



# CITY OF ONTARIO

## EXECUTIVE OVERVIEW

Comprehensive Annual Financial Report for  
Fiscal Year Ended June 30, 2018



# Comprehensive Annual Financial Report for Fiscal Year Ended June 30, 2018

A Comprehensive Annual Financial Report (CAFR) is a set of governmental financial statements comprising the financial report of a U.S. governmental entity that complies with the accounting requirements promulgated by the Governmental Accounting Standards Board (GASB). A CAFR is compiled by a governmental accounting staff and audited by an external American Institute of Certified Public Accountants (AICPA) certified accounting firm utilizing GASB requirements.

The primary objectives of a financial audit are:

- To express an opinion on the fairness of the financial statements in conformity with generally accepted accounting principles; and
- To determine whether the City has complied with applicable legal requirements in obtaining and expending public funds.

The audit for Fiscal Year 2017-18 was performed in accordance with generally accepted auditing standards by the accounting firm of Lance, Soll & Lunghard, LLP. These standards are required to obtain reasonable assurances that the general purpose financial statements are free from material misstatements. The opinion given in the Report of the Independent Auditors states that the general purpose financial statements present fairly, in all material respects, the financial position of the City of Ontario at June 30, 2018 and the results of the City's operations are in accordance with generally accepted accounting principles.

# Statement of Net Position

## Statement of Net Position as of June 30,

	2018	2017	2016
Current and Other Assets	\$ 1,127,278,640	\$ 1,065,562,842	\$ 829,459,692
Capital Assets	1,244,895,877	1,221,341,964	1,184,900,313
Deferred Outflows of Resources	87,512,685	62,557,793	21,606,523
<b>Total Assets and Deferred Outflows of Resources</b>	<b>\$ 2,459,687,202</b>	<b>\$ 2,349,462,599</b>	<b>\$ 2,305,966,528</b>
Current Liabilities	\$ 59,778,303	\$ 68,783,687	\$ 68,976,011
Noncurrent Liabilities	709,204,323	510,229,898	443,945,594
Deferred Inflows of Resources	43,155,245	8,776,475	22,775,203
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>\$ 812,137,871</b>	<b>\$ 587,790,060</b>	<b>\$ 535,696,808</b>
Net investment in Capital Assets	\$ 1,112,212,430	\$ 1,084,015,252	\$ 1,044,646,507
Restricted	173,159,525	168,765,887	157,953,441
Unrestricted	362,177,376	508,891,400	297,669,772
<b>Total Net Position</b>	<b>\$ 1,647,549,331</b>	<b>\$ 1,761,672,539</b>	<b>\$ 1,500,269,720</b>

**Assets** - resources owned and controlled by the City that are expected to benefit future operations.

**Deferred Outflows of Resources** - the consumption of net assets applicable to future reporting period. For example, prepaid items and deferred charges.

**Liabilities** - debt or obligations that the City must pay.

**Deferred Inflows of Resources** - the acquisition of net assets applicable to future reporting period. For example, deferred revenue and advance collection.

**Net Investment in Capital Assets** - represent the City's investment in capital assets, less any related outstanding debt used to acquire those assets.

**Net Position** - reflects the City's net worth (Net Position = Assets + Deferred Outflows of Resources - Liabilities - Deferred Inflows of Resources).

# Statement of Activities - Revenues

## Statement of Activities as of June 30,

	2018	2017	2016
Revenues:			
Charges for Services	\$ 211,400,209	\$ 179,141,648	\$ 164,502,022
Operating and Capital Grant and Contributions	80,663,650	100,403,507	48,017,685
Taxes	174,168,715	167,705,909	166,438,563
Motor Vehicle In Lieu – Unrestricted	91,740	76,099	68,099
Use of Money and Property	13,021,759	5,657,782	7,932,387
Other	2,419,853	3,428,836	2,009,385
<b>Total Revenues</b>	<b>\$ 481,765,926</b>	<b>\$456,413,781</b>	<b>\$ 388,968,141</b>

**Charges for Services** - revenues generated from licenses, permits, other fees, fines, forfeitures, and charges paid by the recipients of goods and services offered by the City programs.

**Operating/Capital Grants and Contributions** - grants and contributions from other governments, organizations and individuals that are restricted in some manner.

**Taxes** - property tax, sales tax, transient occupancy tax, business license tax, franchise fee and other taxes.

# Statement of Activities – Expenses and Net Position

Statement of Activities as of June 30,			
	2018	2017	2016
Expenses:			
Governmental Activities			
General Government	\$ 27,554,284	\$ 36,656,658	\$ 40,011,028
Public Safety	178,835,586	136,032,820	125,884,228
Community Development	42,623,892	38,552,339	19,114,534
Library	5,938,560	5,026,299	4,850,620
Public Works	42,308,931	50,703,275	38,104,811
Interest on Long-Term Debt	3,921,536	1,630,517	1,712,433
Business-Type Activities			
Water	41,340,763	41,413,255	42,639,260
Sewer	20,270,716	17,211,364	15,971,504
Integrated Waste	31,337,795	26,663,301	24,970,912
I.T. Fiber	1,770,591	993,456	0
<b>Total Expenses</b>	<b>\$ 395,902,654</b>	<b>\$ 354,883,284</b>	<b>\$ 313,259,330</b>
Changes In Net Positions	\$ 85,863,272	\$ 101,530,497	\$ 75,708,811
Net Position, July 1	1,761,672,539	1,500,269,720	1,424,560,909
Restatement of Net Position	(199,986,480)	159,872,322	0
<b>Total Net Position, June 30</b>	<b>\$ 1,647,549,331</b>	<b>\$ 1,761,672,539</b>	<b>\$ 1,500,269,720</b>

**Governmental Activities** – most of the City’s basic services are reported here, including General Government (City Council, Office of the City Manager, Financial Services and Human Resources), Public Safety, Community Development, Library, and Public Works. Revenues from property taxes, sales tax, transient occupancy tax (TOT), parking tax, business license tax, etc., finance most of these activities.

**Business-Type Activities** – the City charges a fee to customers to recover all or most of the cost of certain services it provides. The City’s water, sewer, integrated waste, and Information Technology (IT) fiber operations are reported in this category.

# General Fund Available Resources

## General Fund Reserves as of June 30,

	2018	2017	2016
Nonspendable	\$ 46,318,442	\$ 33,893,841	\$ 20,002,802
Restricted	430,484	424,497	419,644
Committed	21,066,012	28,877,191	23,195,527
Assigned	47,410,303	52,081,697	80,398,228
<b>Total Fund Balance</b>	<b>\$ 115,225,241</b>	<b>\$ 115,277,226</b>	<b>\$ 124,016,201</b>

**General Fund** - includes the following funds: General Fund, General Fund Grants, Facility Maintenance and General Fund Trust.

**Nonspendable** – portion of resources that cannot be spent because of their type. For example, inventories, prepaid costs and receivables.

**Restricted** – limitations imposed by grantors, laws or regulations. For example, projects funded by CDBG or bonds.

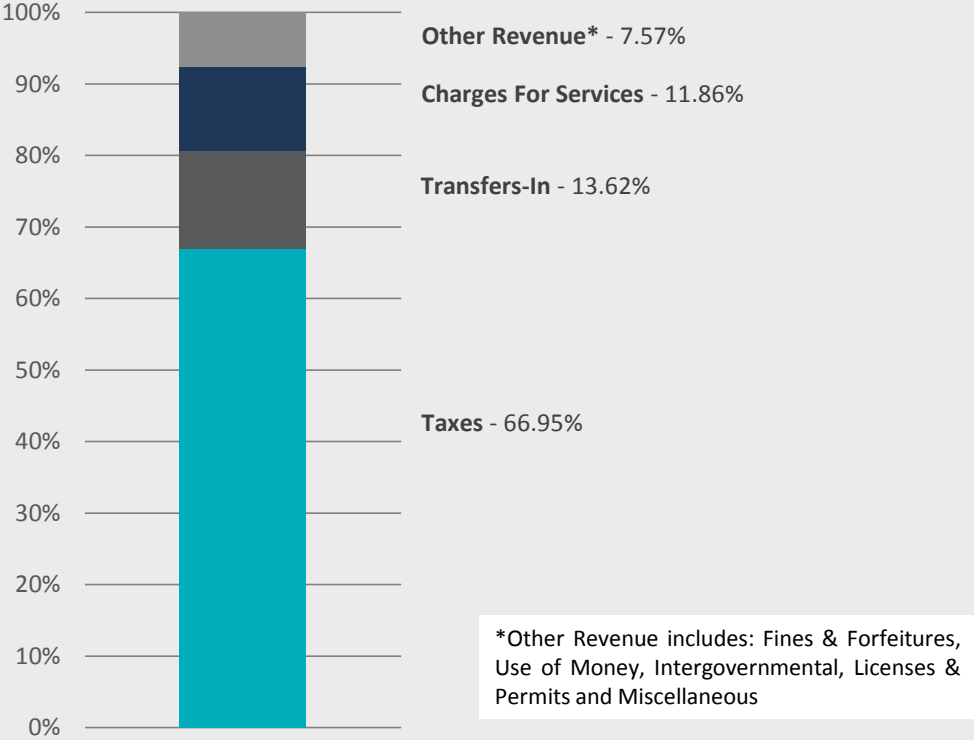
**Committed** – limitation imposed at the highest level of decision making that requires formal action at the same level to remove. For example, compensated absences and city facilities projects.

**Assigned** – intended use established by the highest level of decision making body designated for that purpose. For example, the 18 percent Stabilization Plan and equipment replacement.

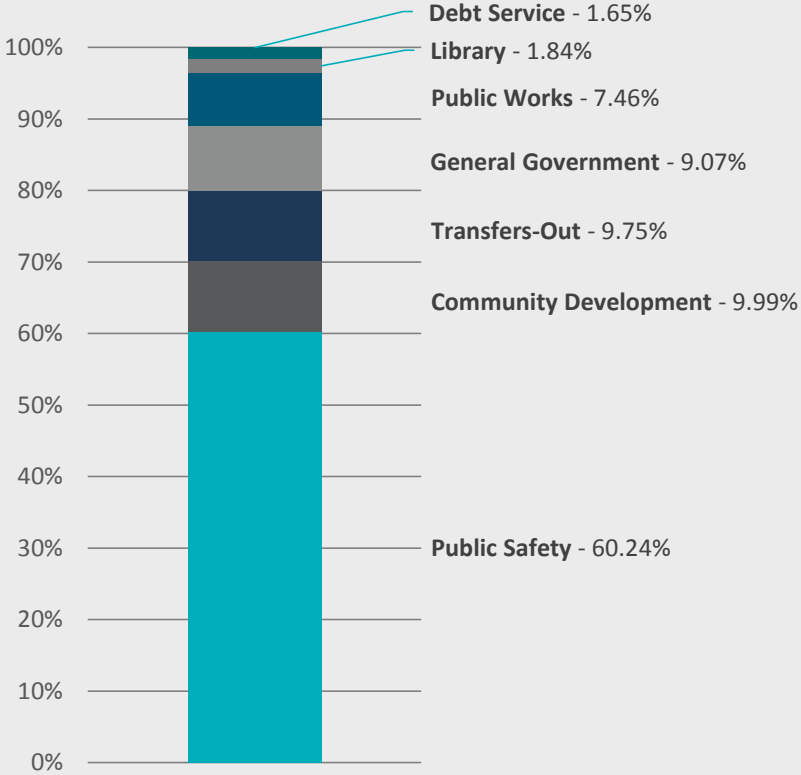
# General Fund Revenues vs. Expenditures

Actuals as of June 30, 2018

Revenues - \$259,321,660



Expenditures by Type - \$259,373,645



# General Fund Revenues

General Fund Revenues as of June 30,			
	2018	2017	2016
Revenue By Source:			
Property Tax	\$ 55,636,371	\$ 52,975,647	\$ 59,900,813
Sales Tax	87,910,014	86,168,797	88,526,979
Transient Occupancy Tax	14,586,233	13,886,637	13,090,992
Other Taxes	15,472,802	14,235,877	14,475,851
Licenses & Permits	4,887,991	4,384,727	3,845,404
Intergovernmental	4,540,398	5,170,893	3,907,737
Charges for Services	30,768,155	9,960,386	9,102,731
Use of Money & Property	1,758,523	1,063,385	2,687,526
Fines & Forfeitures	1,007,271	1,136,159	1,050,602
Miscellaneous	7,445,883	5,776,786	3,891,843
Transfers from Other Funds	35,308,019	32,183,311	28,632,530
<b>Total Revenues By Source</b>	<b>\$ 259,321,660</b>	<b>\$ 226,942,605</b>	<b>\$ 229,113,008</b>



# General Fund Expenditures by Function

General Fund Expenditures as of June 30,			
	2018	2017	2016
Expenditures By Function:			
General Government	\$ 23,517,450	\$ 24,500,521	\$ 27,927,390
Public Safety	156,245,698	134,053,016	126,156,617
Community Development	25,914,561	24,285,744	24,165,979
Library	4,768,627	4,654,465	4,568,202
Public Works	19,337,803	18,105,811	17,146,779
Debt Service	4,289,158	3,222,190	3,225,753
Transfers to Other Funds	25,300,348	25,859,833	5,312,660
<b>Total Revenues By Source</b>	<b>\$ 259,373,645</b>	<b>\$ 234,681,580</b>	<b>\$ 208,503,380</b>