

City of Pomona Housing Authority

Pomona, California

Basic Financial Statements and Independent Auditors' Reports

For the Year Ended June 30, 2019



**City of Pomona Housing Authority
For the Year Ended June 30, 2019**

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For the Year Ended June 30, 2019
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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
of the City of Pomona Housing Authority
Pomona, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of the City of Pomona Housing Authority (the "Housing Authority"), a component unit of the City of Pomona, California (the "City"), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Housing Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Housing Authority, as of June 30, 2019, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Budgetary Comparison Schedules, the Schedule of Proportionate Share of Net Pension Liability and Related Ratios, the Schedule of Contributions – Pensions, the Schedule of Proportionate Share of Net Other Postemployment Benefits Liability and Related Ratios, and Schedule of Contributions – Other Postemployment Benefits Plan on pages 51 to 54 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the Required Supplementary Information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the Management’s Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Housing Authority’s basic financial statements. The accompanying Financial Data Schedules for the Housing Authority, as required by the U.S. Department of Housing and Urban Development are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

To the Board of Directors
of the City of Pomona Housing Authority
Pomona, California
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Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20 , 2019, on our consideration of the Housing Authority’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Housing Authority’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Housing Authority’s internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "The Per Group, LLP". The signature is written in a cursive, flowing style.

Santa Ana, California
December 20, 2019

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**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**

Independent Auditors' Report

To the Board of Directors
of the City of Pomona Housing Authority
Pomona, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the City of Pomona Housing Authority (the "Housing Authority"), a component unit of the City of Pomona, California (the "City"), as of and for the year ended June 30, 2019, and the related notes to the basic financial statements, which collectively comprise the Housing Authority's basic financial statements, and have issued our report thereon dated December 20, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the basic financial statements, we considered the Housing Authority's internal control over financial reporting ("internal control") to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Housing Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Housing Authority's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Housing Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

To the Board of Directors
of the City of Pomona Housing Authority
Pomona, California
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Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

The PwC Group, LLP

Santa Ana, California
December 20, 2019

BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

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City of Pomona Housing Authority
Statement of Net Position
June 30, 2019

	Governmental Activities
ASSETS	
Assets:	
Cash and investments	\$ 2,243,282
Receivables (net):	
Accounts	29,378
Interest	13,897
Prepaid items	640
Due from other governments	1,263,978
Notes and loans receivable, net, due in more than one year	11,007,909
Land held for resale	4,490,540
Advances to Successor Agency	3,000,000
Restricted cash and investments	1,017,671
Capital assets, not being depreciated	13,304,000
Capital assets, net of depreciation	36,564
Total Assets	36,407,859
DEFERRED OUTFLOWS OF RESOURCES	
Pension related items	356,019
Other postemployment benefits related items	119,662
Total Deferred Outflows of Resources	475,681
LIABILITIES	
Liabilities:	
Accounts payable	653,610
Payroll payable	68,117
Accrued liabilities	195,737
Deposits payable	32,470
Unearned revenue	486,667
Compensated absences, due within one year	172,000
Noncurrent liabilities:	
Compensated absences, due in more than one year	45,236
Net pension liability	3,181,555
Net other postemployment benefits liability	2,715,755
Total Liabilities	7,551,147
DEFERRED INFLOWS OF RESOURCES	
Pension related items	35,655
Other postemployment benefits related items	111,899
Total Deferred Inflows of Resources	147,554
NET POSITION	
Investment in capital assets	13,340,564
Restricted for:	
Urban development	15,844,275
Total Net Position	\$ 29,184,839

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City of Pomona Housing Authority
Statement of Activities
For the Year Ended June 30, 2019

Functions/Programs	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense)</u>	
		<u>Charges for</u>	<u>Operating</u>	<u>Capital</u>	<u>Revenue and</u>
		<u>Services</u>	<u>Grants and</u>	<u>Grants and</u>	<u>Changes in</u>
			<u>Contributions</u>	<u>Contributions</u>	<u>Net Position</u>
					<u>Governmental</u>
					<u>Activities</u>
Governmental activities:					
Urban development	\$ 18,318,099	\$ 1,714	\$ 16,632,013	\$ 2,839,262	\$ 1,154,890
Total Governmental Activities	<u>\$ 18,318,099</u>	<u>\$ 1,714</u>	<u>\$ 16,632,013</u>	<u>\$ 2,839,262</u>	<u>1,154,890</u>
General Revenues:					
Interest and rentals					890,129
Miscellaneous					159,514
Total General Revenues					<u>1,049,643</u>
Change in Net Position					2,204,533
Net Position - Beginning of Year					<u>26,980,306</u>
Net Position - End of Year					<u>\$ 29,184,839</u>

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FUND FINANCIAL STATEMENTS

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GOVERNMENTAL FUND FINANCIAL STATEMENTS

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City of Pomona Housing Authority
Balance Sheet
Governmental Funds
June 30, 2019

	<u>General Fund</u>	<u>Housing Successor Special Revenue Fund</u>	<u>Total</u>
Assets			
Cash and investments	\$ 901,385	\$ 1,341,897	\$ 2,243,282
Receivables (net):			
Accounts receivable	16,370	13,008	29,378
Notes and loans	-	11,007,909	11,007,909
Interest	4,348	9,549	13,897
Prepaid items	640	-	640
Due from other governments	1,263,978	-	1,263,978
Advances to Successor Agency	-	3,000,000	3,000,000
Land held for resale	-	4,490,540	4,490,540
Restricted assets:			
Cash and investments	10,100	1,007,571	1,017,671
Total Assets	<u>\$ 2,196,821</u>	<u>\$ 20,870,474</u>	<u>\$ 23,067,295</u>
Liabilities, Deferred Inflow of Resources, and Fund Balances			
Liabilities:			
Accounts payable	\$ 585,890	\$ 67,720	\$ 653,610
Payroll payable	56,343	11,774	68,117
Accrued liabilities	195,737	-	195,737
Deposits payable	6,800	25,670	32,470
Unearned revenue	486,667	-	486,667
Total Liabilities	<u>1,331,437</u>	<u>105,164</u>	<u>1,436,601</u>
Deferred Inflows of Resources:			
Unavailable revenues	283,241	1,807,034	2,090,275
Total Deferred Inflows of Resources	<u>283,241</u>	<u>1,807,034</u>	<u>2,090,275</u>
Fund Balances:			
Nonspendable			
Prepaid items	640	-	640
Restricted			
Urban development	581,503	18,958,276	19,539,779
Total Fund Balances	<u>582,143</u>	<u>18,958,276</u>	<u>19,540,419</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 2,196,821</u>	<u>\$ 20,870,474</u>	<u>\$ 23,067,295</u>

City of Pomona Housing Authority
Reconciliation of the Governmental Funds Balance Sheet
to the Government-Wide Statement of Net Position
June 30, 2019

Total Fund Balances - Total Governmental Funds \$ 19,540,419

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

Capital assets net of depreciation have not been included as financial resources. Therefore, they are not reported in governmental funds. Those assets consist of amount reported in the Statement of Net Position:

Nondepreciable assets	\$ 13,304,000	
Depreciable assets, net	36,564	13,340,564

Compensated absences that have not been included in the governmental fund activity. (217,236)

Net pension liability and related deferred outflows and inflows of resources are not due and payable in the current period; therefore, are not reported as government funds' liabilities. They are reported in the Statement of Net Position:

Deferred outflows related to pension related items	356,019	
Net pension liability	(3,181,555)	
Deferred inflows related to pension related items	(35,655)	(2,861,191)

Net other postemployment benefits liability and related deferred outflows of resources are not due and payable in the current period; therefore, are not reported as government funds' liabilities. They are reported in the Statement of Net Position:

Deferred outflows related to other postemployment benefits related items	119,662	
Net other postemployment benefits liability	(2,715,755)	
Deferred inflows related to other postemployment benefits related items	(111,899)	(2,707,992)

Revenues reported as unavailable revenue in the governmental funds and recognized in the statement of activities. These are included in the program revenues in the governmental activity. 2,090,275

Net position of governmental activities \$ 29,184,839

City of Pomona Housing Authority
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2019

	General Fund	Housing Successor Special Revenue Fund	Total
REVENUES:			
Intergovernmental	\$ 16,632,013	\$ -	\$ 16,632,013
Charges for services	-	1,714	1,714
Interest and rentals	149,676	477,678	627,354
Contributions	-	2,839,262	2,839,262
Miscellaneous	14,280	145,234	159,514
Total Revenues	16,795,969	3,463,888	20,259,857
EXPENDITURES:			
Current:			
Urban development	15,814,508	2,379,542	18,194,050
Capital outlay	1,585,823	4,415,945	6,001,768
Total Expenditures	17,400,331	6,795,487	24,195,818
NET CHANGE IN FUND BALANCES	(604,362)	(3,331,599)	(3,935,961)
FUND BALANCES:			
Beginning of year	1,186,505	22,289,875	23,476,380
End of year	<u>\$ 582,143</u>	<u>\$ 18,958,276</u>	<u>\$ 19,540,419</u>

City of Pomona Housing Authority
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes
in Fund Balances to the Government-Wide Statement of Activities
For the Year Ended June 30, 2019

Net change in fund balances - total governmental funds:	\$ (3,935,961)
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over the estimated useful lives as depreciation expense.	
Capital outlay	6,001,768
Depreciation	(11,302)
Compensated absences expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	
	(1,378)
Pension expenses is an expenditure in the governmental funds, but reduce the net pension liability in the Statement of Net Position, net of pension contribution made after measurement date in the amount of \$280,947.	
	(185,873)
Other postemployment benefits credit net of \$69,002 other postemployment benefits contribution made after made after measurement period.	
	74,504
Revenues reported as unavailable revenue in the governmental funds and recognized in the statement of activities. These are included in the intergovernmental revenues in the governmental fund activity.	
	262,775
Change in net position of governmental activities	\$ 2,204,533

City of Pomona Housing Authority
Notes to the Basic Financial Statements
For the Year Ended June 30, 2019

Note 1 – Summary of Significant Accounting Policies

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

A. Description of the Reporting Entity

The City of Pomona Housing Authority (the “Housing Authority”) was organized in 1993 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.

As part of the 2011-12, State budget bill, the California Legislature enacted, and the Governor signed, companion bills AB IX 26 and AB IX 27, requiring that each redevelopment agency be dissolved unless the community that created it enacts an ordinance committing it to making certain payments. On December 29, 2011, the California Supreme Court upheld AB IX 26, invalidated AB IX 27, and extended all statutory deadlines under AB IX 26, essentially dissolving all redevelopment agencies throughout the State effective February 1, 2012. AB IX 26 provided that cities must decide whether to retain the affordable housing function of the redevelopment agency.

On January 30, 2012, the City Council of the City of Pomona adopted Resolution No. 2012-16 and designated the City of Pomona Housing Authority as the "Successor Agency" to the low and moderate income housing functions of the former Redevelopment Agency of the City of Pomona (the “Agency”). Upon dissolution of the Agency, pursuant to Part 1.85 of Division 24 of the California Health and Safety Code, all authority, rights, powers, assets, duties and obligations previously vested with the low and moderate income housing functions of the former Agency were transferred to the City of Pomona Housing Authority as the successor agency (the “Housing Successor Agency”) to the low and moderate income housing functions of the Agency.

U.S GAAP defines the financial reporting entity as the primary government and organizations for which the primary government is financially accountable. Financial accountability requires that (1) the primary government and the component unit have a financial benefit or burden relationship or (2) management (below the level of the elected officials) of the primary government have operational responsibility for the activities of the component unit. Since members of City Council also serve as the Board of Directors of the Housing Authority, the City, in effect, has the ability to influence and control operations. In addition, the City has oversight responsibility for the Housing Authority. Accordingly, the financial statements of the Housing Authority are included in the City’s Comprehensive Annual Financial Report as a special revenue fund. The Housing Authority has the same fiscal year as the City. The Comprehensive Annual Financial Report of the City can be obtained from the Finance Department of the City.

City of Pomona Housing Authority
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2019

Note 1 – Summary of Significant Accounting Policies (Continued)

B. Basis of Accounting and Measurement Focus

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

C. Government-Wide Financial Statements

The Housing Authority's government-wide financial statements include a Statement of Net Position and a Statement of Activities. These financial statements present summaries of activities for the Housing Authority.

These financial statements are presented on an "*economic resources*" measurement focus and the accrual basis of accounting. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

D. 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 governmental funds. All governmental funds are accounted for using the "*current financial resources*" measurement focus and 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 Balance presents increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets.

The Housing Authority reports the following two major governmental funds:

- The General Fund is the main operating fund for the Housing Authority and accounts for aids to low-income families in obtaining decent, safe and sanitary housing through federal assistance programs and low/moderate income housing programs.
- The Housing Successor Special Revenue fund is to account for the low and moderate income housing functions of the former Redevelopment Agency.

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. Accordingly, revenues are reported when received in cash, except that revenues subject to accrual (generally 120 days after year-end) are recognized when due. Expenditures are reported in the accounting period in which the related fund liability is incurred.

Unavailable revenue arises when potential revenues do not meet both the "*measurable*" and "*available*" criteria for recognition in the current period. Unearned revenue arises 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 unavailable revenue and unearned revenue are removed from the balance sheet and revenue is recognized.

City of Pomona Housing Authority
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2019

Note 1 – Summary of Significant Accounting Policies (Continued)

D. Governmental Fund Financial Statements (Continued)

Reconciliations of the Fund Financial Statements to the Government-Wide Financial Statements are provided to explain the differences.

E. Cash and Investments

The Housing Authority’s cash and investments consist of cash and investments pooled with the City. The Housing Authority cash balance is pooled with various other City funds for deposit and investment purposes. The share of each fund in the pooled cash is separately maintained and interest income is apportioned to the participating funds based on the relationships of their average quarter-end cash balances to the total of the pooled cash and investments.

F. Prepaid Items

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.

G. Land Held for Resale

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

H. Capital Assets

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

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

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

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

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

City of Pomona Housing Authority
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2019

Note 1 – Summary of Significant Accounting Policies (Continued)

I. Deferred Outflows of Resources and Deferred Inflows of Resources

The Statement of Net Position and Balance Sheet reports separate sections for deferred outflows of resources, and deferred inflows of resources, when applicable.

Deferred Outflows of Resources represent outflows of resources (consumption of net position) that apply to future periods; therefore, will not be recognized as an expense until that time.

Deferred Inflows of Resources represent inflows of resources (acquisition of net position) that apply to future periods; therefore, are not recognized as a revenue until that time.

J. Long-Term Liabilities

In the Government-Wide Financial Statements, long-term liabilities are reported as liabilities in the applicable governmental activities.

The Fund Financial Statements do not present long-term liabilities. Accordingly, long-term liabilities is shown as a reconciling item in the Reconciliation of the Governmental Fund Balance Sheet to the Governmental-Wide Statement of Net Position.

K. Compensated Absences

In governmental funds, compensated absences are recorded as expenditures in the years paid, as it is the City's policy to liquidate any unpaid compensated absences at June 30 from future resources, rather than currently available financial resources.

L. Pensions

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

The following timeframes are used for pension reporting:

<u>CalPERS</u>	
Valuation Date	June 30, 2017
Measurement Date	June 30, 2018
Measurement Period	July 1, 2017 to June 30, 2018

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

City of Pomona Housing Authority
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2019

Note 1 – Summary of Significant Accounting Policies (Continued)

M. Other Postemployment Benefits (“OPEB”)

For the purpose of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, the OPEB Plan recognizes benefit payments when due and payable in accordance with the benefit terms.

The following timeframes are reported OPEB reporting:

Valuation Date	December 31, 2017
Measurement Date	December 31, 2018
Measurement Period	January 1, 2018 to December 31, 2018

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

N. Net Position

In the Government-Wide Financial Statements, net position are classified as follows:

Investment in Capital Assets – This amount consists of capital assets net of accumulated depreciation.

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

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

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

O. Fund Balance

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

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

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

City of Pomona Housing Authority
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2019

Note 1 – Summary of Significant Accounting Policies (Continued)

O. Fund Balance (Continued)

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

Assigned – This includes amounts that are constrained by the government’s intent to be used for specific purposes, but are neither restricted nor committed. The governing board by Resolution No. 2011-63A gave the authority to assign amounts for specific purposes to the Finance Director.

Unassigned – This includes the residual amounts that have not been restricted, committed, or assigned to specific purposes.

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

P. Use of Estimates

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

Note 2 – Cash and Investments

The following is a summary of cash and investment at June 30, 2019:

Unrestricted:		
Cash and investments	\$	2,243,282
Restricted:		
Cash		946,160
Investment with fiscal agent		71,511
Total restricted		1,017,671
Total cash and investments	\$	3,260,953

Cash and investments consisted of the following at June 30, 2019:

Cash:		
Cash held in trust	\$	31,973
Pooled cash with the City of Pomona		3,157,469
Investments:		
Money market funds		71,511
Total cash and investments	\$	3,260,953

City of Pomona Housing Authority
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2019

Note 2 – Cash and Investments (Continued)

A. Deposits

Cash is deposited in the City's internal investment pool. The Housing Authority does not own specifically identifiable securities in the City's pool. The pooled cash is considered as cash since the Housing Authority is able to withdraw at any time without prior notice or penalty. It has general characteristic of demand deposit accounts. Interest income is allocated based on average cash balances. Investment policies and associated risk factors applicable to the Housing Authority are those of the City and are included in the City's basic financial statements.

B. Investment Authorized by Debt Agreement

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

C. 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 limits investments to a maximum maturity of five years. As of June 30, 2019, the Housing Authority's investments in money market funds has a maturity of less than one year.

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. As of June 30, 2019, the Housing Authority's investments in money market funds were rated AAA by Standards & Pools.

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Housing Authority will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Housing Authority's investments in money market funds are held by fiscal agent.

City of Pomona Housing Authority
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2019

Note 3 – Notes and Loans Receivable

The summary of changes in the Housing Authority’s loans receivable for the year ended June 30, 2019 was as following:

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019	Allowance	Loans Receivable Net
Deferred Home Improvement Loans	\$ 82,413	\$ -	\$ (10,302)	\$ 72,111	\$ -	\$ 72,111
Shield of Faith	4,675,215	111,450	(104,892)	4,681,773	(11,009)	4,670,763
First Time Home Buyer Programs	1,642,918	-	(17,041)	1,625,877		1,625,877
Holt Ave. Housing Partners LP Loans	1,963,142	19,000	-	1,982,142	-	1,982,142
Neighborhood in Progress Home Improvement Loans	2,811,623	50,693	(205,301)	2,657,015	-	2,657,015
Total loan receivables	\$ 11,175,311	\$ 181,143	\$ (337,536)	\$ 11,018,918	\$ (11,009)	\$ 11,007,909

A. Deferred Home Improvement Loans

The Housing Improvement loans funds for Health & Safety Repairs and Exterior Home Improvements. During the term of the loan, a portion of the loan shall be forgiven each full year provided that the owner is in good standing and complies with all of the covenants, conditions, and restrictions. The outstanding balance at June 30, 2019 was \$72,111.

B. Shield of Faith

The loan between the City and Shield of Faith Economic Development Corporation was for a development project where Shield of Faith purchased properties and developed them for Low and Moderate income persons and families. The principal balance of the loan amounts to \$3,715,000 with simple annual 3% interest rate, for a total of \$4,670,763. The loan matures 55 years from the Certificate of Occupancy date maturing on August 28, 2063. The outstanding balance at June 30, 2019 was \$4,681,773.

C. First Time Home Buyer Program

The Program is a second silent mortgage loan program designed to assist qualified low-income individuals with the purchase of their first home. Program assistance is limited to \$500,000 (inclusive of applicable program fees) or the lesser amount (with zero percent interest) necessary to provide the “gap” assistance required to meet the Program’s front-end ratio requirements of 25% to 35%, whichever is lower. The outstanding balance at June 30, 2019 was \$1,625,877.

D. Holt Ave. Housing Partners LP Loans

The loan between the City of Pomona and Holt Avenue Housing Partners LP was to acquire property and construct a residential housing project consisting of 62 residential units that qualify for low income persons and families. The principal amount of the loan was \$1,900,000 with simple interest at the rate of 1% per annum. All principal and interest shall be due in full on the date that is fifty years from the date of recordation of the certificate of completion. The outstanding balance at June 30, 2019 was \$1,982,142.

City of Pomona Housing Authority
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2019

Note 3 – Notes and Loans Receivable (Continued)

E. Neighborhood in Progress Home Improvement Loans

The Neighborhood in Progress Home Improvement Loans is funded through the former Agency's Substantial Rehabilitation Loan Program. It provided deferred loans up to \$60,000 and bear 2% to 4% interest rates depending on funding and income. Repayment of the loan is due at the time of title change, resale, refinance with cash out, or non-compliance with the program requirements. (Depending on funding source, some loans must be repaid at the end of thirty (30) years from the date of execution of the loan documents). These loans are not a conventional equity loan or equity line of credit. Funding must be used to correct code violations or deferred maintenance which may cause code violations in the near future. The outstanding balance as of June 30, 2019 was \$2,657,015.

Note 4 – Advances to Successor Agency

On July 24, 2009, Assembly Bill AB4-26 was passed shifting former Redevelopment Agency funds and establishing a Supplemental Educational Revenue Augmentation Fund ("SERAF"). It was a "budget trailer bill" that was part of the State's legislation to balance their budget.

The Agency share of SERAF obligation for Fiscal Year 2009-10 was \$8,264,547 and \$1.7 million in Fiscal Year 2010-11. Health and Safety Code Section 33690(c) provides that a redevelopment agency, which makes a finding that sufficient monies are not available to fund its SERAF obligation in Fiscal Years 2009-10 or 2010-11, the redevelopment agency may borrow funds from its Low and Moderate Income Housing Fund to make the full SERAF payment. On May 3, 2010, City Council authorized a loan of \$5,000,000 from the Low-Mod Fund to make the full SERAF payment. The dissolution of the Agency transferred the advances to the Housing Successor Special Revenue Fund. The outstanding balance on the advances as of June 30, 2019 was \$3,000,000.

Note 5 – Land Held for Resale

Land held for resale in the amount of \$4,490,540 reported in the Housing Successor Special Revenue Fund is reported at acquisition cost as of June 30, 2019.

City of Pomona Housing Authority
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2019

Note 6 – Capital Assets

The summary of change in capital asset for the year ended June 30, 2019 was as follows:

	Balance July 1, 2018	Additions	Deletions	Reclassification	Balance June 30, 2019
Capital assets, not being depreciated:					
Land					
Housing Authority	\$ 3,082,890	\$ 1,585,823	\$ -	\$ -	\$ 4,668,713
Construction in Progress					
Housing Successor	4,219,342	4,415,945	-	-	8,635,287
Total capital assets, not being depreciated	7,302,232	6,001,768	-	-	13,304,000
Capital assets, being depreciated:					
Structures and improvements					
Housing Authority	31,657	-	-	-	31,657
Equipment					
Housing Authority	40,803	-	-	-	40,803
Housing Successor	177,301	-	-	-	177,301
Furniture and fixtures					
Housing Authority	146,052	-	-	-	146,052
Housing Successor	76,877	-	-	-	76,877
Autos and trucks					
Housing Authority	53,629	-	-	-	53,629
Housing Successor	47,196	-	-	-	47,196
Total capital assets, being depreciated	573,515	-	-	-	573,515
Less accumulated depreciation for:					
Structures and improvements					
Housing Authority	(9,497)	(1,583)	-	-	(11,080)
Equipment					
Housing Authority	(40,804)	-	-	-	(40,804)
Housing Successor	(176,555)	(746)	-	-	(177,301)
Furniture and fixtures					
Housing Authority	(124,736)	(5,329)	-	-	(130,065)
Housing Successor	(76,873)	(4)	-	-	(76,877)
Autos and trucks					
Housing Authority	(49,988)	(3,640)	-	-	(53,628)
Housing Successor	(47,196)	-	-	-	(47,196)
Total accumulated depreciation	(525,649)	(11,302)	-	-	(536,951)
Total capital assets, being depreciated, net	47,866	(11,302)	-	-	36,564
Governmental activities capital assets, net	\$ 7,350,098	\$ 5,990,466	\$ -	\$ -	\$ 13,340,564

Depreciation expense for capital assets for the year ended June 30, 2019, was as follows:

Urban development - Housing Authority	\$ 10,552
Urban development - Housing Successor	750
Total depreciation expense - governmental activities	\$ 11,302

City of Pomona Housing Authority
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2019

Note 7 – Compensated Absences

The summary of changes in compensated absences for the year ended June 30, 2019 was as follows:

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019	Due within One Year	Due in More Than One Year
Compensated absences	\$ 215,858	\$ 172,058	\$ (170,680)	\$ 217,236	\$ 172,000	\$ 45,236

Note 8 – Net Pension Liabilities

A. General Information about the Pension Plan

Plan Description

The Housing Authority participates in the City of Pomona’s miscellaneous plan, an agent multiple-employer defined benefit pension plan for miscellaneous employees. CalPERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by state statute and City ordinance. A full description of the pension plan regarding number of employees covered, benefit provisions, assumptions (for funding, but not accounting purposes), and membership information are listed in the Annual Actuarial Valuation Report. This report and CalPERS’ audited financial statements are publicly available reports that can be obtained at CalPERS’ website under Forms and Publications.

Benefits Provided

CalPERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. A classic CalPERS member becomes eligible for service retirement upon attainment of age 50 with at least 5 years of credited service. California Public Employees’ Pension Reform Act (“PEPRA”) miscellaneous members become eligible for service retirement upon attainment of age 52 with at least 5 years of service. The service retirement benefit is a monthly allowance equal to the product of the benefit factor, years of service, and final compensation. The final compensation is the monthly average of the member’s highest 36 or 12 consecutive months’ full-time equivalent monthly pay. Retirement benefits for classic miscellaneous employees are calculated as 2 percent of average final 12 months compensation. Retirement benefit for PEPRA miscellaneous employees are calculated as 2 percent of the average final 36 months compensation.

An employee's beneficiary may receive the basic death benefit if the employee becomes deceased while actively employed. The employee must be actively employed with the City to be eligible for this benefit. An employee's survivor who is eligible for any other pre-retirement death benefit may choose to receive that death benefit instead of this basic death benefit. The basic death benefit is a lump sum in the amount of the employee's accumulated contributions, where interest is currently credited at 7.5 percent per year, plus a lump sum in the amount of one month's salary for each completed year of current service, up to a maximum of six months' salary. For purposes of this benefit, one month's salary is defined as the member's average monthly full-time rate of compensation during the 12 months preceding death. Upon the death of a retiree, a one-time lump sum payment of \$500 will be made to the retiree’s designated survivor(s), or to the retiree’s estate.

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

City of Pomona Housing Authority
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2019

Note 8 – Net Pension Liabilities (Continued)

A. General Information about the Pension Plan (Continued)

Benefits Provided (Continued)

	Tier 1*	Tier 2*	PEPRA
Hire date	Prior to August 14, 2011	On or after August 14, 2011 but prior to January 1, 2013	On or after January 2, 2013
Benefit formula	2.0% @ 55	2.0% @ 60	2.0% @ 62
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	minimum 50 yrs	minimum 50 yrs	minimum 52 yrs
Monthly benefits, as a % of eligible compensation	1.426% - 2.418%, 50 yrs - 63+ yrs, respectively	1.092% - 2.418%, 50 yrs - 63+ yrs, respectively	1.000% - 2.500%, 52 yrs - 67+ yrs, respectively
Required employee contribution rates	7.000%	7.000%	6.250%
Required employer contribution rates	7.888%	7.888%	7.888%

* Plan is closed to new entrants

Employees Covered by Benefit Terms

Please refer to the City's Comprehensive Annual Financial Report for numbers of employees covered by benefit terms at June 30, 2017 valuation date.

Contribution Description

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

For the year ended June 30, 2019, the Housing Authority's employer contributions were in the amount of \$280,947.

City of Pomona Housing Authority
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2019

Note 8 – Net Pension Liabilities (Continued)

B. Net Pension Liability

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

For measurement period ended June 30, 2018, the total pension liability was determined by rolling forward the June 30, 2017 total pension liability. The June 30, 2017 valuation was rolled forward to determine the June 30, 2018 total pension liability, based on following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Salary Increases	Varies by Entry Age and Service
Mortality Rate Table ¹	Derived using CalPERS' Membership Data for all Funds.
Post Retirement Benefit Increase	Contract COLA up to 2.00% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.50% thereafter

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

Change of Assumptions

In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in discount rate.

Long-term Expected Rate of Return

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

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

City of Pomona Housing Authority
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2019

Note 8 – Net Pension Liabilities (Continued)

B. Net Pension Liability (Continued)

Long-term Expected Rate of Return (Continued)

The expected real rates of return by asset class are as followed:

Asset Class ¹	Assumed Asset Allocation	Real Return Years 1 - 10 ²	Real Return Years 11+ ³
Global Equity	50.00%	4.80%	5.98%
Fixed Income	28.00%	1.00%	2.62%
Inflation Assets	0%	0.77%	1.81%
Private Equity	8.00%	6.30%	7.23%
Real Assets	13.00%	3.75%	4.93%
Liquidity	1.00%	0.00%	-0.92%
	<u>100.00%</u>		

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

² An expected inflation of 2.00% used for this period.

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

Discount Rate

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

C. Changes in the Net Pension Liability

Proportionate Share of Net Pension Liability

The Housing Authority proportionate share of net pension liability of the City's miscellaneous plan is determined by the City's CalPERS fiscal year 2018-2019 contribution made by the Housing Authority over the total miscellaneous plan contribution. The following table shows the Housing Authority's proportionate share of the City's miscellaneous plan net pension liability over the measurement periods ended June 30, 2018.

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (c) = (a) - (b)
Balance at June 30, 2017 (Valuation Date)	\$ 13,004,059	\$ 9,624,931	\$ 3,379,128
Balance at June 30, 2018 (Measurement Date)	12,802,773	9,621,218	3,181,555
Net Changes during 2017-2018	\$ (201,286)	\$ (3,713)	\$ (197,573)

City of Pomona Housing Authority
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2019

Note 8 – Net Pension Liabilities (Continued)

C. Changes in the Net Pension Liability (Continued)

The Housing Authority’s proportionate shares of the net pension liabilities are as follows:

<u>Measurement Date</u>	
June 30, 2017	4.56%
June 30, 2018	<u>4.38%</u>
Change - Increase (Decrease)	<u>(0.18%)</u>

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

The following presents the Housing Authority’s proportionate share of the net pension liability for the Plan, calculated using the discount rate for the Plan, as well as what the Housing Authority’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% point lower or 1% point higher than the current rate:

<u>Measurement Date</u>	<u>Plan's Net Pension Liability</u>		
	<u>Discount Rate - 1% (6.15%)</u>	<u>Current Discount Rate (7.15%)</u>	<u>Discount Rate + 1% (8.15%)</u>
June 30, 2018	\$ 4,822,199	\$ 3,181,555	\$ 1,823,649

Pension Plan Fiduciary Net Position

Detailed information about the pension plan’s fiduciary net position is available in the City of Pomona Miscellaneous Plan GASB 68 Accounting Valuation Report.

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

For the measurement period ended June 30, 2018, the Housing Authority incurred a pension expense of \$466,820.

As of measurement date of June 30, 2018, the Housing Authority reported deferred outflows and deferred inflows of resources related to pensions as follows:

	<u>Deferred outflows of Resources</u>	<u>Deferred inflows of Resources</u>
Contribution made after the measurement date	\$ 280,947	\$ -
Changes of assumptions	32,802	(29,973)
Difference between expected and actual experience	3,614	(5,682)
Net difference between projected and actual earning on pension plan investments	<u>38,656</u>	<u>-</u>
Total	<u>\$ 356,019</u>	<u>\$ (35,655)</u>

The amounts above are net of deferred outflows and inflows of resources recognized in the 2017-2018 measurement period expense.

City of Pomona Housing Authority
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2019

Note 8 – Net Pension Liabilities (Continued)

D. Pension Expense and Deferred Outflows and Inflows of Resources Related to Pensions (Continued)

The expected average remaining service lifetime (“EARSL”) is calculated by dividing the total future service years by the total number of plan participants (active, inactive, and retired). The EARSL for the miscellaneous plan for the 2017-18 measurement period is 2.0 years, which were obtained by dividing the total service years of 3,486 (the sum of remaining service lifetimes of the active employees) by 1,745 (the total number of participants: active, inactive, and retired).

\$280,947 was reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the collective net pension liability in the year ending June 30, 2020. Other amounts reported as deferred outflows or deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ending June 30,	Deferred Outflows/(Inflows) of Resources Miscellaneous Plan
2020	\$ 127,197
2021	30,405
2022	(93,821)
2023	(24,364)
2024	-
Thereafter	-
	\$ 39,417

Note 9 – Other Postemployment Benefits (“OPEB”)

A. General Information about the OPEB Plan

Plan Description

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

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

City of Pomona Housing Authority
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2019

Note 9 – Other Postemployment Benefits (“OPEB”) (Continued)

A. General Information about the OPEB Plan (Continued)

Plan Description (Continued)

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

Contributions

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

B. Net OPEB Liability

Actuarial Assumptions

The total OPEB liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Discount Rate	3.80%
Inflation	2.75% per annum
Salary Increases	3.0% per annum, in aggregate
Cost of Living Adjustment	Not applicable
Investment Rate of Return	N/A - As of the valuation date there are no GASB eligible plan
Pre-Retirement Turnover/ Mortality	Pre-Retirement: Consistent with the most recent CalPERS pension
Rate/Disability Rate/ Retirement Age	plan valuation.
	Post-Retirement: the most recent CalPERS pension plan valuation.
Participant Rates	90% of future retirees are assumed to elect medical coverage at
	retirement through the CalPERS Health Plan and to continue
	coverage through the CalPERS Health Plan beyond Medicare
	eligibility age. Actual coverage is used for current retirees. For
	current retirees under age 65 and currently waiving coverage, 10%
	are assumed to elect coverage at age 65.
Spouse Coverage	50% of future retirees (65% for Safety) are assumed to elect
	coverage for their spouse. Male spouses are assumed to be 3 years
	older than female spouses. Actual spouse age is used for current
Medical Trend Rates	6.0% (HMO) and 6.5% (PPO) to ultimate 5% in 2023 and beyond.

City of Pomona Housing Authority
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2019

Note 9 – Other Postemployment Benefits (“OPEB”) (Continued)

B. Net OPEB Liability (Continued)

Change of Assumptions

In 2018, the accounting discount rate changed from 3.30% to 3.80% from the measurement date December 31, 2017 to the measurement date December 31, 2018.

Discount Rate

3.80% per annum. This discount rate is the average, rounded to 5 basis points, of the range of 3-20 year municipal bond rate indices: S&P Municipal Bond 20 Year High Grade Rate Index, Bond Buyer 20-Bond GO index, Fidelity GO AA 20 Year Bond Index.

C. Change in the Net OPEB Liability

Proportionate Share of Net OPEB Liability

The Housing Authority proportionate share of net OPEB liability of the City’s PEMHCA plan is determined by the City’s fiscal year 2018-2019 contribution made by the Housing Authority over the total PEMHCA plan contribution. The following table shows the Housing Authority’s proportionate share of the City’s PEMHCA plan net OPEB liability over the measurement period ended December 31, 2018.

	Increase (Decrease)		
Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability	
(a)	(b)	(c) = (a) - (b)	
Balance at January 1, 2018	\$ 2,957,583	\$ -	\$ 2,957,583
Balance at December 31, 2018 (Measurement Date)	2,715,755	-	2,715,755
Net Changes	\$ (241,828)	\$ -	\$ (241,828)

The Housing Authority’s proportionate shares of the net OPEB liabilities is 3.06% at the measurement date of December 31, 2018.

<u>Measurement Date</u>	
December 31, 2017	3.06%
December 31, 2018	2.95%
Change - Increase (Decrease)	<u>(0.11%)</u>

City of Pomona Housing Authority
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2019

Note 9 – Other Postemployment Benefits (“OPEB”) (Continued)

C. Change in the Net OPEB Liability (Continued)

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

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

	Plan's Net OPEB Liability		
	Discount Rate - 1% (2.80%)	Current Discount Rate (3.80%)	Discount Rate + 1% (4.80%)
	Measurement Date December 31, 2018	\$ 3,068,267	\$ 2,715,755

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

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

	Plan's Net OPEB Liability		
	-1%	Current Healthcare Cost Trend Rates	+1%
	(5.00% HMO/5.5% PPO decreasing to 4.00% HMO /4.00%.PPO)	(6.00% HMO/6.5% PPO decreasing to 5.00% HMO /5.00%.PPO)	(7.00% HMO/7.50% PPO decreasing to 6.00% HMO /6.00%.PPO)
Measurement Date December 31, 2018	\$ 2,611,499	\$ 2,715,755	\$ 2,812,151

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

For the fiscal year ended June 30, 2019, the Housing Authority recognized OPEB credit in the amount of \$5,502. At June 30, 2019, the Housing Authority reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred outflows of Resources	Deferred inflows of Resources
Contribution made after the measurement date	\$ 69,002	\$ -
Changes of assumptions	50,660	(111,899)
Total	\$ 119,662	\$ (111,899)

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

City of Pomona Housing Authority
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2019

Note 9 – Other Postemployment Benefits (“OPEB”) (Continued)

D. OPEB Expense and Deferred Outflows of Resources Related to OPEB (Continued)

The \$69,002 reported as deferred outflows of resources related to OPEB resulting from the Housing Authority’s contributions subsequent to the measurement date during the year ended June 30, 2019 will be recognized as a reduction of the collective net OPEB liability in the year ending June 30, 2020. Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in future OPEB expense as follows:

Year Ending December 31,	Deferred Outflows/(Inflows) of Resources Miscellaneous Plan
2019	\$ (5,289)
2020	(55,950)
2021	-
2022	-
2023	-
Thereafter	-
	<u>\$ (61,239)</u>

Note 10 – Self-Insurance Program

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

Note 11 – Commitments and Contingencies

As of June 30, 2019, in the opinion of Housing Authority management, there was no outstanding matter that would have a significant effect on the financial position of the Housing Authority.

Note 12 – Excess of Expenditures Over Appropriations

For the year ended June 30, 2019, the following funds had expenditures over appropriations:

	Appropriation	Expenditures	Expenditures Over Appropriation
Housing Successor Special Revenue Fund:			
Current:			
Urban development	\$ 702,744	\$ 2,379,542	\$ (1,676,798)
Capital outlay	1,796,191	4,415,945	(2,619,754)

**REQUIRED SUPPLEMENTARY INFORMATION
(UNAUDITED)**

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City of Pomona Housing Authority
Required Supplementary Information (Unaudited)
Budgetary Comparison Schedule - General Fund
For the Year Ended June 30, 2019

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Intergovernmental	\$ 15,827,103	\$ 20,146,133	\$ 16,632,013	\$ (3,514,120)
Interest and rentals	142,046	142,046	149,676	7,630
Miscellaneous	18,000	18,000	14,280	(3,720)
Total revenues	<u>15,987,149</u>	<u>20,306,179</u>	<u>16,795,969</u>	<u>(3,510,210)</u>
EXPENDITURES:				
Current:				
Urban development	15,992,924	16,611,954	15,814,508	797,446
Capital outlay	-	3,800,000	1,585,823	2,214,177
Total expenditures	<u>15,992,924</u>	<u>20,411,954</u>	<u>17,400,331</u>	<u>3,011,623</u>
NET CHANGE IN FUND BALANCE	<u>\$ (5,775)</u>	<u>\$ (105,775)</u>	(604,362)	<u>\$ (498,587)</u>
FUND BALANCE:				
Beginning of year			<u>1,186,505</u>	
End of year			<u>\$ 582,143</u>	

City of Pomona Housing Authority
Required Supplementary Information (Unaudited)
Budgetary Comparison Schedule - Housing Successor Special Revenue Fund
For the Year Ended June 30, 2019

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Charges for services	\$ 4,456	\$ 4,456	\$ 1,714	\$ (2,742)
Interest and rentals	270,290	270,290	477,678	207,388
Contribution	-	-	2,839,262	2,839,262
Miscellaneous	6,288	6,288	145,234	138,946
Total revenues	<u>281,034</u>	<u>281,034</u>	<u>3,463,888</u>	<u>3,182,854</u>
EXPENDITURES:				
Current:				
Urban development	579,857	702,744	2,379,542	(1,676,798)
Capital outlay	-	1,796,191	4,415,945	(2,619,754)
Total expenditures	<u>579,857</u>	<u>2,498,935</u>	<u>6,795,487</u>	<u>(4,296,552)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (298,823)</u>	<u>\$ (2,217,901)</u>	<u>(3,331,599)</u>	<u>\$ (1,113,698)</u>
FUND BALANCE:				
Beginning of year			<u>22,289,875</u>	
End of year			<u>\$ 18,958,276</u>	

City of Pomona Housing Authority
Required Supplementary Information (Unaudited)
Notes to the Budgetary Comparison Schedule
For the Year Ended June 30, 2019

Budget and Budgetary Accounting

The Housing Authority adopts an annual budget on a basis consistent with generally accepted accounting principles in the United States and utilizes an encumbrance system as a management control technique to assist in controlling expenditures and enforcing revenue provisions.

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City of Pomona Housing Authority
Required Supplementary Information (Unaudited)
Schedule of the Authority's Proportionate Share of Net Pension Liability and Related Ratios
For the Year Ended June 30, 2019

Last Ten Fiscal Years

California Public Employees' Retirement System Defined Pension Plan

Measurement period	June 30, 2014 ¹	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018
Housing Authority's Proportion of the Net Pension Liability	4.1623%	4.2100%	4.4500%	4.5600%	4.3800%
Housing Authority's Proportionate Share of the Net Pension Liability	\$ 1,950,342	\$ 2,143,691	\$ 2,944,443	\$ 3,379,128	\$ 3,181,555
Housing Authority's Covered Payroll	\$ 909,196	\$ 1,029,336	\$ 1,220,184	\$ 1,209,304	\$ 1,811,656
Housing Authority's Proportionate Share of the Net Pension Liability as a Percentage of Its Covered Payroll	214.51%	208.26%	241.31%	279.43%	175.62%
Housing Authority's Proportionate Share of the Fiduciary Net Position as a Percentage of the Total Pension Liability	82.02%	80.06%	74.95%	74.90%	75.15%

¹ Historical information is presented only for measurement periods for which GASB 68 is available. Additional years of information will be presented as it becomes available.

Notes to Schedule:

Change in Benefit Terms: There were no changes in benefit terms.

Changes of Assumptions: In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. In 2017, it reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense.)

City of Pomona Housing Authority
Required Supplementary Information (Unaudited) (Continued)
Schedule of Contributions - Pensions
For the Year Ended June 30, 2019

Last Ten Fiscal Years

California Public Employees' Retirement System Defined Pension Plan

Fiscal year	2013-2014 ¹	2014-2015	2015-2016	2016-2017	2017-2018
Actuarially determined contribution	\$ 132,859	\$ 158,304	\$ 209,422	\$ 229,743	\$ 258,452
Contributions in relation to the actuarially determined contribution	(132,859)	(158,304)	(209,422)	(229,743)	(258,452)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 909,195	\$ 1,029,336	\$ 1,220,184	\$ 1,209,304	\$ 1,811,656
Contributions as a percentage of covered payroll	14.61%	15.38%	17.16%	19.00%	14.27%

¹ Historical information is presented only for measurement periods for which GASB 68 is available. Additional years of information will be presented as it becomes available.

Notes to Schedule:

Change in Benefit Terms: There were no changes in benefit terms.

Changes of Assumptions: In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense.)

City of Pomona Housing Authority
Required Supplementary Information (Unaudited) (Continued)
Schedule of Contributions - Pensions
For the Year Ended June 30, 2019

Last Ten Fiscal Years

California Public Employees' Retirement System Defined Pension Plan

Fiscal year	2018-2019
Actuarially determined contribution	\$ 280,947
Contributions in relation to the actuarially determined contribution	(280,947)
Contribution deficiency (excess)	\$ -
Covered payroll	\$ 1,857,129
Contributions as a percentage of covered payroll	15.13%

Notes to Schedule:

Change in Benefit Terms: There were no changes in benefit terms.

Changes of Assumptions: In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense.)

City of Pomona Housing Authority
Required Supplementary Information (Unaudited)
Schedule of the Authority's Proportionate Share of Net OPEB Liability and Related Ratios
For the Year Ended June 30, 2019

Last Ten Fiscal Years

OTHER POSTEMPLOYMENT BENEFITS PLAN

Measurement period (Year Ended December 31)	2017 ¹	2018
Housing Authority's Proportion of the Net OPEB Liability	3.0600%	2.9500%
Housing Authority's Proportionate Share of the Net OPEB Liability	\$ 2,957,583	\$ 2,715,755
Housing Authority's Covered Payroll	\$ 1,618,640	\$ 1,726,989
Housing Authority's Proportionate Share of the Net OPEB Liability as a Percentage of Its Covered Payroll	182.72%	157.25%
Housing Authority's Proportionate Share of the Fiduciary Net Position as a Percentage of the Total OPEB Liability	0.00%	0.00%

¹ Historical information is presented only for measurement periods for which GASB 75 is available. Additional years of information will be presented as it becomes available.

Notes to Schedule:

Change in Benefit Terms: There were no changes in benefit terms.

Changes of Assumptions: In 2018, the accounting discount rate increased from 3.3 percent to 3.8 percent. In 2017, the accounting discount rate reduced from 3.75 percent to 3.3 percent.

City of Pomona Housing Authority
Required Supplementary Information (Unaudited) (Continued)
Schedule of Contributions - Other Postemployment Benefits Plan
For the Year Ended June 30, 2019

Last Ten Fiscal Years

OTHER POSTEMPLOYMENT BENEFITS PLAN

Fiscal year	2018 ¹	2019
Actuarially determined contribution	\$ 119,682	\$ 108,899
Contributions in relation to the actuarially determined contribution	(119,682)	(108,899)
Contribution deficiency (excess)	\$ -	\$ -
Covered payroll	\$ 1,811,656	\$ 1,857,129
Contributions as a percentage of covered payroll	6.61%	5.86%

¹ Historical information is presented only for measurement periods for which GASB 75 is available. Additional years of information will be presented as it becomes available.

Notes to Schedule:

The actuarial methods and assumptions used to set the actuarially determined contributions for calendar year 2018 were derived from the January 1, 2017 funding valuation reports.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal Cost Method
Amortization method	Level Percent Payroll
Asset valuation method	Market Value
Inflation	2.75% per annum
Discount rate	3.80%
Payroll Growth	3.0% per annum, in aggregate
Individual salary growth	N/A
Retirement age	Consistent with the most recent CalPERS pension plan valuation.
Mortality	Consistent with the most recent CalPERS pension plan valuation.
Medical Trend Rates	6.0% (HMO) and 6.5% (PPO) to ultimate 5% in 2023 and beyond.

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SUPPLEMENTARY INFORMATION

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Housing Authority of the City of Pomona (CA123)

Pomona, CA

Program Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 06/30/2019

	14.871 Housing Choice Vouchers	Total
111 Cash - Unrestricted	\$ 462,762	\$ 462,762
112 Cash - Restricted - Modernization and Development		
113 Cash - Other Restricted	\$ -	\$ -
114 Cash - Tenant Security Deposits	\$ 195,737	\$ 195,737
115 Cash - Restricted for Payment of Current Liabilities	\$ 61,308	\$ 61,308
100 Total Cash	\$ 719,807	\$ 719,807
121 Accounts Receivable - PHA Projects		
122 Accounts Receivable - HUD Other Projects		\$ -
124 Accounts Receivable - Other Government		
125 Accounts Receivable - Miscellaneous		
126 Accounts Receivable - Tenants		
126.1 Allowance for Doubtful Accounts - Tenants		
126.2 Allowance for Doubtful Accounts - Other	\$ -	\$ -
127 Notes, Loans, & Mortgages Receivable - Current		
128 Fraud Recovery		
128.1 Allowance for Doubtful Accounts - Fraud		
129 Accrued Interest Receivable	\$ 2,750	\$ 2,750
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$ 2,750	\$ 2,750
131 Investments - Unrestricted		
132 Investments - Restricted		
135 Investments - Restricted for Payment of Current Liability		
142 Prepaid Expenses and Other Assets	\$ 640	\$ 640
143 Inventories		
143.1 Allowance for Obsolete Inventories		
144 Inter Program Due From		
145 Assets Held for Sale		
150 Total Current Assets	\$ 723,197	\$ 723,197

Housing Authority of the City of Pomona (CA123)

Pomona, CA

Program Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 06/30/2019

	14.871 Housing Choice Vouchers	Total
161 Land		
162 Buildings		
163 Furniture, Equipment & Machinery - Dwellings		
164 Furniture, Equipment & Machinery - Administration		
165 Leasehold Improvements		
166 Accumulated Depreciation		
167 Construction in Progress		
168 Infrastructure		
160 Total Capital Assets, Net of Accumulated Depreciation	\$ -	\$ -
171 Notes, Loans and Mortgages Receivable - Non-Current		
172 Notes, Loans, & Mortgages Receivable - Non Current - Past		
173 Grants Receivable - Non Current		
174 Other Assets		
176 Investments in Joint Ventures		
180 Total Non-Current Assets	\$ -	\$ -
200 Deferred Outflow of Resources	\$ -	\$ -
290 Total Assets and Deferred Outflow of Resources	\$ 723,197	\$ 723,197
311 Bank Overdraft		
312 Accounts Payable <= 90 Days	\$ 14,823	\$ 14,823
313 Accounts Payable >90 Days Past Due		
321 Accrued Wage/Payroll Taxes Payable	\$ 46,485	\$ 46,485
322 Accrued Compensated Absences - Current Portion		
324 Accrued Contingency Liability		
325 Accrued Interest Payable		
331 Accounts Payable - HUD PHA Programs		
332 Account Payable - PHA Projects		
333 Accounts Payable - Other Government		
341 Tenant Security Deposits		
342 Unearned Revenue		
343 Current Portion of Long-term Debt - Capital		
344 Current Portion of Long-term Debt - Operating Borrowings		
345 Other Current Liabilities		
346 Accrued Liabilities - Other		
347 Inter Program - Due To		
348 Loan Liability - Current		
310 Total Current Liabilities	\$ 61,308	\$ 61,308

Housing Authority of the City of Pomona (CA123)

Pomona, CA

Program Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 06/30/2019

	14.871 Housing Choice Vouchers	Total
351 Long-term Debt, Net of Current - Capital Projects/Mortgage		
352 Long-term Debt, Net of Current - Operating Borrowings		
353 Non-current Liabilities - Other	\$ 195,737	\$ 195,737
354 Accrued Compensated Absences - Non Current		
355 Loan Liability - Non Current		
356 FASB 5 Liabilities		
357 Accrued Pension and OPEB Liabilities		
350 Total Non-Current Liabilities	\$ 195,737	\$ 195,737
300 Total Liabilities	\$ 257,045	\$ 257,045
400 Deferred Inflow of Resources		
508.3 Nonspendable Fund Balance		
509.3 Restricted Fund Balance	\$ 196,377	\$ 196,377
510.3 Committed Fund Balance		
511.3 Assigned Fund Balance		
512.3 Unassigned Fund Balance	\$ 269,775	\$ 269,775
513 Total Equity - Net Assets / Position	\$ 466,152	\$ 466,152
600 Total Liabilities, Deferred Inflows of Resources and Equity -	\$ 723,197	\$ 723,197

Housing Authority of the City of Pomona (CA123)

Pomona, CA

Program Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 06/30/2019

	14.871 Housing Choice Vouchers	Total
70300 Net Tenant Rental Revenue		
70400 Tenant Revenue - Other		
70500 Total Tenant Revenue	\$0	\$0
70600 HUD PHA Operating Grants	\$ 12,829,660	\$ 12,829,660
70610 Capital Grants		\$ -
70710 Management Fee		
70720 Asset Management Fee		
70730 Book Keeping Fee		
70740 Front Line Service Fee		
70750 Other Fees		
70700 Total Fee Revenue	\$ 12,829,660	\$ 12,829,660
70800 Other Government Grants		
71100 Investment Income - Unrestricted	\$0	\$0
71200 Mortgage Interest Income		
71300 Proceeds from Disposition of Assets Held for Sale		
71310 Cost of Sale of Assets		
71400 Fraud Recovery	\$ 13,280	\$ 13,280
71500 Other Revenue	\$ 390,407	\$ 390,407
71600 Gain or Loss on Sale of Capital Assets		
72000 Investment Income - Restricted	\$ 20,353	\$ 20,353
70000 Total Revenue	\$ 13,253,700	\$ 13,253,700
91100 Administrative Salaries	\$ 1,334,241	\$ 1,334,241
91200 Auditing Fees	\$ 5,870	\$ 5,870
91300 Management Fee		\$ -
91310 Book-keeping Fee		\$ -
91400 Advertising and Marketing	\$ 573	\$ 573
91500 Employee Benefit contributions - Administrative		\$ -
91600 Office Expenses	\$ 43,043	\$ 43,043
91700 Legal Expense	\$ 211	\$ 211
91800 Travel	\$ 272	\$ 272
91810 Allocated Overhead		\$ -
91900 Other	\$ 44,694	\$ 44,694
91000 Total Operating - Administrative	\$ 1,428,904	\$ 1,428,904

Housing Authority of the City of Pomona (CA123)

Pomona, CA

Program Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 06/30/2019

	14.871 Housing Choice Vouchers	Total
92000 Asset Management Fee		
92100 Tenant Services - Salaries		
92200 Relocation Costs		
92300 Employee Benefit Contributions - Tenant Services		
92400 Tenant Services - Other		
92500 Total Tenant Services	\$0	\$0
93100 Water		
93200 Electricity		
93300 Gas		
93400 Fuel		
93500 Labor		
93600 Sewer		
93700 Employee Benefit Contributions - Utilities		
93800 Other Utilities Expense		
93000 Total Utilities	\$0	\$0
94100 Ordinary Maintenance and Operations - Labor		
94200 Ordinary Maintenance and Operations - Materials and		
94300 Ordinary Maintenance and Operations Contracts		
94500 Employee Benefit Contributions - Ordinary Maintenance		
94000 Total Maintenance	\$0	\$0
95100 Protective Services - Labor		
95200 Protective Services - Other Contract Costs		
95300 Protective Services - Other		
95500 Employee Benefit Contributions - Protective Services		
95000 Total Protective Services	\$0	\$0
96110 Property Insurance		
96120 Liability Insurance	\$ 26,293	\$ 26,293
96130 Workmen's Compensation	\$ 14,312	\$ 14,312
96140 All Other Insurance	\$ 165	\$ 165
96100 Total insurance Premiums	\$ 40,770	\$ 40,770

Housing Authority of the City of Pomona (CA123)

Pomona, CA

Program Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 06/30/2019

	14.871 Housing Choice Vouchers	Total
96200 Other General Expenses	\$ -	\$ -
96210 Compensated Absences		
96300 Payments in Lieu of Taxes		
96400 Bad debt - Tenant Rents		
96500 Bad debt - Mortgages		
96600 Bad debt - Other		
96800 Severance Expense		
96000 Total Other General Expenses	\$ -	\$ -
96710 Interest of Mortgage (or Bonds) Payable		
96720 Interest on Notes Payable (Short and Long Term)		
96730 Amortization of Bond Issue Costs		
96700 Total Interest Expense and Amortization Cost	\$ -	\$ -
96900 Total Operating Expenses	\$ 1,469,674	\$ 1,469,674
97000 Excess of Operating Revenue over Operating Expenses	\$ 11,784,026	\$ 11,784,026
97100 Extraordinary Maintenance		
97200 Casualty Losses - Non-capitalized		
97300 Housing Assistance Payments	\$ 11,753,352	\$ 11,753,352
97350 HAP Portability-In	\$ 359,289	\$ 359,289
97400 Depreciation Expense		
97500 Fraud Losses		
97600 Capital Outlays - Governmental Funds	\$ -	\$ -
97700 Debt Principal Payment - Governmental Funds	\$ -	\$ -
97800 Dwelling Units Rent Expense		
90000 Total Expenses	\$ 13,582,315	\$ 13,582,315

Housing Authority of the City of Pomona (CA123)

Pomona, CA

Program Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 06/30/2019

	14.871 Housing Choice Vouchers	Total
10010 Operating Transfer In		
10020 Operating transfer Out		
10030 Operating Transfers from/to Primary Government		
10040 Operating Transfers from/to Component Unit		
10050 Proceeds from Notes, Loans and Bonds		
10060 Proceeds from Property Sales		
10070 Extraordinary Items, Net Gain/Loss		
10080 Special Items (Net Gain/Loss)		
10091 Inter Project Excess Cash Transfer In		
10092 Inter Project Excess Cash Transfer Out		
10093 Transfers between Program and Project - In		
10094 Transfers between Project and Program - Out		
10100 Total Other financing Sources (Uses)	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total	\$ (328,615)	\$ (328,615)
11020 Required Annual Debt Principal Payments	\$0	\$0
11030 Beginning Equity	\$ 794,768	\$ 794,768
11040 - Rounding Adjustment	\$ (1)	\$ (1)
11050 Changes in Compensated Absence Balance	\$0	\$0
11060 Changes in Contingent Liability Balance	\$0	\$0
11070 Changes in Unrecognized Pension Transition Liability	\$0	\$0
11080 Changes in Special Term/Severance Benefits Liability	\$0	\$0
11090 Changes in Allowance for Doubtful Accounts - Dwelling	\$0	\$0
11100 Changes in Allowance for Doubtful Accounts - Other	\$0	\$0
11170 Administrative Fee Equity	\$ 269,775	\$ 269,775
11180 Housing Assistance Payments Equity	\$ 196,377	\$ 196,377
11190 Unit Months Available	11,566	11,566
11210 Number of Unit Months Leased	10,951	10,951
11270 Excess Cash		
11610 Land Purchases		
11620 Building Purchases		
11630 Furniture & Equipment - Dwelling Purchases		
11640 Furniture & Equipment - Administrative Purchases		
11650 Leasehold Improvements Purchases		
11660 Infrastructure Purchases		
13510 CFFP Debt Service Payments		
13901 Replacement Housing Factor Funds		