,819,282	27,328,302	27,092,737	26,855,452	27,311,933
Debt issuance costs	-	3,758,841	1,551,787	2,447,589	1,253,413	241,350	-	-
<b>Total expenditures</b>	<b>136,759,122</b>	<b>144,225,233</b>	<b>167,217,807</b>	<b>168,440,369</b>	<b>198,008,455</b>	<b>193,792,342</b>	<b>191,221,848</b>	<b>202,575,731</b>
<b>Excess of revenues over (under) expenditures</b>	<b>(12,427,675)</b>	<b>(13,242,119)</b>	<b>(13,774,146)</b>	<b>(3,902,112)</b>	<b>(19,523,761)</b>	<b>(16,579,858)</b>	<b>(19,487,835)</b>	<b>(20,952,065)</b>
<b>Other Financing Sources (Uses):</b>								
Issuance of bonds, loans and notes	7,922,718	117,269,606	28,233,416	76,825,100	74,207,460	8,805,595	533,765	533,765
Bond premium	-	2,726,007	980,972	-	1,087,257	57,600	-	-
Bond discount	(22,000)	(327,164)	-	-	-	-	-	-
Payments to escrow agent	-	(22,608,271)	-	(53,255,000)	(59,750,000)	-	-	-
Proceeds from capital lease	-	646,123	582,200	1,343,850	1,714,407	304,646	2,048,956	-
Proceeds from sale of capital assets	166,486	5,578	40,385	36,037	110,148	980,368	34,894	5,640,158
Special item, pension contribution	-	(27,722,510)	-	-	-	-	-	-
Gain/Loss - sale of land held for resale	-	-	-	-	(654,961)	(101,238)	-	-
Transfers in	18,188,104	92,621,209	29,039,524	47,308,301	71,510,464	35,568,008	29,592,084	21,194,695
Transfers out	(18,293,729)	(91,377,477)	(28,081,566)	(47,422,755)	(70,794,439)	(39,460,156)	(29,602,334)	(20,150,085)
<b>Total other financing sources (uses)</b>	<b>7,961,579</b>	<b>71,233,101</b>	<b>30,794,931</b>	<b>24,835,533</b>	<b>17,430,336</b>	<b>6,154,823</b>	<b>2,607,365</b>	<b>7,218,533</b>
<b>Net change in fund balances</b>	<b>\$ (4,466,096)</b>	<b>\$ 57,990,982</b>	<b>\$ 17,020,785</b>	<b>\$ 20,933,421</b>	<b>\$ (2,093,425)</b>	<b>\$ (10,425,035)</b>	<b>\$ (16,880,470)</b>	<b>\$ (13,733,532)</b>

Debt service as a percentage of noncapital expenditures                      25.59%                      23.84%                      22.27%                      17.10%                      21.25%                      18.49%                      16.68%                      15.86%

Ten years of data is not available.

**City of Pomona**  
**Governmental Activities Tax Revenues by Source**  
**Last Eight Years (in thousands of dollars)**

*Schedule 5*

---



---

Fiscal Year	Property	Sales	Motor	Property	Utility	Business				Total
Ended	Tax	Tax	Vehicle	Transfer	Users	Licenses	Franchise	Tax	Other	
June 30			License	Occupancy	Tax					
2003	\$ 29,915	\$ 15,647	\$ 16,493	\$ 1,349	\$ -	\$ 1,980	\$ 8,867	\$ 2,147	\$ 1,624	\$ 78,022
2004	32,674	14,484	7,204	1,483	-	4,078	16,375	2,256	936	79,490
2005	46,538	11,684	1,025	1,474	-	4,360	16,775	2,443	786	85,085
2006	53,240	14,710	1,109	1,865	-	5,397	17,577	2,625	679	97,202
2007	51,952	19,073	874	1,727	2,152	5,872	18,290	2,845	2,460	105,245
2008	56,246	17,200	719	1,719	1,189	5,776	18,154	2,978	1,974	105,955
2009	65,303	10,629	555	1,450	1,020	6,861	17,732	3,051	19	106,620
2010	60,773	11,225	479	1,300	1,115	6,095	17,166	2,891	10	101,054

Ten years of data is not available.

# City of Pomona

## Assessed Value and Estimated Actual Value of Taxable Property Last Eight Fiscal Year (in thousands of dollars)

Fiscal Year Ended June 30	Residential Property	Commercial Property	Industrial Property	Other	Unitary Values	Unsecured Property	Less: Tax Exempt Property *	Total Taxable Assessed Value	Total Direct Tax Rate (1)
2003	\$ 3,636,134	\$ 631,521	\$ 683,240	\$ 470,652	\$ 6,386	\$ 389,125	\$ 265,883	\$ 5,551,175	1.15046
2004	3,939,524	662,050	735,782	521,226	7,163	402,393	309,797	5,958,341	1.14814
2005	4,302,735	701,661	797,451	510,119	8,204	379,197	333,693	6,365,674	1.14988
2006	4,871,752	753,876	875,823	548,455	7,077	383,627	359,681	7,080,929	1.15134
2007	5,555,560	850,046	927,732	619,284	5,880	376,178	274,419	8,060,261	1.15214
2008	6,175,439	946,442	1,012,035	690,821	790	372,791	429,662	8,768,656	1.13719
2009	6,486,480	1,019,941	1,104,778	754,630	790	384,081	447,378	9,303,322	1.14340
2010	5,759,284	1,039,418	1,197,842	830,321	788	381,397	459,461	8,749,589	1.17547

Source: Los Angeles County Assessor data, MuniServices, LLC

Prior Year values have been restated for consistency and compliance with GASB No. 44 guidelines

(1) Total direct tax rate is the city share of the 1% Proposition 13 tax only for TRA 007-790.

Ten years of data is not available.

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

*Schedule 7*

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>City Direct Rates:</b>										
City basic rate	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
<b>Overlapping Rates:</b>										
City	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000
County	0.00000	0.00000	0.00000	0.00100	0.00000	0.00079	0.00066	0.00000	0.00000	0.00000
Schools	0.13493	0.12202	0.12342	0.12633	0.12910	0.12488	0.12401	0.11379	0.11577	0.14546
Community College	0.00000	0.00000	0.01946	0.01525	0.01473	0.02122	0.02184	0.01750	0.02333	0.02571
Flood Control	0.00155	0.00107	0.00088	0.00046	0.00025	0.00005	0.00005	0.00140	0.00000	0.00000
Metro Water District	0.00880	0.00770	0.00670	0.00610	0.00580	0.00520	0.00470	0.00450	0.00430	0.00430
<b>Total Direct Rate</b>	<b>1.14528</b>	<b>1.13079</b>	<b>1.15046</b>	<b>1.14914</b>	<b>1.14988</b>	<b>1.15214</b>	<b>1.15126</b>	<b>1.13719</b>	<b>1.14340</b>	<b>1.17547</b>

Source: Los Angeles County Auditor/Controller data, MuniServices, LLC  
 2008-09: TRA 007-790 is represented in this table and has the largest assessed value in Pomona.  
 2007-08 and prior: prior year CAFR reports

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

*Schedule 8*

Taxpayer	2010			2007		
	Taxable Assessed Valuation	Rank	Percent of Total City Taxable Assessed Value	Taxable Assessed Valuation	Rank	Percent of Total City Taxable Assessed Value
Realty Associates	\$ 79,591,922	1	0.92%	\$ 24,645,474	8	0.31%
UDR Crest LP	65,159,810	2	0.75%	61,860,611	2	0.77%
KTR Pomona LLC	54,723,000	3	0.63%	-		-
Western University of Health	30,587,074	4	0.35%	-		-
Fairplex	28,046,103	5	0.32%	29,428,472	7	0.33%
CH Realty III Pomona LP	27,162,090	6	0.31%	-		-
Shilo Inn	26,418,053	7	0.31%	-		-
Coca-Cola Co.	25,122,414	8	0.29%	-		-
Topanga Owensmouth 7 LLC	24,529,332	9	0.28%	23,114,984	10	0.29%
F D S Mfg Co	24,156,066	10	0.28%	-		-
Pomona Valley Medical Hospital	-		-	87,554,128	1	1.10%
Casa Colina Hospital	-		-	43,684,540	3	0.55%
1675 Mission Assoc LLC	-		-	31,992,300	4	0.40%
Ripon Cogeneration LLC	-		-	30,917,652	5	0.39%
Los Angeles County Fair Association	-		-	29,623,729	6	0.37%
Rockwell Collins Inc.	-		-	23,414,842	9	0.29%

Source: 2009-10 Los Angeles County Assessor data, MuniServices, LLC

Nine years of data is not available.

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

*Schedule 9*

---

2010

---

Allstar Kia  
Arco AM/PM Mini Marts [1]  
Arco AM/PM Mini Marts [2]  
Arco AM/PM Mini Marts [3]  
CVS Pharmacy  
Cardenas Market  
Chevron Service Stations [1]  
Chevron Service Stations [2]  
Chevron Service Stations [3]  
Contractors Warehouse  
Cornucopia Foods  
Ferguson Enterprises  
Home Depot  
Mar-Co Equipment Company  
McMahon's RV  
Mobil Service Stations  
Palm Springs Oil Company  
Ralph's Grocery Company  
Rohr Steel  
Shell Service Stations [1]  
Shell Service Stations [2]  
Siemens Energy and Automation  
Siemens Industry  
Wal-Mart Stores  
Winco Foods

---

2009

---

Allstar Kia  
Arco AM/PM Mini Marts [1]  
Barrett's Equine Sales  
CVS Pharmacy  
Cardenas Market  
Chevron Service Stations [1]  
Chevron Service Stations [2]  
Construction Hardware  
Contractors Warehouse  
Cornucopia Foods  
Ferguson Enterprises  
Global Rental Company  
Home Depot  
Huntington Hardware  
Mar-Co Equipment Company  
Palm Springs Oil Company  
Ralph's Grocery Company  
Rancho Valley Chevrolet  
Reservoir Mart  
Rio Rancho Buick/Pontiac/GMC  
Rohr Steel  
Shell Service Stations [1]  
Shell Service Stations [2]  
Wal-Mart Stores  
Winco Foods

Source: MuniServices, LLC



**City of Pomona**  
**Property Tax Levies and Collections**  
**Last Eight 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	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2003	\$ 8,057,432	\$ 7,990,495	99.2%	\$ 250,142	\$ 8,057,432	100.0%
2004	8,702,725	8,455,522	97.2%	601,132	8,702,725	100.0%
2005	9,213,382	9,066,487	98.4%	916,070	9,213,382	100.0%
2006	10,222,688	9,994,413	97.8%	1,369,939	10,222,688	100.0%
2007	11,542,995	11,208,880	97.1%	1,627,684	11,542,995	100.0%
2008	12,434,540	12,278,199	98.7%	1,355,970	12,434,540	100.0%
2009	13,488,955	12,976,085	96.2%	977,302	13,488,955	100.0%
2010	12,344,605	12,099,841	98.0%	608,391	12,344,605	100.0%

Source: City of Pomona Finance Department

Ten years of data is not available.

**City of Pomona**  
**Ratios of Outstanding Debt by Type**  
**Last Eight Fiscal Years**

Fiscal Year Ended June 30	Governmental Activities					
	Tax Allocation Bonds	Revenue Bonds	Pension Obligation Ref Bonds	Certificates of Participation	Other	Total Governmental Activities
2003	\$ 12,565,000	\$ 125,152,449	\$ -	\$ 7,920,000	\$ 54,105,737	\$ 199,743,186
2004	12,225,000	174,560,847	32,300,000	22,398,034	53,775,028	295,258,909
2005	11,875,000	195,413,124	38,000,000	22,002,468	46,053,488	313,344,080
2006	11,510,000	216,256,435	42,280,684	18,621,789	37,549,889	326,218,797
2007	9,815,000	227,448,178	42,280,684	13,801,167	32,120,626	325,465,655
2008	9,730,000	229,692,274	42,280,684	13,520,545	33,021,439	328,244,942
2009	9,645,000	227,390,370	42,280,684	13,234,923	36,000,684	328,551,661
2010	9,555,000	224,932,467	42,209,382	12,944,301	37,228,313	326,869,463

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.

Ten years of data is not available.

Business-type Activities			Total Primary Government	Percentage of Personal Income (1)	Debt per Capita (1)
Revenue Bonds	Other	Total Business-type Activities			
\$ 65,915,000	\$ 3,969,361	\$ 69,884,361	\$ 269,627,547	n/a	n/a
64,815,000	4,494,808	69,309,808	364,568,717	2.2%	2,302
63,575,000	4,049,424	67,624,424	380,968,504	2.1%	2,369
62,285,000	3,581,475	65,866,475	392,085,272	2.3%	2,423
140,135,710	2,219,551	142,355,261	467,820,916	n/a	2,885
139,885,619	1,744,955	141,630,574	469,875,516	n/a	2,876
139,635,527	1,286,361	140,921,888	469,473,549	n/a	2,873
139,070,435	844,741	139,915,176	466,784,639	n/a	2,857

Ratios of General Bonded Debt Outstanding

Last Eight Fiscal Years (dollars in thousands, except per capita)

Fiscal Year Ended June 30	General Bonded Debt Outstanding					Total	Percentage of Actual Value of Property (1)	Per Capita (2)
	Revenue Bonds	Tax Allocation Bonds	Pension Obligation Ref Bonds	Certificates of Participation				
2003	\$ 125,152	\$ 12,565	\$ -	\$ 7,920		\$ 145,637	2.6%	\$ 931
2004	174,561	12,225	32,300	22,398		241,484	4.1%	1,524
2005	195,413	11,875	38,000	22,002		267,290	4.2%	1,662
2006	216,256	11,510	42,281	18,622		288,669	4.1%	1,783
2007	227,448	9,815	42,281	13,802		293,346	3.9%	1,809
2008	229,692	9,730	42,281	13,521		295,224	3.6%	1,795
2009	227,390	9,645	42,281	13,235		292,551	3.1%	1,790
2010	224,932	9,555	42,209	12,944		289,640	3.3%	1,779

(1) See Schedule 6 for property value data.

(2) Population data can be found in Schedule 15.

Ten years of data is not available.

**City of Pomona**  
**Direct and Overlapping Debt**  
**Current Year and Nine Years Ago**

*Schedule 13*

OVERLAPPING DEBT 06/30/2010:	Total Debt 6/30/2010	% Applicable (1)	City's Share of Debt 06/30/2010
Los Angeles County Flood Control District	\$ 69,610,000	0.620%	\$ 431,582
Metropolitan Water District	264,220,000	0.317%	837,577
Citrus Community College District	82,820,302	1.541%	1,276,261
Mount San Antonio Community College District	243,770,959	10.842%	26,429,647
Bonita Unified School District	82,764,790	0.123%	101,801
Claremont Unified School District	39,100,000	6.809%	2,662,319
Pomona Unified School District	171,847,931	71.729%	123,264,802
City of Pomona 1915 Act Bonds	5,226,000	100.000%	5,226,000
Los Angeles County Regional Park and Open Space Assessment District	222,660,000	0.616%	1,371,586
<b>TOTAL OVERLAPPING DEBT</b>			<b>\$ 161,601,575</b>

OVERLAPPING DEBT 06/30/2001:	Total Debt 6/30/2001	% Applicable (1)	City's Share of Debt 06/30/2001
Los Angeles County	\$ 42,375,000	0.688%	\$ 291,540
Los Angeles County Flood Control District	23,639,972	0.708%	167,371
Metropolitan Water District	527,480,055	0.366%	1,930,577
Claremont Unified School District	12,000,000	7.125%	855,000
Pomona Unified School District	103,820,000	72.774%	75,553,967
City of Pomona 1915 Act Bonds	13,770,000	100.000%	13,770,000
Los Angeles County Regional Park & Open Space Assessment District	438,020,058	0.688%	3,013,578
<b>TOTAL OVERLAPPING DEBT</b>			<b>\$ 95,582,033</b>

Source: MuniServices, LLC

1) Percentage of overlapping agency's assessed valuation located within the boundaries of the city.

**City of Pomona**  
**Legal Debt Margin Information**  
**Last Eight Fiscal Years (in thousands of dollars)**

*Schedule 14*

	2003	2004	2005	2006	2007	2008	2009	2010
Debt limit	\$ 832,676	\$ 893,751	\$ 954,851	\$ 1,061,285	\$ 1,209,039	\$ 1,315,928	\$ 1,380,470	\$ 1,312,438
Amount of debt applicable to debt limit	-	-	-	-	-	-	-	-
Legal debt margin	\$ 832,676	\$ 893,751	\$ 954,851	\$ 1,061,285	\$ 1,209,039	\$ 1,315,928	\$ 1,380,470	\$ 1,312,438
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%

**Legal Debt Margin Calculation for Fiscal Year 2010**

Assessed Value	\$ 8,749,589
Debt Limit 15%	1,312,438
Debt applicable to debt limit	-
Legal Debt Margin	<u>\$ 1,312,438</u>

Notes: Under State Finance Law, the City's outstanding general obligation debt should not exceed 15 percent of the total assessed property value. By law, the general obligation debt subject to the limitation may be offset by amounts set aside for repaying general obligation bonds.

Ten years of data is not available.

**City of Pomona**  
**Pledged Revenue Coverage**  
**Last Ten Years**

*Schedule 15*

Fiscal Year Ended June 30	Water Revenue Bonds						Coverage
	Water Revenue	Less Operating Expenses	Net Available Revenue	Debt Service			
				Principal	Interest	Total	
2001	23,086,449	14,775,508	8,310,941	840,000	2,692,474	3,532,474	2.353
2002	21,615,513	16,595,841	5,019,672	915,000	2,662,164	3,577,164	1.403
2003	22,035,396	17,117,082	4,918,314	830,000	2,628,231	3,458,231	1.422
2004	22,425,087	18,025,197	4,399,890	935,000	2,597,201	3,532,201	1.246
2005	21,677,425	17,132,885	4,544,540	1,075,000	2,556,427	3,631,427	1.251
2006	21,782,253	16,950,584	4,831,669	1,125,000	2,393,889	3,518,889	1.373
2007	25,685,604	21,281,622	4,403,982	623,134	2,749,976	3,373,110	1.306
2008	28,792,748	20,731,943	8,060,805	654,596	5,254,953	5,909,549	1.364
2009	31,125,004	16,495,294	14,629,710	638,594	6,630,626	7,269,220	2.013
2010	27,180,368	24,800,369	2,379,999	641,620	6,608,806	7,250,426	0.328

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

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

*Schedule 16*

---



---

Calendar Year	Population (1)	Personal Income (2) (in thousands)	Per Capita Personal Income	Unemployment Rate (3)	School Enrollment**	Median Age
2002	\$ 154,741	\$ 1,765,567	\$ 11,410	6.8%	35,070	n/a
2003	156,503	1,662,963	10,626	7.0%	35,427	n/a
2004	158,360	1,674,055	10,571	6.5%	35,412	n/a
2005	160,815	1,729,113	10,752	5.3%	34,657	n/a
2006	161,850	n/a	n/a	4.8%	33,294	26.5
2007	162,140	2,398,683	14,794	5.8%	33,683	26.5
2008	163,405	2,398,683	14,679	5.8%	33,683	26.5
2009	163,408	2,747,869	16,816	8.4%	30,032	28.7
2010	162,817	2,728,162	16,756	12.9%	31,864	28.7

Source: MuniServices, LLC, 2007-08 and prior: prior year CAFR reports.

(1) Source: California Department of Finance Projections

(2) Source: United States Census Data and is adjusted for inflation

(3) Source: EDD's Bureau of Labor Statistics Department & MuniServices, LLC

\*\* School enrollment reflects the total number of students enrolled in Pomona Unified School District. Any other school districts within the City are not accounted for in this statistic.

Ten years of data is not available.



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

*Schedule 17*

Employer	2010			2007		
	Number of Employees	Rank	Percentage of Total City Employment	Number of Employees	Rank	Percentage of Total City Employment
Pomona Unified School District	3,286	1	5.7%	3,406	1	5.1%
Pomona Valley Hospital	3,189	2	5.6%	3,080	2	4.6%
California State Polytechnic University	2,191	3	3.8%			
Lanterman Developmental Center	1,197	4	2.1%	1,780	3	2.6%
Casa Colina Rehabilitation Center	702	5	1.2%	600	6	0.9%
City of Pomona	690	6	1.2%	708	4	1.1%
Verizon	596	7	1.0%	596	7	0.9%
County of Los Angeles Department of Social Services	390	8	0.7%	378	9	0.6%
First Transit	320	9	0.6%	311	11	0.5%
Inland Valley Care & Rehab	282	10	0.5%	270	15	0.4%
Hayward Industries Inc	258	11	0.4%	351	10	0.5%
Lloyd's Material Supply (CAI)	250	12	0.4%			
Walmart Stores Inc	236	13	0.4%	284	13	0.4%
Hamilton Sundstrand	220	14	0.4%			
Consolidated Foundries	187	15	0.3%			
California Acrylic Industries				650	5	1.0%
Royal Cabinets				450	8	0.7%
Interstate Brands West Corp				300	12	0.4%
Pioneer Electronics				280	14	0.4%

Nine years of data is not available

Source: Finance Department and Businesses

Total Employment Source: [www.labormarketinfo.edd.ca.gov](http://www.labormarketinfo.edd.ca.gov)

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

*Schedule 18*

---



---

Function	2003	2004	2005	2006	2007	2008	2009	2010
General Government	23	25	36	37	36	36	29	24
Support Services	46	49	47	45	46	52	44	40
Police	319	330	333	332	345	348	342	335
Public Works	82	82	77	87	88	87	81	209
Planning & Housing	66	68	56	40	40	40	40	51
Utility Services	133	132	132	126	127	128	127	0
Neighborhood Services	79	79	79	76	78	80	78	34
<b>Total</b>	<b>748</b>	<b>765</b>	<b>760</b>	<b>743</b>	<b>760</b>	<b>771</b>	<b>741</b>	<b>693</b>

Various departments were consolidated in 2009-2010

Source: City of Pomona Finance Department

Ten years of data is not available.

*This page intentionally left blank.*

**City of Pomona**  
**Taxable Sales by Category**  
**Last Ten Calendar Years**  
(in thousands of dollars)

	2001	2002	2003	2004	2005
Apparel Stores	\$ 10,852	\$ 11,557	\$ 11,122	\$ 10,676	\$ 6,056
General Merchandise	52,207	47,816	44,978	46,666	48,039
Food Stores	55,527	57,918	55,596	58,574	63,619
Eating and Drinking Places	91,086	93,521	96,178	106,413	115,373
Building Materials	108,828	112,310	121,341	139,659	220,011
Auto Dealers and Supplies	228,894	285,311	297,048	311,431	322,086
Service Stations	115,807	106,814	124,788	151,061	181,428
Other Retail Stores	122,333	129,272	140,622	136,515	130,299
All Other Outlets	390,612	381,594	372,210	388,639	703,916
<b>Total</b>	<b>\$ 1,176,146</b>	<b>\$ 1,226,113</b>	<b>\$ 1,263,883</b>	<b>\$ 1,349,634</b>	<b>\$ 1,790,827</b>

Source: MuniService, LLC

---

---

2006	2007	2008	2009	2010
\$ 6,277	\$ 7,929	\$ 9,884	\$ 8,210	\$ 12,239
50,144	49,839	49,203	48,733	43,655
69,894	71,838	72,852	70,991	71,379
117,108	121,796	124,146	119,631	117,873
306,092	283,287	234,707	189,624	160,244
251,894	217,924	178,694	91,100	77,879
185,542	194,850	207,178	161,684	158,016
136,855	130,933	148,426	115,747	115,538
509,377	544,522	343,162	284,376	263,940
<u>\$ 1,633,183</u>	<u>\$ 1,622,918</u>	<u>\$ 1,368,252</u>	<u>\$ 1,090,096</u>	<u>\$ 1,020,763</u>

**City of Pomona**  
**Operating Indicators by Function**  
**Last Six Fiscal Years**

*Schedule 20*

	2005	2006	2007	2008	2009	2010
<b>Police:</b>						
Felony Arrests	4,592	3,987	3,990	3,491	3,605	3,338
Misdemeanor Arrests	9,318	8,888	8,319	7,068	7,827	7,410
Parking Citations	12,492	13,000	14,670	24,293	26,223	24,305
Moving Citations	11,151	9,113	15,861	19,546	25,231	25,070
<b>Fire:</b>						
Incidents	11,989	12,892	12,557	12,393	12,171	12,317
<b>Urban development:</b>						
Residential building permits issued	3,052	3,174	3,039	2,111	1,372	1,314
Inspections	12,907	14,585	20,877	23,235	17,278	6,918 *
Asphalt repaired (square feet)	18,000	19,500	16,600	31,862	23,911	26,489
Sidewalk repaired (square feet)	24,500	26,000	16,859	14,977	6,328	12,508
<b>Community services:</b>						
Community Center participants	528,255	556,000	919,153	899,611	409,595	335,931
Senior Program participants	108,250	110,240	185,285	244,000	145,851	101,104
Youth program participants	278,654	280,000	286,925	234,648	263,744	254,827
Other program participants	56,365	66,200	70,329	72,345	47,043	64,574
Sports Teams	250,350	450,300	376,614	348,618	206,853	314,405
Facility rentals	420	466	424	273	220	248
<b>Library:</b>						
Program attendance (all programs)	18,131	17,650	11,514	10,711	12,350	10,855
Literacy instruction (hours)	1,048	1,500	762	639	871	968
<b>Water:</b>						
New connections	121	166	47	152	23	10
Average daily consumption (thousands of gallons)	21,179	19,990	23,028	22,086	20,693	19,421
<b>Refuse:</b>						
Curbside Collection (in tons)	41,279	42,000	42,884	41,638	39,407	37,436
Recycle Collection (in tons)	9,448	9,500	9,380	8,871	8,003	4,309
Greenwaste Collection (in tons)	n/a	n/a	14,687	13,259	13,267	13,975

Source: Various City Departments

Ten years of data is not available.

\* Method for calculating inspections changed in 2009-2010

**City of Pomona**  
**Capital Asset Statistics by Function**  
**Last Six Fiscal Years**

*Schedule 21*

	2005	2006	2007	2008	2009	2010
<b>Police:</b>						
Stations	1	1	1	1	1	1
Patrol Units	45	45	45	45	44	44
<b>Fire:</b>						
Fire stations	8	8	8	8	8	8
<b>Public works:</b>						
Streets (miles)	n/a	296	297	388	388	388
Streetlights	n/a	9933	9,939	7,645	7,645	7,645
Traffic signals	n/a	n/a	175	175	176	180
<b>Community services:</b>						
Parks	25	25	25	26	26	26
Park Acreage	210	210	210	210	221	221
Baseball fields	14	14	14	14	14	14
Soccer fields	11	11	11	13	17	17
Basketball courts	17	17	18	22	22	22
Tennis courts	9	9	9	9	9	9
Community centers	7	7	12	13	13	13
Libraries	1	1	1	1	1	1
<b>Water:</b>						
Water mains (miles)	435	435	436	439	439	439
<b>Sewer:</b>						
Sanitary sewers (miles)	293	313	313	313	313	313
Storm drains (miles)	120	120	120	120	120	120

Source: Various City Departments

Ten years of data is not available.