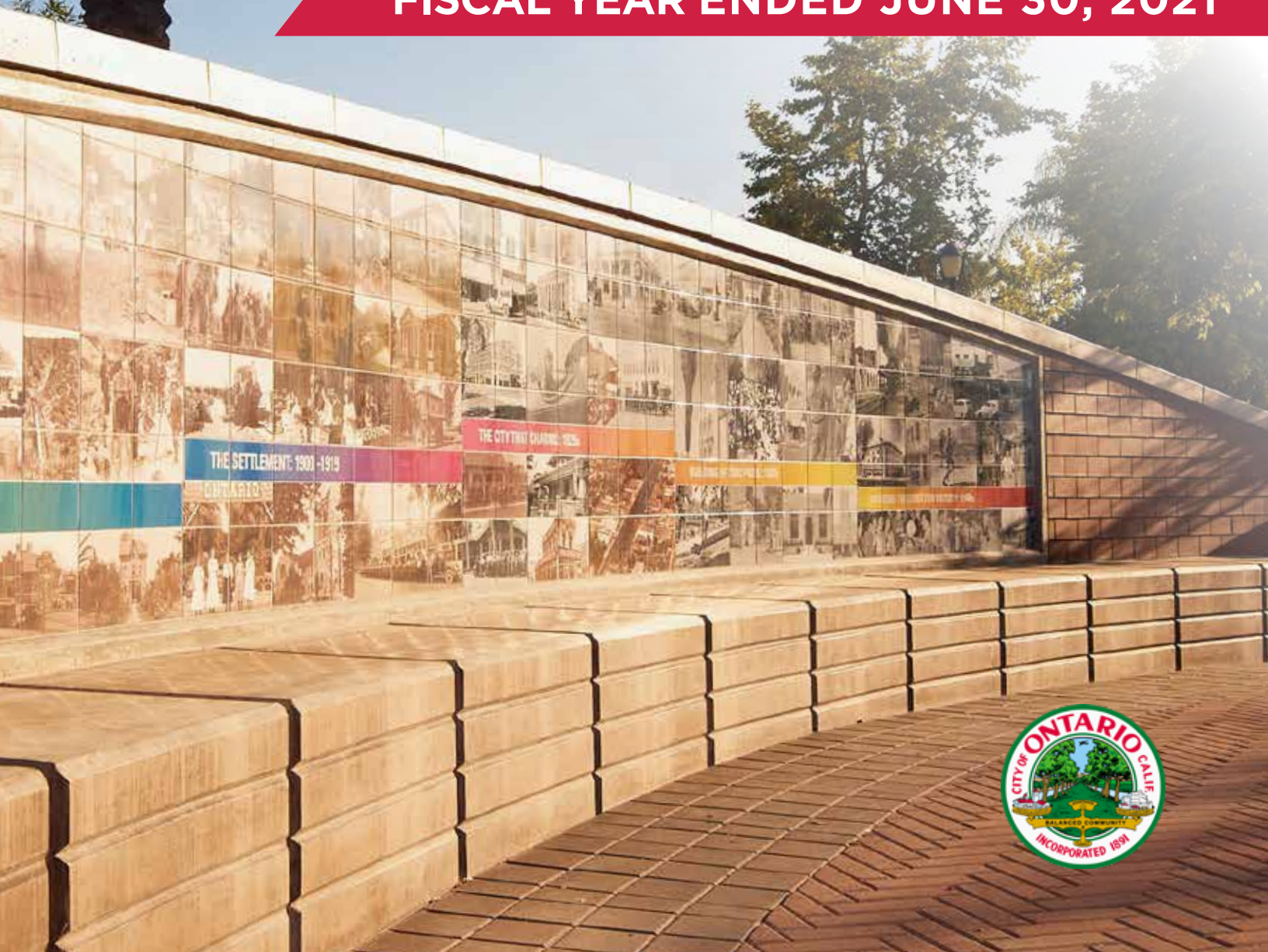




**Annual Comprehensive Financial Report
FISCAL YEAR ENDED JUNE 30, 2021**





City of Ontario, California

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

For Fiscal Year Ending June 30, 2021

**Prepared By:
Financial Services Agency**



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City of Ontario
Annual Comprehensive Financial Report
For the year ended June 30, 2021
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PAUL S. LEON
MAYOR

ALAN D. WAPNER
MAYOR PRO TEM

JIM W. BOWMAN
DEBRA DORST-PORADA
RUBEN VALENCIA
COUNCIL MEMBERS

SCOTT OCHOA
CITY MANAGER

SHEILA MAUTZ
CITY CLERK

JAMES R. MILHISER
TREASURER

April 28, 2022

To the Honorable Mayor, City Council, City Manager, and Citizens of the City of Ontario:

State law requires that all general-purpose local governments publish, within six months of the close of each fiscal year, a complete set of financial statements presented in conformity with Generally Accepted Accounting Principles (GAAP) and audited in accordance with auditing standards generally accepted in the United States of America by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the Annual Comprehensive Financial Report (ACFR) of the City of Ontario for the fiscal year ended June 30, 2021. This report provides a broad view of the City's financial activities for the Fiscal Year 2020-21 and its financial position as of June 30, 2021. Although addressed to the elected officials and the citizens of the City, this report has a number of other users. Foremost among these other users are bondholders of the City, financial institutions, credit rating agencies, educational institutions, and other governmental entities. In producing a ACFR, the City of Ontario has chosen to provide financial information that is significantly greater than that which is required under state law.

Responsibility for both the accuracy of the information presented in the ACFR as well as the completeness and fairness of the presentation, including all disclosures, rests with the City. We believe that the information, as presented, is accurate in all material respects; that it is presented in a manner designed to fairly set forth the financial position of the City and the results of its operations; and that all disclosures necessary to enable the reader to gain the maximum understanding of the City's financial affairs have been included.

The management of the City has established a system of internal control that is designed to assure that the assets of the City are safeguarded against loss, theft, or misuse. The system of internal control also assures that the accounting system compiles reliable financial data for the preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP). Internal accounting controls are designed to provide reasonable, but not absolute, assurance that these objectives will be met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the evaluation of the costs and benefits requires estimates and judgments by management. As management, we assert that,

to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City of Ontario's financial statements have been audited by Badawi & Associates, CPAs, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Ontario for the fiscal year ended June 30, 2021, are free from material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City of Ontario's financial statements for the fiscal year ended June 30, 2021, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the City of Ontario was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the City of Ontario's separately issued Single Audit Report.

Profile of the Government

The City of Ontario was founded as a "Model Colony" and incorporated on December 10, 1891. Ontario is located approximately 35 miles east of downtown Los Angeles and encompasses nearly 50 square miles. Ontario is one of the 150 largest cities in the United States and is home to more than 12,000 businesses, 119,000 jobs and a population of 182,004.

Ontario is ideally situated as a gateway to Southern California and beyond, with direct access to the I-10, I-210, and I-15 freeways, State Routes 60 and 83, and two major railways. Ontario International Airport (ONT) was recently ranked as both the fastest growing airport in the United States and the largest outbound cargo gateway. Today, ONT offers nonstop commercial jet service to 18 major airports in the U.S., Mexico and Taiwan, including the only transpacific services from a Southern California airport other than LAX.

The City of Ontario operates under the council-manager form of government. Policy-making and legislative authority are vested in a governing council consisting of the mayor and four other members. The governing council is responsible, amongst other things, for passing ordinances, adopting the budget, appointing committees, and hiring both the City's manager and attorney. The City Manager is responsible for carrying out the policies and ordinances of the governing council, for overseeing the day-to-day operations of the government and for appointing the heads of the various agencies. The council is elected on a non-partisan basis. Council members serve four-year staggered terms, with two council members elected every two years. The mayor is elected to serve a four-year term. The mayor and the four council members are elected at large.

The City of Ontario is a full-service city with approximately 1,219 full-time employees. Services provided include police and fire protection; development including the construction and maintenance of streets, parks, water and sewer lines, traffic signals and other infrastructure; water, sewer and integrated waste services; recreation and community services; and arts, cultural, and social programs. In addition to general government activities, the City Council also serves as the Board of Directors for the Ontario Industrial Development Authority, the Ontario Redevelopment Financing Authority, Ontario Public Financing Authority, and the Ontario Housing Authority. These activities have therefore been included as an integral part of the City of Ontario's financial statements. Additional information on these entities can be found in Note 1 in the notes to the financial statements.

The Ontario Municipal Code requires that the City Manager present the Annual Operating Budget to the City Council for approval. The Financial Services Agency, under the direction of the Executive Director of Finance, is responsible for compiling the estimated revenues and appropriations for the City Manager. Prior to the beginning of the new fiscal year, the City Council adopts the Annual Operating Budget at a public budget workshop.

The development of the Fiscal Year Annual Operating Budget begins in February with the dissemination of the budget preparation guidelines. The guidelines include policies and procedures to ensure that the preparation of the budget conforms to fiscal policies and guidelines established by the City Council. Before the Agency budget requests are submitted to the City Manager, the Financial Services staff reviews and analyzes all Agency requests. This review includes comparative analysis of historical and current expenditure levels. The City Manager and the Financial Services staff then hold meetings with each Agency Executive Director to discuss the budget requests and obtain additional information to assist in the assessment of the requests. A proposed budget is then submitted to City Council for consideration in June. The budget must be approved by City Council before the start of the new fiscal year: July 1st.

The City's budget policy is that all appropriations lapse at fiscal year-end. Outstanding encumbrance balances at fiscal year-end require re-approval by City Council at the First Quarter Budget Update. City Council may amend the budget at any time during the fiscal year. Budget reports are presented to City Council and the public on a quarterly basis. They include appropriations adjustments and revised revenue projections as needed. The City Manager may authorize budget transfers between line items, programs and agencies as long as the total budget does not exceed the amount approved by City Council. Budgetary changes between funds require City Council approval. The level of budgetary controls is set at the Agency level by fund to ensure compliance with the budget as approved by City Council. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. Additional information regarding the City's general budget policies can be found in the Required Supplementary Information.

Economic Condition and Outlook

While the economy has begun to rebound slowly, uncertainties still exist as the COVID-19 pandemic does not appear to be going away anytime soon. The City of Ontario has been taking

every precaution to prioritize community health, slow the rate of transmission of COVID-19, and assist community members who are at risk of serious illness. The effects of the COVID-19 recession are inevitably forcing the City to change the way it conducts business to ensure its future financial stability.

Economic indicators suggest a slow recovery over the next several years. Although it is unlikely to realize structural balance until the crisis is resolved; the City has been able to sustain its operationally balance structure with continued expenditure restraint, ongoing fiscal monitoring, and the use of additional fund balance reserves. Included as part of the General Fund balancing strategies is the reduction of the General Fund Reserve from 18 percent to 15 percent, re-prioritizing community programs and capital projects, and staggering agency proposed reductions. The City joined California Employers' Retiree Benefit Trust (CERBT) to pre-fund its Other Post Employment Benefit (OPEB) liability. Section 115 Trust was established in Fiscal Year 2019-20 with the initial deposit of \$140 million and an annual contribution of \$5 million (increased each year by the CPI index) from the OPEB Internal Service Fund. The balance in the OPEB trust fund as of June 30, 2021, was \$180,490,000.

The California State Public Employees Retirement System (CalPERS) is considerably underfunded, primarily due to the lower than projected earning rates combined with significant investment losses incurred during the Great Recession. Over the last several years, CalPERS has made significant changes to the assumptions used in the calculations of local agencies' pension liabilities. These changes have resulted in (1) an increased overall unfunded pension liability as the discount rate has been lowered from 7.0 percent to 6.8 percent in July 2021, and (2) sharp increase in annual payments to CalPERS in earlier years followed by declining payments in later years due to the method of amortizing the Unfunded Accrued Liability (UAL) payments. In addition, as a result of offering a two-year Golden Handshake retirement incentive during the COVID pandemic, the City estimates the additional UAL for this incentive will be approximately \$50 to \$60 million.

The City issued pension obligation bonds on May 12, 2020, in the amount of \$236.6 million for the CalPERS Safety Plans (Police and Fire) per City Council direction. The pay down of the City's CalPERS safety plans UAL will potentially save the city up to \$110 million over the life of the bond financing. Also, to stabilize future pension cost increases for its Miscellaneous employee group, on May 19, 2020, City Council authorized staff to utilize the City's Investment Portfolio with available cash balances to pay down the current UAL amount of \$102.5 million for this group. This will result in the City saving approximately \$60 million, with a combined savings of about \$170 million for all three CalPERS pension plans: Fire Safety, Police Safety and Miscellaneous. The issuance of pension obligation bonds help the City achieve General Fund goals to stabilize existing CalPERS cost, but it will come at heightened levels in the coming years.

Other major challenges are the City's revenues which will soon be outpaced in the forthcoming fiscal years by increasing pension expenses, rising medical benefits costs, and the overall cost of labor. Moreover, the City should be mindful that in providing service to Ontario International Airport Authority (OIAA) and Ontario Ranch, there is an absorption factor to consider as service demands continue to grow and evolve. Additionally, it is crucial that recurring operating expenditures are strategically contained and are not outpacing recurring revenues. In addition, funding of the Internal Service Allocations for Equipment Services, Information Technology Services, Facilities Maintenance, and Risk Liability have not increased to levels that ensure the sustainability of these services. For the City to successfully manage these significant fiscal issues,

while coping with a lean organization as a result of the retirement separation incentive program for the recent budget balancing strategies, it is recommended that the City continue to practice fiscal discipline and establish proactive measures to safely navigate the current and upcoming fiscal challenges.

Although there are a lot of unknowns about the rate of the nation's recovery, there is no doubt Ontario will recover. As the economy continues to bounce back, public health guidelines become less restrictive for businesses to safely reopen, travel restrictions are minimized or lifted, revenue sources are anticipated to increase in the coming years. With the City Council's leadership and their prudent fiscal policies, the City's long-term financial health will further solidify its standing as the economic leader in the Inland Empire, and a formidable player in California, and the nation.

Long-Term Financial Plan

In addition to managing the City's money in a manner that ensures Ontario is financially stable, the long-term goals, efforts and actions reflect the City Council's continued commitment to support high quality public safety and municipal services, provides for the maintenance and expansion needs of the City's infrastructure and facilities, profiles an aggressive economic development strategy, and assures the investment and reinvestment of City resources into the community – all in the name of affording Ontario residents and businesses an exceptional quality of life.

Ontario's commitment to infrastructure improvements is demonstrated by the City's Capital Improvement Program that includes projects such as:

- \$ 56,661,499 in public facility improvement projects;
- \$ 11,865,000 in street improvements;
- \$ 2,050,640 in water and storm drain projects; and
- \$ 4,818,293 in other miscellaneous improvements

The City of Ontario has, through prudent long-range policy decisions and sound fiscal management, maintained its position as an economic leader in Southern California. The City will continue to monitor key economic indicators, sources of revenues, and spending levels as part of its sound conservative fiscal approach. In order to maintain this structural balance, however, the City will have to proceed with caution. Balancing fiscal discipline and long-term vision, Ontario is well-positioned to address its obligations while capitalizing on opportunities.

Through the combined leadership of City Council and the implementation of its prudent fiscal policies, the City has been able to enhance service levels to the community, invest in capital projects to enhance public facilities and infrastructure, and continue programs that promote its standing as the economic leader in the Inland Empire, and a formidable player in California and the nation.

Relevant Financial Policies

Fund Balance Policy

The City's Fund Balance Policy, which was approved on June 22, 2011, established the procedures for reporting unrestricted fund balance in the General Fund financial statements. Certain commitments and assignments of the fund balance will help ensure that there will be adequate financial resources to protect the City against unforeseen circumstances and events such as revenue shortfalls and unanticipated expenditures. The policy also authorizes and directs the Financial Services Agency in preparing financial reports that accurately categorize fund balance as per Governmental Accounting Standards Board (GASB) Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions.

Included in the Fund Balance Policy is the 18 Percent Stabilization Plan – the goal of City Council to achieve a minimum of 18 percent of the annual general fund appropriations, as Assigned Fund Balance in the general fund. Based on the current year general fund appropriations, the amount assigned to the 18 percent Stabilization Plan will either increase or decrease accordingly. This assigned balance is intended to be used for specific and defined emergency events, such as an earthquake, to address immediate needs in resources without impacting City services and to minimize the potential for disruption of municipal services to its citizens. However, included as part of the General Fund balancing strategies for Fiscal Year 2020-21 is the reduction of the General Fund Reserve from 18 percent to 15 percent. As of June 30, 2021, the City's General Fund had an assigned fund balance for the stability arrangement of \$99.2 million, which achieves the goal of 15 percent of the General Fund Adopted Budget for Fiscal Year 2021-22.

This 15 percent of the General Fund is separate from the General Fund Contingency, also established in the Fund Balance Policy. The City's General Fund Contingency consists of amounts formally set aside and/or arrangements to maintain amounts for working capital needs, contingencies and contractual obligations. Assigned amounts under General Fund Contingency include: Economic Uncertainties, Compensated Absences, and Continuing Appropriations.

Cash and Investments

The City of Ontario follows the practice of pooling cash and investments of all funds, except for funds required to be held by fiscal agents under provisions of bond indentures. Interest income earned on pooled cash and investments is allocated monthly to the various fund based on monthly cash and investment balances. Interest income from cash and investments with fiscal agents is credited directly to the related fund. As of June 30, 2021, the City of Ontario's cash and investments were \$740,780,665.

Major Initiatives

Complete Community

Ontario is committed in building a "Complete Community" by investing in the growth and evolution of the area's economy while providing a balance of jobs, housing, and educational and recreational opportunities for our residents in a safe, well-maintained community. Ontario is evolving into an urban landscape of activity centers – complete with a full range of educational

opportunities and health care providers, high paying jobs, a diverse mix of housing and rich in cultural and recreational amenities.

Ontario offers businesses, residents, and visitors the opportunity to be part of a culturally diverse community with a rich history, unlimited economic opportunities, and convenient access to the region's abundant recreational, cultural and entertainment amenities. Within a short drive of Ontario are some of the world's premier outdoor destinations, colleges and universities, medical centers, and research facilities.

Livability is a big part of the Ontario story. The City is home to premium entertainment venues such as the Ontario Convention Center, Toyota Arena, and Ontario Mills Mall. Five highly rated school districts operate within the City's boundaries. Home prices are more affordable, and as the City grows and evolves, developments are being designed to advance the economic dynamics of the City. An 8,200-acre former agricultural preserve, now known as the Ontario Ranch, will add approximately 47,000 homes and 165,000 new residents to Ontario.

The Ontario Plan

The Ontario Plan (TOP) is the City's forward-thinking General Plan update – a dynamic framework for sustained, comprehensive leadership in building our community. It integrates components of city governance that are typically disconnected. The Plan states community direction at a point in time (2009) and integrates it into a single guidance system that will shape the Ontario community 20 years or more into the future. The Ontario Plan provides for lasting policies to accommodate change.

Our job is to create, maintain and grow economic value and we do our job by providing infrastructure and services. The better we do our job, the more investment we will attract and the more revenue it will generate for investment, creating a self-sustaining cycle.

*Adopted by City Council, January 27, 2010
Governance Principles, The Ontario Plan*

Fiber Optic Master Plan

Currently, Ontario is developing a Fiber Optic Master Plan to guide the design, construction, and operation of a fiber optic backbone infrastructure. The City Fiber Optic network – OntarioNet – will result in cost effective, secure, fast, and reliable communications capabilities. OntarioNet high speed internet services continue to be extended and are available in the Ontario Ranch community, at the Ontario International Airport (ONT), the Toyota Arena, Ontario Convention Center, and many local businesses, as well as at several City facilities and over sixty traffic cabinets.

Service to the Community

The "Approach to Public Service" is the underlaying principal for each Agency citywide. This "Approach to Public Service" emphasizes that City employees "*choose public service to make a positive impact on the community*". The three principles behind this approach are the following:

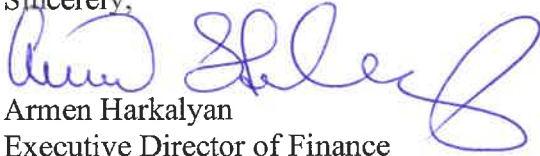
- *Be Committed to the Community* – Whatever job you do, do it well!
- *Achieve Excellence Through Teamwork* – Take ownership of your job and support other team members.
- *Do the Right Thing the Right Way* – Focus on what is important and never compromise integrity.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Ontario for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2020. This was the thirty-first consecutive year that the City has received this prestigious award. In order to be awarded the annual certificate for excellence, a governmental unit must publish an easily readable and efficiently organized Annual Comprehensive Financial Report, the contents of which conform to program standards. Such reports must also satisfy both generally acceptable accounting principles and applicable legal requirements.

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the Financial Services Agency who assisted and contributed to the preparation of this report. Credit also must be given to the Mayor, City Council, and the City Manager for their unfailing support for maintaining the highest standards of professionalism in the management of the City of Ontario's finances.

Sincerely,



Armen Harkalyan
Executive Director of Finance



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Ontario
California**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Morill

Executive Director/CEO

City of Ontario, California Form of Government

The City of Ontario operates under the council-manager form of local government. The five members of the City Council are elected by the citizens as the legislative, policy-making branch of City government; and the City Manager is appointed by the City Council to implement policy and manage day-to-day operations. All Council Members serve at large and serve four-year terms. Every even-numbered year, either the Mayor and two Council Members or two Council Members, the City Clerk and City Treasurer stand for election. The Council Members also sit as the Commissioners of the Ontario Housing Authority.

Elected Officials

PAUL S. LEON.....Mayor
ALAN D. WAPNER.....Mayor pro Tem
DEBRA DORST-PORADA.....Council Member
JIM W. BOWMAN.....Council Member
RUBEN VALENCIA.....Council Member
JAMES R. MILHISER.....City Treasurer
SHEILA MAUTZ.....City Clerk

Executive Team

SCOTT OCHOA
City Manger
Executive Director of the Housing Authority

DARLENE SANCHEZ
Assistant City Manger

RUBEN DURAN
City Attorney

MICHAEL LORENZ
Police Chief

RAY GAYK
Fire Chief

SCOTT BURTON
Utilities General Manager

TITO HAES
Executive Director of Public Works

SCOTT MURPHY
Executive Director Community Development

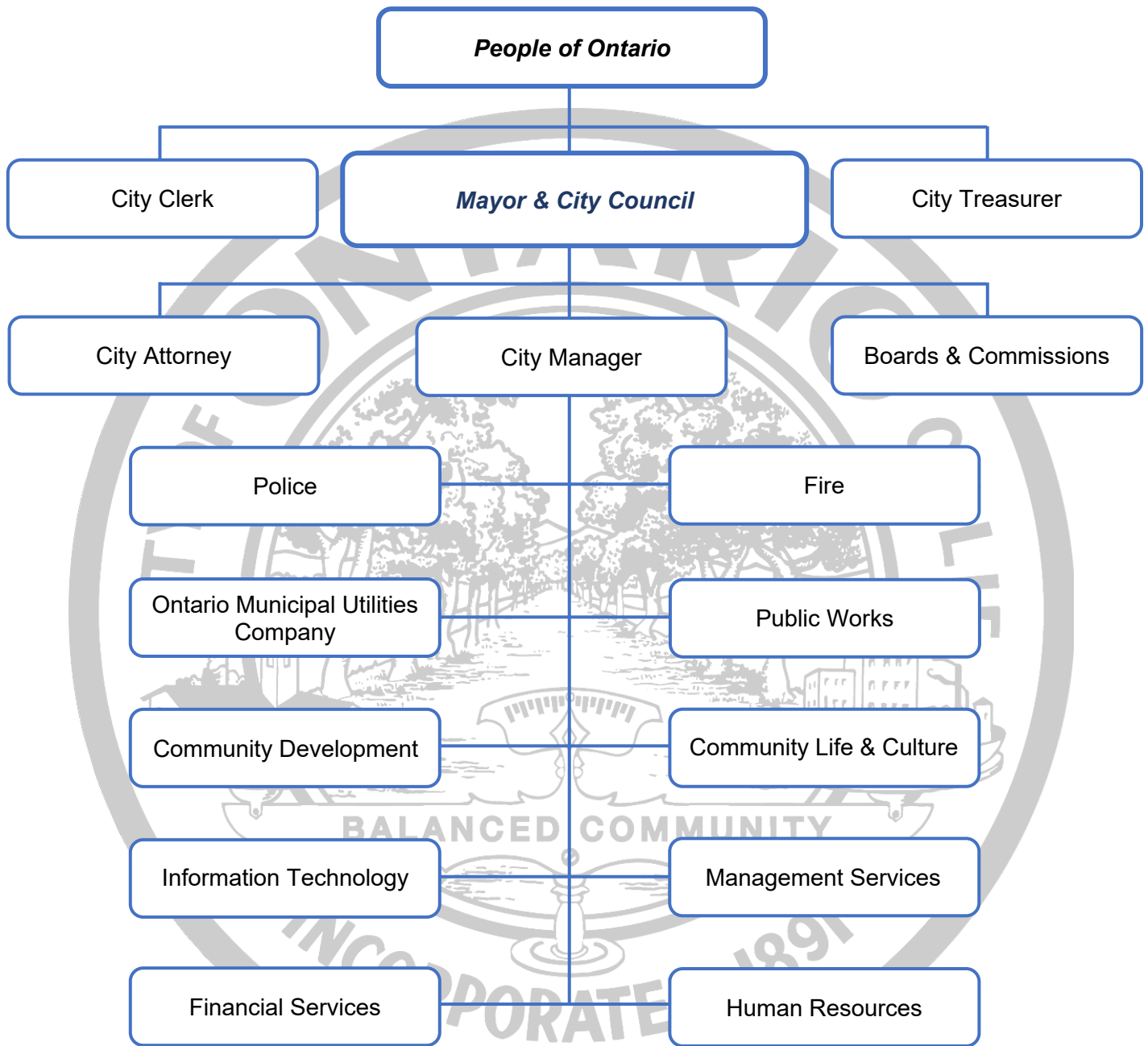
HELEN MCALARY
Executive Director Community Life & Culture

ARMEN HARKALYAN
Execute Director of Finance

ANGELA LOPEZ
Executive Director Human Resouces & Risk
Management

COLIN FERNANDES
Executive Director Information Technology

**CITY OF ONTARIO
CITYWIDE ORGANIZATIONAL
CHART FISCAL YEAR 2020-21**



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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Ontario, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

The City's 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Water Facilities Authority and Chino Basin Desalter Authority, which represent 2.03 percent and 12.35 percent, respectively, of the assets, and 1.21 percent and 6.19 percent, respectively, of the revenues of the Water Enterprise Fund. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Water Facilities Authority and Chino Basin Desalter Authority, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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.

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

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, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison schedules for the General Fund and major special revenue funds, the modified approach for the City's infrastructure capital assets, and the required pension and OPEB schedules on pages 105-125 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 financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinions on the basic financial statements are 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 City's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, budgetary comparison schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

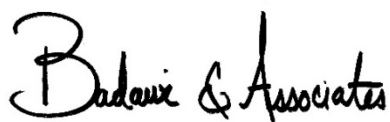
To the Honorable Mayor and Members of the City Council
of the City of Ontario
Ontario, California
Page 3

The combining and individual nonmajor fund financial statements and budgetary comparison schedules are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and budgetary comparison schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 28, 2022 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



Badawi & Associates, CPAs
Berkeley, California
April 28, 2022, except for Note 21, which
is August 22, 2022

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BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

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City of Ontario
Statement of Net Position
June 30, 2021

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets:			
Cash and investments	\$ 449,121,864	\$ 161,330,389	\$ 610,452,253
Receivables:			
Accounts	44,312,333	11,149,529	55,461,862
Taxes	252,157	-	252,157
Accrued interest	1,279,068	386,201	1,665,269
Internal balances	8,870,185	(8,870,185)	-
Prepaid costs	2,871,866	147,396	3,019,262
Deposits	857,915	-	857,915
Inventories	2,597,461	50,275,487	52,872,948
Advances to Successor Agency	3,500,000	-	3,500,000
Restricted assets:			
Cash and investments	60,279	261,795	322,074
Cash and investments with fiscal agent	57,863,470	3,171,019	61,034,489
Total current assets	571,586,598	217,851,631	789,438,229
Noncurrent assets:			
Notes and Loans	43,161,053	-	43,161,053
Investment in joint venture	-	70,676,094	70,676,094
Other investments	-	63,730,042	63,730,042
Land held for resale	156,809,297	-	156,809,297
Capital assets:			
Nondepreciable	800,524,786	74,083,273	874,608,059
Depreciable	668,591,176	281,569,931	950,161,107
Less accumulated depreciation	(312,089,184)	(126,390,846)	(438,480,030)
Total capital assets	1,157,026,778	229,262,358	1,386,289,136
Total noncurrent assets	1,356,997,128	363,668,494	1,720,665,622
Total assets	1,928,583,726	581,520,125	2,510,103,851
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charges on refunding	-	738,920	738,920
Deferred pension related items	73,176,795	4,526,223	77,703,018
Deferred OPEB related items	3,484,846	443,357	3,928,203
Total deferred outflows of resources	76,661,641	5,708,500	82,370,141
LIABILITIES			
Current liabilities:			
Accounts payable	42,453,619	11,838,293	54,291,912
Accrued liabilities	4,173,567	646,378	4,819,945
Accrued interest	1,566,807	1,569,549	3,136,356
Unearned revenue	38,062,149	1,368,026	39,430,175
Deposits payable	20,933,040	7,349,894	28,282,934
Due to other governments	3,685,427	-	3,685,427
Compensated absences - current	3,037,779	1,255,900	4,293,679
Claims and judgements - current	12,019,643	-	12,019,643
Long-term debt - current portion	11,778,833	1,545,000	13,323,833
Total current liabilities	137,710,864	25,573,040	163,283,904
Noncurrent liabilities:			
Compensated absences	13,254,211	383,361	13,637,572
Claims and judgements	23,488,000	-	23,488,000
Net pension liability	13,924,950	674,788	14,599,738
OPEB liability	24,117,457	3,068,329	27,185,786
Long-term debt	336,288,652	64,466,631	400,755,283
Total noncurrent liabilities	411,073,270	68,593,109	479,666,379
Total liabilities	548,784,134	94,166,149	642,950,283
DEFERRED INFLOWS OF RESOURCES			
Deferred charges on refunding	936,070	-	936,070
Deferred inflows of resources - pension	2,291,775	106,877	2,398,652
Deferred inflows of resources - OPEB	107,168,147	13,634,404	120,802,551
Total deferred inflows of resources	110,395,992	13,741,281	124,137,273
NET POSITION			
Net investment in capital assets	1,076,360,215	163,989,647	1,240,349,862
Restricted for:			
Community development projects	129,737,555	-	129,737,555
Public safety	25,250,202	-	25,250,202
Capital projects	1,879,410	3,171,019	5,050,429
Affordable housing	41,730,952	-	41,730,952
Other purposes	60,223,048	-	60,223,048
Total restricted	258,821,167	3,171,019	261,992,186
Unrestricted	10,883,859	312,160,529	323,044,388
Total net position	\$ 1,346,065,241	\$ 479,321,195	\$ 1,825,386,436

See accompanying Notes to Basic Financial Statements.

City of Ontario
Statement of Activities
For the year ended June 30, 2021

Functions/Programs	Expenses	Program Revenues			Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
General government	\$ 20,241,805	\$ 7,634,307	\$ 12,725,757	\$ -	\$ 20,360,064
Public safety	200,452,838	19,435,556	7,745,612	178,422	27,359,590
Community development	111,927,829	61,020,723	8,531,732	58,425,171	127,977,626
Public works	7,449,126	-	998,194	717,950	1,716,144
Interest on long-term debt	12,416,810	-	-	-	-
Total governmental activities	352,488,408	88,090,586	30,001,295	59,321,543	177,413,424
Business-type Activities:					
Water	68,700,692	69,185,768	-	2,576,714	71,762,482
Sewer	26,008,652	30,011,850	-	-	30,011,850
Integrated Waste	42,010,179	41,913,089	112,134	-	42,025,223
Total Business-Type activities	136,719,523	141,110,707	112,134	2,576,714	143,799,555
Total primary government	\$ 489,207,931	\$ 229,201,293	\$ 30,113,429	\$ 61,898,257	\$ 321,212,979

General Revenues:

Taxes:

Property taxes, levied for general purpose
 Transient occupancy taxes
 Sales taxes
 Franchise taxes
 Business license taxes
 Other taxes

Total taxes

Motor vehicle in lieu, unrestricted
 Use of money and property
 Other
 Gain on sale of investments
 Transfers

Total general revenues and transfers

Change in net position

Net position - beginning of year

Net position - end of year

Net (Expense) Revenue
and Changes in Net Position

Governmental Activities	Business-Type Activities	Total
\$ 118,259	\$ -	\$ 118,259
(173,093,248)	-	(173,093,248)
16,049,797	-	16,049,797
(5,732,982)	-	(5,732,982)
(12,416,810)	-	(12,416,810)
(175,074,984)	-	(175,074,984)
-	3,061,790	3,061,790
-	4,003,198	4,003,198
-	15,044	15,044
-	7,080,032	7,080,032
(175,074,984)	7,080,032	(167,994,952)
72,483,313	-	72,483,313
10,614,109	-	10,614,109
105,424,829	-	105,424,829
3,512,001	-	3,512,001
8,559,248	-	8,559,248
3,507,185	-	3,507,185
204,100,685	-	204,100,685
134,124	-	134,124
2,779,387	5,503,540	8,282,927
12,116,507	-	12,116,507
862	-	862
24,150,952	(24,150,952)	-
243,282,517	(18,647,412)	224,635,105
68,207,533	(11,567,380)	56,640,153
1,277,857,708	490,888,575	1,768,746,283
\$ 1,346,065,241	\$ 479,321,195	\$ 1,825,386,436

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FUND FINANCIAL STATEMENTS

Governmental Fund Financial Statements

Proprietary Fund Financial Statements

Fiduciary Fund Financial Statements

City of Ontario
Balance Sheet
Governmental Funds
June 30, 2021

	Special Revenue Funds			Capital Project Funds
	General	Measure I	Ontario Housing Authority	Capital Projects
ASSETS				
Cash and investments	\$ 79,898,830	\$ 16,424,860	\$ 5,535,835	\$ 32,807,262
Receivables:				
Accounts	29,751,184	1,185,342	21,398	127,614
Taxes	241,320	-	-	-
Notes and loans	63,000	-	32,517,635	-
Accrued interest	607,249	-	13,557	21,860
Prepaid costs	161,659	-	-	-
Deposits	92,400	287,230	246,716	2,199
Due from other funds	809,285	-	-	-
Advances to other funds	56,120,738	-	-	-
Advances to Successor Agency	3,500,000	-	-	-
Inventories	301,530	-	-	-
Land held for resale	-	-	18,480,851	-
Restricted assets:				
Cash and investments	-	-	-	24,504
Cash and investments with fiscal agents	-	-	-	3,256,480
Total assets	\$ 171,547,195	\$ 17,897,432	\$ 56,815,992	\$ 36,239,919
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 13,055,783	\$ 850,519	\$ 30,207	\$ 4,747,115
Accrued liabilities	3,687,718	-	16,066	-
Unearned revenues	12,862,997	-	5,025,000	-
Deposits payable	15,239,488	-	-	873,312
Due to other governments	-	-	937,383	-
Due to other funds	-	-	-	-
Advances from other funds	-	-	5,961,399	-
Total liabilities	44,845,986	850,519	11,970,055	5,620,427
Deferred Inflows of Resources				
Unavailable revenues	-	-	24,584,006	1,879,410
Total deferred inflows of resources	-	-	24,584,006	1,879,410
Fund Balances:				
Nonspendable	4,001,189	-	-	-
Restricted	361,579	17,046,913	20,261,931	-
Committed	-	-	-	28,740,082
Assigned	122,338,441	-	-	-
Unassigned	-	-	-	-
Total fund balances	126,701,209	17,046,913	20,261,931	28,740,082
Total liabilities, deferred inflows of resources and fund balances	\$ 171,547,195	\$ 17,897,432	\$ 56,815,992	\$ 36,239,919

See accompanying Notes to Basic Financial Statements.

Capital Project Funds		
Impact Fees	Other Governmental Funds	Total Governmental Funds
\$ 149,842,957	\$ 100,548,240	\$ 385,057,984
(166,987)	5,953,036	36,871,587
-	10,837	252,157
-	10,580,418	43,161,053
403,614	231,601	1,277,881
32,759	8,800	203,218
229,370	-	857,915
-	-	809,285
-	5,961,399	62,082,137
-	-	3,500,000
-	1,453,014	1,754,544
-	57,883,282	76,364,133
-	35,775	60,279
-	35,202,832	38,459,312
<u>\$ 150,341,713</u>	<u>\$ 217,869,234</u>	<u>\$ 650,711,485</u>
\$ 12,391,647	\$ 2,895,126	\$ 33,970,397
-	188,194	3,891,978
-	20,174,152	38,062,149
3,795,010	1,025,230	20,933,040
-	2,748,044	3,685,427
-	807,791	807,791
-	-	5,961,399
<u>16,186,657</u>	<u>27,838,537</u>	<u>107,312,181</u>
-	295,838	26,759,254
-	295,838	26,759,254
32,759	-	4,033,948
-	189,978,425	227,648,848
134,122,297	-	162,862,379
-	-	122,338,441
-	(243,566)	(243,566)
<u>134,155,056</u>	<u>189,734,859</u>	<u>516,640,050</u>
<u>\$ 150,341,713</u>	<u>\$ 217,869,234</u>	<u>\$ 650,711,485</u>

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City of Ontario

Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position June 30, 2021

Total Fund Balances - Total Governmental Funds \$ 516,640,050

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

Capital assets used in governmental activities were not current financial resources. Therefore, they were not reported in the Governmental Funds Balance Sheet. Except for the internal service funds reported below, the capital assets were adjusted as follows:

	Government- Wide Statement of Net Position	Internal Service Funds	Total
Nondepreciable	\$ 800,524,786	\$ (19,663,105)	780,861,681
Depreciable, net	356,501,993	(34,867,407)	321,634,586
Total capital assets	\$ 1,157,026,779	\$ (54,530,512)	1,102,496,267

Internal service funds were used by management to charge the costs of certain activities, such as insurance, to individual funds. The assets and liabilities of the Internal service funds were included in governmental activities in the Government-Wide Statement of Net Position.

(257,016,660)

Unavailable revenues recorded in the fund financial statements resulting from activities in which revenues were earned but were not available are reclassified as revenues in the Government-Wide Financial Statements.

26,759,254

In the Government-Wide Financial Statements, deferred employer contributions for pension and OPEB, certain differences between actuarial estimates and actual results, and other adjustments resulting from changes in assumptions and benefits are deferred in the current year.

	Government- Wide Statement of Net Position	Internal Service Funds	Total
Deferred outflows of resources related to pension	73,176,795	(1,822,246)	71,354,549
Deferred outflows of resources related to OPEB	3,484,846	(3,484,846)	-
Deferred inflows of resources related to pension	(2,291,775)	43,029	(2,248,746)
Deferred inflows of resources related to OPEB	(107,168,147)	107,168,147	-

Long-term liabilities were not due and payable in the current period. Therefore, they were not reported in the Governmental Funds Balance Sheet.

	Government- Wide Statement of Net Position	Internal Service Funds	Total
Compensated absences - due within one year	\$ (3,037,779)	\$ 780,583	\$ (2,257,196)
Interest payable	(1,566,807)	812,044	(754,763)
Long-term debt - due within one year	(11,778,833)	5,901,021	(5,877,812)
Unamortized deferred loss on refunding	(936,070)	-	(936,070)
Unamortized prepaid bond insurance premium	145,214	-	145,214
Compensated absences - due in more than one year	(13,254,211)	198,678	(13,055,533)
Long-term debt - due in more than one year	(336,288,652)	260,758,622	(75,530,030)
Net pension liability	(13,924,950)	271,667	(13,653,283)
Net OPEB liability	(24,117,457)	24,117,457	-
Total long-term liabilities	\$ (404,759,545)	\$ 292,840,072	(111,919,473)

Net Position of Governmental Activities

\$ 1,346,065,241

City of Ontario
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the year ended June 30, 2021

	Special Revenue Funds			Capital Project Funds
	General	Measure I	Ontario Housing Authority	Capital Projects
REVENUES:				
Taxes	\$ 203,537,145	\$ -	\$ -	\$ -
Special assessment taxes	-	-	-	-
Licenses and permits	8,423,831	-	-	-
Intergovernmental	15,484,677	4,820,182	-	948,245
Contribution from property owners	-	-	51,925	-
Charges for services	31,722,403	-	-	-
Use of money and property	1,066,572	(75,689)	1,147,139	29,257
Fines and forfeitures	656,407	-	-	-
Miscellaneous	13,644,767	-	68,806	-
Total revenues	274,535,802	4,744,493	1,267,870	977,502
EXPENDITURES:				
Current:				
General government	29,847,243	-	-	86,700
Public safety	169,458,528	-	-	777,421
Community development	36,989,671	4,542,237	2,298,498	14,428,397
Public works	13,535,675	-	-	3,563
Debt service:				
Principal retirement	1,120,000	-	-	-
Interest and fiscal charges	2,767,687	-	-	-
Total expenditures	253,718,804	4,542,237	2,298,498	15,296,081
REVENUES OVER (UNDER) EXPENDITURES	20,816,998	202,256	(1,030,628)	(14,318,579)
OTHER FINANCING SOURCES (USES):				
Transfers in	13,474,393	119,241	-	10,333,029
Transfers out	(15,140,552)	-	-	(25,015,750)
Total other financing sources (uses)	(1,666,159)	119,241	-	(14,682,721)
Net change in fund balances	19,150,839	321,497	(1,030,628)	(29,001,300)
FUND BALANCES:				
Beginning of year	107,550,370	2,373,572	21,292,559	56,392,944
Restatements	-	14,351,844	-	1,348,438
Beginning of year, as restated	107,550,370	16,725,416	21,292,559	57,741,382
End of year	\$ 126,701,209	\$ 17,046,913	\$ 20,261,931	\$ 28,740,082

See accompanying Notes to Basic Financial Statements.

Capital Project Funds		
Impact Fees	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 203,537,145
-	11,926,636	11,926,636
-	-	8,423,831
-	17,736,977	38,990,081
-	38,356,510	38,408,435
25,157,998	24,080,760	80,961,161
111,811	632,571	2,911,661
-	-	656,407
-	931,813	14,645,386
<u>25,269,809</u>	<u>93,665,267</u>	<u>400,460,743</u>
-	3,082,849	33,016,792
8,785,036	1,813,060	180,834,045
30,210,762	42,116,423	130,585,988
-	3,808,239	17,347,477
-	4,598,104	5,718,104
-	401,896	3,169,583
<u>38,995,798</u>	<u>55,820,571</u>	<u>370,671,989</u>
<u>(13,725,989)</u>	<u>37,844,696</u>	<u>29,788,754</u>
1,632,495	23,638,147	49,197,305
-	(17,500,102)	(57,656,404)
<u>1,632,495</u>	<u>6,138,045</u>	<u>(8,459,099)</u>
(12,093,494)	43,982,741	21,329,655
146,248,550	145,752,118	479,610,113
-	-	15,700,282
<u>146,248,550</u>	<u>145,752,118</u>	<u>495,310,395</u>
<u>\$ 134,155,056</u>	<u>\$ 189,734,859</u>	<u>\$ 516,640,050</u>

City of Ontario
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to the Government-Wide Statement of Activities
For the year ended June 30, 2021

Net Change in Fund Balances - Total Governmental Funds	\$	21,329,655
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Amounts reported for governmental activities in the Government-Wide Statement of Activities were different because:

Governmental funds reported capital outlay as expenditures. However, in the Government-Wide Statement of Activities, the cost of those assets was allocated over their estimated lives as depreciation expense. This was the amount of capital assets recorded in the current period, net of the amount related to internal service funds.		53,552,016
Depreciation expense on capital assets was reported in the Government-Wide Statement of Activities, but did not require the use of current financial resources. Therefore, depreciation expense was not reported as expenditures in the governmental funds, net of the amount related to internal service funds.		(15,989,876)
Accrued compensated leave payments were reported as expenditures in the governmental funds, however expense is recognized in the Government-Wide Statement of Activities based on earned leave accruals.		2,168,205
Debt proceeds provide current financial resources to governmental funds, but issuing debt increased long-term liabilities in the Government-Wide Statement of Net Position. Repayment of debt was an expenditure in governmental funds, but the repayment reduced long-term liabilities in the Government-Wide Statement of Net Position.		
Long-term debt repayments		5,718,104
Issuance of long-term debt		691,370
Amortization of prepaid bond insurance		(8,783)
Amortization of deferred charges		62,060
Amortization of bonds premium (discount), net		106,480
Capital assets and pension amounts transferred from the business type activities		19,084,616
Current year employer pension contributions are recorded as expenditures in the governmental funds, however, these amounts are reported as a deferred outflow of resources in the Government-Wide Statement of Net Position.		15,489,311
Pension expense is reported in the Government-Wide Statement of Activities does not require the use of current financial resources, and therefore is not reported as expenditures in governmental funds.		(55,586,065)
Unavailable revenues recorded in the fund financial statements resulting from activities in which revenues were earned but were not available are reclassified as revenues in the Government-Wide Financial Statements.		(5,359,756)
Internal service funds were used by management to charge the costs of certain activities, such as insurance and fleet management, to individual funds. The net revenue of the internal service funds was reported with governmental activities.		26,950,196
Change in Net Position of Governmental Activities	\$	68,207,533

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City of Ontario
Statement of Net Position
Proprietary Funds
June 30, 2021

	Business-Type Activities - Enterprise Funds				
	Water	Sewer	Integrated Waste	Nonmajor Enterprise Fund I.T. Fiber	Totals
ASSETS					
Current Assets:					
Cash and investments	\$ 82,577,991	\$ 54,644,810	\$ 24,107,588	\$ -	\$ 161,330,389
Receivables:					
Accounts	4,445,087	2,406,553	4,297,889	-	11,149,529
Accrued interest	197,767	131,896	56,538	-	386,201
Prepaid costs	23,872	18,369	105,155	-	147,396
Inventories	50,013,584	261,903	-	-	50,275,487
Restricted:					
Cash and investments	261,795	-	-	-	261,795
Cash with fiscal agent	3,171,019	-	-	-	3,171,019
Total current assets	140,691,115	57,463,531	28,567,170	-	226,721,816
Noncurrent:					
Advances to other funds	22,060,290	10,415,232	11,322,395	-	43,797,917
Investment in joint venture	70,676,094	-	-	-	70,676,094
Other investments	63,730,042	-	-	-	63,730,042
Land held for resale	-	-	-	-	-
Capital assets:					
Nondepreciable	68,076,744	2,329,024	3,677,505	-	74,083,273
Depreciable	221,848,396	54,916,078	4,805,457	-	281,569,931
Less accumulated depreciation	(95,742,803)	(29,249,461)	(1,398,582)	-	(126,390,846)
Net capital assets	194,182,337	27,995,641	7,084,380	-	229,262,358
Total noncurrent assets	350,648,763	38,410,873	18,406,775	-	407,466,411
Total assets	491,339,878	95,874,404	46,973,945	-	634,188,227
DEFERRED OUTFLOWS OF RESOURCES					
Deferred charges on refunding	738,920	-	-	-	738,920
Deferred pension related items	1,604,133	473,351	2,448,739	-	4,526,223
Deferred OPEB related items	-	-	-	-	-
Total deferred outflows of resources	2,343,053	473,351	2,448,739	-	5,265,143
LIABILITIES					
Current liabilities:					
Accounts payable	4,529,401	4,691,735	2,617,157	-	11,838,293
Accrued liabilities	255,073	105,864	285,441	-	646,378
Accrued interest	1,569,549	-	-	-	1,569,549
Unearned revenues	50,000	1,313,833	4,193	-	1,368,026
Deposits payable	5,870,284	487	1,479,123	-	7,349,894
Due to other funds	-	-	-	-	-
Compensated absences - current	682,000	82,500	491,400	-	1,255,900
Claims and judgements - current	-	-	-	-	-
Long-term debt - current portion	1,545,000	-	-	-	1,545,000
Total current liabilities	14,501,307	6,194,419	4,877,314	-	25,573,040
Noncurrent liabilities:					
Advances from other funds	-	-	-	-	-
Compensated absences	188,439	116,878	78,044	-	383,361
Claims and judgements	-	-	-	-	-
Net pension liability	239,150	70,569	365,069	-	674,788
OPEB liability	-	-	-	-	-
Long-term debt	64,466,631	-	-	-	64,466,631
Total noncurrent liabilities	64,894,220	187,447	443,113	-	65,524,780
Total liabilities	79,395,527	6,381,866	5,320,427	-	91,097,820
DEFERRED INFLOWS OF RESOURCES					
Deferred pension related items	37,878	11,177	57,822	-	106,877
Deferred OPEB related items	-	-	-	-	-
Total deferred inflows of resources	37,878	11,177	57,822	-	106,877
NET POSITION					
Net investment in capital assets	128,909,626	27,995,641	7,084,380	-	163,989,647
Restricted	3,171,019	-	-	-	3,171,019
Unrestricted	282,168,881	61,959,071	36,960,055	-	381,088,007
Total net position	\$ 414,249,526	\$ 89,954,712	\$ 44,044,435	\$ -	\$ 548,248,673

Reconciliation of Net Position to the Government-Wide Statement of Net Position:

Net Position per Statement of Net Position - Proprietary Funds	\$ 548,248,673
Prior years' accumulated adjustment to reflect the consolidation of internal service funds activities related to the enterprise funds, as restated	(56,491,802)
Current year's adjustment to reflect the consolidation of internal service activities related to enterprise funds	(12,435,676)
Net Position per Government-Wide Statement of Net Position	\$ 479,321,195

See accompanying notes to Basic Financial Statements.

Governmental
 Activities -
 Internal
 Service Funds

\$	64,063,880
	7,440,746
	1,187
	2,523,434
	842,917
	-
	<u>19,404,158</u>
	<u>94,276,322</u>
	28,537,081
	-
	-
	80,445,164
	19,663,105
	87,895,084
	<u>(53,027,677)</u>
	<u>54,530,512</u>
	<u>163,512,757</u>
	<u>257,789,079</u>
	-
	1,822,246
	<u>3,928,204</u>
	<u>5,750,450</u>
	8,483,222
	281,589
	812,044
	-
	-
	1,494
	780,583
	12,019,643
	<u>5,901,021</u>
	<u>28,279,596</u>
	128,455,736
	198,678
	23,488,000
	271,667
	27,185,786
	<u>260,758,622</u>
	<u>440,358,489</u>
	<u>468,638,085</u>
	43,029
	<u>120,802,551</u>
	<u>120,845,580</u>
	39,631,918
	-
	<u>(365,576,054)</u>
\$	<u><u>(325,944,136)</u></u>

City of Ontario
Statement of Revenues, Expenditures and Changes in Net Position
Proprietary Funds
For the year ended June 30, 2021

	Business-Type Activities - Enterprise Funds				Totals
	Water	Sewer	Integrated Waste	Nonmajor	
				Enterprise Fund I.T. Fiber	
OPERATING REVENUES:					
Sales and service charges	\$ 60,932,998	\$ 29,652,799	\$ 41,170,204	\$ -	\$ 131,756,001
Interdepartmental charges	2,161,444	201,303	719,363	-	3,082,110
Miscellaneous	574,837	157,748	23,522	-	756,107
Total operating revenues	63,669,279	30,011,850	41,913,089	-	135,594,218
OPERATING EXPENSES:					
Administration and general	9,341,733	6,196,288	16,152,235	-	31,690,256
Source and supply	21,687,947	-	-	-	21,687,947
Pumping	5,653,244	-	-	-	5,653,244
Transmission/collection	11,081,593	2,442,312	26,041,674	-	39,565,579
Treatment	-	16,344,128	-	-	16,344,128
Claims expense	-	-	-	-	-
Depreciation expense	4,823,822	1,163,938	154,067	-	6,141,827
Total operating expenses	52,588,339	26,146,666	42,347,976	-	121,082,981
Operating income (loss)	11,080,940	3,865,184	(434,887)	-	14,511,237
NONOPERATING REVENUES (EXPENSES):					
Grant revenue	-	-	112,134	-	112,134
Interest revenue	5,410,558	118,073	(25,091)	-	5,503,540
Interest expense	(3,153,877)	-	-	-	(3,153,877)
Gain on joint venture	5,516,489	-	-	-	5,516,489
Total nonoperating revenues (expenses)	7,773,170	118,073	87,043	-	7,978,286
Income before contributions and transfers	18,854,110	3,983,257	(347,844)	-	22,489,523
CONTRIBUTIONS AND TRANSFERS:					
Capital grants and contributions	2,576,714	-	-	-	2,576,714
Transfer of capital assets to governmental funds	-	-	-	(19,558,225)	(19,558,225)
Transfer of pension amounts to governmental funds	-	-	-	418,745	418,745
Transfers in	-	-	-	-	-
Transfers out	(159,635)	(1,080,095)	(177,756)	(3,640,975)	(5,058,461)
Total contributions and transfers	2,417,079	(1,080,095)	(177,756)	(22,780,455)	(21,621,227)
Change in net position	21,271,189	2,903,162	(525,600)	(22,780,455)	868,296
NET POSITION:					
Beginning of year	378,049,518	83,928,217	28,412,403	22,780,455	513,170,593
Restatements	14,928,819	3,123,333	16,157,632	-	34,209,784
Beginning of year, as restated	392,978,337	87,051,550	44,570,035	22,780,455	547,380,377
End of year	\$ 414,249,526	\$ 89,954,712	\$ 44,044,435	\$ -	\$ 548,248,673

Reconciliation of Changes in Net Position to the Statement of Activities:

Changes in Net Position, per the Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Funds	\$ 868,296
Adjustment to reflect the consolidation of current fiscal year internal service funds activities related to enterprise funds	(12,435,676)
Changes in Net Position of Business-Type Activities per Statement of Activities	\$ (11,567,380)

Governmental
Activities -
Internal
Service Funds

\$ -
47,394,042
23,896,346
71,290,388

40,049,138
13,434,765
-
-
577,129
7,578,044
61,639,076
9,651,312

1,059,130
384,873
(10,098,354)
-
(8,654,351)
996,961

-
-
-
56,680,700
(43,163,140)
13,517,560
14,514,521

(14,996,905)
(325,461,752)
(340,458,657)
\$ (325,944,136)

City of Ontario
Statement of Cash Flows
Proprietary Funds
For the year ended June 30, 2021

	Business-Type Activities - Enterprise Funds				
	Water	Sewer	Integrated Waste	Nonmajor Enterprise Fund I.T. Fiber	Totals
CASH FLOWS FROM OPERATING ACTIVITIES:					
Cash received from customers and users	\$ 64,778,233	\$ 31,024,256	\$ 40,491,584	\$ -	\$ 136,294,073
Cash received from/(paid to) interfund services	-	-	-	-	-
Cash paid to suppliers for goods and services	(33,081,101)	(17,571,269)	(26,258,653)	-	(76,911,023)
Cash paid to employees for services	(7,704,770)	(5,761,042)	(14,253,527)	-	(27,719,339)
Net cash provided by (used in) operating activities	23,992,362	7,691,945	(20,596)	-	31,663,711
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:					
Cash transfers in	-	-	-	-	-
Cash transfers out	(159,635)	(1,080,095)	(177,756)	(2,413,447)	(3,830,933)
Due to other funds	-	-	-	-	-
Advance from other funds	(9,557,290)	(4,801,232)	415,605	-	(13,942,917)
Interest paid on pension obligation bonds	-	-	-	-	-
Principal paid on pension obligation bonds	-	-	-	-	-
Grant subsidy	-	-	112,134	-	112,134
Net cash provided by (used in) noncapital financing activities	(9,716,925)	(5,881,327)	349,983	(2,413,447)	(17,661,716)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Acquisition and construction of capital assets	(4,043,932)	(871,139)	(1,159,790)	-	(6,074,861)
Acquisition of other investments	(12,759,952)	-	-	-	(12,759,952)
Interest paid on capital debt	(3,283,054)	-	-	-	(3,283,054)
Principal paid on capital debt	(1,485,000)	-	-	-	(1,485,000)
Proceed from issuance of debt	-	-	-	-	-
Reimbursement agreement	2,576,714	-	-	-	2,576,714
Net cash provided by (used in) capital and related financing activities	(18,995,224)	(871,139)	(1,159,790)	-	(21,026,153)
CASH FLOWS FROM INVESTING ACTIVITIES:					
Change in investments	-	-	-	-	-
Interest received	5,498,907	175,543	6,372	-	5,680,822
Net cash provided by (used in) investing activities	5,498,907	175,543	6,372	-	5,680,822
Net cash flows	779,120	1,115,022	(824,031)	(2,413,447)	(1,343,336)
CASH AND INVESTMENTS - Beginning of year	85,231,685	53,529,788	24,931,619	2,413,447	166,106,539
CASH AND INVESTMENTS - End of year	\$ 86,010,805	\$ 54,644,810	\$ 24,107,588	\$ -	\$ 164,763,203
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:					
Operating income (loss)	\$ 11,080,940	\$ 3,865,184	\$ (434,887)	\$ -	\$ 14,511,237
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation	4,823,822	1,163,938	154,067	-	6,141,827
(Increase) decrease in accounts receivable	1,058,954	(301,427)	(1,309,371)	-	(551,844)
(Increase) decrease in prepaid expense	(18,378)	(18,369)	(105,155)	-	(141,902)
(Increase) decrease in inventories	5,685,347	13,353	-	-	5,698,700
Increase (decrease) in accounts payable	(397,612)	1,200,118	(146,144)	-	656,362
Increase (decrease) in accrued liabilities	46,918	19,582	12,482	-	78,982
Increase (decrease) in unearned revenues	50,000	1,313,833	(112,134)	-	1,251,699
Increase (decrease) in deposits payable	25,408	487	21,838	-	47,733
Increase (decrease) in claims and judgements	-	-	-	-	-
Increase (decrease) in compensated absences	291,681	39,826	(146,882)	-	184,625
Increase (decrease) in net pension liability	(9,636,294)	(2,845,045)	(14,717,992)	-	(27,199,331)
Increase (decrease) in deferred pension related items	10,981,576	3,240,465	16,763,582	-	30,985,623
Increase (decrease) in OPEB liability	-	-	-	-	-
Increase (decrease) in deferred OPEB related items	-	-	-	-	-
Net cash provided by (used in) operating activities	\$ 23,992,362	\$ 7,691,945	\$ (20,596)	\$ -	\$ 31,663,711
NONCASH TRANSACTIONS:					
Gain on investment in joint venture	\$ 5,516,489	\$ -	\$ -	\$ -	\$ -
Amortization of deferred cost	56,357	-	-	-	-
Amortization of bond premium	99,477	-	-	-	-

See accompanying notes to Basic Financial Statements.

Governmental
 Activities -
 Internal
 Service Funds

\$ -
 64,168,920
 (7,771,673)
(44,850,900)
 11,546,347

56,680,700
 (43,163,140)
 1,494
 11,882,963
 (8,829,711)
 (3,370,000)
1,059,130

14,261,436

(23,131,504)
 (80,445,164)
 (456,599)
 (538,577)
 33,983,220
 -

(70,588,624)

543,080

543,080

(44,237,761)

127,705,799

\$ 83,468,038

\$ 9,651,312

7,578,044
 (7,121,468)
 (828,413)
 (4,583)
 5,282,643
 60,694
 -
 -
 6,959,643
 416,301
 (10,952,493)
 12,474,731
 (135,442,852)
123,472,788

\$ 11,546,347

\$ -
 -
 -

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City of Ontario
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2021

	Custodial Funds	Private Purpose Trust Fund Successor Agency of the Former RDA
ASSETS		
Cash and investments	\$ 39,423,115	\$ 9,305,280
Receivables:		
Accounts	70,358	-
Taxes	81,720	-
Notes and leases	83,991,715	35,000
Accrued interest	31,830	14
Advances to City	-	1,600,000
Land held for resale	-	10,904,181
Restricted assets:		
Cash and investments with fiscal agents	17,402,624	2,840,830
Total assets	141,001,362	24,685,305
LIABILITIES		
Accounts payable	19,438	2,331
Accrued interest	-	1,633,733
Deposits payable	-	305,887
Due to other governments	47,673,769	-
Long-term liabilities:		
Long-term debt - due within one year	-	7,012,779
Long-term debt - due in more than one year	-	34,119,370
Total liabilities	47,693,207	43,074,100
NET POSITION		
Restricted for:		
Individuals, organizations, and other governments	93,308,155	-
Held in trust for private purposes	-	(18,388,795)
Total Net Position	\$ 93,308,155	\$ (18,388,795)

City of Ontario
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the year ended June 30, 2021

	Custodial Funds	Private Purpose Trust Fund Successor Agency of the Former RDA
ADDITIONS:		
Taxes	\$ 9,135,516	\$ 7,457,146
Interest and change in fair value of investments	3,755,755	(509)
Fee collections for other governments	10,004,431	-
Bond proceeds and premiums	41,884,073	-
Total additions	64,779,775	7,456,637
DEDUCTIONS:		
Administrative expenses	9,155,294	359,858
Payments on conduit bonds - principal	8,954,500	-
Contractual services	-	59,625
Interest expense	41,694,756	3,965,768
Contributions to other governments	13,563	112,352
Total deductions	59,818,113	4,497,603
Change in net position	4,961,662	2,959,034
NET POSITION:		
Beginning of year	-	(21,347,829)
Restatements	88,346,493	-
Beginning of year, restated	88,346,493	(21,347,829)
End of year	<u>\$ 93,308,155</u>	<u>\$ (18,388,795)</u>

NOTES TO BASIC FINANCIAL STATEMENTS

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City of Ontario
Notes to Basic Financial Statements
For the Year Ended June 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the City of Ontario, California (City) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental agencies. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

A. Financial Reporting Entity

The City is a municipal corporation governed by an elected mayor and a four-member council. The City was incorporated December 10, 1891, under the general laws of the State of California and enjoys all the rights and privileges pertaining to "General Law" cities. As required by accounting principles generally accepted in the United States of America, these financial statements present the City of Ontario, California, and its component units for which the City is considered financially accountable.

The criteria used in determining the scope of the reporting entity is based on the provisions of GASB Statement No. 14 and amended by GASB Statement No. 61, Blended Component Units, although legally separate entities, are in substance part of the government's operation, so data from these units are combined herein. The following criteria were used in the determination of blended units: (1) the members of the City Council also act as the governing body of the Industrial Development Authority, the Ontario Redevelopment Financing Authority, the Ontario Public Financing Authority, and the Ontario Housing Authority (collectively, the "Authorities"), and (2) the Authorities are managed by employees of the City.

Blended Component Units

The former Ontario Redevelopment Agency (Agency) was activated November 1, 1977, pursuant to the State of California Health and Safety Code, Section 33000 entitled "Community Development Law." The primary purpose of the Agency was to encourage private redevelopment of property and to rehabilitate areas suffering from economic disuse arising from poor and inadequate planning, inadequate street layout and street access, lack of open space, landscaping and other improvements and facilities necessary to establish and maintain the economic growth of the City. The former Redevelopment Agency was dissolved as of January 31, 2012, through the Supreme Court decision on Assembly Bill 1X 26. See Note 18 for more information on the dissolution.

The Industrial Development Authority was established August 18, 1981, pursuant to the California Industrial Development Financing Act (AB74). The law authorizes limited issuance of small-issue industrial development bonds to assist private industry. The sole function of the Industrial Development Authority is to review and approve the issuance of bonds to finance eligible projects. Separate financial statements are not available for the Industrial Development Authority.

City of Ontario
Notes to Basic Financial Statements
For the Year Ended June 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

A. *Financial Reporting Entity, Continued*

The Ontario Redevelopment Financing Authority was established November 5, 1991, pursuant to Article 1 (commencing with Section 6500) of Chapter 5, Division 7, of Title 1 of the California Government Code in order to jointly exercise powers of the Ontario Redevelopment Financing Authority and the City, and to establish a vehicle to reduce local borrowing costs and promote greater use of existing and new financial instruments. Separate financial statements are not available for the Ontario Redevelopment Financing Authority.

The Ontario Public Financing Authority was created by a joint exercise of joint powers agreement between the City of Ontario and the Ontario Housing Authority (the "Members") on June 1, 2013. The purpose of the Ontario Public Financing Authority is to assist in the financing of capital improvement projects of the Members and other activities of the Members as permitted under Articles 1, 2 and 4 of Chapter 5 of Division 7 of Title 1 of the Government Code, as amended. Separate financial statements are not available for the Ontario Public Financing Authority.

The Ontario Housing Authority was established on December 2, 1997. The primary purpose of the Ontario Housing Authority is to assist property owners in rejuvenating and improving substandard housing conditions within the City. Separate financial statements are not available for the Ontario Housing Authority.

Since the City Council serves as the governing board for these component units, all of the City's component units are considered to be blended component units. Blended component units, although legally separate entities, are in substance, part of the City's operations and so data from these units are reported with the primary government.

B. *Basis of Accounting and Measurement Focus*

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity with its own self-balancing set of accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balance or net position, revenues, and expenditures or expenses. These funds are established for the purpose of carrying out specific activities or certain objectives in accordance with specific regulations, restrictions, or limitations. 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.

Government-Wide Financial Statements

The City's government-wide financial statements include a Statement of Net Position and a Statement of Activities. These statements present summaries of Governmental and Business-Type Activities for the City accompanied by a total column.

City of Ontario
Notes to Basic Financial Statements
For the Year Ended June 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

B. Basis of Accounting and Measurement Focus, Continued

These financial statements are presented on an “economic resources” measurement focus and the accrual basis of accounting. Accordingly, all of the City’s assets, deferred inflows/outflows of resources, and liabilities, including capital assets, as well as infrastructure assets, and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liabilities are incurred.

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

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

Certain eliminations have been made in regards to interfund activities, payables, and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities, internal fund transaction balances have been eliminated; however, those transactions between governmental and business-type activities have not been eliminated. The following interfund activities have been eliminated:

- Due to/from other funds
- Advances to/from other funds
- Transfers in/out

The City applies all applicable GASB pronouncements including all NCGA Statements and Interpretations currently in effect.

Governmental Fund Financial Statements

Governmental fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures, and Changes in Fund Balances for all major governmental funds and nonmajor funds aggregated. An accompanying schedule is presented to reconcile and explain the differences in fund balance as presented in these statements to the net position in the government-wide financial statements. The City has presented all major funds that meet specific qualifications.

City of Ontario
Notes to Basic Financial Statements
For the Year Ended June 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

B. Basis of Accounting and Measurement Focus, Continued

All governmental funds are accounted for on a spending or “current financial resources” measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the balance sheets. The Statement of Revenues, Expenditures and Changes in Fund Balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures in the current period. For this purpose, the City considers revenue to be available if collected within 60 days of the end of the current fiscal period except for sales taxes and grant revenue where the City considers revenue to be available if collected within 90 days and 180 days, respectively, of the end of the current fiscal year.

The City reports the following major governmental funds in the accompanying financial statements:

The General Fund is the City’s primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Measure I Fund accounts for revenues from a one-half percent sales tax on all retail transactions within the County. The proceeds are to be used for transportation improvements, railroad grade separation projects, and traffic management programs.

The Ontario Housing Authority Fund accounts for the financial transactions of the Ontario Housing Authority. Revenue sources for the Authority include rent proceeds from properties, housing loan repayments and agency fees.

The Capital Projects Fund accounts for financial transactions of general capital improvements.

The Impact Fees Fund accounts for revenues from developer-paid impact fees for infrastructure construction.

Proprietary Fund Financial Statements

Proprietary fund financial statements include a Statement of Net Position, a Statement of Revenues, Expenses and Change in Net Position, and a Statement of Cash Flows.

Proprietary funds are accounted for using the “economic resources” measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or noncurrent) are included on the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Net Position present increase (revenues) and decreases (expenses) in total net position.

City of Ontario
Notes to Basic Financial Statements
For the Year Ended June 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

B. Basis of Accounting and Measurement Focus, Continued

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 a liability is incurred. Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as nonoperating revenues. Operating expenses are those expenses that are essential to the operations of the fund. All other expenses are reported as nonoperating expenses.

The City reports the following major proprietary funds in the accompanying financial statements:

The Water Enterprise Fund accounts for the operation and maintenance of the City's water distribution system.

The Sewer Enterprise Fund accounts for the financial transactions of the City's waste collection system.

The Integrated Waste Enterprise Fund accounts for collection and disposal of integrated waste from industrial, commercial and residential users throughout the Ontario area.

The City also reports the following proprietary fund type:

Internal Service Funds account for financial transactions related to repair, replacement and maintenance of City-owned equipment, the City's self-insurance programs, the City's general information systems and telecommunications hardware and software, and the City's defined benefit healthcare plan for its retired employees. These services are provided to other departments or agencies of the City on a cost reimbursement basis.

Fiduciary Fund Financial Statements

Fiduciary fund financial statements consist of a Statement of Fiduciary Net Position and a Statement of Changes in Fiduciary Net Position. The City has two types of fiduciary funds, a private-purpose trust fund and custodial funds. Private purpose trust funds accounts for all other trust arrangements in which principal and income benefit individuals, private organizations, and other governments (i.e. unclaimed property/escheat property). Custodial funds are used to account for the assets held for distribution by the City as an agent for another entity for which the City has a custodial responsibility and accounts for the flow of assets. Fiduciary funds are accounted for using the accrual basis of accounting.

City of Ontario
Notes to Basic Financial Statements
For the Year Ended June 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

B. Basis of Accounting and Measurement Focus, Continued

The City reports the following types of fiduciary funds:

Private-purpose Trust Funds are used to account for the assets and liabilities of the former redevelopment agency and the allocated revenue to pay estimated installment payments of enforceable obligations until the obligations of the former redevelopment agency are paid in full and assets have been liquidated.

Custodial Funds are used to account for fiduciary activities not required to be reported in investment trust, pension trust, or private purpose trust funds.

The financial activities of these funds are excluded from the City-wide financial statements but are presented in separate fiduciary fund financial statements.

C. Cash and Investments

The City maintains a cash and investments pool that is available for use by all funds. Each fund's portion of this pool is displayed as cash and investments on the balance sheets for the governmental funds and the statements of net position for the proprietary fund and agency funds as cash and investments. Investments are stated at fair value.

In accordance with GASB Statement No. 40, *Deposit and Investment Disclosures (Amendment of GASB Statement No. 3)*, certain disclosure requirements for deposits and investment risks were made in the following areas:

- Interest Rate Risk
- Credit Risk
 - Overall
 - Custodial Credit Risk
 - Concentrations of Credit Risk

In addition, other disclosures are specified including use of certain methods to present deposits and investments, highly sensitive investments, credit quality at year-end, and other disclosures.

City of Ontario
Notes to Basic Financial Statements
For the Year Ended June 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

C. Cash and Investments, Continued

In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, highly liquid money market investments with maturities of one-year or less at time of purchase are stated at amortized cost. All other investments are stated at fair value. The City categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. The City did not have any investments measured using Level 3 inputs as of June 30, 2021.

The City participates in an investment pool managed by the State of California entitled Local Agency Investment Fund (LAIF) which has invested a portion of the pooled funds in Structured Notes and Asset-Backed Securities. LAIF's investments are subject to credit risk with the full faith and credit of the State of California collateralizing these investments. In addition, these Structured Notes and Asset-Backed Securities are subject to market risk as to the change in interest rates.

The City's cash and equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. For financial statement presentation purposes, cash and cash equivalents are shown as both unrestricted and restricted cash and investments.

For the purpose of the Statement of Cash Flows, the City considers all pooled cash and investments (consisting of cash and investments and restricted cash and investments) held by the City as cash and cash equivalents because the pool is used essentially as a demand deposit account from the standpoint of the funds. The City also considers all non-pooled cash and investments (consisting of cash with fiscal agent and restricted cash and investments held by fiscal agent) as cash and cash equivalents because investments meet the criteria for cash equivalents defined above.

D. Inventories, Prepaid Items and Land Held for Resale

All inventories are valued at cost using the first-in/first-out (FIFO) method, except water stock inventory which is valued at fair value at the end of the fiscal year. Inventories in the Internal Service Funds consist of expendable supplies held for consumption, whereas in the Enterprise Funds it represents water stock in the water utility fund and expendable supplies held for consumption in both water utility and sewer utility funds. Inventory costs are recorded as expenditures when used.

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 using the purchases method.

Land purchased for resale is capitalized as inventory at acquisition costs or net realizable value if lower.

City of Ontario
Notes to Basic Financial Statements
For the Year Ended June 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

E. Capital Assets

Capital assets, which include property, plant, equipment, infrastructure (e.g., roads, bridges, sidewalks and similar items) and intangible assets, are reported in the applicable governmental or business-type activities columns in the governmentwide financial statements. Capital assets and infrastructure are defined by the City as assets with an initial, individual cost of more than \$15,000 and \$50,000 respectively (amount not rounded) and an estimated useful life in excess of five years. Capital assets purchased with federal grant money with a cost of more than \$5,000 should be capitalized. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

The Governmental Accounting Standards Board (GASB) issued Statement No. 34, which requires the inclusion of infrastructure capital assets in local government's basic financial statements. The City defines infrastructure as long-lived capital assets that normally can be preserved for a significant greater number of years than most capital assets (non-infrastructure assets). Infrastructure assets are normally stationary in nature and are of value only to the government entity. They are basic physical assets that allow the government entity to function. Examples include street systems, water purification and distribution systems, sewer collection and treatment systems, parks and recreation lands and improvement systems, storm water conveyance systems, fiber optics, bridges, tunnels, dams and buildings combined with the site amenities such as parking and landscaped areas used by the government entity in the conduct of its business. Each major infrastructure system can be divided into subsystems. For example, the street system can be subdivided into concrete and asphalt pavements, concrete curb and gutters, sidewalks, medians, streetlights, traffic control devices (signs, signals and pavement markings), landscaping and land.

Subsystem detail is not presented in these basic financial statements; however, the City maintains detailed information on these subsystems.

In accordance with GASB Statement No. 34, the City has elected the Modified Approach for reporting its pavement system. In 1999, the City commissioned a physical condition assessment of the streets, which was completed and dated July 15, 1999. These streets, primarily asphalt concrete, were defined as all physical features associated with the operation of motorized vehicles that exist within the limits of right of way. This condition assessment will be performed every three years. Each street was assigned a physical condition on 17 potential defects. A Pavement Condition Index (PCI), a nationally recognized index, was assigned to each street and expressed in a continuous scale from 0 to 100, where 0 is assigned to the least acceptable physical condition and 100 is assigned the physical characteristics of a new street.

City of Ontario
Notes to Basic Financial Statements
For the Year Ended June 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

E. Capital Assets, Continued

The following conditions were defined: excellent condition was assigned to those segments with a rating between 86 to 100, very good condition was assigned a rating between 71 to 85, good condition was assigned a rating between 56 to 70, fair condition was assigned a rating between 41 to 55, poor condition was assigned with a rating between 26 to 40, very poor condition was assigned with a rating between 11 to 25, and a failed condition was assigned to those segments with a rating between 0 to 10.

The City’s policy, relative to maintaining the street assets, is to maintain the existing weighted average rate of “Good”, which is a PCI index range between 56 and 70. This rating allows minor cracking and raveling of the pavement along with minor roughness that could be noticeable to drivers traveling at the posted speeds. A detailed description of the modified approach for the City’s infrastructure capital assets can be found in the Required Supplementary Information section.

For all other capital assets, structures and improvements, furniture and equipment, infrastructure and intangible assets, the City has elected to use the Basic Approach as defined by GASB Statement No. 34. Accordingly, these capital assets are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings and structures	20 - 99
Vehicles	4 - 15
Other equipment	5 - 25
Intangible assets - software	5
Infrastructure	20 - 50

F. Property Taxes

Property tax revenue is recognized on the modified accrual basis, that is, in the fiscal year for which the taxes have been levied providing they become available. Available means then due or past due and receivable within the current period and collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. The County of San Bernardino collects property taxes for the City. Tax liens attach annually as of 12:01 A.M. on the first day in January proceeding the fiscal year for which the taxes are levied. Taxes are levied on both real and personal property as it exists on that date. The tax levy covers the fiscal period July 1 to June 30. All secured property taxes and one-half of the taxes on real property are due November 1; the second installment is due February 1. All taxes are delinquent if unpaid, on December 10 and April 10, respectively. Unsecured personal property taxes become due on the first March each year and are delinquent, if unpaid, on August 31.

City of Ontario
Notes to Basic Financial Statements
For the Year Ended June 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

G. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position or balance sheet 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 first item that qualifies for reporting in this category is the deferred charge on refunding reported in the statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The City also has deferred outflows of resources related to pensions and OPEB as discussed in Notes 9 and 10.

In addition to liabilities, the statement of net position or balance sheet report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The first item which qualifies for reporting in this category arises only under a modified accrual basis of accounting. Accordingly, the item, unavailable revenue, is only reported in the governmental funds balance sheet. The governmental funds report unavailable revenues from three sources: loans receivable, grants receivable and interest on interfund advances. The City also has deferred inflows of resources related to pensions and OPEB as discussed in Notes 9 and 10.

H. Net Position and Fund Balances

Net Position

In the government-wide financial statements and proprietary fund financial statements, net position is classified as follows:

Net Investment in Capital Assets – This amount consists of capital assets net of accumulated depreciation and reduced by outstanding debt attributed to the acquisition, construction, or improvement of the assets.

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

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

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government’s policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

City of Ontario
Notes to Basic Financial Statements
For the Year Ended June 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

H. Net Position and Fund Balances, Continued

Fund Balance

Fund balance is essentially the difference between the assets, deferred outflows and deferred inflows of resources and liabilities reported in a governmental fund. There are five separate components of fund balance, each of which identifies the extent to which the City is bound to honor constraints on the specific purposes for which amounts can be spent:

Nonspendable fund balance (inherently nonspendable)

Restricted fund balance (external enforceable limitations on use)

Committed fund balance (self-imposed limitations on use)

Assigned fund balance (limitation resulting from intended use)

Unassigned fund balance (residual net resources)

The City Council, as the City's highest level of decision making authority, may commit fund balance for specific purposes pursuant to constraints imposed by the adoption of a resolution. These committed amounts cannot be used for any other purpose unless the City Council removes or changes the specified use through the same type of formal action taken to establish the commitment. City Council action to commit fund balance needs to occur within the fiscal reporting period; however, the amount can be determined subsequently.

Amounts that are constrained by the City's intent to be used for specific purposes, but are neither restricted nor committed, should be reported as assigned fund balance. Pursuant to the City's fund balance policy established by the City Council on June 22, 2011 by resolution, (#2011-041), the City Council has delegated the authority to assign amounts to be used for specific purposes to the City Manager or Finance Director for the purpose of reporting these amounts on the annual financial statements.

Included in the Fund Balance Policy is the 18 percent Stabilization Plan. This is the goal of City Council to achieve a minimum of 18 percent of annual General Fund appropriations, as assigned fund balance in the General Fund. Based on the current year General Fund appropriations, the amount assigned to the 18 percent stabilization plan will either increase or decrease accordingly. This assigned balance is intended to be used for specific and defined emergency services and to minimize the potential for disruption of municipal services to its citizens. However, included as part of the General Fund balancing strategies for fiscal year 2021-22 is the reduction of the General Fund stabilization assignment from 18 percent to 15 percent. As of June 30, 2021, the City's General Fund has an assigned fund balance for the stability arrangement of \$99.2 million, which achieves the goal of 15 percent of the General Fund adopted budget for fiscal year 2021-22.

City of Ontario
Notes to Basic Financial Statements
For the Year Ended June 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

H. Net Position and Fund Balances, Continued

In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. The City consider restricted fund balance to have been spent first when expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. Similarly, when expenditure is incurred for purposes for which amounts in any of the unrestricted classifications of fund balance could be used, the City considers committed amounts to be reduced first, followed by assigned amounts and then unassigned amounts.

I. Compensated Absences

It is the government's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the City does not have a policy to pay any amounts when employees separate from service with the government. City employees receive from 10 to 25 days' vacation each year, depending on the length of service. All vacation pay is accrued when incurred in the government-wide financial statements and in the proprietary funds financial statements.

J. Long-Term Obligations

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

Bonds payable are reported net of the applicable bond premium or discount. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenses when incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

K. Pension

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

City of Ontario
Notes to Basic Financial Statements
For the Year Ended June 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

L. Other Post Employment Benefits (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the City's OPEB Plan and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

M. Use of Estimates

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

N. New Pronouncements

In 2021, the City adopted new accounting standards in order to conform to the following Governmental Accounting Standards Board Statements:

- GASB Statement No. 84, *Fiduciary Activities* - The objective of this statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom the fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The City restated the beginning balances of its custodial funds as part of the implementation of this statement.
- GASB Statement No. 90 - *Majority Equity Interests* - The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legal separate organization should be reported as an investment if a government's holding of the equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value. The requirements of this Statement did not apply to the City for the current fiscal year.

City of Ontario
Notes to Basic Financial Statements
For the Year Ended June 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

N. New Pronouncements, Continued

- GASB Statement No. 93 - *Interbank Offered Rates (except LIBOR removal and lease modifications)* - The objective of this Statement is to address those and other accounting and financial reporting implications that result from the replacement of an interbank offered rate. The requirements of this Statement did not apply to the City for the current fiscal year.
- GASB Statement No. 98 - *The Annual Comprehensive Financial Report* - The objective of this Statement is to address references in authoritative literature to the term comprehensive annual financial report. The City implemented this Statement by referring to the report as an Annual Comprehensive Financial Report and using the ACFR acronym.

2. CASH AND INVESTMENTS

The following is a summary of the cash and investments at June 30, 2021:

	Government-Wide Statement of Net Position			
	Governmental Activities	Business-Type Activities	Fiduciary Funds	Total
Cash and investments	\$ 449,121,864	\$ 161,330,389	\$ 48,728,395	\$ 659,180,648
Restricted cash and investments	57,923,749	3,432,814	20,243,454	81,600,017
Total cash and investments	<u>\$ 507,045,613</u>	<u>\$ 164,763,203</u>	<u>\$ 68,971,849</u>	<u>\$ 740,780,665</u>

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

City of Ontario
Notes to Basic Financial Statements
For the Year Ended June 30, 2021

2. CASH AND INVESTMENTS, Continued

A. Summary of Cash and Investments

Cash and investments at June 30, 2021 consist of the following:

Cash on hand	\$ 5,560
Deposits with financial institutions	27,080,517
Total cash on hand and deposits	27,086,077
Investments:	
U.S. Treasury securities	420,132,543
Federal government agency	71,316,241
Medium-term corporate notes	58,857,933
Asset-backed securities	9,230,332
Local Agency Investment Fund (LAIF)	72,557,522
Total investments	632,094,571
Total City Treasury	659,180,648
Investments with fiscal agent:	
Money market funds	81,600,017
Total cash and investments	\$ 740,780,665

B. Deposits

The carrying amount of the City's cash deposit was \$27,080,517 as of June 30, 2021. Bank balances before reconciling items were a positive amount of \$28,048,214 at June 30, 2021. The City's cash deposit was fully insured up to \$250,000 by the Federal Deposit Insurance Commission. The remaining amount was collateralized with securities held by the pledging financial institutions in the City's name.

The California Government Code (Code) Section 53652 requires California banks and savings and loan associations to secure the City's cash deposits by pledging securities as collateral. The Code states that collateral pledged in this manner shall have the effect of perfecting a security interest in such collateral superior to those of a general creditor. Thus, collateral for cash deposits is considered to be held in the City's name.

Fair value of pledged securities must equal at least 110% of the City's cash deposits. California law also allows institutions to secure deposits by pledging first trust deed mortgage notes having a value of 150% of the City's total cash deposits.

City of Ontario
Notes to Basic Financial Statements
For the Year Ended June 30, 2021

2. CASH AND INVESTMENTS, Continued

C. Investments Authorized by the Code and the City's Investment Policy

Under the City's investment policy, and in accordance with the Code, the following investments are authorized at June 30, 2021:

- United States Treasury Bills, Notes, and Bonds. There is no limitation as to the percentage of the fund, which can be invested in this category.
- Obligations—including U.S. Government Agency Mortgage pass-through securities— issued by various agencies of the Federal Government. There is no percentage limitation on the dollar amount which can be invested in Agency issues in total, no more than 20% of the cost value of the portfolio may be invested in the securities of any one issuer.
- Bills of exchange or time drafts drawn on and accepted by a commercial bank, commonly known as banker's acceptances. Banker's acceptances may not exceed 180 days to maturity. To be eligible for purchase, banker's acceptances must have short-term debt obligations rated "A-1" or its equivalent or better by at least one NRSRO; or long-term debt obligations which are rated in a rating category of "A" or its equivalent or better by at least one NRSRO. No more than 40% of the cost value of the portfolio may be invested in banker's acceptances and no more than 5% of the cost value of the portfolio may be invested in banker's acceptances of any single bank.
- Commercial paper rated "A-1" or its equivalent by at least two NRSROs and issued by a domestic corporation having assets in excess of \$500 million and having at least an "A" or its equivalent rating on its long-term debentures as provided by a NRSRO. Purchases of eligible commercial paper may not exceed 270 days maturity nor represent more than 10% of the outstanding paper on an issuing corporation. Purchases of commercial paper may not exceed 15% of the portfolio, which may be invested pursuant to this section. An additional 15% or a total of 30% of the City's money may be invested pursuant to this subdivision. The additional 15% may be so invested only if the dollar weighted average maturity of the entire amount does not exceed 31 days.
- Negotiable certificates of deposit issued by a nationally or State chartered bank or a State or Federal savings institution, or a State licensed branch of a foreign bank ("Yankee"). Purchases of negotiable certificates of deposit may not exceed 30% of the cost value of the portfolio. To be eligible for purchase by the City, the certificate of deposit must be rated "A-1" or its equivalent by at least two NRSROs.
- Repurchase Agreements - The City may invest in repurchase agreements with primary dealers of the Federal Reserve Bank of New York with which the City has entered into a master repurchase agreement. The Public Securities Association master repurchase agreement is the "master repurchase agreement". The maturity of repurchase agreements shall not exceed one year. The market value of securities used as collateral for repurchase agreements shall be valued at no less than 102% of the value of the repurchase agreement. Investments in repurchase agreements may not exceed 20% of the cost value of the fund.
- Local Agency Investment Fund of the State of California
- Time Deposits - No more than 25% of the fund may be invested in this category.

City of Ontario
Notes to Basic Financial Statements
For the Year Ended June 30, 2021

2. CASH AND INVESTMENTS, Continued

C. Investments Authorized by the Code and the City's Investment Policy, Continued

- Medium-term notes of a maximum of five years maturity issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any State and operating within the United States. The issuing corporation must have a minimum rating of "A" or its equivalent by at least two NRSROs and have in excess of \$500 million in shareholder equity. Purchase of medium-term notes may not exceed 30% of the cost value of the fund with no more than 15% of the cost value of the fund rated below "AA" or its equivalent by at least two NRSROs. No more than 5% of the fund (at time of purchase) may be invested in any one corporate name, including the parent corporation or subsidiaries.
- Any collateralized mortgage obligations, mortgage-backed or other pay-through bond, equipment lease-backed certificate, or consumer receivable-backed bond. Securities eligible for investment under this section shall be rated in a rating category of "AA" by a nationally recognized statistical rating organization and have a maximum remaining maturity of 5 years or less. Investment in this type of securities may not exceed 20% of the cost value of the fund.
- Bonds, notes, warrants or other evidences of indebtedness of any local agency of this state.
- Registered state warrants or treasury notes or bonds of this state.
- United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank, with a maximum remaining maturity of five years or less, and eligible for purchase and sale within the United States. Investments under this subdivision shall be rated "AA" or better by an NRSRO and shall not exceed 10 percent of the City's moneys that may be invested pursuant to this section.
- Mutual Funds and Money Market Mutual Funds that are registered with the Securities and Exchange Commission under the Investment Company Act of 1940, provided that:
 - Mutual Funds that invest in the securities and obligations as authorized under California Government Code, Section 53601 (a) to (k) and (m) to (q) inclusive and that meet either of the following criteria:
 - Attained the highest ranking or the highest letter and numerical rating provided by not less than two (2) NRSROs; or
 - Have retained an investment adviser registered or exempt from registration with the Securities and Exchange Commission with not less than five years' experience investing in the securities and obligations authorized by California Government Code, Section 53601 and with assets under management in excess of \$500 million.
 - No more than 10% of the total portfolio may be invested in shares of any one mutual fund.
 - Money Market Mutual Funds registered with the Securities and Exchange Commission under the Investment Company Act of 1940 and issued by diversified management companies and meet either of the following criteria:
 - Have attained the highest ranking or the highest letter and numerical rating provided by not less than two (2) NRSROs; or

City of Ontario
Notes to Basic Financial Statements
For the Year Ended June 30, 2021

2. CASH AND INVESTMENTS, Continued

C. Investments Authorized by the Code and the City's Investment Policy, Continued

- Have retained an investment adviser registered or exempt from registration with the Securities and Exchange Commission with not less than five years' experience managing money market mutual funds with assets under management in excess of \$500 million.
- No more than 20% of the total portfolio may be invested in the shares of any one Money Market Mutual Fund.
- No more than 20% of the total portfolio may be invested in these securities.

The City's portfolio value fluctuates in an inverse relationship to any change in interest rate. Accordingly, if interest rates rise, the portfolio value will decline. If interest rates fall, the portfolio value will rise. The portfolio for year-end reporting purposes is treated as if it were all sold. Therefore, fund balance must reflect the portfolio's change in value. These portfolio value changes are unrealized unless sold.

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by Code Section 16429 under the oversight of the Treasurer of the State of California. The City's investments with LAIF at June 30, 2021 include a portion of the pool funds invested in Structured Notes and Asset-Backed Securities. These investments included the following:

Structured Notes are debt securities (other than asset-backed securities) whose cash flow characteristics (coupon rate, redemption amount, or stated maturity) depend upon one or more indices and/or have embedded forwards or options.

Asset-Backed Securities, the bulk of which are mortgage backed securities, entitle their purchasers to receive a share of the cash flows from a pool of assets such as principal and interest repayments from a pool of mortgages (such as collateralized mortgage obligations) or credit card receivables.

At June 30, 2021, the City had \$72,557,522 invested in LAIF, which had invested 2.31% of the pool investment funds in Structured Notes and Asset-Backed Securities as compared to 3.37% in the previous year. The LAIF fair value factor of 1.00008297 was used to calculate the fair value of the investments in LAIF.

City of Ontario
Notes to Basic Financial Statements
For the Year Ended June 30, 2021

2. CASH AND INVESTMENTS, Continued

D. Investments Authorized by Debt Agreements

The above investments do not address investment in debt proceeds held by a bond trustee. Investments of debt proceeds held by a bond trustee are governed by provisions of debt agreements, rather than the general provisions of the Code or the City's investment policy.

E. Interest Rate Risk

The City's investment policy limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The City's investment policy states that weighted average of the City's portfolio will be limited to two and a half years. The only exception to these maturity limits shall be the investment of the gross proceeds of tax-exempt bonds. The City has elected to use the segmented time distribution method of disclosure for its interest rate risk.

At June 30, 2021, the City had the following investments and original maturities:

Investment Type	Remaining Investment Maturities			Total
	6 months to 1 year	1 to 3 years	3 to 5 years	
<i>Investments:</i>				
U.S. Treasury	\$ 205,637,268	\$ 214,495,275	\$ -	\$ 420,132,543
Federal Government Agency	-	14,095,881	57,220,360	71,316,241
Medium-Term Corporate Notes	5,028,950	30,717,050	23,111,933	58,857,933
Asset-Backed Securities	-	9,230,332	-	9,230,332
Local Agency Investment Fund	72,557,522	-	-	72,557,522
Subtotal	283,223,740	268,538,538	80,332,293	632,094,571
<i>Investments with fiscal agents:</i>				
Money Market Funds	81,600,017	-	-	81,600,017
Total	\$ 364,823,757	\$ 268,538,538	\$ 80,332,293	\$ 713,694,588

City of Ontario
Notes to Basic Financial Statements
For the Year Ended June 30, 2021

2. CASH AND INVESTMENTS, Continued

F. Credit Risk

The City's investment in medium-term notes consisted of investments with various corporations and were rated "Baa2" to "Aa2" by Moody's and "BBB+" to "AA-" by Standard & Poor's. Investment in government agencies issued by the Federal National Mortgage Association, the Federal Home Loan Banks, and the Federal Home Loan Mortgage Corporation were rated "Aaa" by Moody's and "AA+" by Standard & Poor's. Asset-Backed Securities were rated "Aaa" by Moody's and "AAA" by Standard & Poor's.

All securities were investment grade and were legal under State and City law. Investments in U.S. Treasury securities are not considered to have credit risk; therefore, their credit quality is not disclosed. As of June 30, 2021, the City's investments in external investment pools and money market mutual funds are unrated

G. Custodial Credit Risk

The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. At June 30, 2021, none of the City's deposits or investments were subject to custodial credit risk.

H. Concentration of Credit Risk

The City is in compliance with restrictions imposed by its investment policy, which limits certain types of investments. In accordance with the disclosure requirement of GASB Statement No. 40, if the City has invested more than 5% of its investment in any one issuer, it is exposed to credit risk. Investments guaranteed by the U.S. government and investments in mutual funds and external investment pools are excluded from this requirement. During the fiscal year ending June 30, 2021, the City did not hold any investments in any one issuer (other than mutual funds and external investment pools) that represents 5% or more of total City investments.

City of Ontario
Notes to Basic Financial Statements
For the Year Ended June 30, 2021

2. CASH AND INVESTMENTS, Continued

I. Fair Value Hierarchy

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure fair value of the assets. Level 1 inputs are quoted prices in an active market for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

The following is a summary of the fair value hierarchy of the fair value of the City's investments as of June 30, 2021:

Investment Type	Fair Value Measurement Using			Total Fair Value
	Level 1	Level 2	Level 3	
U.S. Treasury Securities	\$ -	\$ 420,132,543	\$ -	\$ 420,132,543
Federal Government Agency	-	71,316,241	-	71,316,241
Medium-Term Corporate Notes	-	58,857,933	-	58,857,933
Asset-Backed Securities	-	9,230,332	-	9,230,332
Total investments subject to fair value	\$ -	\$ 559,537,049	\$ -	559,537,049
<i>Investments Measured at Amortized Cost</i>				
Investments held by fiscal agents:				
Money Market Mutual Funds				81,600,017
<i>Investments not subject to levelling:</i>				
Local Agency Investment Funds (LAIF)				72,557,522
Total Investments				<u>\$ 713,694,588</u>

City of Ontario
Notes to Basic Financial Statements
For the Year Ended June 30, 2021

3. INTERFUND ACTIVITIES

A. Due To/From Other Funds

At June 30, 2021, the City's due to/from other fund balances comprised of the following:

Due to Other Funds	Due from Other Funds	
	General Fund	Total
Nonmajor Governmental Funds	\$ 807,791	\$ 807,791
Internal Service Funds	1,494	1,494
Total	\$ 809,285	\$ 809,285

The interfund balances at June 30, 2021 were the results of routine interfund transactions not cleared prior to the end of the fiscal year.

B. Advances To/From Other Funds

At June 30, 2021, the City's advances to/from other fund balances comprised of the following:

Advances from Other Funds	Advances to Other Funds						Total
	General Fund	Nonmajor Governmental Funds	Water	Sewer	Integrated Waste	Internal Service Funds	
Ontario Housing Authority	\$ -	\$ 5,961,399	\$ -	\$ -	\$ -	\$ -	\$ 5,961,399
Internal Service Funds	56,120,738	-	22,060,290	10,415,232	11,322,395	28,537,081	128,455,736
Total	\$56,120,738	\$ 5,961,399	\$22,060,290	\$10,415,232	\$11,322,395	\$28,537,081	\$134,417,135

During prior years, the Community Development Fund, included in nonmajor governmental funds, loaned \$5,961,399 to the Ontario Housing Authority for the acquisition, relocation, and rehabilitation of various properties. In fiscal year 2019-2020, the City Council authorized an internal financing of \$102,069,692 to pay down 100% of the City's June 30, 2018 unfunded liability for the Miscellaneous Plan within the California Public Employees' Retirement System (CalPERS). This internal loan bears interest ranging between 1% and 2% with principal and interest payable annually over 25 years beginning fiscal year 2020-2021.

City of Ontario
Notes to Basic Financial Statements
For the Year Ended June 30, 2021

3. INTERFUND ACTIVITIES, Continued

C. Transfers In/Out

For the year ended June 30, 2021, the City's transfers in/out comprised of the following:

Transfers Out	Transfers In						Total
	General Fund	Measure I	Capital Projects	Impact Fees	Nonmajor Governmental Funds	Internal Service Funds	
General Fund	\$ -	\$ -	\$ 1,993,913	\$ -	\$ 1,280,645	\$ 11,865,994	\$ 15,140,552
Capital Projects	-	-	-	-	16,010,135	9,005,615	25,015,750
Nonmajor Governmental Funds	13,474,393	119,241	339,116	625,000	2,706,392	235,960	17,500,102
Water	-	-	-	-	-	159,635	159,635
Sewer	-	-	-	1,007,495	-	72,600	1,080,095
Integrated Waste	-	-	-	-	-	177,756	177,756
Nonmajor Enterprise Fund	-	-	-	-	3,640,975	-	3,640,975
Internal Service Funds	-	-	8,000,000	-	-	35,163,140	43,163,140
Total	\$ 13,474,393	\$ 119,241	\$ 10,333,029	\$ 1,632,495	\$ 23,638,147	\$ 56,680,700	\$ 105,878,005

General Fund decreased due to changing of accounting practice of charging other fund types for governmental services. Previously Transfer In / Out was used, effective 7/1/2020 Cost Allocation Revenue is used in General Fund and Cost Allocation Charges are used by other funds. This change resulted in a reduction in General Fund of approximately \$9.9 million. In addition, General Fund transferred \$1,993,913 to the Capital Projects Fund to fund various public facility improvements projects as well as \$4,416,525 to the OPEB Fund to fund the annual required contribution.

Nonmajor Governmental Funds increased by \$19,651,110 due to reclassify two funds: Affordability In Lieu Fund from Capital Projects Fund \$16,010,135 and IT Fiber Fund from Nonmajor Enterprise Fund for \$3,640,975.

4. NOTES AND LOANS RECEIVABLE

The City's loans receivable were comprised of the following at June 30, 2021:

	Balance at June 30, 2021
General Fund	\$ 63,000
Ontario Housing Authority	32,517,635
Nonmajor Governmental Funds	10,580,418
Total notes and loans receivable	<u>\$ 43,161,053</u>

The City provides loans to City police officers to assist them in acquiring personal residence within the City or reducing an existing loan on an officer's residence within the City. The loans are non-interest bearing until maturity, and thereafter interest shall be 7% per annum. The outstanding balance at June 30, 2021, was \$38,000.

City of Ontario
Notes to Basic Financial Statements
For the Year Ended June 30, 2021

4. NOTES AND LOANS RECEIVABLE, Continued

In order to assist those individuals and families who are the most in need, the former Ontario Redevelopment Agency's Combined Low and Moderate Housing Fund provided down payment assistance and deferred repayment loans to low and moderate income residents for the acquisition and rehabilitation of single-family homes, condominiums or townhouses located within the Ontario HUD Revitalization Target Area. Upon dissolution of the Ontario Redevelopment Agency, the note receivable was transferred to the Ontario Housing Authority. The receivable balance at June 30, 2021, was \$2,293,507.

On June 7, 1994, the former Ontario Redevelopment Agency's Combined Low and Moderate Housing Fund loaned \$43,000 to a developer to finance the purchase of low and moderate income property located outside of redevelopment project areas. The note is non-interest bearing and was due in full on March 7, 1995. A new note was negotiated on November 11, 1996 and will mature on October 31, 2026. Upon dissolution of the Ontario Redevelopment Agency, the note receivable was transferred to the Ontario Housing Authority. The receivable balance at June 30, 2021, was \$43,000.

On June 7, 1994, the former Ontario Redevelopment Agency's Combined Low and Moderate Housing Fund loaned \$39,000 to a developer to finance the purchase of low and moderate income property located outside of redevelopment project areas. The note is non-interest bearing and was due in full on March 7, 1995. A new note was negotiated on November 8, 1996 and will mature on October 31, 2026. Upon dissolution of the Ontario Redevelopment Agency, the note receivable was transferred to the Ontario Housing Authority. The receivable balance at June 30, 2021, was \$39,000.

On March 16, 1993, the former Ontario Redevelopment Agency accepted a note receivable of \$112,000 from a developer as consideration for housing located outside of the redevelopment areas. The note is noninterest bearing and is due and payable upon the sale or transfer of property. Upon dissolution of the Ontario Redevelopment Agency, the note receivable was transferred to the Ontario Housing Authority. The unpaid principal balance at June 30, 2021, was \$77,000.

On October 4, 1994, the former Redevelopment Agency loaned a developer, Cichon, \$135,030 to finance the cost of rehabilitation and construction of a low and moderate income residence located in the Center City Project Area. On December 5, 1995, the Agency loaned an additional \$4,647, bringing the total amount to \$139,677. During the fiscal year ended June 30, 2000, the Agency advanced an additional \$254. The note is a 25-year amortized loan and bears interest at 5% annually. Upon dissolution of the Ontario Redevelopment Agency, the note receivable was transferred to the Ontario Housing Authority. The receivable balance at June 30, 2021, was \$0.

On May 29, 1997, the former Ontario Redevelopment Agency agreed to loan up to \$2,656,200 to Ontario Housing Investors, L.P. to finance development of residential improvements to the Ground Lease premises as defined in a disposition and development agreement dated March 19, 1996. The note bears interest at the rate of 3% per annum. The note is due and payable either: (a) on the first day of the first full calendar month following the date of the last disbursement of the agency loan proceeds, or (b) on the first day of the 15th full calendar month following the date of recordation of the Agency Loan Deed and Trust in the Official Records of the County. Upon dissolution of the Ontario Redevelopment Agency, the note receivable was transferred to the Ontario Housing Authority. The receivable balance at June 30, 2021, was \$4,632,542.

City of Ontario
Notes to Basic Financial Statements
For the Year Ended June 30, 2021

4. NOTES AND LOANS RECEIVABLE, Continued

On September 11, 2003, the former Ontario Redevelopment Agency and Ontario Housing Investors entered into a Residual Receipts promissory note in the amount of \$487,408. The loan bears interest of 7% per annum and requires principal and interest payments from residual receipts. On May 1, 2007, the Authority agreed to provide a gap loan in the amount of \$168,469. The loan has a 40-year term and a 6% simple interest per annum. The receivable balance at June 30, 2021, was \$1,107,319.

On February 15, 2005, the City Council approved the Ontario OPEN (Ownership Program Enhancing Neighborhoods) House Program to assist low-income first-time homebuyers. This program was funded with American Dream Down Payment Initiative (ADDI) funds from HUD. As of June 30, 2021, 4 households have been assisted with these funds. The receivable at June 30, 2021, was \$28,740.

Pursuant to the disposition and development agreement dated August 12, 2003, between the Ontario Housing Authority and the Ontario Senior Housing, Inc., the Authority accepted a promissory note for the principal amount of \$950,000. This promissory note bears a rate of 0% per annum and is secured by a deed of trust. The receivable balance at June 30, 2021, was \$922,636.

The City uses Community Development Block Grant (CDBG) and HOME funds in a custodial capacity to provide housing rehabilitation loans and grants to eligible applicants. The City makes deferred loans to low and moderate income families based on income and residency guidelines. These loans have been secured by a note and deed of trust. The deferred loan is due and payable when the title of the property changes. The balance at June 30, 2021, was \$2,693,361.

Pursuant to the disposition and development agreement between the Ontario Housing Authority and D Street Senior Housing, Inc., the Authority approved a gap loan in the amount of \$1,276,909 to provide new housing development opportunities to address regional needs. The Agency gap loan is a zero percent residual receipts note that will be paid from available cash flow over the term of the affordable covenant period of the project. The receivable balance at June 30, 2021, was \$1,200,909.

Pursuant to the disposition and development agreement between the Ontario Housing Authority and Ontario Senior Housing Partners, LP, the Authority approved a gap loan in the amount of \$5,155,500 to provide new housing development opportunities to address regional needs. The Authority's gap loan will have a 55-year term with an interest rate of 1% simple interest. The loan will be paid back utilizing 85% of the residual cash flow. Any remaining balance at the end of the 55-year term is due and payable. The receivable balance at June 30, 2021, was \$5,399,422.

The Ontario Housing Authority was approved a maximum of \$1,590,300 BEGIN (Building Equity and Growth In Neighborhoods) funds provided by the California Department of Housing and Community Development. BEGIN funds are used for down payment assistance loans to moderate households in the form of a deferred payment loan with a 30-year term and a 3% deferred simple interest per annum, the receivable balance at June 30, 2021, was \$270,131.

City of Ontario
Notes to Basic Financial Statements
For the Year Ended June 30, 2021

4. NOTES AND LOANS RECEIVABLE, Continued

On February 21, 2014, the Ontario Housing Authority entered into a HOME loan agreement with Mercy House Living Centers. The loan was made in the amount of \$1,000,000 to be used to finance the purchase price of property and up to \$523,858 in rehabilitation costs. The rehabilitation costs balance of \$523,858 was placed in a bank account where Mercy House is allowed to draw monies, as needed, to rehabilitate the property. As these monies are drawn from the bank, the amount is added to the loans receivable balance. The receivable balance at June 30, 2021, was \$1,523,858.

On January 22, 2018, the Ontario Housing Authority entered into a HOME loan agreement with Mercy House CHDO, Inc. in the amount of \$1,145,000 to finance the acquisition, rehabilitation and operation of a multi-family property located at 411 North Parkside Avenue. The loan is an interest-free residual receipts note with a 30-year term. The receivable balance at June 30, 2021, was \$1,145,000.

The Ontario Housing Authority entered into two CalHome Mortgage Assistance Program totaling \$108,200 to assist in the purchase of single family residences. The loans have simple interest at the rate of 1% with repayment occurring either 30 years from the date of recordation, upon sale or transfer of the property, or if they fail to occupy the home as a primary residence. The receivable balance at June 30, 2021, was \$121,998.

On November 15, 2018, pursuant to the disposition and development agreement between the Ontario Housing Authority and Ontario Emporia Housing Partners, L.P., the Authority approved a gap loan in the amount of \$15,700,000 for the development of a 75-unit affordable housing development. The Authority's gap loan is a residual receipt note that will be paid back over a 65-year term. The land purchase price of the loan is \$3,400,000 with a 20-year term and a 3.31% interest rate. The remaining portion of the loan, \$12,300,000, bears a rate of 0% per annum. At June 30, 2021 the outstanding principal balance was \$15,995,418.

Pursuant to the disposition and development agreement between the Ontario Housing Authority and the National Community Renaissance of California, the Authority approved a gap loan in the amount of \$2,000,000 to finance the cash portion of the purchase price and other project costs that will provide affordable multifamily rental housing. The loan is due and payable on the 55th anniversary of the Recordation Date bearing a simple interest rate of 3.00% per annum. At June 30, 2021 the outstanding principal balance was \$2,000,000 with accrued interest of \$10,000, totaling \$4,701,532.

Notes and leases receivable in the Redevelopment Financing Authority agency fund in the amount of \$90,940,448 represents receivable made to the City and the Former Redevelopment Agency from the proceeds of debt issued to reduce local borrowing costs and promote greater use of existing and new financial instruments.

Notes and leases receivable in the Ontario Public Financing Authority agency fund in the amount of \$124,890,000 represents receivable made to the City from the proceeds of debt issued to reduce local borrowing costs and promote greater use of existing and new financial instruments.

City of Ontario
Notes to Basic Financial Statements
For the Year Ended June 30, 2021

5. CAPITAL ASSETS

In accordance with GASB Statement No. 34, the City has reported all capital assets including infrastructure in the government-wide financial statements. The City elected to use the “modified approach” for its infrastructure street pavement system as defined by GASB Statement No. 34. As a result, no accumulated depreciation or depreciation expense has been recorded for this system. A more detailed discussion of the “modified approach” is presented in the Required Supplementary Information section of this report. All other capital assets including other infrastructure systems were reported using the basic approach, whereby accumulated depreciation and depreciation expense has been recorded.

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

	Balance at July 1, 2020	Adjustment	Restated balance at July 1, 2020	Additions	Retirements	Transfers	Balance at June 30, 2021
<i>Governmental Activities</i>							
Capital assets not being depreciated:							
Land	\$ 124,666,776	\$ -	\$ 124,666,776	\$ -	\$ -	\$ -	\$ 124,666,776
Infrastructure - payment system	307,599,489	239,130,360	546,729,849	5,347,658	-	-	552,077,507
Construction in progress	62,042,776	-	62,042,776	66,791,426	(7,896,310)	2,842,611	123,780,503
Total capital assets not being depreciated	494,309,041	239,130,360	733,439,401	72,139,084	(7,896,310)	2,842,611	800,524,786
Capital assets being depreciated:							
Infrastructure - other systems	394,541,262	(239,074,623)	155,466,639	1,995,101	-	18,549,026	176,010,766
Structures and improvements	440,969,255	(75,658,160)	365,311,095	1,627,578	-	-	366,938,673
Furniture and equipment	42,081,970	75,602,423	117,684,393	8,810,196	(1,569,594)	716,742	125,641,737
Total capital assets being depreciated	877,592,487	(239,130,360)	638,462,127	12,432,875	(1,569,594)	19,265,768	668,591,176
Less accumulated depreciation for:							
Infrastructure - other systems	(96,685,607)	42,354,109	(54,331,498)	(3,882,018)	-	(2,288,449)	(60,501,965)
Structures and improvements	(162,535,102)	2,055,182	(160,479,920)	(9,958,431)	-	-	(170,438,351)
Furniture and equipment	(28,319,994)	(44,409,291)	(72,729,285)	(9,727,472)	1,569,594	(261,705)	(81,148,868)
Total accumulated depreciation	(287,540,703)	-	(287,540,703)	(23,567,921)	1,569,594	(2,550,154)	(312,089,184)
Capital asset being depreciated, net	590,051,784	(239,130,360)	350,921,424	(11,135,046)	-	16,715,614	356,501,992
Governmental activity capital assets, net	\$ 1,084,360,825	\$ -	\$ 1,084,360,825	\$61,004,038	\$ (7,896,310)	\$19,558,225	\$ 1,157,026,778

Depreciation expense on governmental activities capital assets was charged to programs/functions of the primary government as follows:

Governmental Activities	
General government	\$ 433,181
Public safety	4,009,441
Community development	7,648,674
Public works	3,117,097
Equipment services	6,255,537
Information technology	1,349,554
I.T. fiber	754,437
Total Governmental Activities	\$ 23,567,921

City of Ontario
Notes to Basic Financial Statements
For the Year Ended June 30, 2021

5. CAPITAL ASSETS, Continued

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

	Balance at July 1, 2020	Additions	Retirements	Transfers	Balance at June 30, 2021
<i>Business-Type Activities</i>					
Capital assets not being depreciated:					
Land	\$ 16,154,603	\$ -	\$ -	\$ -	\$ 16,154,603
Construction in progress	68,947,048	5,677,744	(12,945,832)	(3,750,288)	57,928,672
Total capital assets not being depreciated	85,101,651	5,677,744	(12,945,832)	(3,750,288)	74,083,275
Capital assets being depreciated:					
Structures and improvements	11,049,289	-	-	-	11,049,289
Furniture and equipment	3,925,896	1,326,693	-	(716,742)	4,535,847
Infrastructure	271,565,024	12,016,254	-	(17,641,348)	265,939,930
Total capital assets being depreciated	286,540,209	13,342,947	-	(18,358,090)	281,525,066
Less accumulated depreciation for:					
Structures and improvements	(3,651,891)	(5,562,577)	-	-	(9,214,468)
Furniture and equipment	(2,328,244)	(180,132)	-	261,705	(2,246,671)
Infrastructure	(116,774,175)	(399,118)	-	2,288,449	(114,884,844)
Total accumulated depreciation	(122,754,310)	(6,141,827)	-	2,550,154	(126,345,983)
Capital asset being depreciated, net	163,785,899	7,201,120	-	(15,807,936)	155,179,083
Governmental activity capital assets, net	\$ 248,887,550	\$ 12,878,864	\$ (12,945,832)	\$ (19,558,224)	\$ 229,262,358

Depreciation expense on business-type activities capital assets was charged to programs/functions of the primary government as follows:

Business-Type Activities	
Water	\$ 4,823,822
Sewer	1,163,938
Integrated Waste	154,067
Total Business-Type Activities	<u>\$ 6,141,827</u>

City of Ontario
Notes to Basic Financial Statements
For the Year Ended June 30, 2021

6. COMPENSATED ABSENCES

As described in Note 1, it is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. All vacation pay is accrued when incurred in the government-wide financial statements and in the proprietary fund financial statements. For the governmental activities, the liability will be paid in future years by the General Fund and for business-type activities by the Proprietary Funds. The following is a summary of changes in compensated absences for the year ended June 30, 2021:

	Balance July 1, 2020	Additions	Deletions	Balance June 30, 2021	Due Within One Year
Governmental Activities:					
Compensated absences payable	\$ 18,043,894	\$ 439,548	\$ (2,191,452)	\$ 16,291,990	\$ 3,037,779
Business-Type Activities:					
Compensated absences payable	1,494,349	331,507	(186,595)	1,639,261	1,255,900
	<u>\$ 19,538,243</u>	<u>\$ 771,055</u>	<u>\$ (2,378,047)</u>	<u>\$ 17,931,251</u>	<u>\$ 4,293,679</u>

7. LONG-TERM DEBT

A. Governmental Activities

The following is a summary of changes in governmental activities long-term debt for the year ended June 30, 2021:

	Balance July 1, 2020	Additions	Deletions	Balance June 30, 2021	Due Within One Year
Public offerings:					
Revenue bonds	\$ 58,985,000	\$ -	\$ 1,120,000	\$ 57,865,000	\$ 1,190,000
Pension obligation bonds	236,585,000	-	3,370,000	233,215,000	4,360,000
Direct borrowings:					
Loans payable	126,566	-	-	126,566	12,000
Installment sale	23,780,842	-	4,598,104	19,182,738	4,675,812
Loan Payable - Climatec	-	31,085,000	538,577	30,546,423	1,232,392
Loan Payable	-	2,898,220	-	2,898,220	308,629
Advances from the Successor Agency	1,600,000	-	-	1,600,000	-
Total	<u>\$ 321,077,408</u>	<u>\$ 33,983,220</u>	<u>\$ 9,626,681</u>	<u>\$ 345,433,947</u>	<u>\$ 11,778,833</u>
Unamortized bond discount				(229,344)	
Unamortized bond premium				2,862,882	
				<u>\$ 348,067,485</u>	

There are a number of limitations and restrictions contained in the various bond indentures. The City is in compliance with all significant limitations and restrictions.

City of Ontario
Notes to Basic Financial Statements
For the Year Ended June 30, 2021

7. LONG-TERM DEBT, Continued

A. Governmental Activities, Continued

2013 Lease Revenue Bonds

In August 2013, the Ontario Public Financing Authority issued revenue bonds in the amount of \$33,390,000 to finance construction of City public facilities. The bonds dated August 20, 2013, and issued at a discount of \$380,848 mature in 2043, and are payable semiannually on April 1 and October 1 of each year, commencing April 2014, from base rental payments to be made by the City for the right to the use certain real property and improvements of the City pursuant to a Lease Agreement, dated September 1, 2013. The balance at June 30, 2021, including the unamortized bond discount of \$0 amounted to \$32,285,000.

The annual requirements to amortize the outstanding bond indebtedness as of June 30, 2021, including interest are as follows:

For the Years Ending June 30,	2013 Lease Revenue Bonds		
	Principal	Interest	Total
2022	\$ 630,000	\$ 1,605,419	\$ 2,235,419
2023	690,000	1,581,381	2,271,381
2024	750,000	1,552,581	2,302,581
2025	815,000	1,521,281	2,336,281
2026	885,000	1,486,728	2,371,728
2027-2031	5,505,000	6,747,453	12,252,453
2032-2036	7,105,000	5,196,213	12,301,213
2037-2041	9,150,000	3,091,450	12,241,450
2042-2045	6,755,000	557,253	7,312,253
Total	<u>\$ 32,285,000</u>	<u>\$ 23,339,759</u>	<u>\$ 55,624,759</u>

The outstanding bonds contain a provision that if any event of default should occur, the Trustee, as assignee of the Authority under the Lease Agreement, may terminate the Lease Agreement and recover certain damages from the City, or may retain the Lease Agreement and hold the City liable for all base rental payments thereunder on an annual basis.

City of Ontario
Notes to Basic Financial Statements
For the Year Ended June 30, 2021

7. LONG-TERM DEBT, Continued

A. Governmental Activities, Continued

2017 Lease Revenue Refunding Bonds

In July 2017, the Ontario Public Financing Authority issued lease revenue bonds in the amount of \$26,810,000 to provide funds to refinance the City's remaining lease payment obligations under the City's 2001 Lease Revenue Bonds and to fully refund the 2007 Lease Revenue Bonds. The bonds dated July 1, 2018, and issued at a premium of \$3,260,875, are payable semiannually on November 1 and May 1 of each year, commencing May 1, 2019, and mature in 2042. The bonds are payable from base rental payments to be made by the City for the right to the use certain real property and improvements of the City pursuant to a Lease Agreement, dated July 1, 2018. The balance at June 30, 2021, including the unamortized bond premium of \$2,862,882 amounted to \$229,344

The annual requirements to amortize the outstanding bond indebtedness as of June 30, 2021, including interest, are as follows:

For the Years Ending June 30,	2017 Lease Revenue Refunding Bonds		
	Principal	Interest	Total
2022	\$ 560,000	\$ 1,121,331	\$ 1,681,331
2023	585,000	1,095,506	1,680,506
2024	780,000	1,061,381	1,841,381
2025	820,000	1,021,381	1,841,381
2026	865,000	979,256	1,844,256
2027-2031	5,005,000	4,187,031	9,192,031
2032-2036	6,140,000	3,083,653	9,223,653
2037-2041	7,360,000	1,784,631	9,144,631
2042-2046	3,465,000	175,375	3,640,375
Total	\$ 25,580,000	\$ 14,509,545	\$ 40,089,545

The outstanding bonds contain a provision that if any event of default should occur, the Trustee, as assignee of the Authority under the Lease Agreement, may terminate the Lease Agreement and recover certain damages from the City, or may retain the Lease Agreement and hold the City liable for all base rental payments thereunder on an annual basis.

Pension Obligation Bonds

In May 2020, the City of Ontario issued taxable pension obligation bonds in the amount of \$236,585,000 to pay a portion of the City's unfunded pension liability to the California Public Employees' Retirement System ("CalPERS") for the benefit of the City public safety police and fire employees. The bonds are payable semiannually on June 1 and December 1 of each year, commencing June 1, 2020 and maturing in 2050 at an interest rate ranging from 1.971% to 3.379% per annum. The balance at June 30, 2021 amounted to \$233,215,000.

City of Ontario
Notes to Basic Financial Statements
For the Year Ended June 30, 2021

7. LONG-TERM DEBT, Continued

A. Governmental Activities, Continued

The annual requirements to amortize the outstanding bond indebtedness as of June 30, 2021, including interest, are as follows:

For the Years Ending June 30,	2020 Taxable Pension Obligation Bonds		
	Principal	Interest	Total
2022	\$ 4,360,000	\$ 8,196,161	\$ 12,556,161
2023	5,190,000	8,105,865	13,295,865
2024	5,850,000	7,990,855	13,840,855
2025	6,660,000	7,848,290	14,508,290
2026	7,620,000	7,679,326	15,299,326
2027-2031	41,670,000	34,803,936	76,473,936
2032-2036	49,215,000	27,250,137	76,465,137
2037-2041	59,245,000	17,243,481	76,488,481
2042-2046	48,325,000	5,434,890	53,759,890
2047-2051	5,080,000	338,812	5,418,812
Total	\$ 233,215,000	\$ 124,891,753	\$ 358,106,753

Pursuant to the Retirement Law, the City Council is required to make the appropriations to pay the amounts required to be paid by the City, including the portion of the unfunded pension liability. The remedies available to the Trustee and the Owners of the Bonds upon an event of default are dependent upon regulatory and judicial actions. Under existing law and judicial decisions, the remedies provided for under such documents may not be readily available or may be limited. In the case of any bankruptcy proceeding involving the City, the rights of the Owners could be modified at the direction of the court.

Loan Payable

On May 19, 2015, the Ontario Housing Authority (Authority) negotiated the purchase of the Vesta property and assumed a promissory note and deed from Housing Opportunities Group Inc. (HOGI). HOGI entered into a promissory note secured by a subordinated deed of trust with the Inland Fair Housing and Mediation Board (Board) and agreed to assign the Authority such property and promissory note with a balance of \$158,566, effective September 11, 2015. Monthly payments in the amount of \$1,000, shall commence one year after the effective date. The loan is payable within 20 years from the effective date at zero interest. A monthly payment may be deferred by Borrower, upon providing notice to the Lender, should Borrower have insufficient net revenue from operation of the Property for the relevant month, as determined by Borrower in its reasonable discretion. In such case, the subsequent month's payment shall remain One Thousand Dollars (\$1,000), and the payment period shall be extended. No monthly payment was received during fiscal year 2020-2021. The outstanding balance at June 30, 2021 amounted to \$126,566.

City of Ontario
Notes to Basic Financial Statements
For the Year Ended June 30, 2021

7. LONG-TERM DEBT, Continued

A. Governmental Activities, Continued

The annual requirements to amortize the outstanding loan as of June 30, 2021, including interest, are as follows:

For the Years Ending June 30,	Loan Payable		
	Principal	Interest	Total
2022	\$ 12,000	\$ -	\$ 12,000
2023	12,000	-	12,000
2024	12,000	-	12,000
2025	12,000	-	12,000
2026-2030	48,000	-	48,000
2031	30,566	-	30,566
Total	\$ 126,566	\$ -	\$ 126,566

Installment Sale

In November 2019, the City entered into an installment sale agreement in the amount of \$33,100,000 for the purchase of a parcel of land in the Ontario Ranch for the future Great Park. The purchase and sale agreement includes an initial payment amount of \$8,100,000 to be paid at close of the escrow and five (5) equal annual payments of \$5,000,000 each to the seller with an imputed interest rate of 1.690%. The outstanding balance at June 30, 2021 amounted to \$19,182,738.

The annual requirements for the installment sale agreement outstanding as of June 30, 2021, including imputed interest, as follows:

For the Years Ending June 30,	Ontario Ranch Great Park Loan Payable		
	Principal	Interest	Total
2022	\$ 4,675,812	\$ 324,188	\$ 5,000,000
2023	4,754,833	245,167	5,000,000
2024	4,835,189	164,810	4,999,999
2025	4,916,904	83,096	5,000,000
Total	\$ 19,182,738	\$ 817,261	\$ 19,999,999

City of Ontario
Notes to Basic Financial Statements
For the Year Ended June 30, 2021

7. LONG-TERM DEBT, Continued

A. Governmental Activities, Continued

Climatec Loan

The energy related improvements being financed are to be installed pursuant to an Energy Services Agreement between the City and Climatec, LLC of Phoenix AZ approved by the City Council on July 21, 2020. Such agreement is being implemented in accordance with California Government Code Section 4217. 10 to 4217. 18; in which the City Council adopted findings that the cost to the City to implement the energy related improvements are less than the anticipated marginal cost to the City of thermal, electrical, or other energy that would have been consumed by the City absent of purchasing the energy improvements.

The efficient energy improvements funded under the Lease Agreement will be installed at the Toyota Arena; the Convention Center; the Police Department; the Ovitt Family Library; and the City Hall Annex primarily. Project completion timeline is approximately 18 months.

For the Years Ending June 30,	Climatec Loan		
	Principal	Interest	Total
2022	\$ 1,232,392	\$ 757,960	\$ 1,990,352
2023	1,263,372	726,980	1,990,352
2024	1,295,142	695,210	1,990,352
2025	1,327,722	662,630	1,990,352
2026	1,361,132	629,220	1,990,352
2027-2031	7,337,418	2,614,341	9,951,759
2032-2036	8,310,297	1,641,462	9,951,759
2037-2041	8,418,948	537,635	8,956,583
Total	\$ 30,546,423	\$ 8,265,438	\$ 38,811,861

California Energy Commission Loan

In June 2021, the City entered into a direct borrowing loan agreement with the California Energy Commission in the amount of \$2,898,220. The purpose of the loan is to provide funding for the installation of LED lights. The loan bears a 1% interest rate and is due in semi-annual payments in December and June through December 2030.

City of Ontario
Notes to Basic Financial Statements
For the Year Ended June 30, 2021

7. LONG-TERM DEBT, Continued

A. Governmental Activities, Continued

The annual debt service requirements on the loan are as follows:

For the Years Ending June 30,	California Energy Commission Loan		
	Principal	Interest	Total
2022	\$ 308,629	\$ 29,011	\$ 337,640
2023	312,521	25,119	337,640
2024	315,596	22,044	337,640
2025	318,818	18,822	337,640
2026	322,014	15,626	337,640
2027-2030	1,320,642	29,919	1,350,561
Total	\$ 2,898,220	\$ 140,541	\$ 3,038,761

Advances from Successor Agency

During previous fiscal years, the former Redevelopment Agency advanced the Capital Projects fund \$1,600,000 for the purchase of property adjacent to Ontario Mills. There is no repayment schedule for the advances.

B. Business-Type Activities

The following is a summary of changes in business-type activities long-term debt for the year ended June 30, 2021:

	Balance July 1, 2020	Additions	Deletions	Balance June 30, 2021	Due Within One Year
Public offerings:					
Revenue bonds	\$ 65,905,000	\$ -	\$ 1,485,000	\$ 64,420,000	\$ 1,545,000
Total	\$ 65,905,000	\$ -	\$ 1,485,000	64,420,000	\$ 1,545,000
			Unamortized bond premium	1,591,631	
			Total	\$ 66,011,631	

City of Ontario
Notes to Basic Financial Statements
For the Year Ended June 30, 2021

7. LONG-TERM DEBT, Continued

B. Business-Type Activities, Continued

2013 Water Revenue Bonds

In September 2013, the Ontario Public Financing Authority issued revenue bonds in the amount of \$74,545,000 to finance the acquisition and construction of certain improvements to the water enterprise of the City of Ontario, and refinance an installment payment obligation of the City and the related City of Ontario Certificates of Participation (2004 Water System Improvement Project). The bonds dated September 10, 2013, and issued at a premium of \$2,362,578 mature in 2043, and are payable semiannually on January 1 and July 1 of each year, commencing January 2014, from certain revenues consisting primarily of installment payments to be made by the City to the Ontario Public Financing Authority under an Installment Purchase Agreement dated September 1, 2013 between the City and the Authority. The balance at June 30, 2021, including the unamortized bond premium of \$1,591,631 amounted to \$66,011,631.

The annual requirements to amortize the outstanding bond indebtedness as of June 30, 2021, including interest, are as follows:

For the Years Ending June 30,	2013 Water Revenue Bonds		
	Principal	Interest	Total
2022	\$ 1,545,000	\$ 3,213,188	\$ 4,758,188
2023	1,620,000	3,134,063	4,754,063
2024	1,700,000	3,051,063	4,751,063
2025	1,785,000	2,963,938	4,748,938
2026	1,875,000	2,872,438	4,747,438
2027-2031	10,875,000	12,830,631	23,705,631
2032-2036	14,015,000	9,604,475	23,619,475
2037-2041	17,940,000	5,596,250	23,536,250
2042-2046	13,065,000	1,001,125	14,066,125
Total	\$ 64,420,000	\$ 44,267,171	\$ 108,687,171

The outstanding bonds are secured by a pledge of revenues of the Water System and payable solely from net revenues of the Water System. The bonds contain a provision that if any event of default should occur by the City, it will not result in the loss of the Water System or water rights held by or on behalf of the City or the Water System. Furthermore, any remedies available upon the occurrence of an event of default under the Indenture are in many respects dependent upon judicial actions.

City of Ontario
Notes to Basic Financial Statements
For the Year Ended June 30, 2021

8. NON-CITY OBLIGATIONS

A. Special Assessment Bonds

The City has entered into a number of Special Assessment Bond programs. The City of Ontario is not obligated in any manner for the Special Assessment Bonds as the bonds are secured by unpaid assessments against the property owners. Accordingly, the City is only acting as an agent for the property owners/bondholders in collecting and forwarding the special assessments. Special Assessment Bonds payable at June 30, 2021, totaled \$129,485,000. This amount is not reported in the City's financial statements. The construction phase is reported in the Capital Projects Funds. Likewise, amounts recorded in the Custodial Funds represent only debt service activities, i.e., collection from property owners and payment to bondholders.

B. Other Bond and Loan Programs

The City has entered into a number of bond programs to provide low-interest financing for various residential and industrial developments within the City. Although the City has arranged these financing programs, these debts are not payable from any revenues or assets of the City. Neither the faith or credit, nor the taxing power of the City, or any political subdivision of the City is pledged to repay the indebtedness. Generally, the bondholders may look only to assets held by trustees for security on the indebtedness. Accordingly, since these debts do not constitute an obligation of the City, they are not reflected in the accompanying financial statements. The bond programs are as follows:

	Interest	Date	Date	Outstanding
	% Rate	Issued	Series	Balance
			Matures	at June 30, 2021
Multi-Family Mortgage Revenue Bonds				
City of Ontario Multi-Family Housing Revenue Bonds, Seasons at Ontario, Series 2017A	Variable	2017	2036	\$ 2,578,640
City of Ontario Multi-Family Housing Revenue Bonds, Vista Verde Apts, Series 2019A	Variable	2019	2051	9,232,156
Total				<u>\$ 11,810,796</u>

9. DEFINED BENEFIT PENSION PLAN

The following is a summary of the City's pension plan amounts for the year ended June 30, 2021:

	Deferred	Net	Deferred	Pension
	Outflow of	Pension	Inflow of	Expense
	Resources	Liability	Resources	
Miscellaneous Plan	\$ 15,468,974	\$ 2,306,182	\$ 365,265	\$ 14,504,402
Safety Police Plan	35,034,733	6,879,500	1,315,071	23,201,030
Safety Fire Plan	27,199,311	5,414,056	718,316	15,630,620
Totals	<u>\$ 77,703,018</u>	<u>\$ 14,599,738</u>	<u>\$ 2,398,652</u>	<u>\$ 53,336,052</u>

City of Ontario
Notes to Basic Financial Statements
For the Year Ended June 30, 2021

9. DEFINED BENEFIT PENSION PLAN, Continued

A. General Information about the Pension Plans

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

Benefits Provided – CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost-of-living adjustments for each plan are applied as specified by the Public Employees’ Retirement Law.

The plans’ provisions and benefits in effect at June 30, 2021 are summarized as follows:

	Miscellaneous	
	Tier 1*	PEPRA (Tier 2)
Hire date	Prior to January 1, 2013	January 1, 2013 and after
Benefit formula	2.5% @ 55	2.0% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	Monthly for life	Monthly for life
Retirement age	Minimum 50 years	Minimum 52 years
Monthly benefits, as a % of eligible compensation	2.0% to 2.5%	1.0% to 2.5%
Required employee contribution rates	8.00% (a)	6.25%
Required employer contribution rates	10.266%	10.266%

(a) The City contributed 0% to employee contribution rate of 8.00%

* Closed to new entrants

	Safety Police Plan		
	Tier 1*	Tier 2	PEPRA (Tier 3)
Hire date	Prior to July 1, 2012	On July 1, 2012 and prior to January 1, 2013	January 1, 2013 and after
Benefit formula	3.0% @ 50	3.0% @ 55	2.7% @ 57
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	Monthly for life	Monthly for life	Monthly for life
Retirement age	Minimum 50 years	Minimum 50 years	Minimum 50 years
Monthly benefits, as a % of eligible compensation	3.0%	2.4% to 3.0%	2.0% to 2.7%
Required employee contribution rates	9.00% (b)	9.00% (b)	12.00%
Required employer contribution rates	22.318%	22.318%	22.318%

(b) The City contributed 0% to employee contribution rate of 9.00% for 2021

City of Ontario
Notes to Basic Financial Statements
For the Year Ended June 30, 2021

9. DEFINED BENEFIT PENSION PLAN, Continued

A. General Information about the Pension Plans, Continued

	Tier 1*	Safety Fire Plan	
		Tier 2	PEPRA (Tier 3)
		On July 1, 2012 and prior to	
Hire date	Prior to July 1, 2012	January 1, 2013	January 1, 2013 and after
Benefit formula	3.0% @ 50	3.0% @ 55	2.7% @ 57
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	Monthly for life	Monthly for life	Monthly for life
Retirement age	Minimum 50 years	Minimum 50 years	Minimum 50 years
Monthly benefits, as a % of eligible compensation	3.0%	2.4% to 3.0%	2.0% to 2.7%
Required employee contribution rates	9.00% (c)	9.00% (c)	10.50%
Required employer contribution rates	19.811%	19.811%	19.811%

(c) The City contributed 0% to employee contribution rate of 9.00% for 2021

* Closed to new entrants

Employees Covered – As of the June 30, 2020 measurement date, the following employees were covered by the benefit terms of the plans:

	Number of Members		
	Miscellaneous Plan	Safety Police Plan	Safety Fire Plan
Active members	734	290	175
Transferred members	335	27	15
Terminated members	286	25	21
Retired members and beneficiaries	923	268	167
Total	2,278	610	378

City of Ontario
Notes to Basic Financial Statements
For the Year Ended June 30, 2021

9. DEFINED BENEFIT PENSION PLAN, Continued

A. General Information about the Pension Plans, Continued

Contributions - Section 20814(c) of the California Public Employees’ Retirement Law (PERSL) requires that the employer contribution rates for all public employers are 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 City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Employer contribution rates may change if plan contracts are amended. Payments made by the City to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements are classified as plan member contributions.

For the year ended June 30, 2021, the contributions that were recognized as a reduction to the net pension liability were \$113,590,085, \$154,440,4114, and \$103,651,019, for the Miscellaneous Plan, the Safety Police Plan, and the Safety Fire Plan, respectively.

B. Net Pension Liability

The City’s net pension liability is measured as the total pension liability, less the pension plan’s fiduciary net position. The net pension liability of each of the Plans is measured as of June 30, 2020 using an annual actuarial valuation as of June 30, 2019 rolled forward to June 30, 2020 using standard updated procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

Actuarial Assumptions – The June 30, 2019 valuation was rolled forward to determine the June 30, 2020 total pension liability, based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry-Age Normal Cost Method in accordance with requirements of GASB 68
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	The lesser of contract COLA or 2.5% until Purchasing Power Protection Allowance floor on purchasing power applies, 2.5% thereafter

(1) The mortality table used was developed based on CalPERS’ specific data. The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and postretirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from December 2017 that can be found on the CalPERS website.

City of Ontario
Notes to Basic Financial Statements
For the Year Ended June 30, 2021

9. DEFINED BENEFIT PENSION PLAN, Continued

B. Net Pension Liability, Continued

All other actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period from 1997 to 2015, including updates to salary increase, mortality and retirement rates. The Experience Study report may be accessed on the CalPERS website at www.calpers.ca.gov under Forms and Publications.

Discount Rate - The discount rate used to measure the total pension liability was 7.15 percent. To determine whether the municipal bond rate should be used in the calculation of the discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. The tests revealed the assets would not run out. Therefore, the current 7.15 percent discount rate is appropriate and the use of the municipal bond rate calculation is not deemed necessary. The long-term expected discount rate of 7.15 percent is applied to all plans in the Public Employees' Retirement Fund (PERF). The cash flows used in the testing were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained at CalPERS website under the GASB 68 section.

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, staff took into account both short-term and long-term market return expectations as well as the expected pension fund (PERF) cash flows. Taking into account historical returns of all the Public Employees Retirement Funds' asset classes (which includes the agent plan and two cost-sharing plans or PERF A, B, and C funds), expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 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 PERF fund. The expected rate of return was set by calculating the 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 rounded down to the nearest one quarter of one percent.

City of Ontario
Notes to Basic Financial Statements
For the Year Ended June 30, 2021

9. DEFINED BENEFIT PENSION PLAN, Continued

B. Net Pension Liability, Continued

The table below reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. The target allocation shown was adopted by the Board effective on July 1, 2014.

Asset Class	New Strategic Allocation	Real Return Years 1 - 10 (a)	Real Return Years 11+ (b)
Global Equity	50.0%	4.80%	5.98%
Fixed Income	28.0%	1.00%	2.62%
Inflation Assets	0.0%	0.77%	1.81%
Private Equity	8.0%	6.30%	7.23%
Real Assets	13.0%	3.75%	4.93%
Liquidity	1.0%	0.00%	-0.92%
Total	100.0%		

(a) An expected inflation of 2.00% used for this period.

(b) An expected inflation of 2.92% used for this period.

C. Changes in the Net Pension Liability

The changes in the net pension liability for each plan follows:

Miscellaneous Plan:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at June 30, 2019 Measurement Date	\$ 389,132,091	\$ 293,850,595	\$ 95,281,496
Changes in the year:			
Service cost	9,303,101	-	9,303,101
Interest on the total pension liability	27,711,756	-	27,711,756
Differences between actual and expected experience	2,223,422	-	2,223,422
Net Plan to Plan Resource Movement	-	3,753	(3,753)
Contribution - employer	-	113,590,085	(113,590,085)
Contribution - employees	-	4,187,458	(4,187,458)
Net investment income	-	14,846,554	(14,846,554)
Benefit payments, including refunds of employee contributions	(16,860,141)	(16,860,141)	-
Contributions	-	-	-
Administrative expenses	-	(414,257)	414,257
Other Miscellaneous Income/(Expense)	-	-	-
Net changes	22,378,138	115,353,452	(92,975,314)
Balance at June 30, 2020 Measurement Date	\$ 411,510,229	\$ 409,204,047	\$ 2,306,182

City of Ontario
Notes to Basic Financial Statements
For the Year Ended June 30, 2021

9. DEFINED BENEFIT PENSION PLAN, Continued

C. Changes in the Net Pension Liability, Continued

Safety Police Plan:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at June 30, 2019 Measurement Date	\$ 407,587,625	\$ 276,775,252	\$ 130,812,373
Changes in the year:			
Service cost	10,397,206	-	10,397,206
Interest on the total pension liability	29,448,493	-	29,448,493
Differences between actual and expected experience	8,260,014	-	8,260,014
Net Plan to Plan Resource Movement	-	(3,753)	3,753
Contribution - employer	-	154,440,411	(154,440,411)
Contribution - employees	-	3,557,026	(3,557,026)
Net investment income	-	14,435,085	(14,435,085)
Benefit payments, including refunds of employee contributions	(18,358,394)	(18,358,394)	-
Contributions	-	-	-
Administrative expenses	-	(390,183)	390,183
Other Miscellaneous Income/(Expense)	-	-	-
Net changes	29,747,319	153,680,192	(123,932,873)
Balance at June 30, 2020 Measurement Date	\$ 437,334,944	\$ 430,455,444	\$ 6,879,500

Safety Fire Plan:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at June 30, 2019 Measurement Date	\$ 298,784,661	\$ 210,779,084	\$ 88,005,577
Changes in the year:			
Service cost	6,188,402	-	6,188,402
Interest on the total pension liability	21,509,141	-	21,509,141
Differences between actual and expected experience	6,351,419	-	6,351,419
Contribution - employer	-	103,651,019	(103,651,019)
Contribution - employees	-	2,467,276	(2,467,276)
Net investment income	-	10,819,335	(10,819,335)
Benefit payments, including refunds of employee contributions	(14,806,228)	(14,806,228)	-
Contributions	-	-	-
Administrative expenses	-	(297,147)	297,147
Other Miscellaneous Income/(Expense)	-	-	-
Net changes	19,242,734	101,834,255	(82,591,521)
Balance at June 30, 2020 Measurement Date	\$ 318,027,395	\$ 312,613,339	\$ 5,414,056
Total Plans	\$ 1,166,872,568	\$ 1,152,272,830	\$ 14,599,738

City of Ontario
Notes to Basic Financial Statements
For the Year Ended June 30, 2021

9. DEFINED BENEFIT PENSION PLAN, Continued

C. Changes in the Net Pension Liability, Continued

Sensitivity of the Net Pension Liability to Changes in the Discount Rate – The following presents the net pension liability of the City for each plan, calculated using the discount rate for each plan, as well as what the City’s net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

Net Pension Liability	Discount Rate -1% (6.15%)	Current Discount Rate (7.15%)	Discount Rate +1% (8.15%)
Miscellaneous Plan	\$ 57,939,305	\$ 2,306,182	\$ (43,708,428)
Safety Police Plan	68,191,268	6,879,500	(43,266,592)
Safety Fire Plan	47,519,238	5,414,056	(29,330,812)
Total	\$ 173,649,811	\$ 14,599,738	\$ (116,305,832)

Pension Plan Fiduciary Net Position – The plan fiduciary net position disclosed in the GASB 68 accounting valuation report may differ from the plan assets reported in the funding actuarial valuation report due to several reasons. First, for the accounting valuations, CalPERS must keep items such as deficiency reserves, fiduciary self-insurance and OPEB expense included as assets. These amounts are excluded for rate setting purposes in the funding actuarial valuation. In addition, differences may result from early Annual Comprehensive Financial Report closing and final reconciled reserves. Detailed information about each pension plan’s fiduciary net position is available in the separately issued CalPERS financial reports. See CalPERS website for additional information.

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

As of the start of the measurement period (July 1, 2019), the combined net pension liability for the Miscellaneous Plan, the Safety Police Plan and the Safety Fire Plan was \$14,599,740. For the measurement period ending June 30, 2020, (the measurement date), the City recognized pension expense of \$14,504,402, \$23,201,030, and \$15,630,620 for the Miscellaneous Plan, the Safety Police Plan, and the Safety Fire Plan, respectively. Note that no adjustments have been made for contributions subsequent to the measurement date.

City of Ontario
Notes to Basic Financial Statements
For the Year Ended June 30, 2021

9. DEFINED BENEFIT PENSION PLAN, Continued

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

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
<u>Miscellaneous Plan:</u>		
Contributions made after the measurement date	\$ 5,233,815	\$ -
Changes of Assumptions	-	(365,265)
Differences between Expected and Actual Experience	4,704,078	-
Net Differences between Projected and Actual		
Earnings on Pension Plan Investments	5,531,081	-
Miscellaneous Plan Total	<u>\$ 15,468,974</u>	<u>\$ (365,265)</u>
<u>Safety Police Plan:</u>		
Contributions made after the measurement date	\$ 7,489,804	\$ -
Changes of Assumptions	3,758,144	(700,950)
Differences between Expected and Actual Experience	17,698,981	(614,119)
Net Differences between Projected and Actual		
Earnings on Pension Plan Investments	6,084,803	-
Safety Police Plan Total	<u>\$ 35,031,732</u>	<u>\$ (1,315,069)</u>
<u>Safety Fire Plan:</u>		
Contributions made after the measurement date	\$ 4,913,650	\$ -
Changes of Assumptions	3,368,369	(670,813)
Differences between Expected and Actual Experience	14,586,913	(47,503)
Net Differences between Projected and Actual		
Earnings on Pension Plan Investments	4,330,379	-
Safety Fire Plan Total	<u>\$ 27,199,311</u>	<u>\$ (718,316)</u>
Total	<u>\$ 77,700,017</u>	<u>\$ (2,398,650)</u>

No amounts reported as deferred outflows of resources for the Miscellaneous Plan, the Safety Police Plan, and the Safety Fire Plan, respectively, represent contributions made after the measurement date of the net pension liability but before the end of the City's reporting period and will be recognized as a reduction of the net pension liability in the subsequent fiscal period rather than in the current fiscal period.

City of Ontario
Notes to Basic Financial Statements
For the Year Ended June 30, 2021

9. DEFINED BENEFIT PENSION PLAN, Continued

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

Other amounts reported as deferred outflows or deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30,	Annual Amortization		
	Miscellaneous	Safety - Police	Safety - Fire
2022	\$ 2,243,371	\$ 7,509,203	\$ 5,892,176
2023	3,095,390	6,111,937	5,006,513
2024	2,584,490	6,612,852	4,946,254
2025	1,946,643	5,107,868	4,256,688
2026	-	884,999	977,141
2027	-	-	488,573
Total	\$ 9,869,894	\$ 26,226,859	\$ 21,567,345

10. OTHER POST-EMPLOYMENT BENEFITS

The following is a summary of the City's OPEB plan amounts for the year ended June 30, 2021:

	Deferred Outflow of Resources	Net OPEB Liability	Deferred Inflow of Resources	OPEB Expense
Retiree Healthcare Plan	\$ 3,928,203	\$ 27,185,786	\$ 120,802,551	\$ 10,484,330
Totals	\$ 3,928,203	\$ 27,185,786	\$ 120,802,551	\$ 10,484,330

A. General Information about the City's OPEB Plan

Plan Description – The City has established the City of Ontario Retiree Healthcare Plan, an agent multiple employer defined benefit healthcare plan. The plan, which is administered by the CalPERS, provides health insurance for its retired employees according to the Personnel Rules and Regulations for each of the ten employee groups. The City pays monthly health insurance benefits subjects to caps which vary by bargaining group. The authority to do so is included annually in the Memorandum of Understanding between the City and each of its employee groups and ultimately passed by Council action.

Employees Covered – At June 30, 2020, the measurement date, the following numbers of participants were covered by the benefit terms:

City of Ontario
Notes to Basic Financial Statements
For the Year Ended June 30, 2021

10. OTHER POST-EMPLOYMENT BENEFITS, Continued

A. General Information about the City's OPEB Plan, Continued

	Number of Covered Participants
Inactives currently receiving benefits	831
Inactives entitled to but not yet receiving benefits	182
Active employees	1,071
Total	<u>2,084</u>

Contributions - The City participates in the California Employers' Retiree Benefit Trust (CERBT) administered by CalPERS for purposes of funding the required retiree medical payments and is evaluating various options for funding its post-employment benefits liability. For fiscal year 2020-2021, the City paid \$6,570,084 in benefits and made a one-time contribution to the trust (CERBT) of \$140 million. Thereafter, the City will contribute \$5,000,000 per year adjusted for inflation.

B. Total OPEB Liability

The City's net OPEB liability was measured as of June 30, 2020 for the measurement period July 1, 2019 through June 30, 2020. The net OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2019, based on the following actuarial assumptions:

Actuarial Assumptions - The June 30, 2019 valuation was rolled forward to determine the June 30, 2021 total pension liability, based on the following actuarial methods and assumptions:

Actuarial Assumptions:

Discount Rate	6.75% at June 30, 2019 (Long-Term expected asset return)
Inflation	2.75% per annum
Salary Increases	Aggregate - 3.00%
	Merit - Tables from CalPERS 1997-2015 Experience Study
Investment Rate of Return	6.75%
Mortality Rate	CalPERS 1997-2015 Experience Study
Retirement, Disability, Termination	CalPERS 1997-2015 Experience Study
Medical Trend	Non-medicare - 7.25% for 2021, decreasing to an ultimate rate of 4.0% in 2076 and later years. Medicare - 6.3% for 2021, decreasing to an ultimate rate of 4.0% in 2076 and later years.
Contribution Policy	City contributed \$140 million in 2019/20, and will contribute \$5 million per year (adjusted for inflation) thereafter
Mortality Improvement	Post-retirement mortality projected fully generational with Scape MP-2019
Cap Increases	Miscellaneous \$ Caps: 0% Safety Tier 1 Premium Caps: Medical Trend

Change of Assumptions - PPACA high cost plan excise tax repealed December 2019

City of Ontario
Notes to Basic Financial Statements
For the Year Ended June 30, 2021

10. OTHER POST-EMPLOYMENT BENEFITS, Continued

B. Total OPEB Liability, Continued

Discount Rate – The discount rate used to measure the net OPEB liability was 6.75%. The discount rate is based on the long-term expected asset return described below:

Asset Class	Target Allocation CERBT Strategy 1	Expected Real Rate of Return
Global Equity	59%	4.82%
Fixed Income	25%	1.47%
TIPS	5%	1.29%
Commodities	3%	0.84%
REITs	8%	3.76%
Assumed Long-Term Rate of Inflation		2.75%
Expected Long-Term Net Rate of Return		6.75%

C. Changes in the Net OPEB Liability

The changes in the net OPEB liability for the plan are as follows:

	Total OPEB Liability	Fiduciary Net Position	Net OPEB Liability
Balance at June 30, 2020 (June 30, 2019 measurement date)	\$ 162,628,638	\$ -	\$ 162,628,638
Changes in the year:			
Service cost	4,576,154	-	4,576,154
Interest	11,065,136	-	11,065,136
Differences between actual and expected experience	-	-	-
Assumption changes	(2,893,024)	-	(2,893,024)
Contribution - employer	-	146,570,084	(146,570,084)
Net investment income	-	1,670,786	(1,670,786)
Benefit payments	(6,553,703)	(6,553,703)	-
Administrative expenses	-	(49,752)	49,752
Other Miscellaneous Income/(Expense)	-	-	-
Net changes	6,194,563	141,637,415	(135,442,852)
Balance at June 30, 2021 (June 30, 2020 measurement date)	\$ 168,823,201	\$ 141,637,415	\$ 27,185,786

The net OPEB liability for the City's plan has been liquidated by funding from governmental funds and proprietary funds.

City of Ontario
Notes to Basic Financial Statements
For the Year Ended June 30, 2021

10. OTHER POST-EMPLOYMENT BENEFITS, Continued

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

The following presents the net OPEB liability of the City, as well as what the City's net OPEB liability would be if it were calculated using a discount rate that is one percentage point higher or one percentage point lower than the current discount rate, for the measurement period June 30, 2020:

	Discount Rate		
	1% Decrease (5.75%)	Current Rate (6.75%)	1% Increase (7.75%)
Net OPEB Liability	\$ 51,747,760	\$ 27,185,786	\$ 7,250,526

E. Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the net OPEB liability of the City, as well as what the City's net OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point higher or one percentage point lower than the current healthcare cost trend rates:

	Healthcare Trend Rate		
	1% Decrease	Current Rate	1% Increase
Net OPEB Liability	\$ 4,713,092	\$ 27,185,786	\$ 55,667,968

F. OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB

For the fiscal year ended June 30, 2021, the City recognized OPEB income of \$10,484,330. At June 30, 2021, the City's deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	\$ -	\$ 23,486,363
Changes of Assumptions	-	97,316,188
Net difference between projected and actual earnings on plan investments	2,442,469	-
Contributions made after the measurement date*	1,485,734	-
Total	\$ 3,928,203	\$ 120,802,551

* Includes \$6,050,127 cash benefit payments, \$5,893,746 in trust reimbursements, and \$1,311,000 implied subsidy payments in 2020-21, and administrative expense of \$18,353.

The \$1,485,734 reported as deferred outflows of resources represents contributions made after the measurement date of the OPEB liability but before the end of the City's reporting period and will be recognized as a reduction of the OPEB liability in the subsequent fiscal period rather than in the current fiscal period.

City of Ontario
Notes to Basic Financial Statements
For the Year Ended June 30, 2021

10. OTHER POST-EMPLOYMENT BENEFITS, Continued

F. OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB, Continued

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2022	\$ (21,451,498)
2023	(21,451,498)
2024	(21,451,498)
2025	(20,972,538)
2026	(17,099,323)
Thereafter	(15,933,726)
Total	<u>\$ (118,360,081)</u>

11. SELF-INSURANCE PROGRAM

On December 22, 1974, the City initiated a program of self-insurance for workers' compensation liability claims. The City will pay all claims up to \$750,000 per claim; amounts in excess of \$750,000 are covered through an outside insurance carrier.

On January 1, 1975, the City initiated a program of self-insurance for unemployment liability claims. By this action, the City will pay all claims based on the individual reimbursement account method, as provided by the State of California.

On April 6, 1979, the City initiated a program of self-insurance for general liability claims. At present, the City will pay all claims up to \$2,000,000 per claim arising from general liability claim actions brought against the City. Amounts in excess of \$2,000,000 per claim are covered by the Authority for California Cities Excess Liability (ACCEL).

ACCEL is organized under a joint powers agreement pursuant to the California Government Code. The purpose of the Authority is to arrange and administer programs of insurance for the pooling of self-insured losses and to purchase excess insurance coverage. ACCEL pools catastrophic general liability, automobile liability and public officials errors and omissions losses. ACCEL members share risk from \$1,000,000 to \$4,000,000, and insurance in layers exceeding \$5,000,000.

The City has not experienced a significant reduction in insurance coverage from coverage in the prior year. Additionally, the amount of settlements has not exceeded budgeted coverage for each of the past three fiscal years.

City of Ontario
Notes to Basic Financial Statements
For the Year Ended June 30, 2021

11. SELF-INSURANCE PROGRAM, Continued

The City has entered into contracts with third-party administrators who supervise the general liability and worker’s compensation programs. When it is probable that a claims liability has been incurred and the amount of the loss can be reasonably estimated through historical trends and calculation of incurred but not reported claims (IBNR), the City accrues the estimated liability in an internal service fund for expected claims and judgments. The following is a summary of the changes in the claims liability over the past two fiscal years:

Fiscal Year	Beginning Balance	Changes in Estimates	Claim Payments	Ending Balance
2019-2020	\$ 24,623,000	\$ 13,164,263	\$ 9,239,263	\$ 28,548,000
2020-2021	28,548,000	12,439,140	5,479,497	35,507,643

Of the total estimated claims liabilities, \$12,019,643 is estimated due within one year or less. The liability will be paid in future years from the Self Insurance Fund.

City of Ontario
Notes to Basic Financial Statements
For the Year Ended June 30, 2021

12. FUND BALANCE CLASSIFICATIONS

Fund balances of governmental funds at June 30, 2021 have been classified as follows:

	General	Measure I	Ontario Housing Authority	Capital Projects	Impact Fees	Other Governmental Funds	Total Governmental Funds
Fund balances:							
Nonspendable							
Inventory	\$ 301,530	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 301,530
Prepaid costs	161,659	-	-	-	32,759	-	194,418
Notes and loans	38,000	-	-	-	-	-	38,000
Advances to other funds	3,500,000	-	-	-	-	-	3,500,000
Total nonspendable	4,001,189	-	-	-	32,759	-	4,033,948
Restricted							
Endowment/trust	361,579	-	-	-	-	-	361,579
Community development projects	-	-	-	-	-	79,417,549	79,417,549
Public safety	-	-	-	-	-	2,823,514	2,823,514
Park development	-	-	-	-	-	33,310,746	33,310,746
Transportation improvement	-	17,046,913	-	-	-	-	17,046,913
Affordable housing	-	-	20,261,931	-	-	22,426,687	42,688,618
AQMD activities	-	-	-	-	-	1,756,107	1,756,107
Fiber/broadband	-	-	-	-	-	1,679,923	1,679,923
Public services	-	-	-	-	-	48,563,899	48,563,899
Total restricted	361,579	17,046,913	20,261,931	-	-	189,978,425	227,648,848
Committed							
City infrastructure	-	-	-	28,740,082	134,122,297	-	162,862,379
Total committed	-	-	-	28,740,082	134,122,297	-	162,862,379
Assigned							
Airport Authority	4,592,223	-	-	-	-	-	4,592,223
Inland system project	120,000	-	-	-	-	-	120,000
Compensated absences	17,230,207	-	-	-	-	-	17,230,207
Continuing appropriations	4,405,409	-	-	-	-	-	4,405,409
Stability arrangement	86,390,602	-	-	-	-	-	86,390,602
Economic uncertainty	9,600,000	-	-	-	-	-	9,600,000
Total assigned	122,338,441	-	-	-	-	-	122,338,441
Unassigned	-	-	-	-	-	(243,566)	(243,566)
Total fund balances	\$ 126,701,209	\$ 17,046,913	\$ 20,261,931	\$ 28,740,082	\$ 134,155,056	\$ 189,734,859	\$ 516,640,050

City of Ontario
Notes to Basic Financial Statements
For the Year Ended June 30, 2021

13. JOINT VENTURES

A. *Water Facilities Authority*

On February 19, 1980, the Water Facilities Authority (Authority) was created under a joint exercise of powers agreement between the City of Chino, the City of Ontario, the City of Upland, the City of Chino Hills and the Monte Vista Water District. It was formed for the purpose of acquisition and construction of facilities directly benefiting the participants by supplying potable water to the inhabitants within the boundaries of its members. Thus, each participant has an ongoing financial interest in the Authority.

The governing Board of Directors consists of one member appointed from each participating agency and has approval of all budget and finance activities. The City's investment in the Authority has been recorded under the equity method of accounting and is shown as an investment in joint venture in the Water Enterprise Fund.

On September 30, 1997, the Authority issued \$24,455,000 in 1997 Refunding Certificates of Participation (COPs) to refund \$25,820,000 of then outstanding 1986 COPs. The 1997 Refunding COPs carry interest rates from 4.0% to 5.3% and will be repaid in various principal increments with the final payment due on October 1, 2015. Each participant in the joint venture has pledged gross revenues from its respective Enterprise Fund and has agreed to restrictive covenants that establish rates and charges for each respective water enterprise fund at levels sufficient to maintain net revenues equal to at least 1.25 times the aggregate amount of each respective party's installment payments to the Authority as well as any parity debt that shall become due and payable within the succeeding twelve months. Each City has an ongoing financial responsibility as each has assumed a portion of the Authority's debt. The City of Ontario's percentage share of the installment payment is 41.51681% and the outstanding balance was paid in full during the fiscal year ending June 30, 2016.

At June 30, 2021, the City's investment in the Authority, including its share of Authority's debt, was \$9,971,583.

City of Ontario
Notes to Basic Financial Statements
For the Year Ended June 30, 2021

13. JOINT VENTURES, Continued

A. Water Facilities Authority, Continued

Audited financial information of the Authority for the year ended June 30, 2021 is summarized as follows:

Water Facilities Authority Net Position	
Total assets	\$ 35,017,920
Total deferred outflows	358,167
Total liabilities	6,489,972
Total deferred inflows	<u>49,844</u>
Total net position	<u>\$ 41,915,903</u>
Water Facilities Authority Changes in Net Position	
Operating revenues	\$ 24,087,758
Operating expenses	<u>23,825,416</u>
Operating gain (loss) before depreciation and amortization	262,342
Depreciation and amortization	<u>(1,214,090)</u>
Operating revenue (loss)	(951,748)
Nonoperating revenues (expenses)	<u>3,554,721</u>
Changes in net position	2,602,973
Beginning net position	<u>26,233,298</u>
Ending net position	<u>\$ 28,836,271</u>

The current participants and their financial contributions through June 30, 2021 were as follows:

	<u>Amount</u>	<u>Percent</u>
City of Chino	\$ 6,693,894	15.72%
City of Chino Hills	5,520,600	12.96%
Monte Vista Water District	6,986,722	16.40%
City of Ontario	14,725,941	34.58%
City of Upland	8,545,801	20.06%
Non-Participant	<u>117,703</u>	<u>0.28%</u>
Total	<u>\$ 42,590,661</u>	<u>100.00%</u>

Financial statements of the Water Facility Authority can be obtained from the offices of Teaman, Ramirez & Smith, Inc., 4201 Brockton Avenue, Suite 100, Riverside, California 92501.

City of Ontario
Notes to Basic Financial Statements
For the Year Ended June 30, 2021

13. JOINT VENTURES, Continued

B. Chino Basin Desalter Authority

On January 15, 2002, the Chino Basin Desalter Authority (the Authority) was created under a joint exercise of powers agreement between the City of Ontario and other neighboring government agencies. This agreement was formed to successfully manage the groundwater resources in the Chino Basin.

The governing Board of Director consists of one representative appointed from each participating agency and has the power and responsibility to adopt budgets, operating plans and finance activities to further the purpose of the Authority. As of June 30, 2021, the City's investment in the Authority was \$60,704,511.

On June 22, 2016, the Chino Basin Desalter Authority issued the Desalter Revenue Refunding Bonds, Series 2016A in the amount of \$67,105,000 to refund the Desalter Revenue Refunding Bonds, Series 2008A. The new revenue refunding bond has various debt payment schedules tailored to each member agency, based on their respective election. This provision affords each member the ability to prepay their share of debt service.

The financial information of the Authority for the fiscal year ended June 30, 2021, is summarized as follows:

Chino Basin Desalter Authority Net Position	
Total assets	\$ 314,860,756
Total deferred outflows	3,558,725
Total liabilities	<u>85,657,522</u>
Total net position	<u>\$ 404,077,003</u>
Chino Basin Desalter Authority Changes in Net Position	
Operating revenues	\$ 60,345,985
Operating expenses	<u>57,172,078</u>
Operating gain (loss) before depreciation and amortization	3,173,907
Depreciation and amortization	<u>(5,858,059)</u>
Operating revenue (loss)	(2,684,152)
Nonoperating revenues (expenses)	1,755,974
Capital contributions	<u>20,667,982</u>
Changes in net position	19,739,804
Beginning net position	<u>213,022,155</u>
Ending net position	<u>\$ 232,761,959</u>

City of Ontario
Notes to Basic Financial Statements
For the Year Ended June 30, 2021

13. JOINT VENTURES, Continued

B. Chino Basin Desalter Authority, Continued

The current participants and their financial contributions through June 30, 2021 were as follows:

	Amount	Percent
Jurupa Community Services District	\$ 11,781,931	34.57%
City of Chino Hills	4,537,859	13.32%
City of Chino	5,402,188	15.85%
City of Norco	1,080,338	3.17%
City of Ontario	7,058,343	20.71%
Santa Ana River Co.	1,296,347	3.80%
Western Municipal Water District	2,923,384	8.58%
Total	<u>\$ 34,080,390</u>	<u>100.00%</u>

Financial statements of the Authority can be obtained from the Chino Basin Desalter Authority Treasurer’s office located at 6075 Kimball Avenue, Chino, California 91710.

C. West End Communications Authority

The “Authority” governed by a seven-member board is a joint exercise of powers between the following entities as created by a joint powers:

City of Chino	City of Upland
City of Montclair	Rancho Cucamonga Fire Protection District
City of Rancho Cucamonga	Chino Valley Independent Fire Protection District
City of Ontario	

The purpose of the Authority is to provide a cooperative voluntary association to establish operate and maintain a consolidated 800MHZ communication system designed to serve public safety agencies throughout the western end of San Bernardino County, California. The City has an ongoing financial interest in the residual assets of the Authority upon disbandment.

City of Ontario
Notes to Basic Financial Statements
For the Year Ended June 30, 2021

13. JOINT VENTURES, Continued

C. West End Communications Authority, Continued

The following is a summary of the West End Communications Authority financial information for the fiscal year ended June 30, 2021:

West End Communications Authority Net Position	
Total assets	\$ 1,409,131
Total liabilities	-
Total net position	<u>\$ 1,409,131</u>
West End Communications Authority Changes in Net Position	
Operating revenues	\$ -
Operating expenses	<u>8,971</u>
Operating revenue (loss)	(8,971)
General revenue	<u>2,176</u>
Changes in net position	(6,795)
Beginning net position	<u>1,415,926</u>
Ending net position	<u>\$ 1,409,131</u>

Separate financial statements of the West End Communications Authority are available upon request from the City of Ontario, Fiscal Services Department, 303 East "B" Street, Ontario, California 91764.

D. West End Fire and Emergency Response Commission

On January 23, 1989, the West End Fire and Emergency Response Commission was created under the Joint Exercise Powers Agreement between the Fire Departments of the City of Ontario, Upland, Montclair, Rancho Cucamonga and Chino. The governing board of directors consists of the Fire Chief from each city. The purpose of the Authority is to establish a hazardous materials response team. It has been amended to include an Urban Search and Rescue Team and the servicing of joint authority breathing apparatus equipment for emergency purposes.

City of Ontario
Notes to Basic Financial Statements
For the Year Ended June 30, 2021

13. JOINT VENTURES, Continued

D. West End Fire and Emergency Response Commission, Continued

The following is a summary of the West End Fire and Emergency Response Commission financial information for the fiscal year ended June 30, 2021:

West End Fire and Emergency Response Commission Net Position	
Total assets	\$ 701,308
Total liabilities	-
Total net position	<u>\$ 701,308</u>
West End Fire and Emergency Response Commission Changes in Net Position	
Operating revenues	\$ 100,000
Operating expenses	<u>8,262</u>
Operating revenue (loss)	91,738
General revenue	<u>3,606</u>
Changes in net position	95,344
Beginning net position	<u>605,964</u>
Ending net position	<u><u>\$ 701,308</u></u>

Separate financial statements of the West End Fire and Emergency Response Commission are available upon request from the City of Ontario, Fiscal Services Department, 303 East "B" Street, Ontario, California 91764.

City of Ontario
Notes to Basic Financial Statements
For the Year Ended June 30, 2021

14. OTHER INVESTMENTS

Other investments of \$63,730,042 at June 30, 2021 in the Water Fund represents water rights, investment in stored water and air quality credits. The City values its other investments at fair value in accordance with the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the assets. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The City has the following recurring fair value measurements as of June 30, 2021:

Investment Type	Fair Value Measurement Using			Total Fair Value
	Level 1	Level 2	Level 3	
Water Rights	\$ -	\$ -	\$ 53,877,234	\$ 53,877,234
Investment in Stored Water	-	-	9,343,113	9,343,113
Air Quality Credits	-	-	509,695	509,695
Total other investments	\$ -	\$ -	\$ 63,730,042	63,730,042

15. CONTINGENCIES

Liabilities

Claims and suits have been filed against the City in the normal course of business. Based upon information received from the City Attorney and the self-insurance administrator, the estimated liability under such claims would be adequately covered by self-insurance designations and insurance coverage.

Grant

Under the terms of federal and state grants, periodic audits are required and certain costs may be questioned as not being appropriate expenditures under the terms of the grants. Such audits could lead to reimbursement to the grantor agencies. City management believes disallowances, if any, will be immaterial.

Proposition 218

Proposition 218, which was approved by the voters in November, 1996, will regulate the City's ability to impose, increase and extend taxes, assessments and fees. Any new, increased or extended taxes, assessments and fees subject to the provisions of Proposition 218 require voter approval before they can be implemented. Additionally, Proposition 218 provides that these taxes, assessments and fees are subject to the voter initiative process and may be rescinded in the future by the voters. Therefore, the City's ability to finance the services for which the taxes, assessments and fees were imposed may be significantly impaired. At this time, it is uncertain how Proposition 218 will affect the City's ability to maintain or increase the revenue it receives from taxes, assessments and fees.

City of Ontario
Notes to Basic Financial Statements
For the Year Ended June 30, 2021

16. COMMITMENTS

Construction Commitments

The following material construction commitments existed at June 30, 2021:

Project Name	Expenditures to date as of June 30, 2021								Remaining Commitments
	Contract Amount	Capital Projects	Impact Fees	General Fund Deposits	Water	Sewer	Integrated Waste	Information Technology	
Anthony Munoz Community Center Rehab & Park Improvements	\$ 12,070,981	\$ 9,405,400	\$ 1,299,998	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,365,583
PWA Service Center Renovation	1,332,474	78,542	-	-	233,421	232,972	184,954	74,913	527,672
Fire Station #9 Project	9,703,273	-	8,749,747	-	-	-	-	-	953,526
C-Block Parking Structure	11,824,019	1,157,601	-	-	-	-	-	-	10,666,418
Bon View Ave Storm Drain	2,889,028	-	2,790,742	-	-	-	-	-	98,286
San Antonio Ave [1212'PZ] (Phase III)	2185242	-	-	-	200,783	-	-	-	1,984,459
Total remaining commitments									<u>\$ 15,595,944</u>

17. TAX ABATEMENTS

The City entered into various tax abatement agreements with local businesses. The abatements may be granted to any business located within or promising to relocate to the City. For the fiscal year ended June 30, 2021, the City abated taxes totaling \$8,434,536 under this program. The City has the following tax abatement agreements:

- An operating covenant agreement with a retailer of equipment and merchandise of health care products and services to establish its only regional sales office in California within the City for not less than 20 years. The establishment of such retailer will generate local sales tax revenue, create high paying/management jobs and provide opportunity for additional job growth. The City agreed to rebate quarterly 50% of sales tax revenues attributable to taxable sales. In fiscal year 2020-2021, the abatement amounted to \$2,171,731.
- An operating covenant agreement with an automotive dealership which agreed to operate the entirety of its dealership facilities within the City for a period of 26 years. The dealership will generate substantial tax revenue, create potential for additional job growth and stimulate the economy. The City agreed to rebate 50% of sales tax revenues in excess of \$700,000 during the period April 1, 2018 through March 31, 2028. In fiscal year 2020-2021, the abatement amounted to \$461,455.

City of Ontario
Notes to Basic Financial Statements
For the Year Ended June 30, 2021

17. TAX ABATEMENTS, Continued

- The City entered into a professional agreement with a consultant to provide sales tax audit and information services to the City. The audit services will detect and correct taxpayer reporting errors and generate new revenue without causing additional tax liability to businesses. The City agreed to pay quarterly 20% of new sales and use tax revenues received as a result of corrections identified by the consultant. In fiscal year 2020-2021, the amount paid was \$185,471.
- Operating covenant agreement with a retailer of consumer products to establish its warehouse and distribution center in the City and remain in the City for no less than 41 years. The establishment of such retailer in the City will generate substantial revenue, create new jobs, revitalize the City, and result in community and public improvements. The City agreed to refund quarterly, 55% of sales tax revenues attributable to annual taxable sales up to \$500 million and 60% of sales tax revenues over \$500 million of annual taxable sales. In fiscal year 2020-2021, the abatement amounted to \$1,155,277.
- Operating covenant agreement with a retailer of consumer products to ensure that it maintains its existing warehouse and distribution center in the City and expands its operations within the City. This will generate substantial revenue for the City, possibly create job growth, continue to stimulate the economy and result in community and public improvements. For the period January 1, 2016 through December 31, 2019, provided the City receives not less than \$1.2 million of sales tax revenue from the retailer, the City agreed to make annual payments in the amount of \$600,000 payable within 120 days following the end of each calendar year. In fiscal year 2020-2021, the abatement amounted to \$1,650,204.
- Operating covenant agreement with an auto dealership to develop and operate a facility in the City for its Inland Empire sales territory. The City will receive additional local sales tax revenues, property taxes, employment benefits, and other tangible and intangible benefits arising from the operation of the Dealership within the City. The eligibility period of this agreement is from July 1, 2009 until June 30, 2034. The City agreed to make quarterly payments equal to 50% of local sales tax revenues in excess of \$50,000 not to exceed \$200,000 for any computation year or \$500,000 in the aggregate during the entire eligibility period. In fiscal year 2020-2021, the abatement amounted to \$66,388.
- Operating covenant agreement with a global retailer of healthcare services and products to retain and operate its two facilities in the City for transacting sales. The City will receive additional sales tax revenues, maintain and create jobs and stimulate the economic recovery of the Inland Empire. The eligibility period of this agreement commenced on April 1, 2018 and will continue until terminated by either party. The City agreed to make quarterly payments equal to 50% of sales tax revenues. In fiscal year 2020-2021, the abatement amounted to \$1,606,493.

City of Ontario
Notes to Basic Financial Statements
For the Year Ended June 30, 2021

17. TAX ABATEMENTS, Continued

- Operating covenant agreement with a sanitary supplies distributor to retain existing jobs, allow for the potential increase in job opportunities, foster a business and civic environment that may attract additional businesses and investments and create additional job opportunities in the City. The eligibility period of this agreement began on July 1, 2017. The City agreed to make quarterly payments equal to 25% of sales tax revenues in excess of \$201,000 during the quarter up to \$500,000. In fiscal year 2020-2021, the abatement amounted to \$30,919.
- Operating covenant agreement with several concrete companies to establish a sale office and/or a business location that participate in the sale process within the City, expand operations within the City as appropriate and remains in the City for not less than 40 years. The establishment of such businesses is expected to generate substantial revenue for the City, create new jobs, revitalize an area of the City which has suffered a loss of jobs and result in community and public improvements. The eligibility period of this agreement began on October 1, 2018. The City agrees to refund on a quarterly basis 50% of the sales tax revenue attributable to annual taxable sales for the calendar year which is directly allocated to the City. In fiscal year 2020-2021, the abatement amounted to \$983,635.
- Retention agreement with an auto dealership to encourage the auto dealership to remain in the City and consider future sales expansions in consideration of the local sales tax revenues, property taxes, employment benefits, and other tangible and intangible benefits that are expected to be received by the City arising from the Dealership within the City. During the eligibility period the City will pay to the Company on a quarterly basis for (1) operating years 1-5, an amount equal to 50% of the local sales tax revenues received above the annual base amount of \$75,000; (2) for operating years 6-10, an amount equal to 50% of the local sales tax revenues received above the annual base amount of \$100,000; and (3) for operating years 11-15, an amount equal to 50% of the local sales tax revenues received above the annual base amount of \$125,000. The cumulative total of any and all covenant payments paid by the City pursuant to this Agreement shall not exceed \$1,200,000. In fiscal year 2020-2021, the abatement amounted to \$122,964.

18. SUCCESSOR TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY

On December 29, 2011, the California Supreme Court upheld Assembly Bill 1X 26 (“the Bill”) that provides for the dissolution of all redevelopment agencies in the State of California. This action impacted the reporting entity of the City of Ontario that previously had reported a redevelopment agency within the reporting entity of the City as a blended component unit.

The Bill provides that upon dissolution of a redevelopment agency, either the city or another unit of local government will agree to serve as the “successor agency” to hold the assets until they are distributed to other units of state and local government. On January 10, 2012, the City Council elected to become the Successor Agency for the former redevelopment agency in accordance with the Bill as part of City resolution number 2012-001.

City of Ontario
Notes to Basic Financial Statements
For the Year Ended June 30, 2021

18. SUCCESSOR TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY, Continued

After enactment of the law, which occurred on June 28, 2011, redevelopment agencies in the State of California cannot enter into new projects, obligations or commitments. Subject to the control of a newly established oversight board, remaining assets can only be used to pay enforceable obligations in existence at the date of dissolution (including the completion of any unfinished projects that were subject to legally enforceable contractual commitments).

Successor agencies are only allocating revenue in the amount that is necessary to pay the estimated annual installment payments on enforceable obligations of the former redevelopment agency until all enforceable obligations of the prior redevelopment agency have been paid in full and all assets have been liquidated.

The Bill directs the State Controller of the State of California to review the propriety of any transfers of assets between redevelopment agencies and other public bodies that occurred after January 1, 2011. If the public body that received such transfers is not contractually committed to a third party for the expenditure or encumbrance of those assets, the State Controller is required to order the available assets to be transferred to the public body designated as the successor agency by the Bill.

Management believes, in consultation with legal counsel, that the obligations of the former redevelopment agency due to the City are valid enforceable obligations payable by the successor agency trust under the requirements of the Bill. The City's position on this issue is not a position of settled law and there is considerable legal uncertainty regarding this issue. It is reasonably possible that a legal determination may be made at a later date by an appropriate judicial authority that would resolve this issue unfavorably to the City.

In accordance with the timeline set forth in the Bill (as modified by the California Supreme Court on December 29, 2011) all redevelopment agencies in the State of California were dissolved and ceased to operate as a legal entity as of February 1, 2012.

A. Cash and Investments

As of June 30, 2021, cash and investments were reported in the accompanying financial statements as follows:

Cash and investments	\$	9,305,280
Cash and investments with fiscal agent		2,840,830
Total cash and investments	\$	<u>12,146,110</u>

B. Notes Receivable

On October 19, 1993, the Ontario Redevelopment Agency accepted a note receivable of \$35,000 from a developer as part of a transaction involving the sale of property. The note bears interest at 0% annually and was due in full on June 20, 1995. A new note was negotiated on November 8, 1996 and will mature on October 31, 2026. The unpaid principal balance at June 30, 2021, was \$35,000.

City of Ontario
Notes to Basic Financial Statements
For the Year Ended June 30, 2021

18. SUCCESSOR TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY, Continued

C. Advances to City

During prior fiscal years, the Former RDA loaned \$1,600,000 to the Capital Project Fund for the purchase of property adjacent to Ontario Mills. At June 30, 2021, the balance of the advance was \$1,600,000.

D. Long-Term Debt

The following is a summary of changes in Successor Agency long-term debt for the year ended June 30, 2021:

	Balance July 1, 2020	Additions	Deletions	Balance June 30, 2021	Due Within One Year
Public offerings:					
1993 Tax Allocation Bonds	\$ 31,795,592	\$ -	\$ (4,648,466)	\$ 27,147,126	\$ 5,213,685
1995 Tax Allocation Bonds	2,811,508	-	(411,034)	2,400,474	461,015
2002 Refunding Revenue Bonds	1,285,000	-	(610,000)	675,000	675,000
Direct borrowings:					
Loans payable	8,032,148	-	(629,705)	7,402,443	663,079
Advance from City	3,500,000	-	-	3,500,000	-
Total	<u>\$ 47,424,248</u>	<u>\$ -</u>	<u>\$ (6,299,205)</u>	41,125,043	<u>\$ 7,012,779</u>
			Unamortized bond premium	7,106	
			Total	<u>\$ 41,132,149</u>	

1993 Tax Allocation Bond

The 1993 Tax Allocation Bonds in the amount of \$45,708,900 were issued on June 11, 1993, to finance redevelopment activities related to Project Area #1. The Agency sold the bonds to the Financing Authority at a purchase price equal to the principal amount of the bonds plus a premium. The investment by the Authority in the bonds is held in an agency fund. The terms were negotiated in a prior year and reduced the outstanding principal balance by \$800. Additionally, the maturity date was extended two years to August 1, 2025. The interest is paid semi-annually at the stated rate of 12%. The balance at June 30, 2021, amounted to \$27,147,126.

City of Ontario
Notes to Basic Financial Statements
For the Year Ended June 30, 2021

18. SUCCESSOR TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY, Continued

D. Long-Term Debt, Continued

The annual requirements to amortize the outstanding bond indebtedness as of June 30, including interest, are as follows:

For the Years Ending June 30,	1993 Tax Allocation Bonds		
	Principal	Interest	Total
2022	\$ 5,213,685	\$ 2,944,834	\$ 8,158,519
2023	5,842,021	2,281,492	8,123,513
2024	6,028,988	1,569,231	7,598,219
2025	6,749,755	469,260	7,219,015
2026	3,312,677	532,007	3,844,684
Total	\$ 27,147,126	\$ 7,796,824	\$ 34,943,950

The outstanding bonds contain a provision that if any event of default should occur, the Trustee shall at the written direction of the Owner of a majority in aggregate principal amount outstanding, declare the principal of all the bonds then outstanding, and the interest accrued thereon, to be due and payable immediately.

1995 Tax Allocation Bond

On August 15, 1995, the Ontario Redevelopment Agency issued \$4,041,700 in 1995 Tax Allocation Bonds. The bonds were sold to the Ontario Redevelopment Financing Authority at par plus premium. All proceeds of the 1995 Bonds will be used to finance redevelopment projects related to Project Area #1. The 1995 Bonds were issued on parity with the Agency's existing Project Area #1 1992 and 1993 Tax Allocation Bonds. The 1995 Bonds were issued with an interest rate of 12.00%, provided that the interest rate for the period from August 1, 1995 through July 1, 1996, shall be 10.55% per annum, the interest rate for the period from August 1, 1996 through July 31, 1997, shall be 11.70% per annum, and the interest for the period from August 1, 1997 through July 31, 1999, shall be 11.86% per annum. Interest is paid semi-annually each year and commenced February 1, 1996, until final maturity on August 1, 2025. The balance at June 30, 2021, amounted to \$2,400,474.

City of Ontario
Notes to Basic Financial Statements
For the Year Ended June 30, 2021

18. SUCCESSOR TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY, Continued

D. Long-Term Debt, Continued

The annual requirements to amortize the outstanding bond indebtedness as of June 30, including interest, are as follows:

For the Years Ending June 30,	1995 Tax Allocation Bonds		
	Principal	Interest	Total
2022	\$ 461,015	\$ 485,004	\$ 946,019
2023	516,579	485,004	1,001,583
2024	533,112	485,004	1,018,116
2025	596,845	404,208	1,001,053
2026	292,923	323,298	616,221
Total	\$ 2,400,474	\$ 2,182,518	\$ 4,582,992

The outstanding bonds contain a provision that if any event of default should occur, the Trustee shall at the written direction of the Owner of a majority in aggregate principal amount outstanding, declare the principal of all the bonds then outstanding, and the interest accrued thereon, to be due and payable immediately.

2002 Refunding Revenue Bonds

In February 2002, the Ontario Redevelopment Financing Authority issued revenue bonds in the amount of \$35,290,000 to provide funds to concurrently refund on a current basis a portion of the Authority's 1992 Revenue Bonds and certain outstanding tax allocation bonds of the Agency, and to finance redevelopment activities within the Agency's Project Area #1, Center City and Cimarron redevelopment projects. The bonds issued at a premium of \$1,702,231, consist of \$17,472,433 capital appreciation bonds maturing annually through 2018 and \$9,795,000 interest bonds with interest payable semiannually on February 1 and August 1 of each year and maturing in 2021.

The bonds are secured by a pledge and a lien on a portion of the taxes levied on all taxable property within the related project of the Agency. The outstanding balance at June 30, 2021, amounted to \$675,000.

City of Ontario
Notes to Basic Financial Statements
For the Year Ended June 30, 2021

18. SUCCESSOR TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY, Continued

D. Long-Term Debt, Continued

The annual requirements to amortize the outstanding bond indebtedness as of June 30, including interest, are as follows:

For the Years Ending June 30,	2002 Refunding Revenue Bonds		
	Principal	Interest	Total
2022	\$ 675,000	\$ 16,031	\$ 691,031
Total	\$ 675,000	\$ 16,031	\$ 691,031

The outstanding bonds contain a provision that if any event of default should occur, the Trustee shall at the written direction of the Owner of a majority in aggregate principal amount outstanding, declare the principal of all the bonds then outstanding, and the interest accrued thereon, to be due and payable immediately.

Loans Payable

Pursuant to a loan agreement dated February 1, 2002, the Ontario Redevelopment Agency issued the Ontario Redevelopment Project #1 2002 Housing Set-Aside Loan in the amount of \$15,145,000 to finance low and moderate income activities of the Agency within or of the benefit to the Ontario Redevelopment Agency Project Area #1. The loan matures in 2029 and is payable from Housing Tax Revenues allocated to the Agency. Interest is paid semi-annually at a rate of 5.30% per annum. The balance at June 30, 2021, amounted to \$7,402,443.

At June 30, 2021, the annual requirements to repay the outstanding indebtedness were as follows:

For the Years Ending June 30,	2002 FNMA Housing Set-Aside Loan		
	Principal	Interest	Total
2022	\$ 663,079	\$ 374,758	\$ 1,037,837
2023	698,222	338,683	1,036,905
2024	735,228	300,697	1,035,925
2025	774,195	260,698	1,034,893
2026	815,227	218,578	1,033,805
2027-2030	3,716,492	406,653	4,123,145
Total	\$ 7,402,443	\$ 1,900,067	\$ 9,302,510

The remedies available upon the occurrence of an event of default under the loan agreement are in many respects dependent upon regulatory and judicial actions.

City of Ontario
Notes to Basic Financial Statements
For the Year Ended June 30, 2021

18. SUCCESSOR TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY, Continued

D. Long-Term Debt, Continued

Advance from City

The General Fund made an advance in the amount of \$3,500,000 to the Successor Agency of the Former Redevelopment Agency to assist the Agency in implementation of the redevelopment plan.

Debt Service Requirements

The City pledged, as security for bonds issued, either directly or through the Financing Authority, a portion of tax increment revenue (including Low and Moderate-Income Housing set-aside and pass through allocations) that it receives. The bonds issued were to provide financing for various capital projects, accomplish Low and Moderate Income Housing projects and to defease previously issued 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 successor agencies to make payments on the indebtedness incurred by the dissolved redevelopment agency. Total principal and interest remaining on the debt is \$52,054,163 with annual debt service requirements as indicated on the previous pages. For the current year, the total property tax revenue recognized by the Successor Agency for the payment of obligations incurred by the dissolved redevelopment agency was \$11,088,034 and the debt service obligation on the bonds was \$10,604,054.

City of Ontario
Notes to Basic Financial Statements
For the Year Ended June 30, 2021

19. PRIOR PERIOD ADJUSTMENTS

	Net Position/ Fund Balance as Previously	Prior Period Adjustments					Net Position/ Fund Balance Net Position
		Property Transfer	Pension	GASB 84	Unavailable/ Unearned Revenue	Water Rights/ Other Investments	
<i>Government-wide</i>							
Governmental activities	\$ 1,272,509,266	\$ 1,348,438	\$ -	\$ -	\$ 4,000,000	\$ -	\$ 1,277,857,704
Business-type activities	486,544,383	-	-	-	-	4,344,192	490,888,575
<i>Fund Financials</i>							
Governmental Funds							
General Fund	107,550,370	-	-	-	-	-	107,550,370
Measure I Fund	2,373,572	-	-	-	14,351,844	-	16,725,416
Capital Project Fund	56,392,944	1,348,438	-	-	-	-	57,741,382
Enterprise Funds							
Water Fund	378,049,518	-	10,584,627	-	-	4,344,192	392,978,337
Sewer Fund	83,928,217	-	3,123,333	-	-	-	87,051,550
Integrated Waste Fund	28,412,403	-	16,157,632	-	-	-	44,570,035
Internal Service Funds							
Equipment Services Fund	62,055,293	-	4,715,620	-	-	-	66,770,913
Self Insurance Fund	13,597,753	-	734,904	-	-	-	14,332,657
Information Technology Fund	15,888,520	-	6,573,288	-	-	-	22,461,808
Pension Benefits Fund	4,839,359	-	(337,485,564)	-	-	-	(332,646,205)
Fiduciary Funds							
Successor Agency	(21,347,829)	-	-	-	-	-	(21,347,829)
Custodial Funds		-	-	88,346,493	-	-	88,346,493

20. SUBSEQUENT EVENTS

In December 2021, the Ontario Public Financing Authority issued lease revenue refunding bonds in the total amount of \$35,045,000. The City used the proceeds to fully refund the remaining outstanding balance of the 2013 Lease Revenue Bonds.

In December 2021, the City of Ontario issued water revenue refunding bonds in the total amount of \$67,550,000. The City used the proceeds to fully refund the remaining outstanding balance of the 2013 Water Revenue Bonds.

City of Ontario
Notes to Basic Financial Statements
For the Year Ended June 30, 2021

21. REVISED FINANCIAL STATEMENTS

Subsequent to April 28, 2022 (the original date of the auditor's report), management of the City determined that the amount of American Rescue Plan Act revenues recognized in the originally issued financial statements was incorrect. As such, the financial statements have been revised as of August 22, 2022 with respect to this matter. The change resulting from the related adjustment to the originally issued financial statements was as follows for each affected opinion unit:

- Governmental Activities: receivables decreased by \$18,697,513; unearned revenue increased by \$12,804,645; and revenue decreased by \$31,502,158.
- General Fund: receivables and deferred inflows from unavailable revenue each decreased by \$18,697,512; unearned revenue increased by \$12,804,645; and revenue decreased by \$12,804,645.

Audit procedures performed subsequent to the date of the original auditor's report were limited to the subsequent revision of the financial statements described above.

**REQUIRED
SUPPLEMENTARY INFORMATION**

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City of Ontario
Required Supplementary Information
For the Year Ended June 30, 2021

1. BUDGET AND COMPARISON INFORMATION

General Budget Policies

1. The annual budget adopted by the City Council provides for the general operation of the City. It includes proposed expenditures and the means of financing them.
2. The City Council approves total budgeted appropriations and any amendments to appropriations throughout the year. All amendments made during the year are included in the budgetary amounts reported herein. The “appropriated budget” covers all City expenditures, including capital improvement projects carried forward from the prior year, which is re-appropriated every year. Actual expenditures may not exceed budgeted appropriations at the fund level, which is the legal level of control. The City Manager is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter total expenditures of any fund must be approved by the City Council.
3. Formal budgetary integration is employed as a management control device during the year. Commitments for materials and services, such as purchase orders and contracts, are recorded as encumbrances to assist in controlling expenditures. Appropriations that are encumbered lapse at year-end and then are added to the following year budgeted appropriations.
4. Budgets for the General, Special Revenue, Capital Projects and Debt Service Funds are adopted on a basis substantially consistent with generally accepted accounting principles (GAAP). Accordingly, actual revenues and expenditures can be compared with related budgeted amounts without any significant reconciling items. Budget comparisons are not presented for the Proprietary Funds, as the City is not legally required to adopt a budget for those type funds.
5. Capital projects are budgeted through the Capital Projects Fund. Appropriations for capital projects authorized, but not constructed or completed during the year, are re-appropriated in the following year’s budget.
6. Under Article XIII-B of the California Constitution (the Gann Spending Limitation Initiative), the City is restricted as to the amount of annual appropriations from the proceeds of taxes, and if proceeds of taxes exceed allowed appropriations, the excess must be either refunded to the State Controller or returned to the taxpayers through revised tax rates or revised fee schedules, or an excess in one year may be offset by a deficit in the following year. For the fiscal year ended June 30, 2021, based on calculations by City staff, proceeds of taxes did not exceed appropriations.

Further, Section 5 of Article XIII-B allows the City to designate a portion of fund balance for general contingencies to be used for any purpose. On August 10, 1996, the City Council passed Resolution 96-073 setting aside all unappropriated fund balances in the General Fund as a contingency fund.

City of Ontario

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

General Fund

For the year ended June 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	\$ 173,086,820	\$ 187,845,000	\$ 203,537,145	\$ 15,692,145
Licenses and permits	4,085,000	6,050,000	8,423,831	2,373,831
Intergovernmental	337,500	17,854,536	15,484,677	(2,369,859)
Charges for services	26,135,013	30,015,992	31,722,403	1,706,411
Use of money and property	2,000,000	1,981,797	1,066,572	(915,225)
Fines and forfeitures	728,800	428,800	656,407	227,607
Miscellaneous	14,202,295	11,348,466	13,644,767	2,296,301
Total revenues	220,575,428	255,524,591	274,535,802	19,011,211
EXPENDITURES:				
General government				
Mayor and city council	(1,021,179)	611,733	364,125	247,608
Planning commissioners	43,175	43,175	21,658	21,517
City treasurer/city clerk	128,182	128,182	104,288	23,894
Records management	947,594	1,217,877	1,218,563	(686)
City attorney	389,900	1,139,613	1,139,613	-
Office of the city manager	1,446,844	1,696,818	1,601,178	95,640
General government	1,119,907	936,127	669,411	266,716
Financial services administration	782,399	503,495	503,495	-
Fiscal services	7,574,312	7,550,994	3,473,024	4,077,970
General services	-	-	-	-
Billing and collection	3,950,550	-	-	-
Business licenses	722,540	846,752	914,118	(67,366)
Central services	4,064,931	4,726,642	4,417,622	309,020
Human resources	-	-	-	-
Economic development	10,263,078	11,177,260	13,703,046	(2,525,786)
Airport HR and risk management services	167,203	94,521	94,521	-
Communication and community services	-	-	-	-
Office of legislative services	1,106,765	839,956	873,570	(33,614)
Innovation and performance audit	1,014,793	863,754	749,011	114,743
Total general government	32,700,994	32,376,899	29,847,243	2,529,656

City of Ontario

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

General Fund (Continued)

For the year ended June 30, 2021

	Budget Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Public safety				
Police administration	(7,893,232)	3,001,519	5,209,357	(2,207,838)
Traffic support services	4,505,951	4,197,668	4,043,291	154,377
Community engagement team	6,622,985	4,771,451	4,316,069	455,382
Patrol	38,036,458	33,846,602	34,147,922	(301,320)
Extra duty - other	361,830	361,830	304,465	57,365
Canine	1,839,713	1,741,970	1,474,690	267,280
Air support	3,179,096	4,511,508	4,473,749	37,759
Crime analysis and prevention	671,638	747,831	830,712	(82,881)
Communications/records	5,625,152	5,124,567	4,871,456	253,111
Personnel recruit and training	2,426,226	1,872,235	1,875,587	(3,352)
Airport operations bureau	11,910,841	13,421,478	12,379,892	1,041,586
Detective division	9,465,566	10,432,002	10,414,159	17,843
Career criminal division	5,301,514	6,727,185	6,727,185	-
ID/evidence	1,924,393	1,924,393	1,757,348	167,045
Office of the fire chief	1,704,884	1,831,577	1,831,987	(410)
Fire prevention bureau	3,213,018	2,991,192	2,706,006	285,186
Emergency services	40,053,429	43,924,806	43,338,990	585,816
Personnel training and development	671,812	1,270,085	1,323,586	(53,501)
E.M.S. technical services	1,203,216	1,254,912	1,317,252	(62,340)
Emergency management	249,854	321,149	319,581	1,568
Operations support services	2,420,868	3,005,374	2,797,222	208,152
Community improvement	4,247,006	3,847,658	3,669,613	178,045
SWAT	413,205	175,811	175,811	-
Office of the police chief	2,782,970	2,311,817	2,280,453	31,364
Fire communications	2,136,708	2,181,557	1,998,350	183,207
Airport fire operations	7,932,732	6,528,458	6,306,534	221,924
Fire station No. 9	6,890,175	6,921,124	6,680,468	240,656
Police/Ontario ranch	2,421,535	1,886,793	1,886,793	-
Total public safety	160,319,543	171,134,552	169,458,528	1,676,024

City of Ontario

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

General Fund (Continued)

For the year ended June 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Community development				
Community life and culture admin.	(1,021,380)	1,521,228	1,438,683	82,545
Recreation administration	2,317,559	2,198,762	2,203,576	(4,814)
Sports/fitness	510,742	322,537	322,586	(49)
Special events/facility rental	277,995	205,037	205,037	-
Community programs	1,966,627	2,064,189	1,925,274	138,915
Development administration	1,354,847	1,261,594	1,272,261	(10,667)
Planning administration	2,584,136	2,847,217	2,901,551	(54,334)
Planning land development	2,868,472	4,205,603	3,389,187	816,416
Advanced long range planning	1,275,604	1,397,646	1,416,789	(19,143)
Building	3,970,657	4,427,092	4,353,194	73,898
Engineering administration	1,034,173	1,050,115	889,095	161,020
Engineering land development	-	-	-	-
Transportation	-	-	-	-
Traffic engineer and signal operation	681,111	669,705	625,861	43,844
Traffic management	3,134,312	2,775,280	2,858,941	(83,661)
Field services	377,892	367,887	377,365	(9,478)
Museum	1,257,549	1,115,299	1,114,848	451
Community outreach	2,014,436	5,325,496	4,779,852	545,644
Senior services	642,732	1,017,458	986,134	31,324
Youth/teen services	757,861	449,917	430,678	19,239
CIP design administration	32,160	52,160	13,713	38,447
Building safety	-	-	-	-
Successor project management	-	-	-	-
Town Square Park	267,794	153,188	149,013	4,175
Library administration	905,173	975,043	977,124	(2,081)
Ovitt Family Community Library	-	-	-	-
Branch library	4,834,684	4,305,113	4,358,909	(53,796)
Total community development	32,045,136	38,707,566	36,989,671	1,717,895
Public works				
Roadway maintenance	-	-	-	-
Paint striping and sign maintenance	-	-	-	-
Sidewalk	1,713,105	1,731,804	1,557,834	173,970
Street lighting maintenance	555,022	674,651	647,600	27,051
Parks and maintenance supervision	623,152	598,905	508,456	90,449
Park maintenance	5,014,489	5,860,976	5,587,183	273,793
Parkway tree trimming	1,285,905	1,424,661	1,247,274	177,387
Public grounds maintenance	2,097,373	2,007,209	1,910,844	96,365
Civic center grounds maintenance	179,867	179,867	163,238	16,629
Public works admin.	-	-	-	-
Public facilities building maintenance	716,940	749,485	749,533	(48)
Community events	42,574	42,574	4,034	38,540
Graffiti	596,338	596,338	570,016	26,322
Storm drain maintenance	549,195	476,208	486,899	(10,691)
Facility maintenance	-	-	-	-
Weed and refuse abatement	36,761	100,981	102,764	(1,783)
Total public works	13,410,721	14,443,659	13,535,675	907,984

City of Ontario

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual General Fund (Continued) For the year ended June 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Debt service:				
Principal retirement	-	-	1,120,000	(1,120,000)
Interest and fiscal charges	-	-	2,767,687	(2,767,687)
Total debt service	-	-	3,887,687	(3,887,687)
Total expenditures	238,476,394	256,662,676	253,718,804	2,943,872
REVENUES OVER (UNDER) EXPENDITURES	(17,900,966)	(1,138,085)	20,816,998	16,067,339
OTHER FINANCING SOURCES (USES):				
Transfers in	12,132,206	11,134,138	13,474,393	2,340,255
Transfers out	(5,798,525)	(13,953,030)	(15,140,552)	(1,187,522)
Total other financing sources (uses)	6,333,681	(2,818,892)	(1,666,159)	1,152,733
Net change in fund balances	<u>\$ (11,567,285)</u>	<u>\$ (3,956,977)</u>	19,150,839	<u>\$ 17,220,072</u>
FUND BALANCES:				
Beginning of year			107,550,370	
End of year			<u>\$ 126,701,209</u>	

City of Ontario

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual Measure I

For the year ended June 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 30,421,746	\$ 30,421,746	\$ 4,820,182	\$ (25,601,564)
Use of money and property	258,270	258,270	(75,689)	(333,959)
Miscellaneous	1,221,700	1,221,700	-	(1,221,700)
Total revenues	31,901,716	31,901,716	4,744,493	(27,157,223)
EXPENDITURES:				
Current:				
Community development	30,318,161	30,318,161	4,542,237	25,775,924
Total expenditures	30,318,161	30,318,161	4,542,237	25,775,924
REVENUES OVER (UNDER)				
EXPENDITURES	1,583,555	1,583,555	202,256	(52,933,147)
OTHER FINANCING SOURCES (USES):				
Transfers in	119,241	119,241	119,241	-
Total other financing sources (uses)	119,241	119,241	119,241	-
Net change in fund balances	\$ 1,702,796	\$ 1,702,796	321,497	\$ (52,933,147)
FUND BALANCES:				
Beginning of year, as restated			16,725,416	
End of year			\$ 17,046,913	

City of Ontario

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Ontario Housing Authority

For the year ended June 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 5,000,000	\$ 5,000,000	\$ -	\$ (5,000,000)
Contribution from property owners	50,407	50,407	51,925	1,518
Use of money and property	514,780	514,780	1,147,139	632,359
Miscellaneous	6,667,200	6,667,200	68,806	(6,598,394)
Total revenues	12,232,387	12,232,387	1,267,870	(10,964,517)
EXPENDITURES:				
Current:				
Community development	19,161,376	19,161,376	2,298,498	16,862,878
Debt service:				
Principal retirement	-	-	-	-
Total expenditures	19,161,376	19,161,376	2,298,498	16,862,878
REVENUES OVER (UNDER)				
EXPENDITURES	(6,928,989)	(6,928,989)	(1,030,628)	(27,827,395)
Net change in fund balances	\$ (6,928,989)	\$ (6,928,989)	(1,030,628)	\$ (27,827,395)
FUND BALANCES:				
Beginning of year			21,292,559	
End of year			\$ 20,261,931	

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City of Ontario

Required Supplementary Information

For the year ended June 30, 2021

Modified Approach for City Infrastructure Capital Assets

In accordance with GASB Statement No. 34, the City is required to account for and report infrastructure assets. The City defines infrastructure as the basic physical assets including the street system; water purification and distribution system; wastewater collection and treatment system; and buildings combined with site amenities such as parking and landscaped areas used by the City in the conduct of its business. Each major infrastructure system can be divided into subsystems. For example, the street system can be divided into concrete curb and gutters, sidewalks, medians, streetlights, traffic control devices (signs, signals and pavement markings), landscaping and land. Subsystem detail is not presented in these basic financial statements; however, the City maintains detailed information on these subsystems.

The City has elected to use the "Modified Approach" as defined by GASB Statement No. 34 for infrastructure reporting for its Street Pavement System. Under GASB Statement No. 34, eligible infrastructure capital assets are not required to be depreciated under the following requirements:

- The City manages the eligible infrastructure assets using an asset management system with characteristics of (1) an up-to-date inventory; (2) perform condition assessments and summarize the results using a measurement scale; and (3) estimate annual amount to maintain and preserve at the established assessment level.
- The City documents that the eligible infrastructure assets are being preserved approximately at or above the established and disclosed condition assessment level.

In March 2021, the City completed a study to update the physical condition assessment of the streets. The prior assessment study was completed in February 2020. The streets, primarily surfaced with asphalt and concrete, were defined as all physical features associated with the operation of motorized vehicles that exist within the limits of right of way. City owned streets are classified based on land use, access and traffic utilization into the following four classifications: arterial, collector local, and alley. Currently, 50% of the City's arterial and collectors and 25% of the local streets and alleys are being assessed each year. Each street and its related subsystems were assigned a physical condition based on 17 potential defects. A Pavement Condition Index (PCI), a nationally recognized index, was assigned and expressed in a continuous scale from 0 to 100, where 0 is assigned to the least acceptable physical condition and 100 is assigned the physical characteristics of a new street. The following conditions were defined in the 2010 study:

<u>Condition</u>	<u>Rating</u>
Excellent	86-100
Very good	71-85
Good	56-70
Fair	41-55
Poor	26-40
Very poor	11-25
Failed	0-10

City of Ontario
Required Supplementary Information
For the year ended June 30, 2021

Modified Approach for City Infrastructure Capital Assets (Continued)

The City's policy is to maintain the existing weighted average rating of "Good". This rating allows for minor cracking and raveling of the pavement along with minor roughness that could be noticeable to drivers traveling at the posted speeds. As of March 2021, the City's average street and its related subsystem's PCI rating was 81.3, with the detail condition as follows:

<u>Condition</u>	<u>% of Streets</u>
Excellent to Very Good	79.2%
Good to fair	16.6%
Poor to Failed	4.2%

The following is the condition assessment for the most recent years since implementation:

<u>Report's Date</u>	<u>PCI Index</u>
March 2021	81.3
February 2020	82.8
January 2019	82.7
February 2018	82.0
April 2017	78.3
May 2016	76.3
March 2015	74.7
January 2013	70.6
May 14, 2012	71.1
March 18, 2010	69.0
February 18, 2008	65.0
January 11, 2007	67.0
February 21, 2006	68.0
April 11, 2005	65.0
February 28, 2002	71.0
July 15, 1999	69.0

As of March 2021, the City had some of its streets rated below a "fair" rating. The City will require several years to rehabilitate these segments of the streets.

City of Ontario
Required Supplementary Information
For the year ended June 30, 2021

Modified Approach for City Infrastructure Capital Assets (Continued)

The City's streets are constantly deteriorating resulting from the following four factors: (1) traffic using the streets, (2) the sun's ultra-violet rays drying out and breaking down the top layer of pavement, (3) utility company/private development interests trenching operations, and (4) water damage from natural precipitation and other urban runoff. The City is continuously taking actions to arrest the deterioration through short-term maintenance activities such as pothole patching, street sweeping, and street paving. The City expended \$7.1 million on street maintenance for the fiscal year ended June 30, 2021. These expenditures delayed deterioration however, the overall condition of the streets was not improved through these maintenance expenditures. The City has estimated that the amount of annual expenditures required maintaining the City's streets at the average PCI rating of "Good" through the year 2021 is a minimum of \$5.6 million per year. A schedule of estimated annual amount required to maintain and preserve the City's streets at the current level compared to actual expenditures for street maintenance for the last five years is presented below.

As of June 30, 2021, the City had approximately 111,606,938 square feet (532.3 centerline miles) of streets with a carrying amount of \$366,325,809 and a replacement cost of approximately \$1,047,906,100.

The City is also continuously taking actions to arrest the deterioration of other infrastructure assets through short-term maintenance activities. For the fiscal year ended June 30, 2021, the City expended \$7.9 million on infrastructure maintenance for sidewalks, catch basin/storm drains, and traffic signal/street lightings. These expenditures delayed deterioration and improved the overall condition of these infrastructures. It is estimated that it will cost approximately \$4.0 million per year to maintain these other infrastructure assets at their present level as shown on the schedule presented below.

Maintenance Category		Fiscal Year ending June 30th,				
		2017	2018	2019	2020	2021
Streets	Estimated	\$ 13,008,613	\$ 12,441,858	\$ 12,273,799	\$ 12,694,852	\$ 11,151,458
	Actuals	8,219,379	8,696,188	11,067,305	9,155,000	7,112,536
Sidewalks	Estimated	1,669,078	1,700,699	1,790,476	1,698,940	1,586,450
	Actuals	1,578,819	1,488,652	1,602,108	1,649,357	1,557,834
Storm Drain	Estimated	1,894,890	1,735,524	1,824,635	2,587,972	2,255,702
	Actuals	1,714,063	1,452,261	1,407,071	1,925,921	1,856,150
Traffic Signal/Street Lights	Estimated	4,383,271	4,687,717	4,744,781	5,004,117	4,707,980
	Actuals	4,024,946	4,330,956	4,108,176	4,279,727	4,509,065

City of Ontario
Required Supplementary Information
For the year ended June 30, 2021

Miscellaneous Plan

*Schedule of Changes in the Net Pension Liability and Related Ratios - Last 10 Years**

	2014	2015	2016	2017
TOTAL PENSION LIABILITY				
Service cost	\$ 6,439,440	\$ 6,295,399	\$ 6,785,157	\$ 8,020,608
Interest	19,741,927	20,680,719	22,042,754	23,255,948
Differences between expected and actual experience	-	(2,539,125)	2,960,090	1,183,589
Changes in assumptions	-	(5,069,730)	-	19,573,224
Benefit payments, including refunds of employee contributions	(11,000,119)	(11,779,873)	(12,973,536)	(13,196,500)
Net change in the total pension liability	15,181,248	7,587,390	18,814,465	38,836,869
Total pension liability - beginning	265,506,030	280,687,278	288,274,668	307,089,133
Total pension liability - ending (a)	<u>\$ 280,687,278</u>	<u>\$ 288,274,668</u>	<u>\$ 307,089,133</u>	<u>\$ 345,926,002</u>
PLAN FIDUCIARY NET POSITION				
Contributions - employer	\$ 4,373,874	\$ 5,965,663	\$ 6,919,250	\$ 7,142,812
Contributions - employee	2,619,805	3,288,408	3,496,228	3,300,315
Net investment income	35,255,810	5,225,720	1,288,913	26,063,000
Benefit payments, including refunds of employee contributions	(11,000,119)	(11,779,873)	(12,973,536)	(13,196,500)
Plan to plan resource movement	-	(670)	221	-
Administrative expense	-	(270,392)	(144,268)	(347,413)
Other miscellaneous income (expense)	-	-	-	-
Net change in plan fiduciary net position	31,249,370	2,428,856	(1,413,192)	22,962,214
Plan fiduciary net position - beginning	203,040,903	234,290,273	236,719,129	235,305,937
Plan fiduciary net position - ending (b)	<u>\$ 234,290,273</u>	<u>\$ 236,719,129</u>	<u>\$ 235,305,937</u>	<u>\$ 258,268,151</u>
Net pension liability - ending (a) - (b)	<u>\$ 46,397,005</u>	<u>\$ 51,555,539</u>	<u>\$ 71,783,196</u>	<u>\$ 87,657,851</u>
Plan fiduciary net position as a percentage of the total pension liability	83.47%	82.12%	76.62%	74.66%
Covered payroll	\$ 38,282,148	\$ 39,204,131	\$ 43,085,834	\$ 46,066,325
Net pension liability as a percentage of covered payroll	121.20%	131.51%	166.61%	190.29%

* Fiscal year 2015 was the first year of implementation. Future years' information will be displayed up to 10 years as information becomes available.

Notes to the Schedule:

Benefit Changes: There were no changes in benefits.

Changes in Assumptions:

In fiscal year 2016-17, the discount rate was changed from 7.65 percent (net of administrative expense) to 7.15 percent.

In fiscal year 2017-18, 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 the discount rate.

In fiscal years 2018-19 and 2019-20, there were none.

2018	2019	2020
\$ 8,293,305	\$ 8,873,061	\$ 9,303,101
24,357,078	26,179,759	27,711,756
833,264	7,329,159	2,223,422
(3,104,763)	-	-
(14,285,430)	(15,269,344)	(16,860,141)
16,093,454	27,112,635	22,378,138
345,926,002	362,019,456	389,132,091
<u>\$ 362,019,456</u>	<u>\$ 389,132,091</u>	<u>\$ 411,510,229</u>

\$ 8,845,306	\$ 9,750,907	\$ 113,590,085
4,098,899	3,976,957	4,187,458
21,684,987	18,145,412	14,846,554
(14,285,430)	(15,269,344)	(16,860,141)
(1,183)	-	3,753
(402,453)	(197,990)	(414,257)
(764,265)	641	-

19,175,861	16,406,583	115,353,452
258,268,151	277,444,012	293,850,595
<u>\$ 277,444,012</u>	<u>\$ 293,850,595</u>	<u>\$ 409,204,047</u>

<u>\$ 84,575,444</u>	<u>\$ 95,281,496</u>	<u>\$ 2,306,182</u>
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76.64%	75.51%	99.44%
\$ 48,007,553	\$ 51,795,345	\$ 55,145,826
176.17%	183.96%	4.18%

City of Ontario
Required Supplementary Information
For the year ended June 30, 2021

Safety Police Plan

*Schedule of Changes in the Net Pension Liability and Related Ratios - Last 10 Years**

	2014	2015	2016	2017
TOTAL PENSION LIABILITY				
Service cost	\$ 6,239,776	\$ 6,095,464	\$ 6,630,087	\$ 7,755,445
Interest	20,403,337	21,492,971	22,805,001	23,727,296
Differences between expected and actual experience	-	(435,228)	1,866,294	(3,343,535)
Changes in assumptions	-	(5,448,420)	-	20,461,012
Benefit payments, including refunds of employee contributions	(11,427,473)	(12,128,407)	(13,014,228)	(13,724,815)
Net change in the total pension liability	15,215,640	9,576,380	18,287,154	34,875,403
Total pension liability - beginning	274,638,342	289,853,982	299,430,362	317,717,516
Total pension liability - ending (a)	<u>\$ 289,853,982</u>	<u>\$ 299,430,362</u>	<u>\$ 317,717,516</u>	<u>\$ 352,592,919</u>
PLAN FIDUCIARY NET POSITION				
Contributions - employer	\$ 5,606,239	\$ 8,077,089	\$ 9,031,995	\$ 10,241,924
Contributions - employee	1,562,761	2,077,172	2,185,576	2,309,239
Net investment income	32,668,031	4,795,601	1,073,635	24,253,009
Benefit payments, including refunds of employee contributions	(11,427,473)	(12,128,407)	(13,014,228)	(13,724,815)
Plan to plan resource movement	-	607	-	-
Administrative expense	-	(246,269)	(133,344)	(321,771)
Other miscellaneous income (expense)	-	-	-	-
Net change in plan fiduciary net position	28,409,558	2,575,793	(856,366)	22,757,586
Plan fiduciary net position - beginning	187,809,183	216,218,741	218,794,534	217,938,168
Plan fiduciary net position - ending (b)	<u>\$ 216,218,741</u>	<u>\$ 218,794,534</u>	<u>\$ 217,938,168</u>	<u>\$ 240,695,754</u>
Net pension liability - ending (a) - (b)	<u>\$ 73,635,241</u>	<u>\$ 80,635,828</u>	<u>\$ 99,779,348</u>	<u>\$ 111,897,165</u>
Plan fiduciary net position as a percentage of the total pension liability	74.60%	73.07%	68.59%	68.26%
Covered payroll	\$ 21,107,423	\$ 21,416,900	\$ 23,375,007	\$ 24,563,537
Net pension liability as a percentage of covered payroll	348.86%	376.51%	426.86%	455.54%

* Fiscal year 2015 was the first year of implementation. Future years' information will be displayed up to 10 years as information becomes available.

Notes to the Schedule:

Benefit Changes: There were no changes in benefits.

Changes in Assumptions:

In fiscal year 2016-17, the discount rate was changed from 7.65 percent (net of administrative expense) to 7.15 percent.

In fiscal year 2017-18, 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 the discount rate.

In fiscal years 2018-19 and 2019-20, there were none.

2018	2019	2020
\$ 8,903,620	\$ 9,490,945	\$ 10,397,206
25,115,253	27,456,414	29,448,493
3,330,790	14,622,182	8,260,014
(1,542,087)	-	-
(15,142,297)	(17,240,114)	(18,358,394)
20,665,279	34,329,427	29,747,319
352,592,919	373,258,198	407,587,625
<u>\$ 373,258,198</u>	<u>\$ 407,587,625</u>	<u>\$ 437,334,944</u>

\$ 12,590,271	\$ 13,281,118	\$ 154,440,411
3,082,481	3,171,669	3,557,026
20,500,833	17,108,327	14,435,085
(15,142,297)	(17,240,114)	(18,358,394)
(60)	-	(3,753)
(375,070)	(185,998)	(390,183)
(712,265)	603	-

19,943,893	16,135,605	153,680,192
240,695,754	260,639,647	276,775,252
<u>\$ 260,639,647</u>	<u>\$ 276,775,252</u>	<u>\$ 430,455,444</u>

<u>\$ 112,618,551</u>	<u>\$ 130,812,373</u>	<u>\$ 6,879,500</u>
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69.83%	67.91%	98.43%
\$ 28,650,190	\$ 30,612,990	\$ 33,746,205
393.08%	427.31%	20.39%

City of Ontario
Required Supplementary Information
For the year ended June 30, 2021

Safety Fire Plan

*Schedule of Changes in the Net Pension Liability and Related Ratios - Last 10 Years**

	2014	2015	2016	2017
TOTAL PENSION LIABILITY				
Service cost	\$ 4,207,185	\$ 3,826,254	\$ 4,011,720	\$ 4,694,688
Interest	15,722,984	16,115,504	17,007,366	17,663,790
Differences between expected and actual experience	-	(5,049,828)	2,059,569	(205,847)
Changes in assumptions	-	(3,893,081)	-	14,596,257
Benefit payments, including refunds of employee contributions	(9,226,093)	(10,326,665)	(10,544,779)	(11,502,192)
Net change in the total pension liability	10,704,076	672,184	12,533,876	25,246,696
Total pension liability - beginning	212,149,220	222,853,296	223,525,480	236,059,356
Total pension liability - ending (a)	<u>\$ 222,853,296</u>	<u>\$ 223,525,480</u>	<u>\$ 236,059,356</u>	<u>\$ 261,306,052</u>
PLAN FIDUCIARY NET POSITION				
Contributions - employer	\$ 2,989,253	\$ 5,643,212	\$ 5,475,379	\$ 5,785,138
Contributions - employee	1,181,692	1,673,250	1,513,475	1,535,337
Net investment income	26,898,837	3,958,046	890,970	19,188,945
Benefit payments, including refunds of employee contributions	(9,226,093)	(10,326,665)	(10,544,779)	(11,502,192)
Plan to plan resource movement	-	-	(221)	-
Administrative expense	-	(200,094)	(108,343)	(258,375)
Other miscellaneous income (expense)	-	-	-	-
Net change in plan fiduciary net position	21,843,689	747,749	(2,773,519)	14,748,853
Plan fiduciary net position - beginning	155,181,255	177,024,944	177,772,693	174,999,174
Plan fiduciary net position - ending (b)	<u>\$ 177,024,944</u>	<u>\$ 177,772,693</u>	<u>\$ 174,999,174</u>	<u>\$ 189,748,027</u>
Net pension liability - ending (a) - (b)	<u>\$ 45,828,352</u>	<u>\$ 45,752,787</u>	<u>\$ 61,060,182</u>	<u>\$ 71,558,025</u>
Plan fiduciary net position as a percentage of the total pension liability	79.44%	79.53%	74.13%	72.62%
Covered payroll	\$ 15,672,135	\$ 14,881,781	\$ 15,700,218	\$ 16,311,760
Net pension liability as a percentage of covered payroll	292.42%	307.44%	388.91%	438.69%

* Fiscal year 2015 was the first year of implementation. Future years' information will be displayed up to 10 years as information becomes available.

Notes to the Schedule:

Benefit Changes: There were no changes in benefits.

Changes in Assumptions:

In fiscal year 2016-17, the discount rate was changed from 7.65 percent (net of administrative expense) to 7.15 percent.

In fiscal year 2017-18, 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 the discount rate.

In fiscal years 2018-19 and 2019-20, there were none.

2018	2019	2020
\$ 5,450,102	\$ 5,774,916	\$ 6,188,402
18,731,153	20,209,053	21,509,141
5,431,927	9,490,435	6,351,419
(1,280,641)	-	-
(12,416,436)	(13,911,900)	(14,806,228)
15,916,105	21,562,504	19,242,734
261,306,052	277,222,157	298,784,661
<u>\$ 277,222,157</u>	<u>\$ 298,784,661</u>	<u>\$ 318,027,395</u>

\$ 7,480,185	\$ 7,800,187	\$ 103,651,019
1,996,292	2,057,562	2,467,276
15,891,350	13,135,037	10,819,335
(12,416,436)	(13,911,900)	(14,806,228)
(468)	-	-
(295,680)	(144,039)	(297,147)
(561,501)	468	-

12,093,742	8,937,315	101,834,255
189,748,027	201,841,769	210,779,084
<u>\$ 201,841,769</u>	<u>\$ 210,779,084</u>	<u>\$ 312,613,339</u>

<u>\$ 75,380,388</u>	<u>\$ 88,005,577</u>	<u>\$ 5,414,056</u>
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72.81%	70.55%	98.30%
\$ 19,029,023	\$ 20,523,547	\$ 22,228,457
396.13%	428.80%	24.36%

City of Ontario
Required Supplementary Information
For the year ended June 30, 2021

*Schedule of Pension Plan Contributions - Last 10 Years**

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Miscellaneous Plan				
Actuarially determined contribution	\$ 4,373,874	\$ 5,965,663	\$ 6,919,250	\$ 7,142,812
Contributions in relation to actuarially deemed contributions	(4,373,874)	(5,965,663)	(6,919,250)	(7,142,812)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 38,282,148	\$ 39,204,131	\$ 43,085,834	\$ 46,066,325
Contributions as a percentage of covered payroll	11.43%	15.22%	16.06%	15.51%
Safety Police Plan				
Actuarially determined contribution	\$ 5,606,239	\$ 8,077,089	\$ 9,031,995	\$ 10,241,924
Contributions in relation to actuarially deemed contributions	(5,606,239)	(8,077,089)	(9,031,995)	(10,241,924)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 21,107,423	\$ 21,416,900	\$ 23,375,007	\$ 24,563,537
Contributions as a percentage of covered payroll	26.56%	37.71%	38.64%	41.70%
Safety Fire Plan				
Actuarially determined contribution	\$ 2,989,253	\$ 5,643,212	\$ 5,475,379	\$ 5,785,138
Contributions in relation to actuarially deemed contributions	(2,989,253)	(5,643,212)	(5,475,379)	(5,785,138)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 15,672,135	\$ 14,881,781	\$ 15,700,218	\$ 16,311,760
Contributions as a percentage of covered payroll	19.07%	37.92%	34.87%	35.47%

* Fiscal year 2015 was the 1st year of implementation.

Notes to the Schedule:

Valuation date: June 30, 2017

Actuarial cost method: Entry Age Normal

Amortization of unfunded
actuarial accrued liability:

Driver	Source				
	(Gain) / Loss		Assumption/ Method Change	Benefit Change	Golden Handshake
	Investment	Non-Investment			
Amortization period	30 years	30 years	20 years	20 years	5 years
Escalation rate					
Active plans	2.875%	2.875%	2.875%	2.875%	2.875%
Inactive plans	0%	0%	0%	0%	0%
Ramp up	-	-	-	-	-
Ramp down	-	-	-	-	-

Asset valuation method: Market Value of Assets

Discount rate: 7.25%

Overall pay growth: 2.875%

Inflation: 2.625%

Retirement age: 2017 CalPERS Experience Study

Mortality: 2017 CalPERS Experience Study, with ongoing improvements using 90 percent of Scale MP-2016

<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
\$ 8,845,306 (8,845,306)	\$ 9,750,907 (9,750,907)	\$ 11,520,393 (113,590,085)	\$ 5,233,815 (5,233,815)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ (102,069,692)</u>	<u>\$ -</u>
\$ 48,007,553 18.42%	\$ 51,795,345 18.83%	\$ 55,145,826 205.98%	\$ 51,492,952 10.16%
\$ 12,590,271 (12,590,271)	\$ 13,281,118 (13,281,118)	\$ 15,237,147 (154,440,411)	\$ 7,489,804 (7,489,804)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ (139,203,264)</u>	<u>\$ -</u>
\$ 28,650,190 43.94%	\$ 30,612,990 43.38%	\$ 33,746,205 457.65%	\$ 33,334,679 22.47%
\$ 7,480,185 (7,480,185)	\$ 7,800,187 (7,800,187)	\$ 9,470,927 (103,651,019)	\$ 4,913,650 (4,913,650)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ (94,180,092)</u>	<u>\$ -</u>
\$ 19,029,023 39.31%	\$ 20,523,547 38.01%	\$ 22,228,457 466.30%	\$ 25,054,896 19.61%

City of Ontario
Required Supplementary Information
For the year ended June 30, 2021

*Schedule of Changes in OPEB Liability and Related Ratios - Last 10 Years**

	2017	2018	2019	2020
Total OPEB Liability				
Service cost	\$ 12,423,938	\$ 10,440,905	\$ 9,940,301	\$ 4,576,154
Interest on the total OPEB liability	8,541,783	9,882,614	10,698,499	11,065,136
Actual and expected experience difference	-	-	(31,315,151)	-
Changes in assumptions	(37,838,070)	(13,680,004)	(90,154,275)	(2,893,024)
Benefit payments	(4,213,032)	(5,398,279)	(6,094,869)	(6,553,703)
Net change in the total OPEB liability	(21,085,381)	1,245,236	(106,925,495)	6,194,563
Total OPEB liability - beginning	289,394,278	268,308,897	269,554,133	162,628,638
Total OPEB liability - ending (a)	268,308,897	269,554,133	162,628,638	168,823,201
Plan Fiduciary Net Position (1)				
Contribution - employer	4,213,032	5,398,279	6,108,661	146,570,084
Net investment income	-	-	-	1,670,786
Benefit payments	(4,213,032)	(5,398,279)	(6,094,869)	(6,553,703)
Administrative expense	-	-	(13,792)	(49,752)
Net change in plan fiduciary net position	-	-	-	141,637,415
Plan fiduciary net position - beginning	-	-	-	-
Plan fiduciary net position - ending (b)	-	-	-	141,637,415
Net OPEB liability/ Asset - ending (a) - (b)	\$ 268,308,897	\$ 269,554,133	\$ 162,628,638	\$ 27,185,786
Covered-employee payroll	\$ 111,311,408	\$ 127,657,357	\$ 135,622,457	\$ 137,353,524
Net OPEB liability as a percentage of covered-employee payroll	241.04%	211.15%	119.91%	122.91%

* Fiscal year 2018 was the 1st year of implementation.

(1) The City opened a trust during fiscal year 2019-20, as such the presentation includes plan fiduciary net position, although no contributions were made to the trust during the measurement period ended June 30, 2019.

Notes to Schedule:

Changes in assumptions: The discount rate was changed from 3.87 percent to 6.75 percent for the measurement period ended June 30, 2019. Eligibility for Medicare assumption was changed based on recent plan experience. Mortality improvement scale was updated to Scale MP-2019.

City of Ontario
Required Supplementary Information
For the year ended June 30, 2021

*Schedule of OPEB Contributions - Last 10 Years**

	2018	2019	2020	2021
Actuarially determined contribution	\$ 26,527,000	\$ 28,414,000	\$ 30,643,000	\$ 7,470,000
Contribution in relation to the actuarially determined contribution	(5,398,279)	(6,108,661)	(146,570,084)	(1,485,734)
Contribution deficiency (excess)	<u>21,128,721</u>	<u>22,305,339</u>	<u>(115,927,084)</u>	<u>5,984,266</u>
Covered-employee payroll	\$ 127,657,357	\$ 135,622,457	\$ 142,599,181	\$ 137,353,524
Contributions as a percentage of covered-employee payroll	-4.23%	-4.50%	-102.78%	-1.08%

* Fiscal year 2018 was the 1st year of implementation.

(1) The City opened a trust during fiscal year 2019-20, as such the presentation includes plan fiduciary net position, although no contributions were made to the trust during the measurement period ended June 30, 2019.

Notes to Schedule:

Actuarial methods and assumptions used to set the actuarially determined contribution for fiscal year 2021 were from the June 30, 2019 actuarial valuation.

Methods and assumptions used to determine contributions:

Actuarial cost method	Entry Age Normal
Amortization valuation method/period	Level percent of payroll; 15- year fixed period
Inflation	2.75% per annum
Discount rate	6.75%
Medical trend	Non-Medicare - 7.25% for 2021, decreasing to an ultimate rate of 4.0% in Medicare - 6.3% for 2021, decreasing to an ultimate rate of 4.0% in 2076
Mortality	CalPERS 1997-2015 Experience Study
Mortality improvement	Post-retirement mortality projected fully generational with Scale MP-2019

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SUPPLEMENTARY INFORMATION

City of Ontario
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2021

	Special Revenue Funds			
	Special Gas Tax	Quiet Home Program	Park Impact / Quimby	Community Development
ASSETS				
Cash and investments	\$ 7,288,022	\$ 1,037,780	\$ 33,276,387	\$ 225,719
Receivables:				
Accounts	762,355	-	27,000	1,821,980
Taxes	-	-	-	-
Notes and loans	-	-	-	10,580,418
Accrued interest	16,803	-	81,655	-
Prepaid costs	-	-	-	-
Advances to other funds	-	-	-	5,961,399
Inventories	-	-	-	-
Land held for resale	-	57,832,232	-	51,050
Restricted assets:				
Cash and investments	-	-	-	35,775
Cash and investments with fiscal agents	-	-	-	-
Total assets	8,067,180	58,870,012	33,385,042	18,676,341
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	1,534,816	-	74,297	613,566
Accrued liabilities	49,418	-	-	15,557
Unearned revenues	-	863,420	-	7,971,531
Deposits payable	-	-	-	-
Due to other governments	-	-	-	2,748,044
Due to other funds	-	-	-	807,791
Total liabilities	1,584,234	863,420	74,297	12,156,489
Deferred Inflows of Resources				
Unavailable revenues	-	-	-	-
Total deferred inflows of resources	-	-	-	-
Fund Balances:				
Restricted for:				
Community development projects	6,482,946	58,006,592	-	6,519,852
Public safety	-	-	-	-
Park development	-	-	33,310,745	-
Affordable housing	-	-	-	-
AQMD activities	-	-	-	-
Fiber/broadband	-	-	-	-
Public services	-	-	-	-
Unassigned	-	-	-	-
Total fund balances	6,482,946	58,006,592	33,310,745	6,519,852
Total liabilities, deferred inflows of resources and fund balances	\$ 8,067,180	\$ 58,870,012	\$ 33,385,042	\$ 18,676,341

Special Revenue Funds						
Asset Seizure	Mobile Source Air Pollution	Special Assessment / Fee Districts	Grants	Cable Access	Storm Drain Maintenance	
\$ 3,236,642	\$ 1,630,534	\$ 7,659,995	\$ 8,857,746	\$ 1,822,365	\$ 426,904	
5,763	121,950	4,426	2,801,234	49,407	108,803	
-	-	10,837	-	-	-	
-	-	-	-	-	-	
7,942	4,001	11,409	-	4,583	942	
-	-	-	8,800	-	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
3,250,347	1,756,485	7,686,667	11,667,780	1,876,355	536,649	
35,937	155	216,248	252,001	(1)	35,920	
68,371	223	13,436	8,574	-	21,093	
-	-	-	11,339,201	-	-	
322,524	-	-	15,732	-	29,782	
-	-	-	-	-	-	
-	-	-	-	-	-	
426,832	378	229,684	11,615,508	(1)	86,795	
-	-	-	295,838	-	-	
-	-	-	295,838	-	-	
-	-	7,456,983	-	-	449,854	
2,823,515	-	-	-	-	-	
-	-	-	-	-	-	
-	1,756,107	-	-	-	-	
-	-	-	-	-	-	
-	-	-	-	1,876,356	-	
-	-	-	(243,566)	-	-	
2,823,515	1,756,107	7,456,983	(243,566)	1,876,356	449,854	
\$ 3,250,347	\$ 1,756,485	\$ 7,686,667	\$ 11,667,780	\$ 1,876,355	\$ 536,649	

City of Ontario
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2021

	Special Revenue Funds			
	Historic Preservation	NMC Public Services	I.T. Fiber	Affordability in Lieu
ASSETS				
Cash and investments	\$ 500,096	\$ 10,594,949	\$ 241,150	\$ 22,371,791
Receivables:				
Accounts	-	-	122,527	-
Taxes	-	-	-	-
Notes and loans	-	-	-	-
Accrued interest	1,227	25,998	599	54,897
Prepaid costs	-	-	-	-
Advances to other funds	-	-	-	-
Inventories	-	-	1,453,014	-
Land held for resale	-	-	-	-
Restricted assets:				
Cash and investments	-	-	-	-
Cash and investments with fiscal agents	-	-	-	-
Total assets	501,323	10,620,947	1,817,290	22,426,688
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	(1)	(1)	125,845	1
Accrued liabilities	-	-	11,522	-
Unearned revenues	-	-	-	-
Deposits payable	-	-	-	-
Due to other governments	-	-	-	-
Due to other funds	-	-	-	-
Total liabilities	(1)	(1)	137,367	1
Deferred Inflows of Resources				
Unavailable revenues	-	-	-	-
Total deferred inflows of resources	-	-	-	-
Fund Balances:				
Restricted for:				
Community development projects	501,324	-	-	-
Public safety	-	-	-	-
Park development	-	-	-	-
Affordable housing	-	-	-	22,426,687
AQMD activities	-	-	-	-
Fiber/broadband	-	-	1,679,923	-
Public services	-	10,620,948	-	-
Unassigned	-	-	-	-
Total fund balances	501,324	10,620,948	1,679,923	22,426,687
Total liabilities, deferred inflows of resources and fund balances	\$ 501,323	\$ 10,620,947	\$ 1,817,290	\$ 22,426,688

		Capital Project Funds		Total Nonmajor Governmental Funds	
NMC CFD	OMC CFD	NMC CFD	OMC CFD		
\$ 76,500	\$ 5,234	\$ 1,247,200	\$ 49,226	\$	100,548,240
118,396	191	9,004	-		5,953,036
-	-	-	-		10,837
-	-	-	-		10,580,418
21,016	240	289	-		231,601
-	-	-	-		8,800
-	-	-	-		5,961,399
-	-	-	-		1,453,014
-	-	-	-		57,883,282
-	-	-	-		35,775
-	-	35,180,777	22,055		35,202,832
215,912	5,665	36,437,270	71,281		217,869,234
(106,279)	-	112,621	1		2,895,126
-	-	-	-		188,194
-	-	-	-		20,174,152
-	-	607,966	49,226		1,025,230
-	-	-	-		2,748,044
-	-	-	-		807,791
(106,279)	-	720,587	49,227		27,838,537
-	-	-	-		295,838
-	-	-	-		295,838
-	-	-	22,054		79,439,605
-	-	-	-		2,823,515
-	-	-	-		33,310,745
-	-	-	-		22,426,687
-	-	-	-		1,756,107
-	-	-	-		1,679,923
322,191	5,665	35,716,683	-		48,541,843
-	-	-	-		(243,566)
322,191	5,665	35,716,683	22,054		189,734,859
\$ 215,912	\$ 5,665	\$ 36,437,270	\$ 71,281	\$	217,869,234

City of Ontario
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the year ended June 30, 2021

	Special Revenue Funds			
	Special Gas Tax	Quiet Home Program	Park Impact / Quimby	Community Development
REVENUES:				
Taxes	\$ -	\$ -	\$ -	\$ -
Special assessment taxes	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	7,531,518	-	-	4,410,838
Contribution from property owners	-	-	-	-
Charges for services	-	-	14,248,310	-
Use of money and property	21,356	-	172,703	311,600
Fines and forfeitures	-	-	-	-
Miscellaneous	611	-	-	-
Total revenues	7,553,485	-	14,421,013	4,722,438
EXPENDITURES:				
Current:				
General government	-	-	-	60,089
Public safety	-	-	-	280,027
Community development	4,156,559	-	412,116	4,674,715
Public works	1,919,409	-	-	174,995
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	4,598,104	-
Interest and fiscal charges	-	-	401,896	-
Total expenditures	6,075,968	-	5,412,116	5,189,826
REVENUES OVER (UNDER) EXPENDITURES	1,477,517	-	9,008,897	(467,388)
OTHER FINANCING SOURCES (USES):				
Transfers in	2,660,003	-	-	-
Transfers out	(2,687,843)	-	-	-
Notes and loans issued	-	-	-	-
Total other financing sources (uses)	(27,840)	-	-	-
Special item	-	-	-	-
Net change in fund balances	1,449,677	-	9,008,897	(467,388)
FUND BALANCES:				
Beginning of year	5,033,269	58,006,592	24,301,848	6,987,240
End of year	\$ 6,482,946	\$ 58,006,592	\$ 33,310,745	\$ 6,519,852

Special Revenue Funds

Asset Seizure	Mobile Source Air Pollution	Special Assessment / Fee Districts	Grants	Cable Access	Storm Drain Maintenance
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	1,021,356	-	260,134	-
-	-	-	-	-	-
384,078	238,790	-	5,163,890	-	7,863
-	-	-	-	-	-
-	-	-	-	-	1,315,150
6,785	4,057	(32,625)	-	5,983	(163)
-	-	-	-	-	-
-	-	911,788	19,414	-	-
390,863	242,847	1,900,519	5,183,304	266,117	1,322,850
-	2,824	418,046	50,273	-	-
163,127	-	-	1,369,906	-	-
-	79,101	2,166,093	3,609,326	97,712	837,450
-	157	1,296,721	-	-	416,957
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
163,127	82,082	3,880,860	5,029,505	97,712	1,254,407
227,736	160,765	(1,980,341)	153,799	168,405	68,443
6,000	-	413,865	70,130	-	-
(33,182)	(132)	(182,446)	(460,289)	-	(14,844)
-	-	-	-	-	-
(27,182)	(132)	231,419	(390,159)	-	(14,844)
-	-	-	-	-	-
200,554	160,633	(1,748,922)	(236,360)	168,405	53,599
2,622,961	1,595,474	9,205,905	(7,206)	1,707,951	396,255
\$ 2,823,515	\$ 1,756,107	\$ 7,456,983	\$ (243,566)	\$ 1,876,356	\$ 449,854

City of Ontario
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the year ended June 30, 2021

	Special Revenue Funds			
	Historic Preservation	NMC Public Services	I.T. Fiber	Affordability in Lieu
REVENUES:				
Taxes	\$ -	\$ -	\$ -	\$ -
Special assessment taxes	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Contribution from property owners	-	-	-	-
Charges for services	110,600	1,102,555	1,031,261	6,272,884
Use of money and property	2,126	(28,649)	(35,843)	143,668
Fines and forfeitures	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	112,726	1,073,906	995,418	6,416,552
EXPENDITURES:				
Current:				
General government	-	-	2,319,974	-
Public safety	-	-	-	-
Community development	-	3,594	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	-	3,594	2,319,974	-
REVENUES OVER (UNDER)				
EXPENDITURES	112,726	1,070,312	(1,324,556)	6,416,552
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	3,640,975	16,010,135
Transfers out	-	(3,999,997)	(636,496)	-
Notes and loans issued	-	-	-	-
Total other financing sources (uses)	-	(3,999,997)	3,004,479	16,010,135
Special item	-	-	-	-
Net change in fund balances	112,726	(2,929,685)	1,679,923	22,426,687
FUND BALANCES:				
Beginning of year	388,598	13,550,633	-	-
End of year	\$ 501,324	\$ 10,620,948	\$ 1,679,923	\$ 22,426,687

Capital Project Funds					Total Nonmajor Governmental Funds
NMC CFD	OMC CFD	NMC CFD	OMC CFD		
\$ -	\$ -	\$ -	\$ -	\$ -	-
9,424,546	110,874	1,109,726	-	-	11,926,636
-	-	-	-	-	-
-	-	-	-	-	17,736,977
-	-	38,356,510	-	-	38,356,510
-	-	-	-	-	24,080,760
66,573	1,128	(6,912)	784	-	632,571
-	-	-	-	-	-
-	-	-	-	-	931,813
9,491,119	112,002	39,459,324	784	-	93,665,267
181,360	5,804	44,479	-	-	3,082,849
-	-	-	-	-	1,813,060
17,855	7,006	26,045,304	9,592	-	42,116,423
-	-	-	-	-	3,808,239
-	-	-	-	-	-
-	-	-	-	-	4,598,104
-	-	-	-	-	401,896
199,215	12,810	26,089,783	9,592	-	55,820,571
9,291,904	99,192	13,369,541	(8,808)	-	37,844,696
796,393	40,646	-	-	-	23,638,147
(9,309,229)	(175,644)	-	-	-	(17,500,102)
-	-	-	-	-	-
(8,512,836)	(134,998)	-	-	-	6,138,045
-	-	-	-	-	-
779,068	(35,806)	13,369,541	(8,808)	-	43,982,741
(456,877)	41,471	22,347,142	30,862	-	145,752,118
\$ 322,191	\$ 5,665	\$ 35,716,683	\$ 22,054	\$ -	\$ 189,734,859

City of Ontario

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual Special Gas Tax For the year ended June 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 7,459,363	\$ 7,459,363	\$ 7,531,518	\$ 72,155
Use of money and property	76,550	76,550	21,356	(55,194)
Miscellaneous	-	-	611	611
Total revenues	7,535,913	7,535,913	7,553,485	17,572
EXPENDITURES:				
Current:				
Community development	9,505,953	9,505,953	4,156,559	5,349,394
Public works	2,321,986	2,321,986	1,919,409	402,577
Total expenditures	11,827,939	11,827,939	6,075,968	5,751,971
REVENUES OVER (UNDER)				
EXPENDITURES	(4,292,026)	(4,292,026)	1,477,517	(5,734,399)
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	2,660,003	2,660,003
Transfers out	(27,845)	(27,845)	(2,687,843)	(2,659,998)
Total other financing sources (uses)	(27,845)	(27,845)	(27,840)	5
Net change in fund balances	\$ (4,319,871)	\$ (4,319,871)	1,449,677	\$ (5,734,394)
FUND BALANCES:				
Beginning of year			5,033,269	
End of year			\$ 6,482,946	

City of Ontario

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Quiet Home Program

For the year ended June 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 439,000	\$ 439,000	\$ -	\$ (439,000)
Contribution from property owners	595,000	595,000	-	(595,000)
Total revenues	1,034,000	1,034,000	-	(1,034,000)
EXPENDITURES:				
Current:				
Community development	1,017,022	1,017,022	-	1,017,022
Total expenditures	1,017,022	1,017,022	-	1,017,022
REVENUES OVER (UNDER)				
EXPENDITURES	16,978	16,978	-	(2,051,022)
Net change in fund balances	\$ 16,978	\$ 16,978	-	\$ (2,051,022)
FUND BALANCES:				
Beginning of year			58,006,592	
End of year			\$ 58,006,592	

City of Ontario

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Park Impact/Quimby

For the year ended June 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Charges for services	\$ 9,452,000	\$ 9,452,000	\$ 14,248,310	\$ 4,796,310
Use of money and property	469,125	469,125	172,703	(296,422)
Total revenues	9,921,125	9,921,125	14,421,013	4,499,888
EXPENDITURES:				
Current:				
Community development	2,630,129	2,630,129	412,116	2,218,013
Debt service:				
Principal retirement	4,598,104	4,598,104	4,598,104	-
Interest and fiscal charges	401,896	401,896	401,896	-
Total expenditures	7,630,129	7,630,129	5,412,116	2,218,013
REVENUES OVER (UNDER) EXPENDITURES	2,290,996	2,290,996	9,008,897	2,281,875
Net change in fund balances	\$ 2,290,996	\$ 2,290,996	9,008,897	\$ 2,281,875
FUND BALANCES:				
Beginning of year			24,301,848	
End of year			<u>\$ 33,310,745</u>	

City of Ontario

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual Community Development For the year ended June 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 6,104,357	\$ 6,104,357	\$ 4,410,838	\$ (1,693,519)
Use of money and property	-	-	311,600	311,600
Total revenues	6,104,357	6,104,357	4,722,438	(1,381,919)
EXPENDITURES:				
Current:				
General government	235,765	235,765	60,089	175,676
Public safety	349,543	349,543	280,027	69,516
Community development	10,351,610	10,351,610	4,674,715	5,676,895
Public works	175,000	175,000	174,995	5
Total expenditures	11,111,918	11,111,918	5,189,826	5,922,092
REVENUES OVER (UNDER)				
EXPENDITURES	(5,007,561)	(5,007,561)	(467,388)	(7,304,011)
Net change in fund balances	\$ (5,007,561)	\$ (5,007,561)	(467,388)	\$ (7,304,011)
FUND BALANCES:				
Beginning of year			6,987,240	
End of year			\$ 6,519,852	

City of Ontario

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Asset Seizure

For the year ended June 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ -	\$ -	\$ 384,078	\$ 384,078
Use of money and property	-	-	6,785	6,785
Total revenues	-	-	390,863	390,863
EXPENDITURES:				
Current:				
Public safety	769,628	769,628	163,127	606,501
Total expenditures	769,628	769,628	163,127	606,501
REVENUES OVER (UNDER)				
EXPENDITURES	(769,628)	(769,628)	227,736	(215,638)
OTHER FINANCING SOURCES (USES):				
Transfers in	6,000	6,000	6,000	-
Transfers out	(6,000)	(6,000)	(33,182)	(27,182)
Total other financing sources (uses)	-	-	(27,182)	(27,182)
Net change in fund balances	\$ (769,628)	\$ (769,628)	200,554	\$ (242,820)
FUND BALANCES:				
Beginning of year			2,622,961	
End of year			<u>\$ 2,823,515</u>	

City of Ontario

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual Mobile Source Air Pollution For the year ended June 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 215,000	\$ 215,000	\$ 238,790	\$ 23,790
Use of money and property	24,495	24,495	4,057	(20,438)
Total revenues	239,495	239,495	242,847	3,352
EXPENDITURES:				
Current:				
General government	2,732	2,732	2,824	(92)
Community development	273,437	273,437	79,101	194,336
Public works	911,700	911,700	157	911,543
Total expenditures	1,187,869	1,187,869	82,082	1,105,787
REVENUES OVER (UNDER)				
EXPENDITURES	(948,374)	(948,374)	160,765	(1,102,435)
OTHER FINANCING SOURCES (USES):				
Transfers out	(136)	(136)	(132)	4
Total other financing sources (uses)	(136)	(136)	(132)	4
Net change in fund balances	\$ (948,510)	\$ (948,510)	160,633	\$ (1,102,431)
FUND BALANCES:				
Beginning of year			1,595,474	
End of year			\$ 1,756,107	

City of Ontario

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual Special Assessment / Fee Districts For the year ended June 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Special assessment taxes	\$ 1,014,797	\$ 1,014,797	\$ 1,021,356	\$ 6,559
Use of money and property	107,310	107,310	(32,625)	(139,935)
Miscellaneous	18,000	18,000	911,788	893,788
Total revenues	1,140,107	1,140,107	1,900,519	760,412
EXPENDITURES:				
Current:				
General government	417,686	417,686	418,046	(360)
Community development	2,852,384	2,852,384	2,166,093	686,291
Public works	1,828,493	1,828,493	1,296,721	531,772
Total expenditures	5,098,563	5,098,563	3,880,860	1,217,703
REVENUES OVER (UNDER)				
EXPENDITURES	(3,958,456)	(3,958,456)	(1,980,341)	(457,291)
OTHER FINANCING SOURCES (USES):				
Transfers in	382,000	382,000	413,865	31,865
Transfers out	(8,436)	(8,436)	(182,446)	(174,010)
Total other financing sources (uses)	373,564	373,564	231,419	(142,145)
Net change in fund balances	\$ (3,584,892)	\$ (3,584,892)	(1,748,922)	\$ (599,436)
FUND BALANCES:				
Beginning of year			9,205,905	
End of year			\$ 7,456,983	

City of Ontario

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual Grants

For the year ended June 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 1,780,496	\$ 1,780,496	\$ 5,163,890	\$ 3,383,394
Miscellaneous	612,031	612,031	19,414	(592,617)
Total revenues	2,392,527	2,392,527	5,183,304	2,790,777
EXPENDITURES:				
Current:				
General government	64,206	64,206	50,273	13,933
Public safety	2,511,541	2,511,541	1,369,906	1,141,635
Community development	41,385,152	41,385,152	3,609,326	37,775,826
Total expenditures	43,960,899	43,960,899	5,029,505	38,931,394
REVENUES OVER (UNDER)				
EXPENDITURES	(41,568,372)	(41,568,372)	153,799	(36,140,617)
OTHER FINANCING SOURCES (USES):				
Transfers in	203,750	203,750	70,130	(133,620)
Transfers out	(290,731)	(290,731)	(460,289)	(169,558)
Total other financing sources (uses)	(86,981)	(86,981)	(390,159)	(303,178)
Net change in fund balances	\$ (41,655,353)	\$ (41,655,353)	(236,360)	\$ (36,443,795)
FUND BALANCES:				
Beginning of year			(7,206)	
End of year			<u>\$ (243,566)</u>	

City of Ontario

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual Cable Access

For the year ended June 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Special assessment taxes	\$ 200,000	\$ 200,000	\$ 260,134	\$ 60,134
Use of money and property	-	-	5,983	5,983
Total revenues	200,000	200,000	266,117	66,117
EXPENDITURES:				
Current:				
Community development	152,203	152,203	97,712	54,491
Total expenditures	152,203	152,203	97,712	54,491
REVENUES OVER (UNDER) EXPENDITURES	47,797	47,797	168,405	11,626
Net change in fund balances	\$ 47,797	\$ 47,797	168,405	\$ 11,626
FUND BALANCES:				
Beginning of year			1,707,951	
End of year			\$ 1,876,356	

City of Ontario

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Storm Drain Maintenance

For the year ended June 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ -	\$ -	\$ 7,863	\$ 7,863
Charges for services	1,380,000	1,380,000	1,315,150	(64,850)
Use of money and property	7,400	7,400	(163)	(7,563)
Miscellaneous	15,000	15,000	-	(15,000)
Total revenues	1,402,400	1,402,400	1,322,850	(79,550)
EXPENDITURES:				
Current:				
Community development	1,161,769	1,161,769	837,450	324,319
Public works	502,885	502,885	416,957	85,928
Total expenditures	1,664,654	1,664,654	1,254,407	410,247
REVENUES OVER (UNDER)				
EXPENDITURES	(262,254)	(262,254)	68,443	(489,797)
OTHER FINANCING SOURCES (USES):				
Transfers out	(14,840)	(14,840)	(14,844)	(4)
Total other financing sources (uses)	(14,840)	(14,840)	(14,844)	(4)
Net change in fund balances	\$ (277,094)	\$ (277,094)	53,599	\$ (489,801)
FUND BALANCES:				
Beginning of year			396,255	
End of year			\$ 449,854	

City of Ontario

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual Historic Preservation For the year ended June 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Charges for services	\$ -	\$ -	\$ 110,600	\$ 110,600
Use of money and property	6,250	6,250	2,126	(4,124)
Total revenues	6,250	6,250	112,726	106,476
Net change in fund balances	\$ 6,250	\$ 6,250	112,726	\$ 106,476
FUND BALANCES:				
Beginning of year			388,598	
End of year			\$ 501,324	

City of Ontario

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

NMC Public Services

For the year ended June 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Charges for services	\$ 5,212,000	\$ 5,212,000	\$ 1,102,555	\$ (4,109,445)
Use of money and property	248,610	248,610	(28,649)	(277,259)
Total revenues	5,460,610	5,460,610	1,073,906	(4,386,704)
EXPENDITURES:				
Current:				
Community development	-	-	3,594	(3,594)
Total expenditures	-	-	3,594	(3,594)
REVENUES OVER (UNDER)				
EXPENDITURES	5,460,610	5,460,610	1,070,312	(4,383,110)
OTHER FINANCING SOURCES (USES):				
Transfers out	(4,000,000)	(4,000,000)	(3,999,997)	3
Total other financing sources (uses)	(4,000,000)	(4,000,000)	(3,999,997)	3
Net change in fund balances	\$ 1,460,610	\$ 1,460,610	(2,929,685)	\$ (4,383,107)
FUND BALANCES:				
Beginning of year			13,550,633	
End of year			\$ 10,620,948	

City of Ontario

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

I.T. Fiber

For the year ended June 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Charges for services	\$ 1,245,726	\$ 1,245,726	\$ 1,031,261	\$ (214,465)
Use of money and property	56,075	56,075	(35,843)	(91,918)
Total revenues	1,301,801	1,301,801	995,418	(306,383)
EXPENDITURES:				
Current:				
General government	8,731,467	8,731,467	2,319,974	6,411,493
Community development	6,431	6,431	-	6,431
Total expenditures	8,737,898	8,737,898	2,319,974	6,417,924
REVENUES OVER (UNDER)				
EXPENDITURES	(7,436,097)	(7,436,097)	(1,324,556)	(6,724,307)
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	3,640,975	3,640,975
Transfers out	(636,497)	(636,497)	(636,496)	1
Total other financing sources (uses)	(636,497)	(636,497)	3,004,479	3,640,976
Net change in fund balances	\$ (8,072,594)	\$ (8,072,594)	1,679,923	\$ (3,083,331)
FUND BALANCES:				
Beginning of year			-	
End of year			<u>\$ 1,679,923</u>	

City of Ontario

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual Affordability in Lieu For the year ended June 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Charges for services	\$ -	\$ -	\$ 6,272,884	\$ 6,272,884
Use of money and property	-	-	143,668	143,668
Total revenues	-	-	6,416,552	6,416,552
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	16,010,135	16,010,135
Total other financing sources (uses)	-	-	16,010,135	16,010,135
Net change in fund balances	\$ -	\$ -	22,426,687	\$ 22,426,687
FUND BALANCES:				
Beginning of year			-	
End of year			\$ 22,426,687	

City of Ontario

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual NMC CFD

For the year ended June 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Special assessment taxes	\$ 7,211,800	\$ 7,211,800	\$ 9,424,546	\$ 2,212,746
Use of money and property	2,375	2,375	66,573	64,198
Total revenues	7,214,175	7,214,175	9,491,119	2,276,944
EXPENDITURES:				
Current:				
General government	419,900	419,900	181,360	238,540
Community development	111,800	111,800	17,855	93,945
Debt service:				
Principal retirement	100,000	100,000	-	100,000
Interest and fiscal charges	209,443	209,443	-	209,443
Total expenditures	841,143	841,143	199,215	641,928
REVENUES OVER (UNDER) EXPENDITURES	6,373,032	6,373,032	9,291,904	1,635,016
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	796,393	796,393
Transfers out	(7,040,206)	(7,040,206)	(9,309,229)	(2,269,023)
Total other financing sources (uses)	(7,040,206)	(7,040,206)	(8,512,836)	(1,472,630)
Net change in fund balances	\$ (667,174)	\$ (667,174)	779,068	\$ 162,386
FUND BALANCES:				
Beginning of year			(456,877)	
End of year			\$ 322,191	

City of Ontario

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual OMC CFD

For the year ended June 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Special assessment taxes	\$ 96,050	\$ 96,050	\$ 110,874	\$ 14,824
Use of money and property	652	652	1,128	476
Total revenues	96,702	96,702	112,002	15,300
EXPENDITURES:				
Current:				
General government	7,000	7,000	5,804	1,196
Community development	22,850	22,850	7,006	15,844
Total expenditures	29,850	29,850	12,810	17,040
REVENUES OVER (UNDER)				
EXPENDITURES	66,852	66,852	99,192	(1,740)
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	40,646	40,646
Transfers out	(92,000)	(92,000)	(175,644)	(83,644)
Total other financing sources (uses)	(92,000)	(92,000)	(134,998)	(42,998)
Net change in fund balances	\$ (25,148)	\$ (25,148)	(35,806)	\$ (44,738)
FUND BALANCES:				
Beginning of year			41,471	
End of year			\$ 5,665	

City of Ontario

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual Capital Projects

For the year ended June 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 506,685	\$ 506,685	\$ 948,245	\$ 441,560
Use of money and property	144,110	144,110	29,257	(114,853)
Miscellaneous	693,896	693,896	-	(693,896)
Total revenues	1,344,691	1,344,691	977,502	(367,189)
EXPENDITURES:				
Current:				
General government	86,700	86,700	86,700	-
Public safety	1,927,774	1,927,774	777,421	1,150,353
Community development	34,631,849	34,631,849	14,428,397	20,203,452
Public works	-	-	3,563	(3,563)
Total expenditures	36,646,323	36,646,323	15,296,081	21,350,242
REVENUES OVER (UNDER) EXPENDITURES	(35,301,632)	(35,301,632)	(14,318,579)	(21,717,431)
OTHER FINANCING SOURCES (USES):				
Transfers in	10,163,471	10,163,471	10,333,029	169,558
Transfers out	(3,735,859)	(3,735,859)	(25,015,750)	(21,279,891)
Total other financing sources (uses)	6,427,612	6,427,612	(14,682,721)	(21,110,333)
Net change in fund balances	\$ (28,874,020)	\$ (28,874,020)	(29,001,300)	\$ (42,827,764)
FUND BALANCES:				
Beginning of year			57,741,382	
End of year			<u>\$ 28,740,082</u>	

City of Ontario

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual Impact Fees For the year ended June 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Charges for services	\$ 45,839,000	\$ 45,839,000	\$ 25,157,998	\$ (20,681,002)
Use of money and property	2,881,390	2,881,390	111,811	(2,769,579)
Total revenues	48,720,390	48,720,390	25,269,809	(23,450,581)
EXPENDITURES:				
Current:				
General government	8,634	8,634	-	8,634
Public safety	13,558,855	13,558,855	8,785,036	4,773,819
Community development	76,921,675	76,921,675	30,210,762	46,710,913
Total expenditures	90,489,164	90,489,164	38,995,798	51,493,366
REVENUES OVER (UNDER)				
EXPENDITURES	(41,768,774)	(41,768,774)	(13,725,989)	(74,943,947)
OTHER FINANCING SOURCES (USES):				
Transfers in	1,632,495	1,632,495	1,632,495	-
Total other financing sources (uses)	1,632,495	1,632,495	1,632,495	-
Net change in fund balances	\$ (40,136,279)	\$ (40,136,279)	(12,093,494)	\$ (74,943,947)
FUND BALANCES:				
Beginning of year			146,248,550	
End of year			\$ 134,155,056	

City of Ontario

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

NMC CFD Capital Projects Fund

For the year ended June 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Special assessment taxes	\$ -	\$ -	\$ 1,109,726	\$ 1,109,726
Contribution from property owners	-	-	38,356,510	38,356,510
Use of money and property	-	-	(6,912)	(6,912)
Total revenues	-	-	39,459,324	39,459,324
EXPENDITURES:				
Current:				
General government	-	-	44,479	(44,479)
Community development	58,900	58,900	26,045,304	(25,986,404)
Total expenditures	58,900	58,900	26,089,783	(26,030,883)
REVENUES OVER (UNDER)				
EXPENDITURES	(58,900)	(58,900)	13,369,541	65,490,207
Net change in fund balances	\$ (58,900)	\$ (58,900)	13,369,541	\$ 65,490,207
FUND BALANCES:				
Beginning of year			22,347,142	
End of year			\$ 35,716,683	

City of Ontario

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

OMC CFD Capital Projects Fund

For the year ended June 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Use of money and property	\$ -	\$ -	\$ 784	\$ 784
Total revenues	-	-	784	784
EXPENDITURES:				
Current:				
Community development	-	-	9,592	(9,592)
Total expenditures	-	-	9,592	(9,592)
REVENUES OVER (UNDER)				
EXPENDITURES	-	-	(8,808)	10,376
Net change in fund balances	\$ -	\$ -	(8,808)	\$ 10,376
FUND BALANCES:				
Beginning of year			30,862	
End of year			\$ 22,054	

City of Ontario
Combining Statement of Net Position
Internal Service Funds
June 30, 2021

	Equipment Services	Self Insurance	Information Technology	Facility Maintenance
ASSETS				
Current Assets:				
Cash and investments	\$ 27,464,368	\$ 24,734,907	\$ 6,056,150	\$ 5,356,533
Receivables:				
Accounts	447,041	(28,174)	53,538	1,052,257
Accrued interest	-	-	-	78
Prepaid costs	464	-	2,147,627	3,891
Due from other funds	-	-	-	-
Inventories	842,917	-	-	-
Restricted:				
Cash with fiscal agent	-	858,102	-	18,546,049
Total current assets	28,754,790	25,564,835	8,257,315	24,958,808
Noncurrent:				
Advances to other funds	8,938,442	17,629,918	1,968,721	-
Land held for resale	-	-	-	-
Capital assets:				
Nondepreciable	991,394	-	4,560,149	14,111,562
Depreciable	77,302,944	-	10,592,140	-
Less accumulated depreciation	(46,820,634)	-	(6,207,043)	-
Net capital assets	31,473,704	-	8,945,246	14,111,562
Total noncurrent assets	40,412,146	17,629,918	10,913,967	14,111,562
Total assets	69,166,936	43,194,753	19,171,282	39,070,370
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charges on refunding	-	-	-	-
Deferred pension related items	714,666	111,378	996,202	-
Deferred OPEB related items	-	-	-	-
Total deferred outflows of resources	714,666	111,378	996,202	-
LIABILITIES				
Current liabilities:				
Accounts payable	716,433	715,354	1,750,625	171,615
Accrued liabilities	80,282	18,156	128,469	54,682
Accrued interest	-	-	-	129,031
Due to other funds	-	-	-	-
Compensated absences - current	225,876	246,794	261,588	46,325
Claims and judgements - current	-	12,019,643	-	-
Long-term debt - current portion	-	-	-	1,541,021
Total current liabilities	1,022,591	12,999,947	2,140,682	1,942,674
Noncurrent liabilities:				
Advances from other funds	-	-	-	-
Compensated absences	38,770	(206,136)	319,719	46,325
Claims and judgements	-	23,488,000	-	-
Net pension liability	106,545	16,604	148,518	-
OPEB liability	-	-	-	-
Long-term debt	-	-	-	31,903,622
Total noncurrent liabilities	145,315	23,298,468	468,237	31,949,947
Total liabilities	1,167,906	36,298,415	2,608,919	33,892,621
DEFERRED INFLOWS OF RESOURCES				
Deferred pension related items	16,876	2,631	23,522	-
Deferred OPEB related items	-	-	-	-
Total deferred inflows of resources	16,876	2,631	23,522	-
NET POSITION				
Net investment in capital assets	31,473,704	-	8,945,246	(787,032)
Unrestricted	37,223,116	7,005,085	8,589,797	5,964,781
Total net position	\$ 68,696,820	\$ 7,005,085	\$ 17,535,043	\$ 5,177,749

Other Post Employment Benefits	Pension Benefits Fund	Totals
\$ 451,922	\$ -	\$ 64,063,880
5,893,746	22,338	7,440,746
1,109	-	1,187
371,452	-	2,523,434
-	-	-
-	-	842,917
-	7	19,404,158
<u>6,718,229</u>	<u>22,345</u>	<u>94,276,322</u>
-	-	28,537,081
-	80,445,164	80,445,164
-	-	19,663,105
-	-	87,895,084
-	-	(53,027,677)
-	-	54,530,512
-	80,445,164	163,512,757
<u>6,718,229</u>	<u>80,467,509</u>	<u>257,789,079</u>
-	-	-
-	-	1,822,246
<u>3,928,204</u>	<u>-</u>	<u>3,928,204</u>
<u>3,928,204</u>	<u>-</u>	<u>5,750,450</u>
5,076,623	52,572	8,483,222
-	-	281,589
-	683,013	812,044
-	1,494	1,494
-	-	780,583
-	-	12,019,643
-	4,360,000	5,901,021
<u>5,076,623</u>	<u>5,097,079</u>	<u>28,279,596</u>
-	128,455,736	128,455,736
-	-	198,678
-	-	23,488,000
-	-	271,667
27,185,786	-	27,185,786
-	228,855,000	260,758,622
<u>27,185,786</u>	<u>357,310,736</u>	<u>440,358,489</u>
<u>32,262,409</u>	<u>362,407,815</u>	<u>468,638,085</u>
-	-	43,029
<u>120,802,551</u>	<u>-</u>	<u>120,802,551</u>
<u>120,802,551</u>	<u>-</u>	<u>120,845,580</u>
-	-	39,631,918
<u>(142,418,527)</u>	<u>(281,940,306)</u>	<u>(365,576,054)</u>
<u>\$ (142,418,527)</u>	<u>\$ (281,940,306)</u>	<u>\$ (325,944,136)</u>

City of Ontario

Combining Statement of Revenues, Expenditures and Changes in Net Position

Internal Service Funds

For the year ended June 30, 2021

	Equipment Services	Self Insurance	Information Technology	Facility Maintenance
OPERATING REVENUES:				
Sales and service charges	\$ -	\$ -	\$ -	\$ -
Interdepartmental charges	16,846,845	11,829,965	9,956,605	8,760,627
Miscellaneous	663,529	30,173	116,749	55,951
Total operating revenues	17,510,374	11,860,138	10,073,354	8,816,578
OPERATING EXPENSES:				
Administration and general	5,908,768	18,595,905	8,254,439	6,993,986
Source and supply	4,703,371	-	8,731,394	-
Pumping	-	-	-	-
Transmission/collection	-	-	-	-
Treatment	-	-	-	-
Cost of sales and services	-	-	-	-
Claims expense	-	577,129	-	-
Depreciation expense	6,238,154	-	1,339,890	-
Total operating expenses	16,850,293	19,173,034	18,325,723	6,993,986
Operating income (loss)	660,081	(7,312,896)	(8,252,369)	1,822,592
NONOPERATING REVENUES (EXPENSES):				
Grant revenue	-	-	60,936	998,194
Interest revenue	10	-	20,414	2,574
Interest expense	-	-	-	(585,630)
Gain on joint venture	-	-	-	-
Gain on sale of other investments	-	-	-	-
Total nonoperating revenues (expenses)	10	-	81,350	415,138
Income before contributions and transfers	660,091	(7,312,896)	(8,171,019)	2,237,730
CONTRIBUTIONS AND TRANSFERS:				
Capital grants and contributions	-	-	-	-
Transfers in	1,330,460	-	3,328,074	2,940,019
Transfers out	(64,644)	(14,676)	(83,820)	-
Total contributions and transfers	1,265,816	(14,676)	3,244,254	2,940,019
Change in net position	1,925,907	(7,327,572)	(4,926,765)	5,177,749
NET POSITION:				
Beginning of year	62,055,293	13,597,753	15,888,520	-
Restatements	4,715,620	734,904	6,573,288	-
Beginning of year, as restated	66,770,913	14,332,657	22,461,808	-
End of year	\$ 68,696,820	\$ 7,005,085	\$ 17,535,043	\$ 5,177,749

Other Post Employment Benefits	Pension Benefits Fund	Totals
\$ -	\$ -	\$ -
-	-	47,394,042
5,893,746	17,136,198	23,896,346
5,893,746	17,136,198	71,290,388
(743,540)	1,039,580	40,049,138
-	-	13,434,765
-	-	-
-	-	-
-	-	577,129
-	-	7,578,044
(743,540)	1,039,580	61,639,076
6,637,286	16,096,618	9,651,312
-	-	1,059,130
245,393	116,482	384,873
-	(9,512,724)	(10,098,354)
-	-	-
-	-	-
245,393	(9,396,242)	(8,654,351)
6,882,679	6,700,376	996,961
-	-	-
5,076,624	44,005,523	56,680,700
(43,000,000)	-	(43,163,140)
(37,923,376)	44,005,523	13,517,560
(31,040,697)	50,705,899	14,514,521
(111,377,830)	4,839,359	(14,996,905)
-	(337,485,564)	(325,461,752)
(111,377,830)	(332,646,205)	(340,458,657)
\$ (142,418,527)	\$ (281,940,306)	\$ (325,944,136)

City of Ontario
Combining Statement of Cash Flows
Internal Service Funds
For the year ended June 30, 2021

	Equipment Services	Self Insurance	Information Technology	Facility Maintenance
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash received from/(paid to) interfund services	\$ 17,269,582	\$ 11,888,312	\$ 10,132,845	\$ 7,764,321
Cash paid to suppliers for goods and services	(5,272,695)	6,465,964	(9,017,514)	-
Cash paid to employees for services	(5,325,490)	(18,490,198)	(7,097,535)	(6,678,930)
Net cash provided by (used in) operating activities	6,671,397	(135,922)	(5,982,204)	1,085,391
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Cash transfers in	1,330,460	-	3,328,074	2,940,019
Cash transfers out	(64,644)	(14,676)	(83,820)	-
Due to other funds	-	-	-	-
Advance from other funds	(4,855,442)	(15,588,918)	5,941,279	-
Interest paid on pension obligation bonds	-	-	-	-
Principal paid on pension obligation bonds	-	-	-	-
Grant subsidy	-	-	60,936	998,194
Net cash provided by (used in) noncapital financing activities	(3,589,626)	(15,603,594)	9,246,469	3,938,213
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Acquisition and construction of capital assets	(5,682,538)	-	(3,337,404)	(14,111,562)
Acquisition of other investments	-	-	-	-
Interest paid on capital debt	-	-	-	(456,599)
Principal paid on debt	-	-	-	(538,577)
Proceed from issuance of debt	-	-	-	33,983,220
Net cash provided by (used in) capital and related financing activities	(5,682,538)	-	(3,337,404)	18,876,482
CASH FLOWS FROM INVESTING ACTIVITIES:				
Change in investments	-	-	-	-
Interest received	10	-	20,414	2,496
Net cash provided by (used in) investing activities	10	-	20,414	2,496
Net cash flows	(2,600,757)	(15,739,516)	(52,725)	23,902,582
CASH AND INVESTMENTS - Beginning of year	30,065,125	41,332,525	6,108,875	-
CASH AND INVESTMENTS - End of year	\$ 27,464,368	\$ 25,593,009	\$ 6,056,150	\$ 23,902,582
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:				
Operating income (loss)	\$ 660,081	\$ (7,312,896)	\$ (8,252,369)	\$ 1,822,592
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	6,238,154	-	1,339,890	-
(Increase) decrease in accounts receivable	(240,792)	28,174	59,491	(1,052,257)
(Increase) decrease in prepaid expense	(464)	-	(754,812)	(3,891)
(Increase) decrease in inventories	(4,583)	-	-	-
Increase (decrease) in accounts payable	(556,823)	81,721	456,955	171,615
Increase (decrease) in accrued liabilities	(7,454)	1,729	11,737	54,682
Increase (decrease) in unearned revenues	-	-	-	-
Increase (decrease) in deposits payable	-	-	-	-
Increase (decrease) in claims and judgements	-	6,959,643	-	-
Increase (decrease) in compensated absences	(13,729)	12,665	324,715	92,650
Increase (decrease) in net pension liability	(4,295,460)	(669,423)	(5,987,610)	-
Increase (decrease) in deferred pension related items	4,892,467	762,465	6,819,799	-
Increase (decrease) in OPEB liability	-	-	-	-
Increase (decrease) in deferred OPEB related items	-	-	-	-
Net cash provided by (used in) operating activities	\$ 6,671,397	\$ (135,922)	\$ (5,982,204)	\$ 1,085,391

Other Post Employment Benefits	Pension Benefits Fund	Totals
\$ -	\$ 17,113,860	\$ 64,168,920
-	52,572	(7,771,673)
(6,219,167)	(1,039,580)	(44,850,900)
(6,219,167)	16,126,852	11,546,347
5,076,624	44,005,523	56,680,700
(43,000,000)	-	(43,163,140)
-	1,494	1,494
-	26,386,044	11,882,963
-	(8,829,711)	(8,829,711)
-	(3,370,000)	(3,370,000)
-	-	1,059,130
(37,923,376)	58,193,350	14,261,436
-	-	(23,131,504)
-	(80,445,164)	(80,445,164)
-	-	(456,599)
-	-	(538,577)
-	-	33,983,220
-	(80,445,164)	(70,588,624)
-	-	-
403,678	116,482	543,080
403,678	116,482	543,080
(43,738,865)	(6,008,480)	(44,237,761)
44,190,787	6,008,487	127,705,799
\$ 451,922	\$ 7	\$ 83,468,038
\$ 6,637,286	\$ 16,096,618	\$ 9,651,312
-	-	7,578,044
(5,893,746)	(22,338)	(7,121,468)
(69,246)	-	(828,413)
-	-	(4,583)
5,076,603	52,572	5,282,643
-	-	60,694
-	-	-
-	-	-
-	-	6,959,643
-	-	416,301
-	-	(10,952,493)
-	-	12,474,731
(135,442,852)	-	(135,442,852)
123,472,788	-	123,472,788
\$ (6,219,167)	\$ 16,126,852	\$ 11,546,347

City of Ontario
Combining Statement of Fiduciary Net Position
Custodial Funds
For the year ended June 30, 2021

	Redevelopment Financing Agency	West End Communications Authority	Assessment District 106 Bond Redemption	Sanitary Collection Treatment
ASSETS				
Cash and investments	\$ 186,367	\$ 1,405,681	\$ 168,336	\$ 33,764,261
Receivables:				
Accounts	-	-	-	-
Taxes	-	-	-	-
Notes and leases	83,991,715	-	-	-
Accrued interest	17,929	3,449	413	-
Restricted assets:				
Cash and investments with fiscal agents	45,161	-	-	-
Total assets	84,241,172	1,409,130	168,749	33,764,261
LIABILITIES				
Accounts payable	-	-	-	-
Due to other governments	30,222,600	-	-	17,161,196
Total liabilities	30,222,600	-	-	17,161,196
NET POSITION				
Restricted for:				
Individuals, organizations, and other governments	54,018,572	1,409,130	168,749	16,603,065
Total Net Position	\$ 54,018,572	\$ 1,409,130	\$ 168,749	\$ 16,603,065

Reassessment Bond Redemption	Assessment District 100C Bond Redemption	Assessment District 103 Bond Redemption	Assessment District 104 Bond Redemption	Assessment District 108 Bond Redemption	Assessment District 107 Bond Redemption
\$ -	\$ -	\$ -	\$ -	\$ 143,338	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	351	-
-	-	-	-	-	-
-	-	-	-	143,689	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	143,689	-
\$ -	\$ -	\$ -	\$ -	\$ 143,689	\$ -

City of Ontario
Combining Statement of Fiduciary Net Position
Custodial Funds
For the year ended June 30, 2021

	West End Fire and Emergency Response Commission	Ontario Public Financing Authority	NMC CFD #28	NMC CFD #30
ASSETS				
Cash and investments	\$ 699,591	\$ -	\$ 131,242	\$ 9,194
Receivables:				
Accounts	-	-	-	-
Taxes	-	-	5,048	7,396
Notes and leases	-	-	-	-
Accrued interest	1,717	-	528	81
Restricted assets:				
Cash and investments with fiscal agents	-	-	1,224,511	1,680,332
Total assets	701,308	-	1,361,329	1,697,003
LIABILITIES				
Accounts payable	-	-	923	984
Due to other governments	-	-	-	-
Total liabilities	-	-	923	984
NET POSITION				
Restricted for:				
Individuals, organizations, and other governments	701,308	-	1,360,406	1,696,019
Total Net Position	\$ 701,308	\$ -	\$ 1,360,406	\$ 1,696,019

NMC CFD #34	NMC CFD #24	NMC CFD #25	NMC CFD #26	NMC CFD #31	NMC CFD #39
\$ 73,000	\$ 135,751	\$ -	\$ -	\$ 276,502	\$ 451,368
-	-	-	-	-	2,021
3,927	16,828	20,290	10,793	3,785	-
-	-	-	-	-	-
213	390	9	11	702	1,131
939,401	1,735,025	1,087,934	1,304,804	717,956	331,607
1,016,541	1,887,994	1,108,233	1,315,608	998,945	786,127
744	1,225	1,104	2,384	3,426	1,179
-	-	47,543	91,331	-	-
744	1,225	48,647	93,715	3,426	1,179
1,015,797	1,886,769	1,059,586	1,221,893	995,519	784,948
\$ 1,015,797	\$ 1,886,769	\$ 1,059,586	\$ 1,221,893	\$ 995,519	\$ 784,948

City of Ontario
Combining Statement of Fiduciary Net Position
Custodial Funds
For the year ended June 30, 2021

	OMC CFD #5	OMC CFD #13	NMC CFD #38	NMC CFD #40
ASSETS				
Cash and investments	\$ -	\$ 268,417	\$ 82,734	\$ 299,898
Receivables:				
Accounts	-	-	-	2,025
Taxes	-	-	13,653	-
Notes and leases	-	-	-	-
Accrued interest	-	681	259	746
Restricted assets:				
Cash and investments with fiscal agents	-	4,254,339	1,335,090	375,581
Total assets	-	4,523,437	1,431,736	678,250
LIABILITIES				
Accounts payable	-	360	710	952
Due to other governments	-	-	-	-
Total liabilities	-	360	710	952
NET POSITION				
Restricted for:				
Individuals, organizations, and other governments	-	4,523,077	1,431,026	677,298
Total Net Position	\$ -	\$ 4,523,077	\$ 1,431,026	\$ 677,298

NMC CFD #43	NMC CFD #45	NMC CFD #33	NMC CFD #46	Industrial Development Authority	Total Custodial Funds
\$ 535,167	\$ 348,798	\$ 443,470	\$ -	\$ -	\$ 39,423,115
41,893	17,637	6,782	-	-	70,358
-	-	-	-	-	81,720
-	-	-	-	-	83,991,715
1,181	920	1,114	5	-	31,830
917,560	504,029	375,278	574,016	-	17,402,624
1,495,801	871,384	826,644	574,021	-	141,001,362
-	-	5,447	-	-	19,438
-	-	-	151,099	-	47,673,769
-	-	5,447	151,099	-	47,693,207
1,495,801	871,384	821,197	422,922	-	93,308,155
\$ 1,495,801	\$ 871,384	\$ 821,197	\$ 422,922	\$ -	\$ 93,308,155

City of Ontario
Combining Statement of Changes in Fiduciary Net Position
Custodial Funds
For the year ended June 30, 2021

	Redevelopment Financing Agency	West End Communications Authority	Assessment District 106 Bond Redemption	Sanitary Collection Treatment
ADDITIONS:				
Taxes	\$ -	\$ -	\$ -	\$ -
Interest and change in fair value of investments	103,832	2,176	875	-
Fee collections for other governments	9,565,331	-	-	-
Bond proceeds and premiums	-	-	-	-
Total additions	9,669,163	2,176	875	-
DEDUCTIONS:				
Administrative expenses	1,279,233	8,970	5,018	-
Payments on conduit bonds - principal	5,669,500	-	410,000	-
Contractual services	-	-	-	-
Interest and fiscal charges	3,895,832	-	14,145	-
Contributions to other governments	-	-	-	-
Total deductions	10,844,565	8,970	429,163	-
Change in net position	(1,175,402)	(6,794)	(428,288)	-
NET POSITION:				
Beginning of year	-	-	-	-
Restatements	55,193,974	1,415,924	597,037	16,603,065
Beginning of year, as restated	55,193,974	1,415,924	597,037	16,603,065
End of year	<u>\$ 54,018,572</u>	<u>\$ 1,409,130</u>	<u>\$ 168,749</u>	<u>\$ 16,603,065</u>

Reassessment Bond Redemption	Assessment District 100C Bond Redemption	Assessment District 103 Bond Redemption	Assessment District 104 Bond Redemption	Assessment District 108 Bond Redemption	Assessment District 107 Bond Redemption
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	2,344	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	2,344	-
-	-	-	-	2,806	-
-	-	-	-	1,160,000	-
-	-	-	-	-	-
-	-	-	-	43,500	-
-	-	-	-	-	-
-	-	-	-	1,206,306	-
-	-	-	-	(1,203,962)	-
-	-	-	-	-	-
-	-	-	-	1,347,651	-
-	-	-	-	1,347,651	-
\$ -	\$ -	\$ -	\$ -	\$ 143,689	\$ -

City of Ontario
Combining Statement of Changes in Fiduciary Net Position
Custodial Funds
For the year ended June 30, 2021

	West End Fire and Emergency Response Commission	Ontario Public Financing Authority	NMC CFD #28	NMC CFD #30
ADDITIONS:				
Taxes	\$ -	\$ -	\$ 750,408	\$ 965,282
Interest and change in fair value of investments	3,606	-	1,791	(391)
Fee collections for other governments	100,000	-	-	-
Bond proceeds and premiums	-	-	-	-
Total additions	103,606	-	752,199	964,891
DEDUCTIONS:				
Administrative expenses	8,262	-	46,618	71,648
Payments on conduit bonds - principal	-	-	175,000	270,000
Contractual services	-	-	-	-
Interest and fiscal charges	-	-	382,719	521,269
Contributions to other governments	-	-	-	-
Total deductions	8,262	-	604,337	862,917
Change in net position	95,344	-	147,862	101,974
NET POSITION:				
Beginning of year	-	-	-	-
Restatements	605,964	-	1,212,544	1,594,045
Beginning of year, as restated	605,964	-	1,212,544	1,594,045
End of year	\$ 701,308	\$ -	\$ 1,360,406	\$ 1,696,019

NMC CFD #34		NMC CFD #24		NMC CFD #25		NMC CFD #26		NMC CFD #31		NMC CFD #39	
\$	538,775	\$	1,062,168	\$	642,459	\$	663,822	\$	429,486	\$	417,634
	195		9,187		40		90		226		794
	-		-		-		-		-		195,325
	-		-		-		-		-		-
	538,970		1,071,355		642,499		663,912		429,712		613,753
	43,195		149,912		51,549		53,488		34,908		35,574
	155,000		320,000		140,000		165,000		100,000		100,000
	-		-		-		-		-		-
	295,706		665,269		381,575		389,275		206,443		388,525
	-		-		-		-		-		-
	493,901		1,135,181		573,124		607,763		341,351		524,099
	45,069		(63,826)		69,375		56,149		88,361		89,654
	-		-		-		-		-		-
	970,728		1,950,595		990,211		1,165,744		907,158		695,294
	970,728		1,950,595		990,211		1,165,744		907,158		695,294
\$	1,015,797	\$	1,886,769	\$	1,059,586	\$	1,221,893	\$	995,519	\$	784,948

City of Ontario
Combining Statement of Changes in Fiduciary Net Position
Custodial Funds
For the year ended June 30, 2021

	OMC CFD #5	OMC CFD #13	NMC CFD #38	CFD #33
ADDITIONS:				
Taxes	\$ -	\$ 381,326	\$ 803,290	\$ -
Interest and change in fair value of investments	-	3,607,774	(132)	-
Fee collections for other governments	-	9,592	-	-
Bond proceeds and premiums	-	-	-	-
Total additions	-	3,998,692	803,158	-
DEDUCTIONS:				
Administrative expenses	-	24,103	58,226	-
Payments on conduit bonds - principal	-	110,000	180,000	-
Contractual services	-	-	-	-
Interest and fiscal charges	-	476,483	464,869	-
Contributions to other governments	-	-	-	-
Total deductions	-	610,586	703,095	-
Change in net position	-	3,388,106	100,063	-
NET POSITION:				
Beginning of year	-	-	-	-
Restatements	-	1,134,971	1,330,963	-
Beginning of year, as restated	-	1,134,971	1,330,963	-
End of year	\$ -	\$ 4,523,077	\$ 1,431,026	\$ -

NMC CFD #40	NMC CFD #43	NMC CFD #45	NMC CFD #33	NMC CFD #46	Total Custodial Funds
\$ 465,534	\$ 996,506	\$ 518,156	\$ 500,670	\$ -	\$ 9,135,516
5,090	8,416	6,286	3,548	8	3,755,755
-	-	-	134,183	-	10,004,431
7,003,463	17,246,279	9,625,340	-	8,008,991	41,884,073
7,474,087	18,251,201	10,149,782	638,401	8,008,999	64,779,775
-	-	-	11,937	7,269,847	9,155,294
-	-	-	-	-	8,954,500
-	-	-	-	-	-
6,796,789	16,755,400	9,264,835	435,892	316,230	41,694,756
-	-	13,563	-	-	13,563
6,796,789	16,755,400	9,278,398	447,829	7,586,077	59,818,113
677,298	1,495,801	871,384	190,572	422,922	4,961,662
-	-	-	-	-	-
-	-	-	630,625	-	88,346,493
-	-	-	630,625	-	88,346,493
\$ 677,298	\$ 1,495,801	\$ 871,384	\$ 821,197	\$ 422,922	\$ 93,308,155

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**STATISTICAL
SECTION (UNAUDITED)**

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STATISTICAL SECTION

The statistical section of the City's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

Financial Trends

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time:

- Schedule 1 - Net Position by Component
- Schedule 2 - Changes in Net Position
- Schedule 3 - Changes in Fund Balances, Governmental Funds
- Schedule 4 - Fund Balances, Governmental Funds

Revenue Capacity

These schedules contain trend information to help the readers assess the factors affecting the City's most significant local revenue sources: property taxes and sales taxes.

- Schedule 5 - Assessed Value and Estimated Actual Value of Taxable Property
- Schedule 6 - Direct and Overlapping Property Tax Rates
- Schedule 7 - Principal Property Taxpayers
- Schedule 8 - Property Tax Levies and Collections
- Schedule 9 - Taxable Sales by Category
- Schedule 10 - Direct and Overlapping Sales Tax Rates
- Schedule 11 - Sales Tax Revenue Payers by Industry

Debt Capacity

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

- Schedule 12 - Ratio of Outstanding Debt by Type
- Schedule 13 - Ratio of General Bonded Debt Outstanding
- Schedule 14 - Direct and Overlapping Governmental Activities Debt
- Schedule 15 - Legal Debt Margin Information
- Schedule 16 - Pledged Revenue Coverage

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place and to help make comparisons over time and with other governments.

- Schedule 17 - Demographic and Economic Statistics
- Schedule 18 - Principal Employers

Operating Information

These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.

Schedule 19 - Full-Time City Government Employees by Function

Schedule 20 - Operating Indicators by Function/Program

Schedule 21 - Capital Asset Statistics by Function/Program

City of Ontario
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Governmental activities										
Net investment in capital assets	\$ 821,632,336	\$ 830,764,191	\$ 812,874,736	\$ 838,484,374	\$ 908,309,555	\$ 940,354,455	\$ 950,420,687	\$ 961,901,972	\$ 997,856,845	\$ 1,076,360,215
Restricted	216,270,766	216,149,880	254,103,989	240,480,450	156,425,046	168,765,518	173,159,152	204,484,800	215,606,868	258,821,167
Unrestricted	127,864,653	128,154,505	137,590,247	(66,639,420)	(1,666,599)	179,846,318	16,250,642	95,440,937	59,045,553	10,883,859
Total governmental activities net position	\$ 1,165,767,755	\$ 1,175,068,576	\$ 1,204,568,972	\$ 1,012,325,404	\$ 1,063,068,002	\$ 1,288,966,291	\$ 1,139,830,481	\$ 1,261,827,709	\$ 1,272,509,266	\$ 1,346,065,241
Business-type activities										
Net investment in capital assets	\$ 140,007,920	\$ 152,493,698	\$ 143,574,879	\$ 140,873,539	\$ 136,336,952	\$ 143,660,797	\$ 161,791,743	\$ 184,562,565	\$ 182,086,718	\$ 163,989,647
Restricted	4,267,828	4,270,391	10,578,881	5,289,769	1,528,395	369	373	378	3,140,719	3,171,019
Unrestricted	223,743,456	240,354,654	273,069,164	271,397,325	299,336,371	329,045,082	345,926,734	298,224,116	301,316,946	312,160,529
Total business-type activities net position	\$ 368,019,204	\$ 397,118,743	\$ 427,222,924	\$ 417,560,633	\$ 437,201,718	\$ 472,706,248	\$ 507,718,850	\$ 482,787,059	\$ 486,544,383	\$ 479,321,195
Primary government										
Net investment in capital assets	\$ 961,640,256	\$ 983,257,889	\$ 956,449,615	\$ 979,357,913	\$ 1,044,646,507	\$ 1,084,015,252	\$ 1,112,212,430	\$ 1,146,464,537	\$ 1,179,943,563	\$ 1,240,349,862
Restricted	220,538,594	220,420,271	264,682,870	245,770,219	157,953,441	168,765,887	173,159,525	204,485,178	218,747,587	261,992,186
Unrestricted	351,608,109	368,509,159	410,659,411	204,757,905	297,669,772	508,891,400	362,177,376	393,665,053	360,362,499	323,044,388
Total primary government net position	\$ 1,533,786,959	\$ 1,572,187,319	\$ 1,631,791,896	\$ 1,429,886,037	\$ 1,500,269,720	\$ 1,761,672,539	\$ 1,647,549,331	\$ 1,744,614,768	\$ 1,759,053,649	\$ 1,825,386,436

Source: Statement of net position
primary government

City of Ontario
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Expenses										
Governmental activities:										
General government	\$ 64,330,936	\$ 34,081,969	\$ 28,982,239	\$ 81,855,829	\$ 40,011,028	\$ 36,656,658	\$ 27,554,284	\$ 34,587,604	\$ 31,859,857	\$ 20,241,805
Public safety	107,848,353	103,814,741	110,981,159	121,981,375	125,884,228	136,032,820	178,835,586	178,045,825	177,840,309	200,452,838
Community development	47,088,876	45,485,896	41,524,328	62,623,670	19,114,534	38,552,339	42,623,892	76,420,858	92,310,831	111,927,829
Library	3,764,564	3,745,405	4,602,190	4,542,196	4,850,620	5,026,299	5,938,560	-	-	-
Public works	21,371,492	18,519,391	25,092,721	23,852,377	38,104,811	50,703,275	42,308,931	40,398,759	28,825,751	7,449,126
Interest on long-term debt	13,740,250	1,880,787	3,017,116	1,786,957	1,712,433	1,630,517	3,921,536	2,661,754	3,493,124	12,416,810
Total governmental activities expenses	\$ 258,144,471	\$ 207,528,189	\$ 214,199,753	\$ 296,642,404	\$ 229,677,654	\$ 268,601,908	\$ 301,182,789	\$ 332,114,800	\$ 334,329,872	\$ 352,488,408
Business-type activities:										
Water	\$ 28,986,963	\$ 21,485,576	\$ 30,814,880	\$ 54,841,770	\$ 42,639,260	\$ 41,413,255	\$ 41,340,763	\$ 52,901,637	\$ 57,700,824	\$ 68,700,692
Sewer	11,766,599	13,167,026	16,136,421	17,047,306	15,971,504	17,211,364	20,270,716	24,733,369	23,255,045	26,008,652
Integrated Waste	21,309,485	21,664,001	23,164,916	23,877,028	24,970,912	26,663,301	31,337,795	39,475,286	34,380,261	42,010,179
I.T. Fiber	-	-	-	-	-	993,456	1,770,591	2,027,814	3,943,666	-
Total business-type activities expenses	\$ 62,063,047	\$ 56,316,603	\$ 70,116,217	\$ 95,766,104	\$ 83,581,676	\$ 86,281,376	\$ 94,719,865	\$ 119,138,106	\$ 119,279,796	\$ 136,719,523
Total primary government expenses	\$ 320,207,518	\$ 263,844,792	\$ 284,315,970	\$ 392,408,508	\$ 313,259,330	\$ 354,883,284	\$ 395,902,654	\$ 451,252,906	\$ 453,609,668	\$ 489,207,931
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 294,873	\$ 379,325	\$ 445,079	\$ 1,641,300	\$ 2,622,684	\$ 4,141,068	\$ 6,149,697	\$ 5,507,407	\$ 6,965,874	\$ 7,634,307
Public safety	4,077,684	4,166,801	3,824,528	3,757,586	3,883,304	7,311,246	20,271,669	27,682,493	26,688,490	19,435,556
Community development	16,231,379	14,780,312	25,244,830	35,769,080	36,046,159	42,262,153	50,699,117	80,911,897	78,671,622	61,020,723
Library	143,055	124,581	121,043	155,962	131,407	137,689	122,329	-	-	-
Public works	47,931	-	-	-	-	-	-	-	-	-
Operating contributions and grants	15,311,536	7,859,746	12,081,691	15,015,783	8,710,100	10,220,710	12,542,758	8,465,032	6,542,904	30,001,295
Capital contributions and grants	47,080,485	23,737,443	33,842,540	37,210,682	35,628,037	78,825,884	56,737,883	58,825,481	46,201,742	59,321,543
Total governmental activities program revenues	\$ 83,186,943	\$ 51,048,208	\$ 75,559,711	\$ 93,550,393	\$ 87,021,691	\$ 142,898,750	\$ 146,523,453	\$ 181,392,310	\$ 165,070,632	\$ 177,413,424
Business-type activities:										
Charges for services:										
Water	\$ 51,434,727	\$ 58,276,359	\$ 63,193,036	\$ 67,342,593	\$ 65,653,131	\$ 64,533,049	\$ 68,933,067	\$ 55,447,675	\$ 57,676,762	\$ 69,185,768
Sewer	20,410,854	20,479,875	21,484,811	21,986,463	23,136,811	25,780,456	27,952,825	28,080,727	27,685,371	30,011,850
Integrated Waste	29,825,989	29,905,739	30,332,538	31,742,051	33,024,400	34,937,033	36,995,472	38,361,984	38,341,478	41,913,089
I.T. Fiber	-	-	-	-	4,126	38,954	276,033	466,522	747,095	-
Operating grants and contributions	290,724	100,546	145,881	539,519	174,073	133,279	126,452	119,686	137,783	112,134
Capital grants and contributions	-	2,405,396	6,642,816	1,329,404	3,505,475	11,223,634	11,256,557	4,460,250	4,548,485	2,576,714
Total business-type activities program revenues	\$ 101,962,294	\$ 111,167,915	\$ 121,799,082	\$ 122,940,030	\$ 125,498,016	\$ 136,646,405	\$ 145,540,406	\$ 126,936,844	\$ 129,136,974	\$ 143,799,555
Total primary government program revenues	\$ 185,149,237	\$ 162,216,123	\$ 197,358,793	\$ 216,490,423	\$ 212,519,707	\$ 279,545,155	\$ 292,063,859	\$ 308,329,154	\$ 294,207,606	\$ 321,212,979
Net (Expense)/Revenue										
Governmental activities	\$ (174,957,528)	\$ (156,479,981)	\$ (138,640,042)	\$ (203,092,011)	\$ (142,655,963)	\$ (125,703,158)	\$ (154,659,336)	\$ (150,722,490)	\$ (169,259,240)	\$ (175,074,984)
Business-type activities	39,899,247	54,851,312	51,682,865	27,173,926	41,916,340	50,365,029	50,820,541	7,798,738	9,857,178	7,080,032
Total primary government net expense	\$ (135,058,281)	\$ (101,628,669)	\$ (86,957,177)	\$ (175,918,085)	\$ (100,739,623)	\$ (75,338,129)	\$ (103,838,795)	\$ (142,923,752)	\$ (159,402,062)	\$ (167,994,952)

City of Ontario
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes:										
Property taxes - general purpose	\$ 66,733,840	\$ 45,700,153	\$ 45,144,867	\$ 48,695,469	\$ 60,338,698	\$ 53,414,598	\$ 56,199,666	\$ 63,156,933	\$ 67,236,079	\$ 72,483,313
Transient occupancy taxes	9,148,976	9,731,382	10,614,156	12,057,576	13,090,992	13,886,637	14,586,233	14,945,483	12,160,235	10,614,109
Sales taxes	61,362,958	67,150,866	67,509,611	84,294,827	78,533,022	86,168,797	87,910,014	94,486,731	90,290,690	105,424,829
Franchise taxes	2,897,780	3,047,369	3,251,592	3,476,151	3,413,854	3,020,829	3,352,120	3,420,656	3,426,464	3,512,001
Business licenses taxes	5,610,738	6,078,094	6,405,595	6,825,185	6,954,932	7,167,613	7,478,153	7,786,821	7,793,962	8,559,248
Other taxes	4,566,791	5,274,601	3,700,067	4,073,788	4,107,065	4,047,435	4,642,529	4,506,129	4,044,908	3,507,185
Intergovernmental, unrestricted:										
Motor vehicle in lieu	89,471	74,047	-	71,526	68,099	76,099	91,740	85,244	141,091	134,124
Use of money and property	10,082,524	979,899	5,174,360	3,755,010	5,422,398	2,617,545	10,834,185	32,107,405	18,599,331	2,779,387
Other	6,407,829	3,866,279	4,414,323	2,656,703	2,000,930	3,414,919	2,394,865	1,647,848	4,198,849	12,116,507
Gain on sale of capital asset	-	1,000,000	-	87,267	-	1,953,200	-	-	605,267	862
Special Item Note 15	-	-	-	-	-	-	-	-	(42,373,148)	-
Extraordinary gain on dissolution of RDA	72,762,201	-	-	-	-	-	-	-	-	-
Transfers	18,081,326	25,526,208	21,925,867	22,762,488	24,793,699	15,961,453	18,448,756	4,647,613	14,472,260	24,150,952
Total governmental activities	\$ 257,744,434	\$ 168,428,898	\$ 168,140,438	\$ 188,755,990	\$ 198,723,689	\$ 191,729,125	\$ 205,938,261	\$ 226,790,863	\$ 180,595,988	\$ 243,282,517
Business-type activities:										
Use of money and property	\$ 3,474,268	\$ 308,392	\$ 1,604,534	\$ 1,435,511	\$ 2,509,989	\$ 1,087,037	\$ 2,187,574	\$ 7,873,778	\$ 8,345,624	\$ 5,503,540
Other	7,791	17,237	23,416	105,193	8,455	13,917	24,988	245,676	474,940	-
Transfers	(18,081,326)	(25,526,208)	(21,925,867)	(22,762,488)	(24,793,699)	(15,961,453)	(18,448,756)	(4,647,613)	(14,472,260)	(24,150,952)
Total business-type activities	\$ (14,599,267)	\$ (25,200,579)	\$ (20,297,917)	\$ (21,221,784)	\$ (22,275,255)	\$ (14,860,499)	\$ (16,236,194)	\$ 3,471,841	\$ (5,651,696)	\$ (18,647,412)
Total primary government	\$ 243,145,167	\$ 143,228,319	\$ 147,842,521	\$ 167,534,206	\$ 176,448,434	\$ 176,868,626	\$ 189,702,067	\$ 230,262,704	\$ 174,944,292	\$ 224,635,105
Change in Net Position										
Governmental activities	\$ 82,786,906	\$ 11,948,917	\$ 29,500,396	\$ (14,336,021)	\$ 56,067,726	\$ 66,025,967	\$ 51,278,925	\$ 76,068,373	\$ 11,336,748	\$ 68,207,533
Business-type activities	25,299,980	29,650,733	31,384,948	5,952,142	19,641,085	35,504,530	34,584,347	11,270,579	4,205,482	(11,567,380)
Total primary government	\$ 108,086,886	\$ 41,599,650	\$ 60,885,344	\$ (8,383,879)	\$ 75,708,811	\$ 101,530,497	\$ 85,863,272	\$ 87,338,952	\$ 15,542,230	\$ 56,640,153

City of Ontario
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues										
Taxes	\$ 148,681,943	\$ 134,629,408	\$ 132,908,792	\$ 156,988,002	\$ 176,088,421	\$ 167,601,178	\$ 173,605,420	\$ 186,594,649	\$ 184,275,840	\$ 203,537,145
Special assessment taxes	1,362,861	1,479,517	1,514,889	1,634,568	2,180,091	3,301,654	3,143,892	5,303,668	8,581,407	11,926,636
Licenses and permits	1,639,061	1,805,849	2,199,674	3,283,593	3,845,404	4,384,727	4,887,991	5,067,374	5,488,023	8,423,831
Intergovernmental	37,725,923	27,864,489	39,695,371	44,390,225	37,492,730	35,412,862	24,359,686	21,912,280	17,814,256	38,990,081
Charges for services	17,697,037	16,108,550	25,895,011	40,368,010	39,628,058	54,446,655	80,404,296	109,518,406	114,818,886	80,961,161
Use of money and property	17,707,695	1,533,296	3,906,235	3,507,845	5,339,722	2,576,499	4,004,514	14,899,017	18,759,439	2,911,661
Fines and forfeitures	1,202,716	1,298,235	1,134,395	1,267,994	1,125,237	1,189,956	1,042,090	1,185,128	786,630	656,407
Contributions from property owners	-	-	-	-	-	24,682,518	25,349,912	34,658,232	15,503,662	38,408,435
Miscellaneous	30,081,850	6,408,027	7,062,253	4,556,170	4,534,158	6,017,657	12,389,218	8,275,990	8,286,111	14,645,386
Contributions	-	-	-	-	-	-	-	928,875	-	-
Total Revenues	\$ 256,099,086	\$ 191,127,371	\$ 214,316,620	\$ 255,996,407	\$ 270,233,821	\$ 299,613,706	\$ 329,187,019	\$ 388,343,619	\$ 374,314,254	\$ 400,460,743
Expenditures										
Current:										
General government	\$ 51,424,202	\$ 22,926,658	\$ 16,565,106	\$ 66,943,163	\$ 28,292,531	\$ 24,500,521	\$ 23,830,837	\$ 33,100,934	\$ 33,754,652	\$ 33,016,792
Public safety	110,958,962	106,934,164	114,109,242	120,286,742	127,942,682	136,721,141	160,838,334	160,884,992	180,119,824	180,834,045
Community development	53,503,162	52,081,393	58,988,089	98,405,497	104,688,312	95,398,612	67,805,408	102,279,086	130,014,298	130,585,988
Library	4,049,363	4,077,037	4,196,204	4,368,241	4,568,202	4,654,465	4,768,627	-	-	-
Public works	20,642,548	18,851,564	17,231,048	18,784,827	21,003,964	23,834,203	21,279,011	24,047,574	22,694,083	17,347,477
Debt service:										
Principal retirement	25,255,023	1,290,000	1,350,000	1,410,000	1,480,000	1,565,000	12,000	175,000	1,050,000	5,718,104
Interest and fiscal charges	16,318,551	1,931,758	1,876,513	1,815,778	1,745,753	1,667,190	3,930,914	2,824,049	2,802,938	3,169,583
Bond issuance costs	-	-	965,190	-	-	-	526,390	-	-	-
Pass-through agreement payments	2,634,157	-	-	-	-	-	4,770,057	-	-	-
Total Expenditures	\$ 284,785,968	\$ 208,092,574	\$ 215,281,392	\$ 312,014,248	\$ 289,721,444	\$ 288,341,132	\$ 287,761,578	\$ 323,311,635	\$ 370,435,795	\$ 370,671,989
Excess (deficiency) of revenues over (under) expenditures	\$ (28,686,882)	\$ (16,965,203)	\$ (964,772)	\$ (56,017,841)	\$ (19,487,623)	\$ 11,272,574	\$ 41,425,441	\$ 65,031,984	\$ 3,878,459	\$ 29,788,754

City of Ontario
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
 (accrual basis of accounting)

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Other Financing Sources (Uses)										
Transfers in	\$ 68,493,176	\$ 37,357,867	\$ 34,628,235	\$ 34,856,839	\$ 34,615,190	\$ 36,101,144	\$ 58,065,111	\$ 43,871,997	\$ 52,691,271	\$ 49,197,305
Transfers out	(49,661,850)	(12,209,848)	(17,288,068)	(9,564,945)	(8,310,991)	(29,588,174)	(49,353,662)	(45,445,779)	(29,030,349)	(57,656,404)
Long-term debt issued	-	-	33,390,000	-	-	-	26,810,000	-	23,780,842	-
Bond Discount	-	-	(380,848)	-	-	-	3,260,875	-	-	-
Pass-through agreement payments	-	-	-	-	-	-	(28,554,885)	-	-	-
Gain (loss) on sale of assets	-	-	4,551	87,267	-	-	-	-	-	-
Proceeds from sale of capital equipment	-	1,000,000	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	\$ 18,831,326	\$ 26,148,019	\$ 50,353,870	\$ 25,379,161	\$ 26,304,199	\$ 6,512,970	\$ 10,227,439	\$ (1,573,782)	\$ 47,441,764	\$ (8,459,099)
Special Item	-	-	-	-	-	-	-	-	(42,373,148)	-
Extraordinary gain/(loss) on dissolution of redevelopment agency	(5,225,859)	-	-	-	-	-	-	-	-	-
Net change in fund balances	\$ (15,081,415)	\$ 9,182,816	\$ 49,389,098	\$ (30,638,680)	\$ 6,816,576	\$ 17,785,544	\$ 51,652,880	\$ 63,458,202	\$ 8,947,075	\$ 21,329,655
Total Current Expenditures	\$ 284,785,968	\$ 208,092,574	\$ 215,281,392	\$ 312,014,248	\$ 289,721,444	\$ 288,341,132	\$ 287,761,578	\$ 323,311,635	\$ 370,435,795	\$ 370,671,989
Less: Capital outlay	(20,629,670)	(22,072,081)	(29,585,954)	(41,745,591)	(79,957,813)	(45,292,825)	(24,876,172)	(26,388,451)	(70,262,127)	(53,552,016)
Total Non-Capital Expenditures	\$ 264,156,298	\$ 186,020,493	\$ 185,695,438	\$ 270,268,657	\$ 209,763,631	\$ 243,048,307	\$ 262,885,406	\$ 296,923,184	\$ 300,173,668	\$ 317,119,973
Total Debt Service Expenditures	\$ 41,573,574	\$ 3,221,758	\$ 3,226,513	\$ 3,225,778	\$ 3,225,753	\$ 3,232,190	\$ 3,942,914	\$ 2,999,049	\$ 3,852,938	\$ 8,887,687
Debt service as a percentage of non-capital expenditures	15.7%	1.7%	1.7%	1.2%	1.5%	1.3%	1.5%	1.0%	1.3%	2.8%

City of Ontario
Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Fund										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-	-	-	-	-	-	-
Nonspendable	3,730,345	3,869,157	4,911,968	3,785,154	20,002,802	33,893,841	46,318,442	46,472,802	4,052,097	4,001,189
Restricted	403,914	408,576	412,411	415,723	419,644	424,497	430,484	438,872	417,464	361,579
Committed	41,613,880	42,685,082	43,817,117	42,436,574	23,195,527	28,877,191	21,066,012	415,884	595,469	-
Assigned	58,426,392	64,892,830	77,628,587	56,798,002	80,398,228	52,081,697	47,410,303	84,063,218	99,862,976	122,338,441
Unassigned	-	-	-	-	-	-	-	-	2,622,364	-
Total General Fund	\$ 104,174,531	\$ 111,855,645	\$ 126,770,083	\$ 103,435,453	\$ 124,016,201	\$ 115,277,226	\$ 115,225,241	\$ 131,390,776	\$ 107,550,370	\$ 126,701,209
All Other Governmental Funds										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds	-	-	-	-	-	-	-	-	-	-
Capital project funds	-	-	-	-	-	-	-	-	-	-
Debt service funds	-	-	-	-	-	-	-	-	-	-
Nonspendable	105,361,843	107,297,677	108,638,002	108,436,971	-	-	-	-	-	32,759
Restricted	53,187,901	46,333,050	46,603,397	30,597,699	156,005,402	168,341,021	172,728,668	204,045,928	215,189,404	227,287,269
Committed	54,286,462	64,646,487	82,201,933	102,233,386	75,173,595	91,585,019	113,795,063	121,913,367	134,372,092	162,862,379
Assigned	2,664,225	3,462,343	14,169,115	5,653,602	22,785,386	14,197,954	6,098,646	13,872,159	22,962,330	-
Unassigned	(219)	(4,614,745)	(12,975)	(2,626,236)	(23,149,529)	(16,784,621)	(402,755)	(521,927)	(464,083)	(243,566)
Total All Other Governmental Funds	\$ 215,500,212	\$ 217,124,812	\$ 251,599,472	\$ 244,295,422	\$ 230,814,854	\$ 257,339,373	\$ 292,219,622	\$ 339,309,527	\$ 372,059,743	\$ 389,938,841
Grand Total Governmental Funds	\$ 319,674,743	\$ 328,980,457	\$ 378,369,555	\$ 347,730,875	\$ 354,831,055	\$ 372,616,599	\$ 407,444,863	\$ 470,700,303	\$ 479,610,113	\$ 516,640,050

Note: The City implemented GASB Statement No. 54 in fiscal year ended June 30, 2011. Information prior to the implementation of GASB 54 is not presented.

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

Fiscal Year Ended June 30	City			Taxable Assessed Value	Redevelopment Agency		Taxable Assessed Value	Total Direct Tax Rate ^(a)
	Secured	Unsecured	Less: Exemptions		Secured	Unsecured		
2012	11,997,380	1,792,402	(113,832)	13,675,950	4,021,157	763,987	4,785,144	1.0041
2013	12,065,269	1,788,106	(112,198)	13,741,177	3,999,768	737,016	4,736,784	1.0039
2014	12,465,751	1,758,596	(110,182)	14,114,165	4,137,730	774,208	4,911,938	1.0035
2015	12,413,859	2,552,384	(108,252)	14,857,991	4,295,948	786,273	5,082,221	1.0035
2016	13,124,582	2,611,079	(105,864)	15,629,797	4,494,605	786,273	5,280,877	1.0035
2017	13,781,901	2,543,614	(109,080)	16,216,435	4,697,741	781,204	5,478,946	1.0035
2018	14,844,332	2,624,317	(108,915)	17,359,734	5,060,484	781,204	5,841,689	1.0035
2019	16,575,762	2,814,842	(108,701)	19,281,903	5,458,072	781,204	6,239,276	1.0035
2020	18,181,749	2,910,729	(110,654)	20,981,823	5,754,326	781,204	6,535,530	1.0035
2021	19,529,581	3,147,303	(111,223)	22,565,661	6,217,924	781,204	6,999,129	1.0350

Source: San Bernardino County Auditor-Controller Property Tax Division, Agency Net Valuations

*In 1978 the voters of the State of California passed Proposition 13 which limited property taxes to a total maximum rate of 1% based upon the assessed value of the property being taxed. The value of the property was set at its 1975-76 level but was allowed to increase by an "inflation factor" (limited to a maximum increase of 2% each year. With few exceptions, property is only reassessed at its value when acquired through a change of ownership or by new construction. The assessed valuation data shown above represents the only data currently available with respect to the actual market value of taxable property and is subject to the limitations described earlier. The estimated actual taxable value is, therefore, not readily available for cities in the State of California.

^(a) See Schedule 6 for Total Direct Tax Rate information.

City of Ontario
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
(rate per \$100 of taxable value)

Agency	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Basic Levy ¹	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
Chaffey Community College Bond	0.0153	0.0111	0.0157	0.0109	0.0113	0.0116	0.0088	0.0153	0.0241	0.0111
Chaffey High School Bond	0.0194	0.0101	0.0371	0.0294	0.0409	0.0319	0.0279	0.0402	0.0375	0.0352
Chino Unified School Bond	0.0346	0.0357	0.0358	0.0331	0.0331	0.0383	0.0934	0.0849	0.079	0.0897
Metropolitan Water Agency	0.0037	0.0035	0.0035	0.0035	0.0035	0.0035	0.0035	0.0035	0.0035	0.0035
Mt. View Elementary	0.0357	0.0328	0.0351	0.0336	0.0314	0.0255	0.0263	0.0206	0.018	0.0183
Ontario-Montclair Elementary Bond	0.0289	0.0274	0.0294	0.026	0.0268	0.0264	0.0557	0.0555	0.0428	0.0458
Total Direct & Overlapping ² Tax Rates	1.1376	1.1206	1.1566	1.1365	1.147	1.1372	1.2156	1.22	1.2049	1.2036
City's Share of 1% Levy Per Prop 13 ³	0.16808	0.16808	0.16808	0.16808	0.16808	0.16808	0.16808	0.16808	0.16808	0.16808
Voter Approved City Debt Rate/Redevelopment Rate ⁴	1.0037									
Total Direct Rate ⁵	0.38632	0.38397	0.17052	0.17057	0.17058	0.17057	0.17064	0.17075	0.17087	0.1703

Source: The HDL Companies (San Bernardino County Assessor 2011/12 - 2020-21 tax rate table)

City of Ontario
Principal Property Taxpayers
Current Year and Ten Years Ago

Taxpayer	2021		2012	
	Taxable Value (\$)	Percent of Total City Taxable Value (%)	Taxable Value (\$)	Percent of Total City Taxable Value (%)
United Parcel Service Co	636,618,427	2.15%	407,821,356	2.20%
Prologis	628,443,766	2.12%	172,378,449	0.93%
Ontario Mills LP	417,203,243	1.41%	253,249,559	1.37%
Vineyard Industrial I LLC	293,286,349	0.99%		
Watson Land Company	254,340,995	0.86%		
Costco Wholesale Corporation	159,055,523	0.54%		
Roc III California Terracina LLC	153,862,113	0.52%		0.00%
Rexford Industrial-Safari LLC	149,842,571	0.51%		
Comref So California Industrial LLC	149,617,376	0.51%	92,788,880	0.50%
Majestic-CCC IV Partners	142,470,927	0.48%	121,616,735	0.66%
Catellus Finance 1 LLC			232,755,726	1.26%
Niagara Bottling LLC			114,766,647	0.62%
SVF Safari LLC			111,337,033	0.60%
Southwest Airlines Company INC			98,895,835	0.53%
Landmark PR 1 Ontario LLC			88,369,459	0.48%
Total Top 10 Taxpayers	2,984,741,290	10.08%	1,693,979,679	9.14%
Total Taxable Value	29,604,975,381	100.00%	18,534,575,561	100.00%

Source: HDL, Coren & Cone

City of Ontario
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percent of Levy		Amount	Percent of Levy
2012	23,917,413	22,616,034	94.56%	934,663	23,550,698	98.47%
2013	24,076,262	23,032,185	95.66%	1,250,281	24,282,466	100.86%
2014	24,858,740	24,518,130	98.63%	812,490	25,330,619	101.90%
2015	25,868,724	25,584,269	98.90%	768,052	26,352,321	101.87%
2016	27,397,660	27,022,201	98.63%	755,577	27,777,778	101.39%
2017	28,598,396	28,237,630	98.74%	628,491	28,866,121	100.94%
2018	30,476,605	30,258,907	99.29%	662,586	30,921,494	101.46%
2019	33,855,137	33,811,751	99.87%	275,397	34,087,147	100.69%
2020	36,873,998	36,420,730	98.77%	332,350	36,753,080	99.67%
2021	39,726,164	39,728,384	100.01%	341,296	40,069,681	100.86%

Schedule presents **City's property tax only, not RDA tax increment**

Source: San Bernardino County, Auditor-Controller-Recorder letter received in November of the previous calendar year and General Fund Revenue Statement as of June 30th.

^a Data provided by the San Bernardino County Assessor's Office for collection of prior year taxes does not segregate the information by fiscal year. Therefore, the City is not able to provide this information in the above schedule.

City of Ontario
Taxable Sales by Category
Last Ten Calendar Years
(in thousands of dollars)
Adjusted for Economic Data

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Apparel Stores	\$ 409,732	\$ 446,381	\$ 478,292	\$ 506,104	\$ 562,564	\$ 602,679	\$ 626,122	\$ 635,194	\$ 390,225	\$ 622,351
General Merchandise	177,557	191,762	208,902	214,164	221,327	220,619	235,038	224,960	221,697	277,662
Food Stores	59,294	58,711	57,522	59,020	59,541	60,947	62,372	62,246	70,451	74,885
Eating and Drinking Places	298,999	312,764	337,848	364,330	387,981	414,198	445,640	469,215	366,872	486,401
Building Materials	292,224	372,428	431,208	439,564	433,389	472,341	500,052	507,223	514,306	555,770
Auto Dealers and Supplies	1,106,105	1,227,602	1,349,392	1,494,056	1,648,651	1,644,720	1,673,935	1,728,715	1,735,639	2,303,599
Service Stations	585,276	612,272	630,762	512,482	476,927	533,997	646,417	633,924	417,895	651,993
Other Retail Stores	558,865	613,435	637,249	680,245	707,379	665,723	516,980	530,573	459,994	619,767
All Other Outlets	2,991,934	3,037,860	3,244,032	3,702,310	4,400,503	4,046,167	4,289,385	4,565,898	5,045,549	5,532,404
Total	\$ 6,479,986	\$ 6,873,215	\$ 7,375,207	\$ 7,972,275	\$ 8,898,262	\$ 8,661,391	\$ 8,995,941	\$ 9,357,948	\$ 9,222,628	\$ 11,124,832

Sources: State Board of Equalization California Department of Taxes and Fees Administration State Controller's Office, The HdL Companies

Note: Due to confidentiality issues the names of the ten largest revenue payers are not available. The categories presented are intended to provide alternative information regarding the sources of the City's revenue.

City of Ontario
Direct and Overlapping Sales Tax Rates
Last Ten Fiscal Years

Ended June 30	City Direct Rate	County Transportation Authority Rate	San Bernardino County Rate	State Rate
2012	-	0.50%	1.00%	6.25%
2013	-	0.50%	1.00%	6.50%
2014	-	0.50%	1.00%	6.50%
2015	-	0.50%	1.00%	6.50%
2016	-	0.50%	1.25%	6.25%
2017	-	0.50%	1.25%	6.00%
2018	-	0.50%	1.25%	6.00%
2019	-	0.50%	1.25%	6.00%
2020	-	0.50%	1.25%	6.00%
2021	-	0.50%	1.25%	6.00%

Source: California Department of Tax and Fee Administration.

Note: The Bradley-Burns Uniform Local Sales and Use Tax Law was enacted in 1955. The law authorized counties to impose sales and use tax. Effective January 1, 1962, all counties within the State of California have adopted ordinances for the Board of Equalization to collect the local tax. Local tax rate for the San Bernardino County has been 1.25% since January 1, 2017.

The City of Ontario does not impose direct sales and use tax.

City of Ontario
Ratios of Outstanding Debt by Type
Dollars In Thousands, Except Per Capita

Fiscal Year Ended June 30	Governmental Activities					Business-type Activities			Total Primary Government	Percentage of Personal Income ^b	Per Capita	
	General Obligation Bonds	Tax Allocation Bonds	Revenue Bonds	Loans	Capital Leases	Total Governmental Activities	Term Loan	Certificates of Participation				Total Business-type Activities
2011	63,546	48,965	20,166	12,449	-	145,126	-	46,760	46,760	191,886	7.99%	1,164
2012 ^a	41,736	-	-	-	-	41,736	-	45,615	45,615	87,350	3.63%	527
2013	40,417	-	-	-	-	40,417	-	44,425	44,425	84,842	3.66%	508
2014 ^c	72,067	-	-	-	-	72,067	-	74,808	74,808	146,875	4.82%	877
2015	70,647	-	-	-	-	70,647	-	73,488	73,488	144,136	4.65%	852
2016	69,158	-	-	-	-	69,158	-	72,119	72,119	141,277	4.38%	832
2017 ^d	67,593	-	-	149	-	67,742	-	70,700	70,700	138,442	4.38%	794
2018	63,153	-	-	137	-	63,290	-	69,225	69,225	132,515	3.85%	754
2019	62,881	-	-	127	-	63,008	-	67,696	67,696	130,704	3.76%	722
2020 ^e	298,558	-	- ^f	23,907	-	322,466	-	67,596	67,596	390,062	10.19%	2,108
2021	293,943	-	- ^g	52,754	-	346,697	-	66,012	66,012	412,708	10.03%	2,231

Source: Notes to the Financial Statements, Long Term Debt section.

a Outstanding long term debts of the Ontario Redevelopment Agency were transferred to the Successor Agency on February 1, 2012 as a result of dissolution of Redevelopment Agencies in California.

b See Schedule 17 for personal and population data. These ratios are calculated using personal income and population for the prior calendar year.

c The City issued \$74.545 million in Water Revenue Bonds.

d The Ontario Housing Authority (Authority) negotiated the purchase of a property and assumed a promissory note and deed from Housing Opportunities Group Inc (HOGI) with a balance of \$158,566.

e City issued \$236.585 million in Pension Obligation Bonds to pay a portion of the City's unfunded pension liability to the California Public Employees' Retirement System (CalPERS) for the benefit of the City public safety police and fire employees.

f The City entered into an installment sale agreement to purchase a parcel of land for the future Great Park in the Ontario Ranch development for \$33.100 million, with a five year loan of \$23.780 million.

g The City entered into a loan agreement with the California Energy Commission to provide funding for the installation of LED lights, it is a 10 year loan in the amount of \$2,898,000.

g The City entered into a loan agreement with BAPCC, and affiliate of Bank of America, to providing funding for the installation of energy efficiency upgrades to various city facilities, it is a 20 year loan in the amount of \$30,546,000.

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

Fiscal Year Ended June 30	General Bonded Debt Outstanding				Percentage of Assessed Value ^a of Property ^c	
	General Obligation Bonds	Redevelopment Bonds		Total	Per Capita ^b	
		Tax Allocation Bonds	Revenue Bonds			
2011	\$ 63,546	\$ 48,965	\$ 20,166	\$ 132,677	0.78%	\$ 804.90
2012 ^c	41,736	-	-	41,736	0.25%	251.74
2013	40,417	-	-	40,417	0.24%	242.21
2014	72,067	-	-	72,067	0.41%	430.55
2015	70,647	-	-	70,647	0.40%	417.81
2016	69,158	-	-	69,158	0.38%	407.13
2017	67,593	-	-	67,593	0.31%	387.83
2018	63,153	-	-	63,153	0.27%	359.15
2019	62,881	-	-	62,881	0.25%	347.20
2020	2,988 ^d	-	-	239,573	0.87%	1,294.92
2021	293,943	-	-	293,943	0.99%	1,588.80

Note: General bonded debt is debt payable with governmental fund resources and general obligation bonds recorded in the enterprise funds (of which the City has none). Details regarding the City's outstanding debt can be found in the notes to the financial statements.

- a Assessed value has been used because the actual value of taxable property is not readily available. See Schedule 5 for assessed property value data.
- b See Schedule 17 for population data.
- c Outstanding long-term debt of the Ontario Redevelopment Agency were transferred to the Successor Agency on February 1, 2012 as a result of dissolution of Redevelopment Agencies in California.
- d City issued \$236.585 million in Pension Obligation Bonds to pay a portion of the City's unfunded pension liability to the California Public Employees' Retirement System (CalPERS) for the benefit of the City's public safety police and fire employees.

City of Ontario
Direct and Overlapping Governmental Activities Debt

Schedule 14

City Assessed Valuation	\$ 29,564,789,984			*Does not include deduction of the homeowner's
Redevelopment Agency Incremental Valuation	6,999,128,565			exception of \$111,223
Total Assessed Valuation	<u>\$ 36,563,918,549 *</u>			
	Outstanding		Est. Share of	
	Debt	Percentage	Overlapping	
	6/30/2021	Applicable ^a	Debt	
			6/30/2021	
Overlapping Debt Repaid with Property Taxes:				
Metropolitan Water District	\$ 26,830,000	0.906%	\$ 243,080	
Chaffey Community College District	315,490,000	23.195%	73,177,906	
Chino Valley Unified School District	557,230,000	5.914%	32,954,582	
Chaffey Union High School District	530,528,431	41.376%	219,511,444	
Ontario-Montclair School District	109,165,015	70.213%	76,648,032	
Mountain View School District School Facilities Improvement District No. 1	9,899,676	99.911%	9,890,865	
Mountain View School District CFD No. 1997-1	499,000	100.000%	499,000	
Ontario Community Facilities District No. 13	3,205,000	100.000%	3,205,000	
Ontario Community Facilities District No. 24	14,935,000	100.000%	14,935,000	
Ontario Community Facilities District No. 25	8,365,000	100.000%	8,365,000	
Ontario Community Facilities District No. 26	8,670,000	100.000%	8,670,000	
Ontario Community Facilities District No. 28	8,500,000	100.000%	8,500,000	
Ontario Community Facilities District No. 30	13,465,000	100.000%	13,465,000	
Ontario Community Facilities District No. 31	4,785,000	100.000%	4,785,000	
Ontario Community Facilities District No. 33	5,990,000	100.000%	5,990,000	
Ontario Community Facilities District No. 34	7,615,000	100.000%	7,615,000	
Ontario Community Facilities District No. 38	10,270,000	100.000%	10,270,000	
Ontario Community Facilities District No. 39	5,015,000	100.000%	5,015,000	
Ontario Community Facilities District No. 40	6,340,000	100.000%	6,340,000	
Ontario Community Facilities District No. 43	15,795,000	100.000%	15,795,000	
Ontario Community Facilities District No. 45	9,000,000	100.000%	9,000,000	
Ontario Community Facilities District No. 46	7,130,000	100.000%	7,130,000	
	<u>1,678,722,122</u>		<u>542,004,908</u>	
Total overlapping debt repaid with property taxes				
Overlapping General Fund Debt:				
San Bernardino County General Fund Obligations	214,095,000	11.811%	25,286,760	
San Bernardino County Pension Obligation Bonds	180,825,585	11.811%	21,357,310	
San Bernardino County Flood Control District GF Obligation	51,360,000	11.811%	6,066,130	
Chaffey Community College District Certificates of Participation	28,935,000	23.195%	6,711,473	
Cucamonga School District Certificate of Participation	4,207,000	52.497%	2,208,549	
City of Ontario General Fund Obligations	57,865,000	100.000%	57,865,000	
City of Ontario Pension Obligation Bonds	233,215,000	100.000%	233,215,000	
City of Ontario General Fund Obligations-Unamortized				
Bond Premium and Discount	2,862,882		2,862,882	
Loans Payable	19,285,304		19,285,304	
West Valley Vector Control District Certificate of Participation	2,046,710	32.065%	656,278	
	<u>794,697,481</u>		<u>375,514,685</u>	
Total overlapping general fund debt				
Overlapping Tax Increment Debt (Successor Agency):	\$ 30,222,600	100.00%	30,222,600	
Total overlapping debt			<u>634,514,008</u>	
City direct debt			313,228,186	
Total direct and overlapping debt			<u>\$ 947,742,194</u>	

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and, therefore, responsible for repaying the debt of each overlapping government.

^(a) For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were another governmental unit's taxable assessed value that is within the City's boundaries and dividing it by each unit's total taxable assessed value.

Source: California Municipal Statistics, Inc.
City direct debt can be obtained from Schedule 12
City bond premium and discount can be obtained from Note 7 in notes to financial statements.
City Loans Payable can be obtained from Note 7 in notes to financial statements.

City of Ontario
Legal Debt Margin Information
Last Ten Fiscal Years
(dollars in thousands)

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Assessed valuation ^a	\$ 13,562,118	\$ 13,741,177	\$ 14,114,165	\$ 14,857,991	\$ 15,629,797	\$ 16,216,435	\$ 17,359,734	\$ 19,281,903	\$ 20,981,823	\$ 22,565,661
Conversion percentage ^b	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%
Adjusted assessed valuation	\$ 3,390,530	\$ 3,435,294	\$ 3,528,541	\$ 3,714,498	\$ 3,907,449	\$ 4,054,109	\$ 4,339,934	\$ 4,820,476	\$ 5,245,456	\$ 5,641,415
Debt limit percentage ^c	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
Debt limit	\$ 508,579	\$ 515,294	\$ 529,281	\$ 557,175	\$ 586,117	\$ 608,116	\$ 650,990	\$ 723,071	\$ 786,818	\$ 846,212
Total net debt applicable to limit:										
General obligation bonds	41,285	39,995	72,035	70,625	69,145	67,590	60,200	60,035	58,985	291,080
Legal debt margin	<u>\$ 467,294</u>	<u>\$ 475,299</u>	<u>\$ 457,246</u>	<u>\$ 486,550</u>	<u>\$ 516,972</u>	<u>\$ 540,526</u>	<u>\$ 590,790</u>	<u>\$ 663,036</u>	<u>\$ 727,833</u>	<u>\$ 555,132</u>
Total debt applicable to the limit as a percentage of debt limit	8.83%	8.41%	15.75%	14.52%	13.37%	12.50%	10.19%	9.05%	8.10%	52.43%

Source: City of Ontario, Administrative Services Agency

a Assessed valuation includes the City portion only.

b The California Code Section 43605 provides for a legal debt margin limit of 15% of gross assessed valuation. However, this provision was enacted when assessed valuation was based upon 25% market value. Effective with the 1981-82 fiscal year, each parcel is now assessed at 100% of market value (as of the most recent change in ownership for that parcel). The computation shown above reflects a conversion of assessed valuation data for each fiscal year from the current full valuation perspective to the 25% level that was in effect at the time that legal margin debt was enacted by the State of California for local governments within the State.

c The legal debt limit of 15% is established by the State of California Code Section 43605.

City Revenue Bond - General obligation bonds
1992 Lease Rev(Police/Fire Lease)
2001 Lease Rev
2007 Lease Rev
2020 POB

City of Ontario
Pledged-Revenue Coverage
Dollars In Thousands

Fiscal Year Ended June 30	Tax Allocation/Tax Increment Revenue Bonds				Water Certificates of Participation					
	Tax Increment	Debt Service		Coverage	Water Revenue	Less Operating Expenses	Net Available Revenue	Debt Service		Coverage
Principal	Interest	Principal	Interest							
2012 ^a	10,176	1,240	2,966	2.42	55,482	22,723	32,759	1,100	2,310	9.61
2013	-	-	-	-	57,433	26,692	30,741	1,145	2,266	9.01
2014	-	-	-	-	60,108	33,427	26,681	2,025	3,576	3.98
2015	-	-	-	-	60,176	39,894	20,282	1,220	3,576	3.98
2016	-	-	-	-	55,649	39,639	16,010	1,270	3,527	3.34
2017	-	-	-	-	59,459	36,604	22,855	1,320	3,476	4.77
2018	-	-	-	-	61,126	42,748	18,377	1,375	3,423	3.83
2019	-	-	-	-	59,888	40,578	19,310	1,430	3,368	4.02
2020	-	-	-	-	55,828	50,003	5,824	1,485	3,311	1.21
2021	-	-	-	-	63,669	52,588	11,081	1,545	3,213	2.33

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements. Operating expenses do not include interest, depreciation, or amortization expenses.

a Outstanding long term debts of the Ontario Redevelopment Agency were transferred to the Successor Agency on February 1, 2012 as a result of dissolution of Redevelopment Agencies in California.

City of Ontario
Demographic and Economic Statistics
Last Ten Calendar Years

Calendar Year	Population (1)	Personal Income (in thousands) (2)	Per Capita Personal Income (2)	Unemployment Rate (3)
2012	165,790	2,315,184	18,229	14.7%
2013	166,866	3,047,233	18,522	10.7%
2014	167,382	3,100,249	18,774	8.2%
2015	169,089	3,224,189	19,068	5.8%
2016	169,869	3,159,733	18,601	6.5%
2017	174,283	3,444,006	19,761	5.5%
2018	175,841	3,474,794	19,761	3.4%
2019	181,107	3,826,610	21,129	3.0%
2020	185,010	4,114,067	22,237	8.3%
2021	185,010	4,566,417	24,682	5.6%

Source: (1) - Ontario (City) QuickFacts from the US Census Bureau
(2) - Ontario (City) QuickFacts from the US Census Bureau
(3) - California Labor Market Info, EDD.

**City of Ontario
Principal Employers
Principal Employment Sectors - Current Year and Nine Years Ago**

Employer	2021		2012	
	Number of Employees	Percentage of Total City Employment ^(a)	Number of Employees	Percentage of Total City Employment
United Parcel Service	5,000 - 9,999			
Workforce Personnel, Inc	5,000 - 9,999			
Ontario Montclair Elementary School	1,000 - 4,999			
Chaffey Union High School	1,000 - 4,999			
FedEx	500 - 999			
Qvc, Inc	500 - 999			
AutoZone	500 - 999			
The Home Depot	500 - 999			
Cardenas Market LLC	500 - 999			
Uline Inc	250 - 499			
Cardinal Health	250 to 499	(a) Left	(a) Left	(a) Left
Wal-Mart Associates, Inc	250 to 499	intentionally	intentionally	intentionally
Ventura Foods, LLC	250 to 499	blank	blank	blank
Gold Star Foods, Inc	250 to 499			
Toyota Motor Sales USA, Inc	250 to 499			
Staples Contract Commercial	250 to 499			
Starbucks	250 to 499			
Mag Instrument	250 to 499			
Citizens Business Bank	250 to 499			
Carmax Auto	250 to 499			
Total	-	-	-	0.00%

Notes: ^(a) Per EDD, employment numbers are confidential therefore, only the data for the range of numbers of employees are available.

City of Ontario
Principal Employers
Principal Employment Sectors - Current Year and Nine Years Ago

Source: EDD

City of Ontario Business License Dept

Employment Sector	2021		2012	
	Number of Employees ^(a)	Percentage of Total City Employment	Number of Employees	Percentage of Total City Employment
Distribution	25,057	21.02%	23,194	25.69%
Retail/Wholesale Trade	25,137	21.08%	14,768	16.36%
Manufacturing	10,417	8.74%	11,970	13.26%
Administrative Support	16,420	13.77%	10,575	11.71%
Construction	5,456	4.58%	2,984	3.31%
Education	4,839	4.06%	4,993	5.53%
Other Services	2,569	2.15%	4,156	4.60%
Business Services	3,913	3.28%	3,534	3.91%
Management of Companies and Enterprises	1,555	1.30%	2,468	2.73%
Financial Institution/Insurance/Real Estate	4,594	3.85%	3,066	3.40%
Hotels and Entertainment	6,456	5.41%	2,604	2.88%
Information	1,583	1.33%	1,074	1.19%
Health Services	10,110	8.48%	2,375	2.63%
Utilities	151	0.13%	781	0.87%
Public Administration	973	0.82%	1,202	1.33%
Aerospace (in the engineering figures)	-	0.00%	533	0.60%
Total	119,230	100.00%	90,277	100.00%

Source: Number of employees by sector estimates - California EDD

^(a) most current number of employees as of 2016

City of Ontario
Full-Time City Government Employees by Function
Last Ten Fiscal Years

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Government	103	103	148	137	147	122	126	144	149	138
Public Safety	492	492	495	499	506	596	600	624	640	640
Community Development	132	118	145	157	156	183	131	133	195	127
Public Works	332	331	285	289	289	296	355	376	329	417
Total	1,059	1,044	1,073	1,082	1,098	1,197	1,212	1,277	1,313	1,322

Source: City of Ontario, FY 2021-22 Adopted Budget, p.54, Current 2021-22 Full-Time Positions

Note: A full-time employee is scheduled to work 2,080 hours per year (including vacation and sick leave).

City of Ontario
Operating Indicators by Function/Program
Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General government										
Building permits issued	3,300	3,550	3,724	3,987	4,353	4,231	5,130	4,652	4,568	5,827
Police										
Physical arrests	8,839	8,959	8,546	8,280	8,916	10,433	10,024	7,955	6,415	5,142
Citations	12,006	13,161	9,377	8,469	7,957	6,733	7,058	9,415	5,340	4,078
Fire										
Emergency response	15,889	15,783	16,736	16,794	18,326	19,418	20,223	20,258	20,623	22,211
Fire inspections	3,537	4,227	4,168	4,650	6,986	3,269	2,843	2,938	3,200	7,146
Public works										
Street resurfacing (miles)	9.30	16.10	18.50	15.20	11.26	8.97	11.00	13.50	8.00	5.4
Parks and recreation										
Number of recreation classes	1,401	1,402	1,299	1,265	1,233	1,202	1,106	1,125	806	202
Number of facility rentals	3,780	4,337	6,118	6,259	5,761	6,754	6,468	5,472	3,181	3,771
Library										
Total volumes of books borrowed	472,384	387,092	393,308	390,740	466,189	433,527	407,395	419,646	312,583	147,781
Total volumes of audio/visual items borrowed	155,855	129,435	133,041	121,908	127,989	120,066	100,901	100,333	65,548	21,577
Water										
Number of recycled water connections	218	221	220	244	290	333	339	417	426	442
Number of potable connections	32,904	33,304	33,134	33,504	34,000	34,468	35,308	36,831	30,912	37,631
Average daily potable consumption (MGD)	31	32	34	29	30	26	30	27	26	28
Solid waste										
Refuse collected (tons per day)	535	545	564	592	598	655	683	678	739	799
Recyclables collected (tons per day)	49	49	49	48	50	54	55	61	75	98
Recyclables recovered (tons per day)	34	33	38	38	39	37	40	41	49	59

Source: City of Ontario, various departments

City of Ontario
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Police										
Police stations	2	2	2	2	2	2	2	2	2	2
Fire										
Fire stations	8	8	8	8	8	8	9	9	9	10
Public works										
Streets (miles) ^a	544	552	552	543	503	503	486	508	499	510
Traffic signals	191	191	191	191	191	207	207	209	217	228

^a Number of street miles were adjusted to reflect only the mileage in the City of Ontario ~ not the surrounding cities.

Source: City of Ontario, various departments



MAYOR
PAUL S. LEON

MAYOR PRO TEM
ALAN D. WAPNER

COUNCIL MEMBERS
JIM W. BOWMAN
DEBRA DORST-PORADA
RUBEN VALENCIA

CITY TREASURER
JAMES R. MILHISER

CITY CLERK
SHEILA MAUTZ

CITY MANAGER
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