City of Pomona
Public Financing Authority

Pomona, California

Basic Financial Statements
and Independent Auditors' Reports

For the Year Ended June 30, 2018

THE PUN GROUP
ACCOUNTANTS & ADVISORS

City of Pomona Public Financing Authority
For the Year Ended June 30, 2018

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THE PUN GROUP
ACCOUNTANTS & ADVISORS

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
of the City of Pomona Public Financing Authority
Pomona, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the major Fund of the City of Pomona Public Financing Authority (the "Authority"), a component unit of the City of Pomona, California (the "City"), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the 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 the major fund of the Authority, as of June 30, 2018, 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.

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Other Matters

Required Supplementary Information

Management has omitted the Management's Discussion and Analysis and Budgetary Comparison Schedule 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 Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2018, on our consideration of the 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 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 Authority's internal control over financial reporting and compliance.

The Pun Group, LLP

Santa Ana, California
December 20, 2018

THE
PUN GROUP
ACCOUNTANTS & ADVISORS

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 Public Financing 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 the major fund of the City of Pomona Public Financing Authority (the "Authority"), a component unit of the City of Pomona, California (the "City"), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated December 20, 2018.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the 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 financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 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*.

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To the Board of Directors
of the City of Pomona Public Financing 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.

Santa Ana, California
December 20, 2018

BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

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City of Pomona Public Financing Authority
Statement of Net Position
June 30, 2018

	Governmental Activities
ASSETS	
Current assets:	
Cash and investments	$ 97,452
Interest receivable	3,434,799
Total current assets	3,532,251
Noncurrent assets:	
Advances to the City of Pomona	88,340,000
Advances to Successor Agency of the Former Redevelopment Agency of the City of Pomona	136,755,000
Restricted investments	3,393,223
Total noncurrent assets	228,488,223
Total Assets	232,020,474
DEFERRED OUTFLOWS OF RESOURCES	
Deferred charge on refunding	933,278
Total Deferred Outflows of Resources	933,278
LIABILITIES	
Accounts payable	168
Payroll payable	3,410
Interest payable	3,474,230
Noncurrent liabilities:	
Due within one year	10,044,940
Due in more than one year	219,432,500
Total liabilities	232,955,248
DEFERRED INFLOWS OF RESOURCES	
Deferred charge on refunding	429,130
Total Deferred Inflows of Resources	429,130
NET POSITION	
Restricted	3,393,223
Unrestricted (deficit)	(3,823,849)
Total Net Position	$ (430,626)

See accompanying Notes to the Basic Financial Statements.

City of Pomona Public Financing Authority
Statement of Activities
For the Year Ended June 30, 2018

	Governmental Activities
Program Expenses:	
General government	$ 317,125
Interest and fiscal charges	10,488,317
Total expenses	10,805,442
General Revenues:	
Interest and rentals	10,934,319
Miscellaneous	64,526
Total General Revenues	10,998,845
Change in Net Position	193,403
Net Position:	
Beginning of year	(624,029)
End of year	$ (430,626)

See accompanying Notes to the Basic Financial Statements.

FUND FINANCIAL STATEMENTS

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GOVERNMENTAL FUND FINANCIAL STATEMENTS

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City of Pomona Public Financing Authority
Balance Sheet
Governmental Fund - General Fund
June 30, 2018

	Major Fund
ASSETS	
Cash and investments	$ 97,452
Interest receivable	335
Advances to the City of Pomona	88,340,000
Advances to Successor Agency of the Former Redevelopment Agency of the City of Pomona	136,755,000
Restricted assets:	
Investments	3,393,223
Total assets	$ 228,586,010
LIABILITIES AND FUND BALANCE	
Liabilities:	
Accounts payable	$ 168
Accrued liabilities	3,410
Total liabilities	3,578
Fund Balances:	
Nonspendable:	
Advances to the City of Pomona	88,340,000
Advances to Successor Agency of the Former Redevelopment Agency of the City of Pomona	136,755,000
Restricted for:	
Debt service	3,393,223
Unassigned	94,209
Total Fund Balances	228,582,432
Total liabilities and fund balance	$ 228,586,010

See accompanying Notes to the Basic Financial Statements.

City of Pomona Public Financing Authority
Reconciliation of the Governmental Fund Balance Sheet to the Government-Wide Statement of Net Position
June 30, 2018

Total Fund Balances - Governmental Fund		$	228,582,432
Amounts reported for governmental activities in the statement of net position are different because:			
Interest receivable on advances to the City of Pomona and the Successor Agency of the Former Redevelopment Agency of the City of Pomona does not provide current financial resources. Therefore, interest receivable on advances is not reported as an asset in the governmental fund.			3,434,464
Long-term liabilities applicable to the governmental activities are not due and payable in the current period; therefore, are not reported as fund liabilities. All liabilities, both current and long-term are reported in the Statement of Net Positions.			
Revenue bonds	(229,467,500)		
Deferred losses on refunding	933,278		
Deferred gains on refunding	(429,130)		
Compensated absences	(9,940)		(228,973,292)
Accrued interest payable for the current portion of interest due on bonds has not been reported in the governmental funds.			(3,474,230)
Net position of governmental activities		$	(430,626)

See accompanying Notes to the Basic Financial Statements.

City of Pomona Public Financing Authority
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Fund - General Fund
For the Year Ended June 30, 2018

	Major Fund
REVENUES:	
Interest and rentals	$ 10,706,920
Miscellaneous	64,526
Total Revenues	10,771,446
EXPENDITURES:	
Current:	
General government	310,090
Debt service:	
Principal retirement	22,795,000
Interest and fiscal charges	10,349,829
Total Expenditures	33,454,919
NET CHANGE IN FUND BALANCE	(22,683,473)
FUND BALANCE:	
Beginning of year	251,265,905
End of Year	$ 228,582,432

See accompanying Notes to the Basic Financial Statements.

City of Pomona Public Financing Authority
Reconciliation of the Governmental Fund Statement of Revenues, Expenditures, and Change in Fund Balance to the Government-Wide Statement of Activities
For the Year Ended June 30, 2018

Net change in fund balance - governmental fund:		$ (22,683,473)
Amounts reported for governmental activities in the Statement of Activities are different because:		
Interest income on advances receivable does not provide current financial resource. Therefore, interest income is not reported as revenue in the governmental fund. This is the net change in accrued interest receivable for the current period.		227,399
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		
Principal repayments:		
Revenue bonds	22,795,000	
Amortization of premium/discount and deferred charges	80,477	22,875,477
Accrued interest for long-term liabilities. This is the net change in accrued interest for the current period.		(218,965)
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.		(7,035)
Change in net position of governmental activities		$ 193,403

See accompanying Notes to the Basic Financial Statements.

NOTES TO THE BASIC FINANCIAL STATEMENTS

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Note 1 – Summary of Significant Accounting Policies

The basic financial statements of the City of the Pomona Public Financing Authority (the "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 Board (the "GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the Authority's accounting policies are described below.

A. Financial Reporting Entity

The 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 (the "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 Redevelopment Agencies were dissolved as of January 31, 2012, through the Supreme Court decision on Assembly Bill 1X 26. The City of Pomona has elected to become the Successor Agency of the former Redevelopment Agency of the City of Pomona (the "Successor Agency"). The Successor Agency is responsible for winding down the remaining activities of the dissolved Redevelopment Agency and make payments due on enforceable obligations.

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 Authority, the City, in effect, has the ability to influence and control operations. In addition, the City has oversight responsibility for the Authority. Accordingly, the financial statements of the Authority are included in the City's Comprehensive Annual Financial Report. The 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.

B. Financial Statements Presentation, Basis of Accounting and Measurement Focus

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

Government-Wide Financial Statements

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

Note 1 – Summary of Significant Accounting Policies (Continued)

B. Financial Statements Presentation, Basis of Accounting and Measurement Focus (Continued)

Government-Wide Financial Statements (Continued)

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

Governmental Fund Financial Statements

Governmental fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances. An accompanying schedule is presented to reconcile and explain the differences in fund balance as presented in these statements to the net position presented in the government-wide financial statements.

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

Revenues are recognized as soon as they are both "measurable" and "available." Revenues are considered to be available when it is collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if it is collected within 120 days of the end of the current fiscal period. Expenditures are recorded in the accounting period in which the related fund liability is incurred. There are no administrative expenses for the Authority as it was established to be a financing vehicle for the joint power agreement members. Accordingly, each member bears its own costs associated with a debt issuance.

The Authority reports General Fund as a major fund. The **General Fund** is the Authority's primary operating fund and accounts for the payment of interest and principal on the local agency revenue bonds and other debt of the Authority and receipt of lease revenue and installment payments from local agency.

C. Cash and Investments

The Authority's cash and investments consist of cash and investments pooled with the City and investments held by fiscal agents to meet debt obligations. Investments with fiscal agents are restricted for the redemption of bonded debt.

D. Long-Term Debt

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

Note 1 – Summary of Significant Accounting Policies (Continued)

D. Long-Term Debt (Continued)

In the fund financial statements, governmental fund types recognize bond premiums and discounts, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

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

As of June 30, 2018, the Authority has debt outstanding with joint powers agreement members, the City of Pomona and its Successor Agency, and none outstanding with the City of West Covina.

E. Risk Management

There is limited exposure for the Authority as it was established to be a financing vehicle for the joint power agreement members.

F. Deferred Outflows of Resources and Deferred Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Authority reports deferred loss on refunding as deferred outflows of resources.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. These amounts are recognized as an inflow of resources in the period that the amounts become available. The Authority reports deferred gain on refunding as deferred inflows of resources.

G. Net Position

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

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 "net 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 Authority's policy is to apply restricted net position first, then unrestricted net position as they are needed.

Note 1 – Summary of Significant Accounting Policies (Continued)

H. Fund Balances

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

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

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

Committed – This includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest authority. The board of director, 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 of directors removes or changes the specified use through the same type of formal action taken to establish the commitment. The board of directors' 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. Resolution No. 2011-63A gave the Finance Director authority to assign amounts for specific purposes.

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

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

I. Use of Estimates

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

Note 2 – Cash and Investments

The Authority's cash and investments consist of cash and investments pooled with the City and cash and investments held by fiscal agents. At June 30, 2018, the Authority had the following:

Cash and investments pooled with the City of Pomona	$	97,452
Restricted investments		3,393,223
Total	$	3,490,675

On February 1, 2005, the Authority issued $11,370,000 2005 Revenue Bonds, Series AL, to purchase and defease the City's 2005 Reassessment and Refunding Revenue Bonds, Series AM (Series AM Bonds). Of the $3,393,223 in investments held by fiscal agent, $2,216,574 consists of the Authority's investment in the Series AM Bonds.

Note 2 – Cash and Investments (Continued)

A. Deposits

Cash is deposited in the City's internal investment pool, which is reported at net asset value. The Authority does not own specifically identifiable securities in the City's pool. Interest income is allocated based on average cash balances. Investment policies and associated risk factors applicable to the 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 (Policy) limits investments to a maximum maturity of five years. At June 30, 2018, the Authority's investments with fiscal agent in money market mutual fund in the amount of $3,393,223 had maturity one year or less.

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligations to the holder of the investment. The City's investment policy provides that this risk be mitigated by investing in investment grade securities and by diversifying the investment portfolio. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. At June 30, 2018, the Authority's investments are rated as following:

Investment Type	Fair Value at June 30, 2018	Minimum Legal Rating	AAA
Investments with fiscal agent:			
Money market mutual funds	$ 3,393,223	AA	$ 3,393,223
Total	$ 3,393,223		$ 3,393,223

Note 2 – Cash and Investments (Continued)

D. Risk Disclosures (Continued)

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the 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 Authority's investments in money market mutual funds and municipal bonds are held by fiscal agent.

Note 3 – Advances to the City and the Successor Agency

The summary of changes in advances to the City and Successor Agency for the year ended June 30, 2018, was as follows:

	Balance July 1, 2017	Additions	Deletions	Balance June 30, 2018
Advances to the City of Pomona	$ 104,095,000	$ -	$ (15,755,000)	$ 88,340,000
Advances to the Successor Agency of the Former Redevelopment Agency of the City of Pomona	143,265,000	-	(6,510,000)	136,755,000
Total	$ 247,360,000	$ -	$ (22,265,000)	$ 225,095,000

A. Advances to the City of Pomona

The Authority advanced funds received from issuance of various debt instruments as listed below. The advances to the City have the same payment terms as the originally issued debt of the Authority. The Authority had the following advances to the City as of June 30, 2018:

	Balance July 1, 2017	Additions	Deletions	Balance June 30, 2018
2007 Revenue Bonds, Series BA	$ 14,365,000	$ -	$ (14,365,000)	$ -
2016 Lease Revenue Refunding Bonds, Series BC	26,645,000	-	(1,085,000)	25,560,000
2016 Revenue Refunding Bonds, Series BB	8,425,000	-	-	8,425,000
2016 Taxable Revenue Refunding Bonds, Series BD	4,185,000	-	(305,000)	3,880,000
2017 Taxable Lease Revenue Refunding Bonds, Series BG	50,475,000	-	-	50,475,000
Total	$ 104,095,000	$ -	$ (15,755,000)	$ 88,340,000

Note 3 – Advances to the City and the Successor Agency (Continued)

A. Advances to the City of Pomona (Continued)

2007 Revenue Bonds, Series BA

In connection with the issuance of $15,575,000 2007 Revenue Bonds, Series BA, the Authority entered into an agreement with the City to provide funds to finance certain improvements to the City's Sewer Enterprise Fund. Under the agreement, the Authority advanced the proceeds from the $15,575,000 2007 Revenue Bonds, Series BA to the City. 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 City will make payments to the Authority sufficient to meet its debt service requirements on the related 2007 Revenue Bonds, Series BA. During the year ended June 30, 2018, the advance was paid off.

2016 Lease Revenue Refunding Bonds, Series BC

In connection with the issuance of $26,645,000 2016 Lease Revenue Refunding Bonds, Series BC, the Authority entered into an agreement with the City to provide funds to current refund the Authority's 2013 Certificates of Participation, Series AG and the 2005 Lease Revenue Bonds, Series AN. Under the agreement, the Authority advanced the proceeds from the $26,645,000 2016 Lease Revenue Refunding Bonds, Series BC to the City. Interest on the bonds is payable semiannually on each December 1 and June 1. The rates of interest range from 2.000% to 4.000% per annum. Principal is payable in annual installments ranging from $1,085,000 to $1,810,000. The City will make payments to the Authority sufficient to meet its debt service requirements on the related 2016 Lease Revenue Refunding Bonds, Series BC. At June 30, 2018, the outstanding balance is $25,560,000.

2016 Revenue Refunding Bonds, Series BB

In connection with the issuance of $8,425,000 2016 Revenue Refunding Bonds, Series BB, the Authority entered into an agreement with the City to provide funds to current refund the Authority's 2002 Refunding Revenue Bonds, Series AF. Under the agreement, the Authority advanced the proceeds from the $8,425,000 2016 Revenue Refunding Bonds, Series BB to the City. Interest on the bonds is payable semiannually on each December 1 and June 1. The rates of interest range from 3.250% to 4.000% per annum. Principal is payable in annual installments ranging from $360,000 to $710,000. The City will make payments to the Authority sufficient to meet its debt service requirements on the related 2016 Revenue Refunding Bonds, Series BB. At June 30, 2018, the outstanding balance is $8,425,000.

2016 Taxable Revenue Refunding Bonds, Series BD

In connection with the issuance of $4,185,000 2016 Taxable Revenue Refunding Bonds, Series BD, the Authority entered into an agreement with the City to provide funds to current refund the Authority's 2002 Refunding Revenue Bonds, Series AF. Under the agreement, the Authority advanced the proceeds from the $4,185,000 2016 Taxable Revenue Refunding Bonds, Series BD to the City. Interest on the bonds is payable semiannually on each December 1 and June 1. The rates of interest range from 1.250% to 3.000% per annum. Principal is payable in annual installments ranging from $80,000 to $425,000. The City will make payments to the Authority sufficient to meet its debt service requirements on the related 2016 Taxable Revenue Refunding Bonds, Series BD. At June 30, 2018, the outstanding balance is $3,880,000.

Note 3 – Advances to the City and the Successor Agency (Continued)

A. Advances to the City of Pomona (Continued)

2017 Taxable Lease Revenue Refunding Bonds, Series BG

In connection with the issuance of $50,475,000 2017 Taxable Lease Revenue Refunding Bonds, Series BG, the Authority entered into an agreement with the City to provide funds to current refund the Authority's 2006 Lease Revenue Bonds, Series AU and AV and to current refund the current interest bonds portion of the City's 2006 Pension Obligation Refunding Bonds, Series AR. Under the agreement, the Authority advanced the proceeds from the $50,475,000 2017 Taxable Lease Revenue Refunding Bonds, Series BG to the City. Interest on the bonds is payable semiannually on each October 1 and April 1. The rates of interest range from 1.844% to 4.092% per annum. Principal is payable in annual installments ranging from $480,000 to $3,470,000. The City will make payments to the Authority sufficient to meet its debt service requirements on the related 2017 Taxable Lease Revenue Refunding Bonds, Series BG. At June 30, 2018, the outstanding balance is $50,475,000.

B. Advances to the Successor Agency of the Former Redevelopment Agency of the City of Pomona

The Authority advanced to the Successor Agency funds received from issuance of various debt instruments as listed below. The advances have the same payment terms as the originally issued debt of the Authority. The Authority had the following advances to the Successor Agency as of June 30, 2018:

	Balance July 1, 2017	Additions	Deletions	Balance June 30, 2018
1998 Revenue Refunding Bonds, Series W	$ 34,860,000	$ -	$ (495,000)	$ 34,365,000
2001 Revenue Refunding Bonds, Series AD	26,070,000	-	(2,350,000)	23,720,000
2003 Revenue Refunding Bonds, Series AH	15,725,000	-	(1,520,000)	14,205,000
2005 Taxable Housing Tax Revenue Bonds, Series AQ	7,355,000	-	(345,000)	7,010,000
2006 Revenue Bonds, Series AS	25,740,000	-	(105,000)	25,635,000
2006 Taxable Revenue Bonds, Series AT	6,015,000	-	(465,000)	5,550,000
2007 Subordinate Revenue Bonds, Series AW	6,820,000	-	(305,000)	6,515,000
2006 Subordinate Revenue Bonds, Series AX	20,680,000	-	(925,000)	19,755,000
Total	143,265,000	-	(6,510,000)	136,755,000

1998 Revenue Refunding Bonds, Series W

In connection with the issuance of $52,335,000 1998 Refunding Revenue Bonds, Series W, the Authority entered into an agreement with the Successor Agency to advance the proceeds of the 1998 Refunding Revenue Bonds, Series W, to the Successor Agency to defease and retire certain obligations of the Successor Agency, as well as to provide funds for certain redevelopment projects. 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. The Successor Agency will make payments to the Authority sufficient to meet its debt service requirements on the Revenue Bonds. As of June 30, 2018, the outstanding balance is $34,365,000.

Note 3 – Advances to the City and the Successor Agency (Continued)

B. Advances to the Successor Agency of the Former Redevelopment Agency of the City of Pomona (Continued)

2001 Revenue Refunding Bonds, Series AD

In connection with the issuance of $39,165,000 2001 Revenue Bonds, Series AD, the Authority entered into an agreement with the Successor Agency to advance the proceeds of the 2001 Revenue Bonds, Series AD, to the Successor Agency to defease and retire certain obligations of the Successor Agency, as well as to provide funds for certain redevelopment projects. Interest on the bonds is payable semiannually on each August 1 and February 1. The rates of interest range from 3.50% to 5.125% per annum. Principal is payable in annual installments ranging from $95,000 to $2,470,000. The Successor Agency will make payments to the Authority sufficient to meet its debt service requirements on the related Revenue Bonds. As of June 30, 2018, the outstanding balance is $23,720,000.

2003 Revenue Refunding Bonds, Series AH

In connection with the issuance of $46,650,000 2003 Revenue Bonds, Series AH, the Authority entered into an agreement with the Successor Agency to advance the proceeds of the 2003 Revenue Bonds, Series AH, to the Successor Agency to defease and retire certain obligations of the Successor Agency, as well as to provide funds for certain redevelopment projects. 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. The Successor Agency will make payments to the Authority sufficient to meet its debt service requirements on the related Revenue Bonds. At June 30, 2018, the outstanding balance is $14,205,000.

2005 Taxable Housing Tax Revenue Bonds, Series AQ

In connection with the issuance of $10,065,000 2005 Taxable Housing Tax Revenue Bonds, Series AQ, the Authority entered into an agreement with the Successor Agency to advance the proceeds of the 2005 Taxable Housing Tax Revenue Bonds, Series AQ, to the Successor 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 Successor Agency will make payments to the Authority sufficient to meet its debt service requirements on the related Taxable Housing Tax Revenue Bonds. At June 30, 2018, the outstanding balance is $7,010,000.

2006 Revenue Bonds, Series AS

In connection with the issuance of $26,305,000 2006 Revenue Bonds, Series AS, the Authority entered into an agreement with the Successor Agency to make a loan to the Successor 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 Successor Agency will make payments to the Authority sufficient to meet its debt service requirements on the related 2006 Revenue Bonds, Series AS. At June 30, 2018, the outstanding balance is $25,635,000.

Note 3 – Advances to the City and the Successor Agency (Continued)

B. Advances to the Successor Agency of the Former Redevelopment Agency of the City of Pomona (Continued)

2006 Taxable Revenue Bonds, Series AT

In connection with the issuance of $8,355,000 2006 Taxable Revenue Bonds, Series AT, the Authority entered into an agreement with the Successor Agency to make a loan to the Successor 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 Successor Agency will make payments to the Authority sufficient to meet its debt service requirements on the related 2006 Taxable Revenue Bonds, Series AT. At June 30, 2018, the outstanding balance is $5,550,000.

2007 Subordinate Revenue Bonds, Series AW

In connection with the issuance of $8,375,000 2007 Subordinate Revenue Bonds, Series AW, the Authority entered into an agreement to provide funds for a loan to the Successor 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. At June 30, 2018, the outstanding balance is $6,515,000.

2006 Subordinate Revenue Bonds, Series AX

In connection with the issuance of $25,865,000 2006 Subordinate Revenue Bonds, Series AX, the Authority entered into an agreement with the Successor Agency to make a loan to the Successor Agency for the purpose of refinancing a portion of the Authority's 1998 Refunding Revenue Bonds, Series W (now retired), 2003 Revenue Bonds, Series AH, and 2003 Subordinate Revenue Bonds, Series AI (now retired), 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 Successor Agency will make payments to the Authority sufficient to meet its debt service requirements on the related 2006 Subordinate Revenue Bonds, Series AX. At June 30, 2018, the outstanding balance is $19,755,000.

Note 4 – Long-Term Liabilities

The following is a summary of changes of long-term liabilities for the year ended June 30, 2018:

	Balance July 1, 2017	Additions	Deletions	Balance June 30, 2018	Due within One Year
Revenue bonds	$ 252,371,405	$ -	$ (22,903,905)	$ 229,467,500	$ 10,035,000
Compensated absences	2,905	8,563	(1,528)	9,940	9,940
Total	$ 252,374,310	$ 8,563	$ (22,905,433)	$ 229,477,440	$ 10,044,940

Note 4 – Long-Term Liabilities (Continued)

A. *Revenue Bonds*

At June 30, 2018, revenue bonds consisted of the following:

	Balance July 1, 2017	Additions	Deletions	Balance June 30, 2018	Due within One Year
1998 Revenue Refunding Bonds, Series W	$ 34,860,000	$ -	$ (495,000)	$ 34,365,000	$ 520,000
2001 Revenue Refunding Bonds, Series AD	26,070,000	-	(2,350,000)	23,720,000	2,470,000
2003 Revenue Refunding Bonds, Series AH	15,725,000	-	(1,520,000)	14,205,000	1,540,000
2005 Subordinate Revenue Bonds, Series AL	2,930,000	-	(530,000)	2,400,000	555,000
2005 Taxable Housing Tax Revenue Bonds, Series AQ	7,355,000	-	(345,000)	7,010,000	365,000
2006 Revenue Bonds, Series AS	25,740,000	-	(105,000)	25,635,000	165,000
2006 Taxable Revenue Bonds, Series AT	6,015,000	-	(465,000)	5,550,000	490,000
2006 Subordinate Revenue Bonds, Series AX	20,680,000	-	(925,000)	19,755,000	970,000
2007 Subordinate Revenue Bonds, Series AW	6,820,000	-	(305,000)	6,515,000	320,000
2007 Revenue Bonds (Sewer Project), Series BA	14,365,000	-	(14,365,000)	-	-
2016 Lease Revenue Refunding Bonds, Series BC	26,645,000	-	(1,085,000)	25,560,000	1,105,000
Unamortized Bond Premium	2,144,557	-	(113,369)	2,031,188	-
2016 Revenue Refunding Bonds, (Sewer Project), Series BB	8,425,000	-	-	8,425,000	-
Unamortized Bond Discount	(19,737)	-	777	(18,960)	-
2016 Taxable Revenue Refunding Bonds (Sewer Project), Series BD	4,185,000	-	(305,000)	3,880,000	345,000
Unamortized Bond Discount	(43,415)	-	3,687	(39,728)	-
2017 Taxable Lease Revenue Refunding Bonds, Series BG	50,475,000	-	-	50,475,000	1,190,000
Total	$ 252,371,405	$ -	$ (22,903,905)	$ 229,467,500	$ 10,035,000

Note 4 – Long-Term Liabilities (Continued)

A. Revenue Bonds (Continued)

	Balance July 1, 2017	Additions	Deletions	Balance June 30, 2018
Unamortized Deferred Loss on Refunding				
2016 Revenue Refunding Bonds, (Sewer Project), Series BB	$ (398,107)	$ -	$ 14,468	$ (383,639)
2016 Taxable Revenue Refunding Bonds (Sewer Project), Series BD	(164,392)	-	14,399	(149,993)
2017 Taxable Lease Revenue Refunding Bonds, Series BG	(423,158)	-	23,512	(399,646)
	$ (985,657)	$ -	$ 52,379	$ (933,278)
Unamortized Deferred Gain on Refunding				
2016 Lease Revenue Refunding Bond, Series BC	$ 453,081	$ -	$ (23,951)	$ 429,130
	$ 453,081	$ -	$ (23,951)	$ 429,130

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

On March 1, 1998, the Public Financing Authority issued $52,335,000 in 1998 Revenue Refunding Bonds, Series W for the purpose of making an advance to the former Redevelopment Agency for refinancing the 1983 Refunding Southwest Pomona RDA Tax Allocation Bonds, refinancing in whole the 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.

Note 4 – Long-Term Liabilities (Continued)

A. Revenue Bonds (Continued)

1998 Revenue Refunding Bonds, Series W – Original Issuance $52,335,000 (Continued)

The annual debt service requirements for the 1998 Revenue Bonds, Refunding Series W outstanding at June 30, 2018, is as follows:

Year Ended June 30,	Principal	Interest	Total
2019	$ 520,000	$ 1,718,250	$ 2,238,250
2020	545,000	1,692,250	2,237,250
2021	2,645,000	1,665,000	4,310,000
2022	2,780,000	1,532,750	4,312,750
2023	2,920,000	1,393,750	4,313,750
2024-2028	16,935,000	4,627,500	21,562,500
2029-2030	8,020,000	606,250	8,626,250
Total	$ 34,365,000	$ 13,235,750	$ 47,600,750

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

On April 1, 2001, the Public Financing Authority issued $39,165,000 in 2001 Revenue Bonds, Series AD for the purpose of making an advance to the former Redevelopment Agency to refinance certain prior bonds and to make an additional advance to the former Redevelopment Agency to provide financing for certain improvements in the merged project area. Tax Allocation Bonds defeased include the 1997 Refunding RDA Series S, the 1997 Refunding Series T, the 1998 Refunding Series U, the 1998 Refunding Subordinate Series V and the 1998 Refunding Series Z; the 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, 2018, is as follows:

Year Ended June 30,	Principal	Interest	Total
2019	$ 2,470,000	$ 1,186,000	$ 3,656,000
2020	2,175,000	1,062,500	3,237,500
2021	1,435,000	953,750	2,388,750
2022	1,500,000	882,000	2,382,000
2023	1,575,000	807,000	2,382,000
2024-2028	8,895,000	2,773,500	11,668,500
2029-2300	5,670,000	701,500	6,371,500
Total	$ 23,720,000	$ 8,366,250	$ 32,086,250

Note 4 – Long-Term Liabilities (Continued)

A. Revenue Bonds(Continued)

<u>2003 Revenue Refunding Bonds, Series AH – Original Issuance $46,650,000</u>

On November 1, 2003, the Public Financing Authority issued $46,650,000 in 2003 Revenue Bonds, Series AH, to provide funds for a loan to the former Redevelopment Agency for certain improvements and to refinance certain former Redevelopment Agency obligations to the Public Financing 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, 2018, is as follows:

Year Ended June 30,	Principal	Interest	Total
2019	$ 1,540,000	$ 706,138	$ 2,246,138
2020	1,805,000	625,288	2,430,288
2021	370,000	530,525	900,525
2022	385,000	514,615	899,615
2023	395,000	497,290	892,290
2024-2028	2,260,000	2,182,220	4,442,220
2029-2033	7,180,000	1,133,798	8,313,798
2034	270,000	13,365	283,365
Total	$ 14,205,000	$ 6,203,239	$ 20,408,239

<u>2005 Subordinate Revenue Bonds, Series AL – Original Issuance $11,370,000</u>

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

Interest on the bonds is payable semiannually on each September 2 and March 2, commencing September 2, 2005. The 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.

Note 4 – Long-Term Liabilities (Continued)

A. Revenue Bonds (Continued)

2005 Subordinate Revenue Bonds, Series AL – Original Issuance $11,370,000 (Continued)

The annual debt service requirement for the 2005 Subordinate Revenue Bonds, Series AL outstanding at June 30, 2018, is as follows:

Year Ended June 30,	Principal	Interest	Total
2019	$ 555,000	$ 106,423	$ 661,423
2020	585,000	78,270	663,270
2121	615,000	48,270	663,270
2022	645,000	16,448	661,448
Total	$ 2,400,000	$ 249,411	$ 2,649,411

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

On December 1, 2005, the Public Financing Authority issued $10,065,000 in 2005 Taxable Housing Tax Revenue Bonds, Series AQ, to provide funds to make a loan to the former Redevelopment 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 monies in the Redevelopment Property Tax Trust Fund (RPTTF) monies for the Recognized Obligation Payment Schedules (ROPS).

The annual debt service requirements for the 2005 Taxable Housing Tax Revenue Bonds, Series AQ outstanding at June 30, 2018, is as follows:

Year Ended June 30,	Principal	Interest	Total
2019	$ 365,000	$ 429,738	$ 794,738
2020	390,000	406,925	796,925
2021	415,000	382,550	797,550
2022	440,000	356,612	796,612
2023	465,000	329,113	794,113
2024-2028	2,805,000	1,172,362	3,977,362
2029-2031	2,130,000	260,400	2,390,400
Total	$ 7,010,000	$ 3,337,700	$ 10,347,700

Note 4 – Long-Term Liabilities (Continued)

A. Revenue Bonds (Continued)

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

On December 1, 2006, the Public Financing Authority issued $26,305,000 in 2006 Revenue Bonds, Series AS, to make a loan to the former Redevelopment Agency for the purpose of refinancing a portion of the Public Financing Authority's 1998 Refunding Revenue Bonds, Series W, 2003 Revenue Bonds, Series AH, and 2003 Subordinate Revenue Bonds, Series AI.

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 Public Financing Authority and the former Redevelopment Agency. The loan payments are limited obligations of the Successor Agency payable solely from and secured by the pledged tax revenues to be derived from the Successor 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, 2018, is as follows:

Year Ended June 30,	Principal	Interest	Total
2019	$ 165,000	$ 1,238,435	$ 1,403,435
2020	235,000	1,232,000	1,467,000
2021	450,000	1,222,600	1,672,600
2022	415,000	1,204,600	1,619,600
2023	255,000	1,187,481	1,442,481
2024-2029	2,375,000	5,770,400	8,145,400
2029-2033	13,295,000	4,317,250	17,612,250
2034-2038	5,750,000	1,326,125	7,076,125
2039-2041	2,695,000	226,125	2,921,125
Total	$ 25,635,000	$ 17,725,016	$ 43,360,016

Note 4 – Long-Term Liabilities (Continued)

A. Revenue Bonds (Continued)

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

On December 1, 2006, the Public Financing Authority issued $8,355,000 in 2006 Taxable Revenue Bonds, Series AT, to make a loan to the former Redevelopment Agency for the purpose of refinancing a portion of the Public Financing 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 Public Financing Authority and the former Redevelopment Agency. The loan payments are limited obligations of the Successor Agency payable solely from and secured by the pledged tax revenues to be derived from the Successor 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, 2018, is as follows:

Year Ended June 30,	Principal	Interest	Total
2019	$ 490,000	$ 317,349	$ 807,349
2020	520,000	289,331	809,331
2021	545,000	259,597	804,597
2022	580,000	228,434	808,434
2023	610,000	195,270	805,270
2024-2027	2,805,000	411,981	3,216,981
Total	$ 5,550,000	$ 1,701,962	$ 7,251,962

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

On December 1, 2006, the Public Financing Authority issued $25,865,000 in 2006 Subordinate Revenue Bonds, Series AX, to make a loan to the former Redevelopment Agency for the purpose of refinancing a portion of the Public Financing Authority's 1998 Refunding Revenue Bonds, Series W, 2003 Revenue Bonds, Series AH, and 2003 Subordinate Revenue Bonds, Series AI (now retired), and financing certain improvements in the former Redevelopment 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 Public Financing Authority and the former Redevelopment Agency. The loan payments are limited obligations of the Successor Agency payable solely from and secured by the Subordinate Tax Revenues to be derived from the Successor Agency's project area remaining after payment of the Senior/ Subordinate Obligations.

Note 4 – Long-Term Liabilities (Continued)

A. Revenue Bonds (Continued)

2006 Subordinate Revenue Bonds, Series AX – Original Issuance $25,865,000 (Continued)

The annual debt service requirements for the 2006 Subordinate Revenue Bonds, Series AX outstanding at June 30, 2018, is as follows:

Year Ended June 30,	Principal	Interest	Total
2019	$ 970,000	$ 964,710	$ 1,934,710
2020	975,000	922,030	1,897,030
2021	1,020,000	879,130	1,899,130
2022	1,050,000	834,250	1,884,250
2023	1,055,000	787,000	1,842,000
2024-2028	6,055,000	3,094,250	9,149,250
2029-2033	6,670,000	1,433,750	8,103,750
2034-2038	1,355,000	326,000	1,681,000
2039-2041	605,000	56,500	661,500
Total	$ 19,755,000	$ 9,297,620	$ 29,052,620

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

On July 1, 2007, the Public Financing Authority issued $8,375,000 in 2007 Subordinate Revenue Bonds, Series AW, to provide funds for a loan to the former Redevelopment 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, 2018, is as follows:

Year Ended June 30,	Principal	Interest	Total
2019	$ 320,000	$ 330,306	$ 650,306
2020	335,000	315,106	650,106
2021	345,000	298,356	643,356
2022	390,000	281,106	671,106
2023	390,000	261,606	651,606
2024-2029	2,190,000	996,250	3,186,250
21029-2033	2,545,000	376,688	2,921,688
Total	$ 6,515,000	$ 2,859,418	$ 9,374,418

Note 4 – Long-Term Liabilities (Continued)

A. *Revenue Bonds (Continued)*

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

On January 1, 2007, the Public Financing Authority issued $15,575,000 in 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 2007 Revenue Bonds, Series BA were current refunded by the City's 2018 Taxable Refunding Revenue (Sewer Project), Series BH during the year ended June 30, 2018.

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

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

The current refunding resulted in a difference between the acquisition price (Series BC) and the net carrying amount of the relinquished bonds (Series AG and AN) in the amount of $473,040. This amount is reported as deferred gain on refunding. This deferred amount is amortized through June 1, 2034, the maturity date of the refunded debt (Series AG). The refunding also resulted in net present value savings in the amount of $6,224,352 and saving in debt service payments in the amount of $9,737,668.

Interest on the bonds is payable semiannually on each December 1 and June 1 and the final principal matures on June 1, 2036. The rates of interest range from 2.00% to 4.00% per annum. Principal is payable in annual installments ranging from $1,085,000 to $1,810,000. The bonds are secured by certain revenues consisting of certain Lease Payments with respect to the leased property by the City.

The annual debt service requirement for the 2016 Lease Revenue Refunding Bonds, Series BC outstanding at June 30, 2018, is as follows:

Year Ended June 30,	Principal	Interest	Total
2019	$ 1,105,000	$ 867,613	$ 1,972,613
2020	1,125,000	845,512	1,970,512
2121	1,160,000	811,762	1,971,762
2022	1,195,000	776,962	1,971,962
2023	1,230,000	741,112	1,971,112
2024-2028	6,865,000	2,993,663	9,858,663
2029-2033	8,230,000	1,629,856	9,859,856
2034-2036	4,650,000	312,151	4,962,151
Total	$ 25,560,000	$ 8,978,631	$ 34,538,631

Note 4 – Long-Term Liabilities (Continued)

A. Revenue Bonds (Continued)

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

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

The current refunding resulted in a difference between the acquisition price (Series BB) and the net carrying amount of the relinquished bonds (Series AF) in the amount of $408,549. This amount is reported as deferred loss on refunding. The deferred amount is amortized through December 1, 2035, the maturity date of the refunded debt. The refunding of Series AF with Series BB/BD also resulted in net present value savings in the amount of $1,896,844 and saving in debt service payments in the amount of $3,022,853.

Interest on the bonds is payable semiannually on each December 1 and June 1 and the final principal matures on December 1, 2042. The rates of interest range from 3.250% to 4.000% per annum. Principal is payable in annual installments ranging from $360,000 to $710,000. The bonds are secured by an Installment Sale Agreement, dated as of November 1, 2016 between the City and the Authority. The Installment Payments are a special limited obligation of the City, payable from and secured by a pledge of and first lien on all Net Revenues, subject to the parity lien securing the Authority's 2007 Installment Sale Agreement, in the Sewer Enterprise Fund held by the City in trust under the Installment Sale Agreement.

The annual debt service requirement for the 2016 Revenue Refunding Bonds (Sewer Projects), Series BB outstanding at June 30, 2018, is as follows:

Year Ended June 30,	Principal	Interest	Total
2019	$ -	$ 292,019	$ 292,019
2020	-	292,019	292,019
2021	-	292,019	292,019
2022	-	292,019	292,019
2023	-	292,019	292,019
2024-2028	-	1,460,093	1,460,093
2029-2033	2,285,000	1,246,905	3,531,905
2034-2039	2,825,000	798,163	3,623,163
2040-2043	3,315,000	287,297	3,602,297
Total	$ 8,425,000	$ 5,252,553	$ 13,677,553

Note 4 – Long-Term Liabilities (Continued)

A. Revenue Bonds (Continued)

<u>2016 Taxable Revenue Refunding Bonds (Sewer Projects), Series BD – Original Issuance $4,185,000</u>

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

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

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

The annual debt service requirement for the 2016 Taxable Revenue Refunding Bonds (Sewer Projects), Series BD outstanding at June 30, 2018, is as follows:

Year Ended June 30,	Principal	Interest	Total
2019	$ 345,000	$ 88,800	$ 433,800
2020	350,000	83,150	433,150
2021	355,000	76,538	431,538
2022	365,000	69,109	434,109
2023	370,000	61,069	431,069
2024-2028	2,015,000	154,878	2,169,878
2029	80,000	1,200	81,200
Total	$ 3,880,000	$ 534,744	$ 4,414,744

Note 4 – Long-Term Liabilities (Continued)

A. *Revenue Bonds (Continued)*

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

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

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

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

The annual debt service requirement for the 2017 Lease Revenue Refunding Bonds, Series BG outstanding at June 30, 2018, is as follows:

Year Ended June 30,	Principal	Interest	Total
2019	$ 1,190,000	$ 1,917,590	$ 3,107,590
2020	1,150,000	1,895,646	3,045,646
2121	1,105,000	1,871,496	2,976,496
2022	1,055,000	1,844,799	2,899,799
2023	990,000	1,817,728	2,807,728
2024-2028	4,015,000	8,678,284	12,693,284
2029-2033	7,260,000	7,916,320	15,176,320
2034-2038	12,115,000	5,932,755	18,047,755
2039-2043	14,795,000	3,256,004	18,051,004
2044-2045	6,800,000	420,250	7,220,250
Total	$ 50,475,000	$ 35,550,872	$ 86,025,872

B. *Pledged Revenue*

The City has pledged certain tax revenues to the repayment of the Authority debts through final maturity of bonds on February 1, 2047, or earlier retirement of the bonds, whichever occurs first.

Tax revenues consist of tax increment revenues allocated to the Successor Agency to various project areas pursuant to Section 33670 of the Redevelopment Law. Such Law excludes a portion of tax increment revenues required to be paid under Tax-Sharing Agreements unless the payment of such amounts has been subordinated to the payment of debt service on the Bonds. Assembly Bill 1X 26 provided that upon dissolution of the Redevelopment Agency, property taxes allocated to redevelopment agencies no longer are deemed tax increment but rather property tax revenues and will be allocated first to local agency and school entity pursuant to any pass through agreement, then second to successor agencies to make payments on the indebtedness incurred by the dissolved redevelopment agency. For the current year, the total property tax revenue recognized by the City was $14,622,040 and the debt service payments on the bonds was $14,378,009.

Note 4 – Long-Term Liabilities (Continued)

B. Pledged Revenue (Continued)

Remaining balance on the Successor Agency's debt at June 30, 2018, is as follows:

Debt Issue	
County of LA Agreement	$ 60,526,587
1998 Series W Bonds	47,600,750
1998 Series X Bonds	498,835
1998 Series Y Bonds	8,129,825
2001 Series AD Bonds	32,086,250
2003 Series AH Bonds	20,408,239
2005 Series AQ Bonds	10,347,700
2006 Series AS Bonds	43,360,016
2006 Series AT Bonds	7,251,962
2006 Series AX Bonds	29,052,620
2007 Series AW Bonds	9,374,418
Total	$ 268,637,202

The Authority has pledged revenues from various Installment Sale Agreements with the City for the repayment of certain revenue bonds through the final maturity of the Bonds on December 1, 2042, or early retirement of the Bonds whichever occurs first. These bonds were issued to refinance Series Q, Series AA/AC, Series AF, and finance certain public improvements of the City. 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 2018, the Water and Sewer Enterprise Funds have net available revenue of $12,523,851 while total debt service paid was $1,192,833. During the year ended June 30, 2018, the Authority's Water Revenue Bonds were current refunded by the City. The Sewer Revenue Bonds require net revenue of 100% of debt service. Annual principal and interest payments on the Sewer Revenue Bonds are expected to require roughly 28% of future net revenue.

The total principal and interest remaining to be paid at June 30, 2018, on the Sewer Revenue Bonds is as follows:

Debt Issue	
2016 Series BB Bonds	13,677,553
2016 Series BD Bonds	4,414,744
Total	$ 18,092,297

Revenue	2017-2018
Net available revenues, excluding debt service	$ 12,523,851

Note 5 – Commitments and Contingencies

As of June 30, 2018, in the opinion of Authority management, there were no outstanding matters that would have a significant effect on the financial position of the fund of the Authority.

Note 6 – Net Position

The deficit unrestricted net position in the amount of $(3,824,288) is primarily due to the unamortized premium for 2016 Lease Revenue Bonds in the amount of $2,031,188 and 2005 Subordinate Revenue Bonds, Series AL in the amount of $2,400,000. Both the premium and the Series AL bonds proceeds were not advanced to the City or the Successor Agency.

Note 7 – Subsequent Events

In October 2018, the Successor Agency to the Redevelopment Agency of the City of Pomona, issued 2018 Tax Allocation Refunding Bonds Series BI (the "2018 Bonds") which will prepay the existing redevelopment bonds for 1998 Series W, 2001 Series AD, 2003 Series AH, 2005 Series AQ, 2006 Series AS/AT/AX and 2007 AW and will create annual debt service savings. The face amount of the 2018 Bonds is $128,885,000.

Interest on the bonds is payable semiannually on each August 1 and February 1. The rates of interest range from 2.65% to 4.51% per annum. Principal is payable in annual installments ranging from $690,000 to $9,805,000. The loan payments are limited obligations of the Successor Agency payable solely from and secured by the Tax Revenues to be derived from the Successor Agency's project area remaining after payment of the Senior/ Subordinate Obligations.